ASUS®

IN SEARCH OF INCREDIBLE

2019 Corporate Social Responsibility Report
Detailed Report

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About this Report

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

Annual report

Executive Summary

Detailed Report

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

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

For other sustainability-related information, please visit the ASUS CSR website.

Report Structure

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

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

Contact Information

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

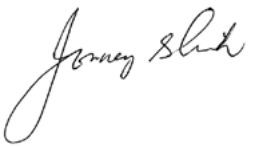
Message from the Chairman

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

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

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

Chairman
Jonney Shih



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

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

Message from the Chief Executive Officers

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

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

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

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

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

Co-CEOs
S.Y. Hsu

Co-CEOs
Samson Hu

2019 Achievements in Sustainability

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

Key Progress Indicators for 2019

Governance

US $1.549 Billion brand value
Named the No. 1 international brand from Taiwan for 7 consecutive years.

NT $354.1 Billion
NT $354.1 billion consolidated revenue.

NT $9.34 Billion
NT $9.34 billion in innovative R&D.

Environmental

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

100% Energy Star compliance was achieved for all notebook computers.
Energy Star represents the world's most stringent energy-efficiency standards, and ASUS notebooks exceeded these standards by 27%.

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

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

Social

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

More than 2,000 Employees Person-Time
More than 2000 employees person-time across the supply chain received more than 100 hours of functional education and training.

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

1 About ASUS

ASUS is a multinational company known for the world's best motherboards, PCs, monitors, graphics cards and routers. Along with an expanding range of superior gaming, content-creation and AIoT (Artificial Intelligence of Things) solutions, ASUS leads the industry through cutting-edge design and innovations made to create the most ubiquitous, intelligent, heartfelt and joyful smart life for everyone. With a global workforce that includes more than 5,000 R&D professionals, ASUS is driven to become the world's most admired innovative leading technology enterprise. Inspired by the In Search of Incredible brand spirit, ASUS won more than 11 awards every day in 2019 and ranks as one of Forbes' World's Best Regarded Companies and Fortune's World's Most Admired Companies.

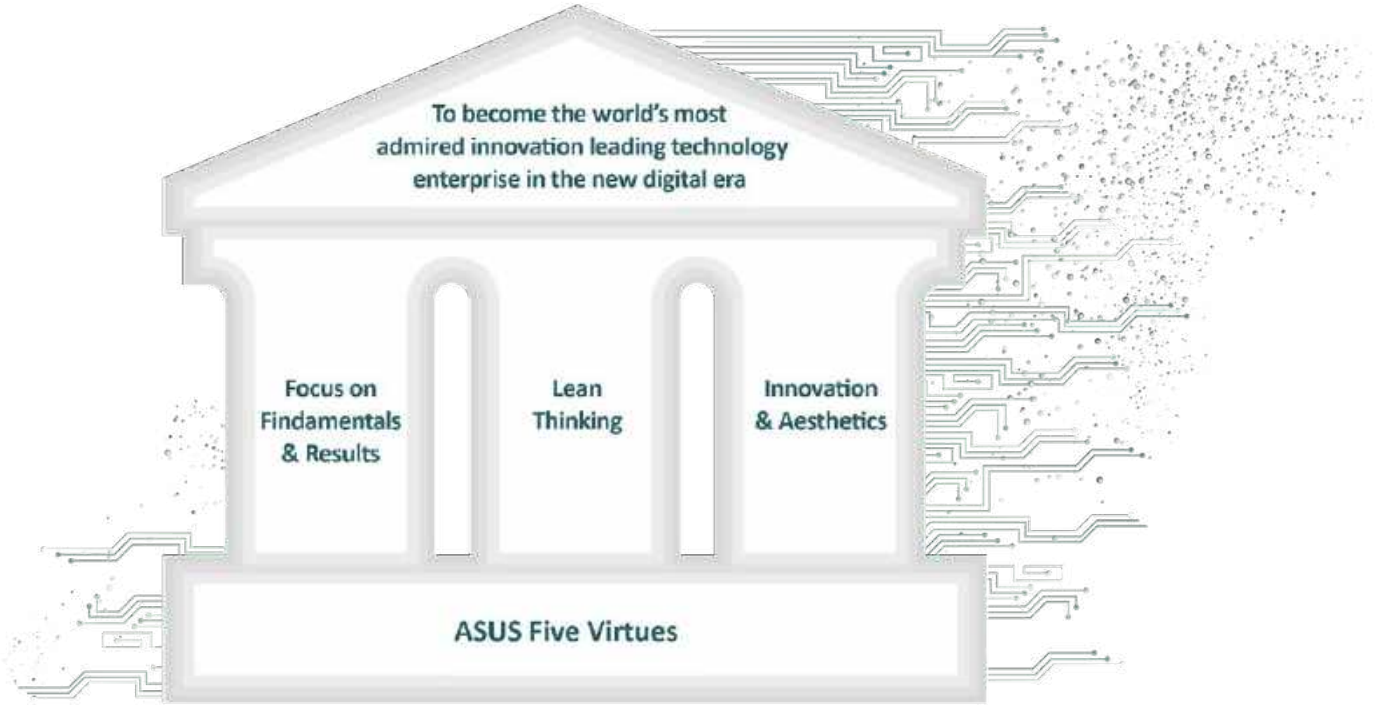
ASUS Group consolidated revenue for 2019 was NT $351.3 billion, and net profit after tax was NT $13 billion.

Company Profile

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.

ASUS has developed a unique framework that unites our global workforce and helps all ASUS employees excel in both their professional and personal lives.

It establishes a common language for bringing together our international and diverse workforce all over the world. We call this framework ASUS DNA. In the ASUS DNA framework, there are 4 pillars that provide touchstones for success as individuals and as an organization. When combined, they help keep our global organization focused on its primary goal of becoming the world's most admired innovative leading technology enterprise in a new digital era.



Focus on Fundamentals & Results

To ensure a holistic approach to design and innovation, ASUS encourages every employee to pursue each project by looking at it from every possible angle, which ultimately results in incredible quality and user-friendly functionality.

Lean Thinking

ASUS encourages open communication across all levels of the organization, in a continuous effort to improve efficiency throughout the different stages of design, development and production. We've also incorporated the principles of Lean Six Sigma, which help create efficiencies and conserve resources, in turn leading to lower costs.

Innovation & Aesthetics

Like the perfection-seeking artist, ASUS seeks to create solutions that are both beautiful and practical. This meticulous attention to detail, along with a customer-focused approach, enables us to fulfill our commitment of delivering incredible experiences to people everywhere.

Business Philosophy

ASUS has gone through numerous business transformations over the past 30 years. In recent years, public focus on companies has extended to include environmental protection efforts as well as socially responsible practices that also promote economic growth. Facing challenges and opportunities, ASUS has developed sustainability strategies that promote innovation while making us a better, more responsible corporation.

We believe that sustainability is a social responsibility, and that related goals should help address problems in society while protecting the environment. Socially responsible practices should seek the well-being of humankind while the business pursues operational growth. Therefore, guided by an honest desire to do the right thing while building the business, ASUS has merged sustainable practices with operations concepts, and each decision we make includes consideration of environmental and social impacts.

Inspire, motivate and nurture our employees to explore their highest potential

ASUS has strived to build a workplace of high standards by promoting equality, diversity, and tolerance. Resources are committed to educational courses, online learning, and tuition subsidies. These resources, combined with competitive salaries, health plans and generous benefits, help employees achieve a work-life balance.

Commit to integrit and diligence; focus on fundamentals and results

Honesty is a cornerstone of the ASUS business culture. All of our employees must comply with our Employee Code of Conduct. Key elements of this code also apply to our strategic partners, and the ASUS culture of honesty is promoted via regular trainings with, and audits of, partners across the supply chain.

Endlessly pursue to be number 1 in the areas of quality, speed, service, innovation and cost-efficiency

ASUS is renowned globally for providing top-tier motherboards, high-quality PCs, IT equipment and versatile technology solutions. We continue to develop innovative technologies which provide unprecedented digital experiences for consumers.

Strive to be among the world-class green high-tech leaders and to provide valuable contributions to humanity

The ASUS design process includes consideration of the entire life cycle. With emphasis on environmental sustainability at each phase, measures are taken to improve efficiency and reduce resource consumption. This reduces our environmental footprint. We also apply digital technologies and services to help solve social problems, helping to promote well-being in communities.

Applications of Innovative Technology

During the Meeting of the Group of Friends on Digital Technologies held in 2019, António Guterres, the Secretary General of the UN, expressed that “New technologies, and particularly digital technologies, are already having a major impact on the world, affecting all our work on international peace and security, sustainable development and human rights.” Heading towards the 4th industrial revolution, the methods of achieving sustainability goals via digital technology while establishing profit and sustainable competitiveness have made global leading corporates eager to invest in.

Strive to create infinite possibilities through the introduction of innovative technologies.

ver recent years, ASUS has invested in the development of AIoT-related technology and applications, which has made us one of the very few corporations with key software and hardware technologies in clouds software, AI system, IoT solutions and servos), as well as with the capability of integrating them into technological solution. We shall continue to work with partners in the public and private sectors to make environmental and social contributions through technology to build a better future.

AI-Assisted Workplace Safety

ASUS designs AI models to analyze work environments and equipment status to monitor certain aspects of operations.

Unknown safety hazards and human operation errors are the two main causes of accidents. Through the active protection provided by AI, we are working to create a safer workplace.

AI-Assisted Production

The introduction of AI learning can improve accuracy of yield rates and also reduce labor costs. ASUS plans to use AI-assisted data analysis across the supply chain to move toward raising production quality standards even higher.

AI Healthcare

An aging population is a social phenomenon currently seen around the world, and it is accompanied by increasing cases of chronic diseases. With the rapid increase of medical insurance expenditures in many countries, maintaining frontline healthcare and effective management of expenditures has become a big challenge for the modern medical system. The 2018 World Health Assembly determined that digital technology can play an important role in improving public health and recommended that countries around the world develop and expand the use of digital healthcare as a way to promote sustainability.

ASUS promotes AI healthcare by adopting innovative technology and integrating software and hardware. For healthcare systems that mainly provide diagnosis and treatment to more comprehensive ecosystems offering preventive medicine, quick screening, disease care and development of physical and mental functions, we are able to provide effective health testing and comprehensive management solutions[1] to address the challenges associated with aging populations.

Medical Internet

Wearable devices monitor and record heart rate, blood pressure, body temperature and other data as well as provide sleep management and fitness and health programs to help users manage their health. Big data platforms can link with AI medical devices, enabling users to share their physiological status with medical institutions and receive telemedicine and health management services, and help hospitals develop precision medicine.

Artificial Intelligence Digital Diagnosis

Artificial intelligence digital diagnosis is a technology that integrates medical devices with automatic reporting systems to help medical personnel conduct effective diagnoses of illnesses. ASUS has already used this technology to introduce ultrasound quick screening and, in the future, will create a heart sound database to help diagnosis of heart disease.

Medical Data Platform

ASUS has collaborated with Clinerion, a Swiss medical data firm, to develop medical big data and clinical trials through query networks and case accumulation and the incorporation of data platform resources. The data from domestic hospitals can connect to international clinical trials immediately, which further accelerates the development of new drugs and improves the success rate, enabling patients to receive treatment as soon as possible. This approach has highlighted Taiwan's importance in international clinical trials.

[1] ASUS Medical Clouds data complies with the Health Insurance Portability and Accountability, HIPPA.

Smart Care

ASUS collaborated with IBM Watson to launch AiNurse technology. This gave ASUS' first robot, Zenbo, basic medical monitoring function. The Zenbo robot's medical care application program has been applied to at least five medical centers in Taiwan. This includes Mackay Hospital, Taipei Veterans Hospitals, Linkou Chang Gung, China Medical University Hospital, and Kaohsiung Medical University Chung-Ho Hospital.

At present, AiNurse is able to integrate electronic medical records. This assists medical staff in their work specialization. As well, all measured physiological information is synchronously integrated to the OmniCare data platform and the final solutions are offered through AiNurse.

AiNurse makes remote hospital care more convenient and effective and gradually improves personalized care services. In the future, it will meet the needs of more medical care systems in terms of functions.

Smart Solution for the Prevention of COVID-19

COVID-19 started to spread all over the world since the beginning of 2020 and is fatal to the health of human beings while also affecting economic development. ASUS adopted a smart medical and healthcare cloud technology to work in conjunction with Taoyuan Hospital, a vital hospital for the prevention of the pandemic in Taiwan in order to help the government in the prevention and inspection of the coronavirus. With a complete smart medical and healthcare solution, ASUS helped to build a framework for the prevention of the pandemic and the enforcement of front line protection together with the medical staff. A pair of multiple long distance cloud health management technology could be built in with a long-hour cell phone and wearable, which allows for 24-hour remote monitoring of physiological data of suspected infections in real-time. This helps to assure no direct contact between the medical staff and the patients at the time of performing their duties, and could substantially help to reduce the risk of infection. In addition, ASUS has also customized a multiple-management APP. Through the mode of continuous data collection, several entries of physiological information will be linked to the cloud system of the hospital so that the hospital can use the information from the big data and take immediate action to prevent the outspread of the pandemic.

Smart Solution for Medical Healthcare Community

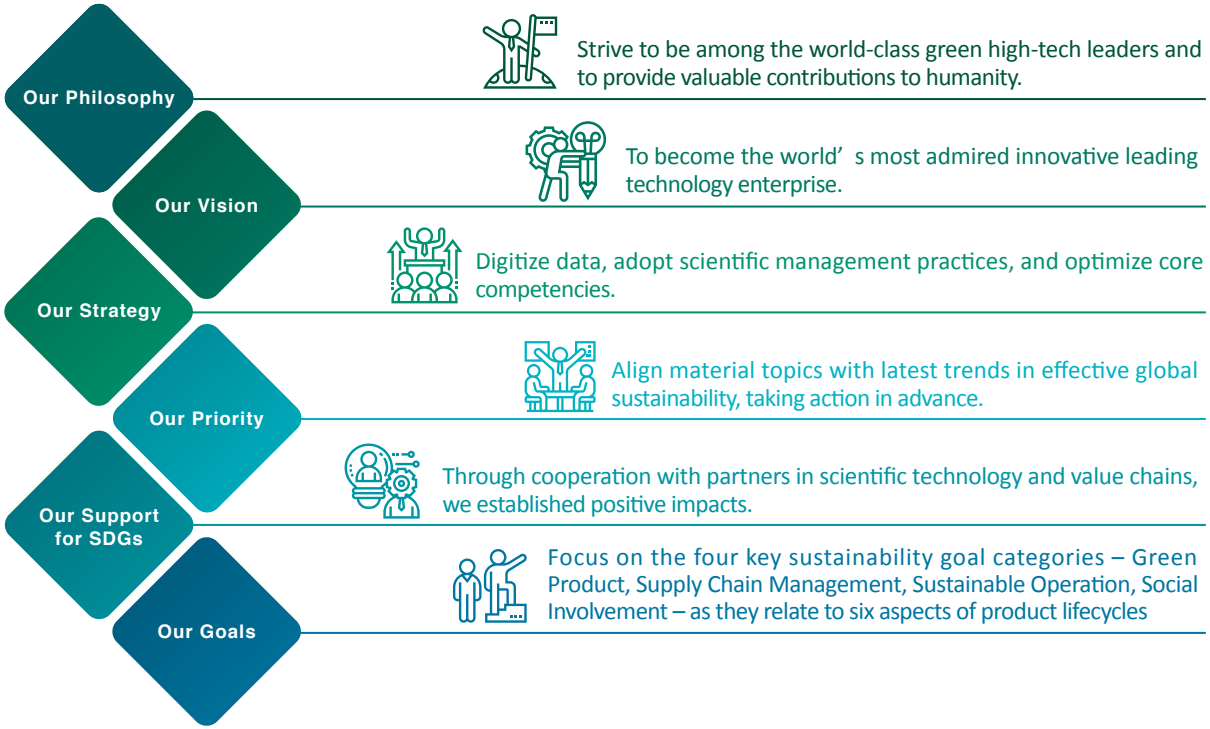
In the wake of the aging society worldwide, the buildup of a viable long-term care system and the need to narrow the gap of the scarcity of human resources for the caring duties have indeed the social issues attracting much of the attention all over the world. ASUS launched the solution of smart medical and healthcare community care systems through a joint venture with the Aging Management Research Center at National Chiayi University in an attempt to integrate the resources from the industry and the government. In practice, this system extends the healthcare system previously focused on the treatment of disease to preventive medicine, community quick screening, care for the patients and the development of physical and mental function from a multilateral perspective. For example, smart wearables could help to detect and monitor body temperature, breathing and heart rate automatically for collecting big data for long-term care and as reference for health management and diagnosis. Or, it could also help to pinpoint the location of the elderly or detect their motion to learn about the dangers in advance and prevent the occurrence of accidents.

The objective of ASUS in the future is the search for prospective joint venture partners among the newly startup medical companies to consolidate using the research and development, brand name, and channel advantages of ASUS on hand and the potentials of research and development of these startup firms in different products and services through the mode of "Smart Medical Care Industry Alliance" to give momentum to the international market for creating new value of technology at this very moment of the takeoff of the smart medical industry.

2 Sustainable Operation

Sustainability has become a major trend across industries of all types. In August of 2019, the Business Roundtable organization in Washington, D.C., announced that 181 chief executive officers (CEOs) had signed a Statement on the Purpose of a Corporation, signaling a commitment to leading their companies for the benefit of all stakeholders, including customers, employees, suppliers, communities and shareholders. The Statement outlined the direction of corporate responsibilities and acknowledges that investors are prioritizing sustainability and making decisions based on corporate governance and environmentally and socially responsible business practices. In 2020, a report issued by the McKinsey group pointed out that 83% of corporate executives and investors believe that environmental, social, and governance programs will create higher value for shareholders.

Sustainability Strategy



Use data measurement and technology-based management practices to support sustainable value creation through core competitiveness.

The idea that "you can't manage what you can't measure" is a governance principle often attributed to Peter Drucker, whom BusinessWeek once called "the man who invented management." ASUS believes that sustainability performance should be measured along with economic performance. To do this, evaluation policies and tools have been put in place. This helps provide key information for decision-makers, on an ongoing basis, and it also provides data that accurately tracks environmental and social impacts over the long term.

2009
World's 1st notebook
to achieve carbon neutrality, with carbon emissions quantified in the product life cycle.

2016
World's 1st consumer IT headquarters
to received Zero Waste to Landfill validation, quantifying waste recycling ratio.

2017
1st consumer technology company in Asia
to publish a Social Return on Investment (SROI) report, quantifying social impacts.

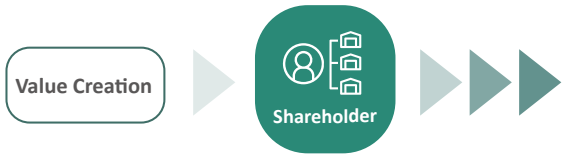
2018
1st technology company
to publish Environmental Profit and Loss (EP&L), quantifying social impacts.

2019
1st technology company
to publish sustainable value integration report with Total Impact Measurement & Management (TIMM), quantifying the true value of the company.

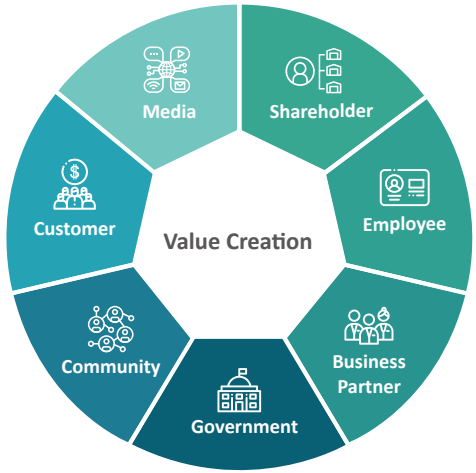
2019
World's 1st company in electronics industry
to receive ISO 20400 Sustainable Procurement certification, implementing sustainable supply chain management.

Stakeholder Engagement

In the course of transformation to sustainable development, ASUS not only creates the best profit for the investors but also takes the influence from related stakeholders into its decision-making process. The shifting of the gravity of operation from shareholders and stock price may affect short-term profit, but the inclusion of the opinions from stakeholders in different domains will help to depict a clear vision, which helps to ascertain the social role that ASUS should play and hence to pursue a distinctive strategy for tackling the challenges ASUS confronts. We hope that we could create our competitiveness and long-term profit through corporate differentiation and will bring about common prosperity and sustainability for ASUS and the society as a whole.



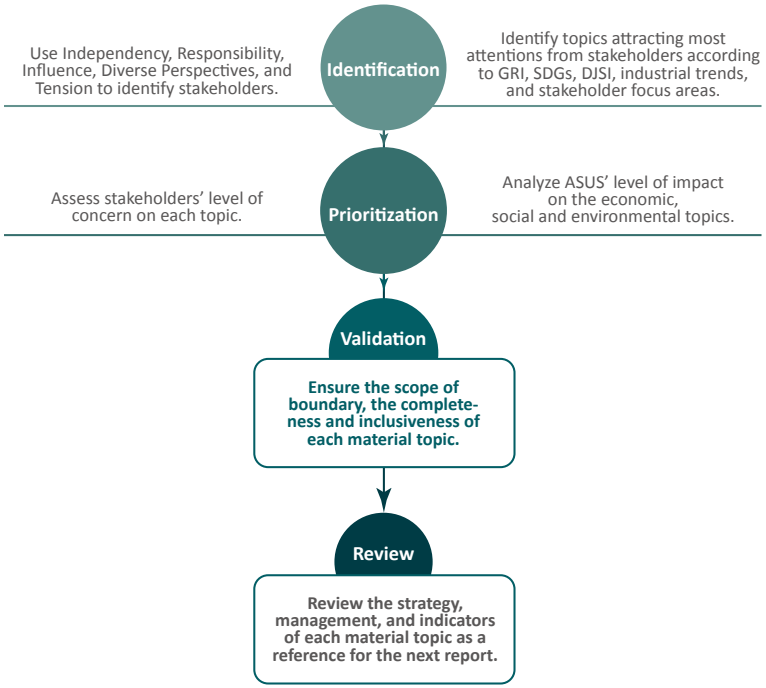
Create Maximum Profit



Create the Best Value for All Stakeholders

Materiality

ASUS referred to the "Defining materiality" issued by GRI & RobecoSAM to identify material topics. We selected those that could bring potential risks to our sustainable development or significant impacts to ASUS. It helped to effectively allocate resources and plan short, medium and long-term sustainable strategies. At the same time, during the stakeholder engagement, we could respond to the concerns of stakeholders about ASUS and focus on our activities on corporate social responsibility.



Identification

We refer to the method recommended by AA1000 Stakeholder Engagement Standard 2015 to establish a quantitative evaluation method to screen out relevant stakeholders, including employees, customers, business partners, shareholders/investment agencies, government agencies, communities and media, based on five attributes: Dependency, Responsibility, Influence, Diverse Perspectives, and Tension. We ensure our stakeholders could communicate with us through various channel which we use to respond to the expectations of stakeholders.

	Description	Communication Channel/ Frequency	Topics
Employee	Employees are the cornerstone for sustainable development and the key to corporate growth and innovation. ASUS considers its employees as vital stakeholders.	● Employee opinion box: irregular ● Enterprise information portal website: irregular ● Meeting: irregular	● Talent cultivation and development ● Employee health and safety, remuneration and benefits ● Innovative products and services
Customer	ASUS aims to become the world's most admired and innovative leading technology enterprise in the new digital era, following the customer-oriented principle, and trying to create the most ubiquitous, intelligent, heartfelt, and joyful smart life for everyone.	● Information exhibition: annual ● Product launch: irregular ● Website and email: irregular ● Customer satisfactory survey: irregular	● Information security ● Environmental protection ● Innovative products and services
Supply Chain	Business partners have interwoven with ASUS to form a value chain of common interest, and bolster the cooperative relation in environmental, governance and social issues to create a new business model for upgrading competitive power for sustainable development.	● Supplier workshop: annual ● Quarterly Business Review: quarterly ● Supplier audit: irregular ● Onsite consultation: irregular ● Seminar: irregular ● Website: irregular	● Supplier management ● Energy and pollution prevention ● Labor safety and labor rights
Shareholder/ Investor	Investors support ASUS's long-term growth. We demonstrate the value of investment with the results of sustainability in society, environment and economy, and create stable profits and return on investment.	● Shareholders meeting: annual ● Annual report: annual ● CSR report: annual ● Investor conference: quarterly ● Financial statement: quarterly ● Market observation post system: irregular	● Financial performance ● Business ethics and anti-corruption ● Innovative products and services
Government	ASUS complies with regulations and follows government policies to serve as a model of an outstanding brand, leading the industrial upgrading.	● Government document: irregular ● Conference, seminar: irregular	● Regulation compliance in governance, environment, and society ● Industrial innovation and development ● Public construction
Community	ASUS fulfills corporate social responsibility with the operational core of contributing to the society, which we believe could solve environmental and social problems and thus creating positive impacts.	● Volunteer service: irregular ● Social media: irregular ● Website and email: irregular	● Social involvement (including donation, volunteer service)
Media	The media serve as one of the communication channels to our stakeholders. They could help stakeholders learn more about ASUS' actions.	● Press: irregular ● Public relation: irregular	● Corporate governance ● Environmental and social activities ● Innovative development

We collected topics from the GRI standards, the United Nations Sustainable Development Goals (SDGs), and significant sustainability assessments, compared the actions of outstanding cooperates, industrial peers and cross-industry representative companies, and selected topics of concern defined via the stakeholder engagement. At the end we came up with 17 sustainability topics for our FY2019 reports.

GRI Standards	**33 topics**	33 topics from indicators in economic, environmental, and social areas.
SDGS	**169 targets**	Select goals relevant to corporate operation according to "An Analysis of the Goals and Targets" by GRI and UNGC.
Social Responsibility Investments	**22 issues**	DJSI, MSCI, FTSE, SASB and other Social Responsibility Investments.
Analysis on outstanding companies	**3 types**	Benchmarking approaches of various global sustainability evaluations, from peers in information technology or from across the industry.
Topics of concern form stakeholders	**From 7 groups of stakeholders**	

Identify 17 sustainability topics and classified them into 5 aspects – governance, environment, supply chain, social, and ICT innovation and technology

Prioritization

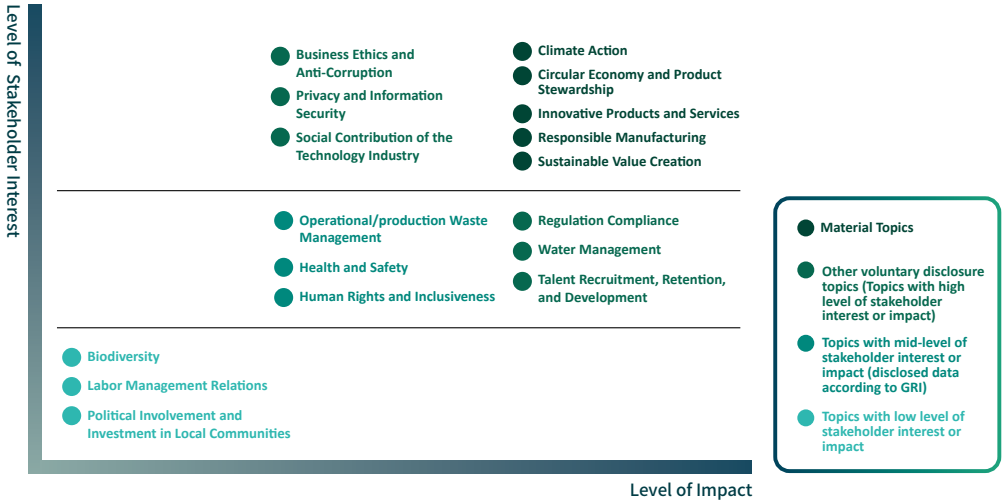
In order to prioritize the material topics, we quantified material topics into 2 types of impact level: the level of stakeholder interest and the level of impact, and located them in the materiality matrix. There were total of 526 questionnaires from 7 groups of stakeholders. The level of impact of the topics was evaluated by the chief sustainability officer and the designated personnel from sustainability unit using the following 3 principles:

- Social and environmental impacts: what impact ASUS has on related issues
- Economic impacts: whether the issue may have a significant impact on ASUS
- Impact level: the scope of possible impacts due to ASUS actions in relation to governance, environment, and society

After going through the analysis of the above procedures and reviewed by the corporate sustainability unit and senior managers, we determined the materiality matrix for 2019, and the material topics were prioritized as short-, medium- and long-term goals including:

- Climate Action
- Circular Economy and Product Stewardship
- Innovative Products and Services
- Responsible Manufacturing
- Sustainable Value Creation

At the same time, we voluntarily disclosed the relevant management approaches and achievements on topics where either stakeholders had higher interests or they had greater impacts on ASUS sustainable operation.



Validation and Review

Please see Appendix B: GRI Content Index for further information on the strategy, targets and management approach of each material topics.

Note: Please refer to the annual report for financial information and management policies on economic performance; sustainable value creation for sustainability information.

Response to Sustainable Development Goals

The United Nations adopted the Sustainable Development Goals (SDGs) that include 17 goals and 169 targets in environmental, economic and social dimensions with the vision set for mutual promotion of the survival of humankind and sustainable development by 2030. They have opened up a new era of sustainable development which rely on the cooperations of worldwide governments, organizations, enterprises, and even individuals to achieve the goals.

As a leading electronics corporation, ASUS supports the SDGs and sees the goals as a path to corporate sustainability. We refer to ideas presented in the "Integrating the SDGs into Corporate Reporting: A Practical Guide" as we analyze positive and negative impacts between the value chain and SDGs.

- Positive impacts: products, services, and investments are beneficial to SDGs and business markets
- Negative impacts: risks to humankind, the environment, or business operations

Activities related to SDGs have been incorporated into ASUS operations decisions, and we continue to take substantive, preemptive action on highlighted issues. This allows us to concentrate our energies and resources in areas in which we can effect long-term impacts.

Our Priority Actions to Support SDGs

Circular Economy		Circular economy is regarded as an important method of realizing SDGs. Our products are designed with this in mind. Extensive recycling and reuse is applied to improve efficiency of resource utilization and to reduce environmental impacts.
Climate Action		We continue to work to improve energy efficiency across operations and in our products. We also continue to take positive steps to reduce greenhouse gas emissions in support of the Paris Agreement.
Responsible Manufacturing		We continue to work in cooperation with strategic partners to strengthen labor, health and human rights policies, as we also work to help solve social issues.
Innovative Products and Services		Digital technologies such as the Internet of Things (IoT) and Artificial Intelligence (AI) are helping improve sustainability efforts.
Digital Inclusion		Offering refurbished computers and sharing platforms, we collaborate with external NGOs to provide effective and affordable PCs and other equipment and services to disadvantage groups in order to help bridge the digital divide.
Sustainable Value Creation		We leverage our core competencies to focus on material topics of concern to stakeholders. Our sustainability efforts across production and in product design are creating value while having positive impacts on the environment and society.

ASUS formulated strategies and goals for topics that were highly relevant SDGs, as well as approaches.

SDGs and ASUS Goals

Good Health and Well-being

Seek to restrict or even eliminate possible diseases caused by chemical substances in the life cycle of products and services under the precautionary principle.

Target: Halogen-free components account for 85% and the reduction of the use of PVC by 10% / Develop cloud medical care with innovative technology to improve the quality of medical care services for elders

Quality Education

Promote digital inclusion programs, provide efficient and affordable ICT equipment and services, and implement digital equality education on the concept of “Leaving no one behind”.

Target: the SROI of the digital inclusion program reaches 5

Affordable and Clean Energy

Reduce energy consumption in the operations and provide energy-efficient products to consumers.

Target: 100% of notebook computers comply with Energy Star, and increased energy efficiency of by 50% / Gradually promote the use of renewable energy

Decent Work and Economic Growth

Adopt a health and safety management system, prohibit child labor and forced labor, and implement dignified labor; improve production efficiency and decouple economic growth from environmental degradation.

Target: 100% of key suppliers are in compliance with the ASUS Supplier Code of Conduct / 100% of responsible minerals are procured from qualified smelters / Develop big data and AIoT technology, and promote smart manufacturing transformation

Responsible Consumption and Production

Incorporate sustainability into the corporate vision and strategy, formulate sustainable development goals for products and services, develop a circular economy model, obtain the sustainability certification, and promote the sustainable procurement.

Target: Reach a growth rate of 20% in eco product revenue / Attain waste conversion rate in headquarters of 90% / Achieve global product recycling rate of 20% / Implement sustainable procurement management

Climate Action

Implement climate mitigation and adjustment strategies, disclose risks and opportunities in climate change through the TCFD framework, and enhance the climate resilience of operations and supply chains.

Target: Reduce emissions in operations by 50% / Establish an environmental footprint roadmap with the data coverage rate reaching 90% of product revenue

Partnerships to achieve the Goal

Strengthen global partnerships for sustainable development; share knowledge, skills and resources; develop scientific, technological and innovative capabilities regardless of gender, age, or race.

Target: Contribute 30,000 hours in volunteer service worldwide / Respond to international industry initiatives, strengthen cooperation between different industries, and create common prosperity value for society and enterprises

Performance of 2020 Sustainability Goals

ASUS functions in ways that are compliant with relevant global regulations in relation to governance, environmental policies, and societal impacts. With our vision of becoming a leading corporation known for socially responsible practices, we continue to take active measures to promote strategic sustainability. Answering to consumer and stakeholder demands, and working with local government officials, we have incorporated meaningful sustainable practices into our operations plan, balancing our commitment to socially responsible practices and commercial competitiveness.

The ASUS 2020 Sustainability Goals have been created to ensure that our products, supply chain, and operations are aligned with sustainable goals. As noted below, in our Sustainability Goals we took a qualitative approach and have provided narratives detailing specific actions in relation to 10 goals. We also used quantitative indicators to track our annual achievements. For more information, please visit ASUS CSR website.

Expand Green Competitiveness

- Eco Product Revenue reaches a growth rate of **20%**.

Implement green design and promote product environmental certification; green products account for 71% of revenue.

Achievement rate **80%**

Reduce Use of Raw Materials with High Environmental Impacts

- Halogen-free components account for **85%**.

Use halogen-free components except for materials technically and economically unfeasible; develop alternative materials.

Achievement rate **100%**

Increase the Use of Eco-Friendly Materials

- Reduce the use of PVC by **10%**.

PVC is not use in components except for materials technically and economically unfeasible; develop alternative materials with the supply chain.

Achievement rate **100%**

Reduce GHG Emissions

- Reduce emissions in operations by**50%**.
- Increase energy efficiency of major products by **50%**.

100% of notebook computers comply with Energy Star; improve the energy-efficiency in software and hardware.

Achievement rate **70%**

Create A Circular Economy to Increase Resource Efficiency

- Attain waste conversion rate in headquarters of **90%**.
- Achieve global product recycling rate of **20%**.

Provide recycling service in 74% of markets worldwide; expand coverage to increase recycling rate.

Achievement rate **75%**

Use Responsible Minerals for Products

- **100%** of tantalum, tin, tungsten and gold procured from qualified smelters.

100% of responsible minerals are procured from qualified smelters.; investigate other controversial raw materials as a basis for future management.

Achievement rate **100%**

Enhance Corporate Social Responsibility in Supply Chain

- **100%** of key suppliers pass the audit performed by a 3rd party and are in compliance with the ASUS Supplier Code of Conduct.

Complete audits to fulfill RBA requirement, and help suppliers to correct the findings.

Achievement rate **100%**

Enhance Environmental Management in Supply Chain

- Establish an environmental footprint roadmap with the data coverage rate reaching **90%** of product revenue.

Complete the environmental footprints of notebook computers, desktop computers, monitors, smart phones, and motherboards.

Achievement rate **98%**

Realize the Vision of Digital Inclusion

- The SROI of the digital inclusion program reaches **5**.

Create a 5.7:1 social return on investment and increase the influence of digital inclusion program through process improvement and expansion of the digital teaching.

Achievement rate **100%**

Enhance the participation of Social Service

- Contribute **30,000** hours in volunteer service worldwide.

Continue to organize volunteer services and provide service leave to increase participations; accumulated 7,152 service hours.

Achievement rate **100%**

Sustainable Value Creation

Michael Porter, known as the father of modern management theory, said that corporate social responsibility "can be a source of opportunity, innovation, and competitive advantage." Enterprises should aim at sustainable operation and pay attention to the impact of the company on all stakeholders, society and the environment, so as to create long-term sustainable benefits.

ASUS integrates the sustainability strategy into its operational plans. We believe that thinking of sustainability performances should be the same as economic performances through an quantified assessment tool to provide guidelines for decision makers. ASUS follows the sustainability strategy "digitize data, adopt scientific management practices, and optimize core competencies". We quantify the inputs of our environmental and social projects to establish basic evaluation capabilities for economic, environmental, and social performance using monetary value, which helps to estimate the true value generated from corporate activities, making the overall sustainable performance easy to monitor and seek for improvement.

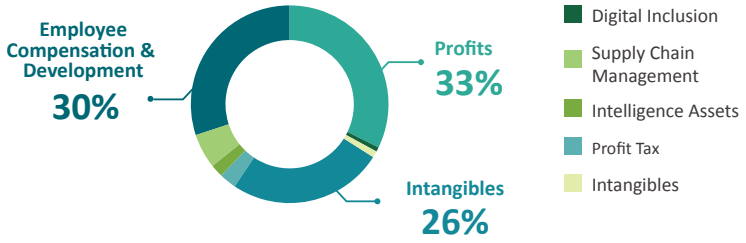
As early as in 2009, we began to quantify the impact of products on the environment since we announced the type III environmental declaration and the world's first notebook computer to achieve carbon neutrality. In 2016, in accordance with the Social Return on Investment (SROI) guidelines published by the British government, we monetized the social impact of the digital inclusive program, and in 2017 published the SROI report which was the first in Asia and in Taiwan technology company certified by the Social Value International. In 2018, we referred to the Natural Capital Protocol to monetize the impact of the supply chain on the environment and society, and released the environmental profit and loss assessment (EP&L) report of notebook computer, leading the industry to monetize the natural environment. And finally we established a corporate sustainability value management model based on the Triple Bottom Line (TBL) of economy, environment, and society, and became the 1st company in the information technology company to publish the Total Impact Measurement & Management (TIMM) report, which quantifying the true value of the company. In the future, we will continue to analyze the cost and value generated by ASUS on the environment and society from a macro perspective, review the cross-year performances and sustainable management practices, and implement the vision of comprehensive measurement and management of sustainable development.

ASUS regularly implements stakeholder engagements and identifies material topics. From the perspective of the stakeholders, we evaluate the influence and value of the impact on the stakeholders in four aspects of economy, tax, environment and society. By presenting the value creation using monetary value, we could review sources that bring positive and negative impacts, and use the results for decision making and management to pursue the maximum value.

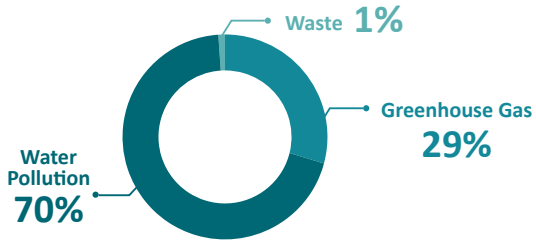
Dimension	Stakeholder	Material Topics	Impact Factor	Description on Value Creation
Finance	Shareholders, customers, supply chains, employees	Economic performance	Profits, investment, intangibles	Financial livelihood and satisfaction of shareholders.
Tax	Government	Economic performance	Profit tax	The profit tax is directly paid to the local government to support the government's finances, and the government invests in public construction to enhance the welfare of the people.
Environment	Supply chain, employees, society	Responsible manufacturing, climate action	Greenhouse gas, water consumption, water pollution, waste	Four types of environmental impact, including different pollution, emissions and resource consumption generated from ASUS operations and products, measure the impacts on society and natural ecology.
Society	Supply chain, employees, communities	Responsible manufacturing, circular economy and product stewardship, innovative products and services, employee development	Supply chain management, digital inclusion,intelligence assets, employee compensation & development	The social impact of operations on the supply chain, employees, and communities, including the improvement in performances of supply chain, the support of digital education for the disadvantage, the upgrade of AI technology of the business partners, and the increase in employee remunerations and benefits.

ASUS continued to deepen impacts on material topics. The value creation in 2019 reached NT $19.5 billion[1], which increased by 87% from 2018. The increase in positive impacts came from profits, investment, and employee compensation and development. In 2019, the scope of the EP&L program was extended to product categories contributing 90% of the revenues[2], with the negative impacts from greenhouse gas and water pollution. ASUS has planned the strategy and approaches for the supply chain management, and expects to change the environment and society with its influences, sharing our sustainable value creation with stakeholders.

Proportion of Positive Impact of Value Creation



Proportion of Negative Impact of Value Creation



[1]ASUS' influence in sustainable development was converted into a monetary value as a way to measure and express the performance from the perspective of stakeholders. It is very different from the preparation of financial statements and the measurement of financial performance. Data related to sustainable value creation in 2018 & 2019 is not applicable to analysis or forecast using the perspective of financial statements, nor to benchmark for investment targets or stock measurement and judgment.

[2]In 2019, the program was extended to product categories contributing 90% of the revenues, including: notebook computers, desktop computers, monitors, cell phones, motherboards, and graphic cards.

Six Main Capitals Input

Finance
- Total assets: NT $265,033,696 thousand
- Number of shares issued: 742,760,280 shares

Manufacturing
- Partnering with more than 700 suppliers globally
- Implement eco product management
- Implement sustainable value chain management

Environment
- Electricity used in operation 24,570 MWH
- Water used in operation: 178 ML
- Waste in operation 455 tons
- Plastic Reduction Program
- Establish global Tack Back service, covering 74% of sales revenue

Intelligence
- Share Circularity practice and involved in the development of circularity standards
- Establish ASUS Intelligent Cloud Service Center (AICS)
- 5,000 R&D talents
- Invest NT $9.34 billion in R&D

Human Resource
- Global employees 14,500
- Talent recruitment and cultivation system

Society
- 3,394 computers were donated worldwide for the Digital Inclusion Program
- Provide 2-day full-paid leave for volunteer services
- Corporate Social Investment with NT $43.4 million

Business Activity

Philosophy:
Strive to be among the world-class green high-tech leaders and to provide valuable contributions to humanity.

Vision:
The World's Most Admired Innovative Leading Technology Enterprise.

Sustainable Strategy:
Digitize data, adopt scientific management practices, and optimize core competencies.

Sustainability Goals:
ASUS 2020 Sustainability Goals is based on the life cycle, demonstrating the sustainable core values and management performance of products, supply chain, operations and community involvement. It is our commitment to the community.

Core Value Drivers

Product and Service Innovation	Value Chain Management	Sustainable Operation	Value Sharing
Innovation R&D, Eco Design, Product Effciency, Service and Support	Extraction, Manufacturing, Social Responsible Management, Product Recycling	Talent Development, Greenhouse Gas Management, Risk Management	Digital Inclusion, Volunteering Service, Social Prosperity

Corporate Governance

THE ASUS WAY

Output / Outcome

Finance
- Named the No. 1 international brand with US $1.549 billion brand value
- Revenue NT $274,303,722 thousand
- Cash dividend per share NT $14
- EPS NT $16.3

Manufacturing
- The proportion of halogen-free components accounted for 87.1%
- Sales of eco products accounted for 71%
- 100% key suppliers pass audits
- 100% of gold, tantalum, tin and tungsten came from qualified smelters
- Greenhouse gas emission in supply chain: 28,017,411 metric tons CO_2e
- Receive ISO 20400 Sustainable Procurement Certification

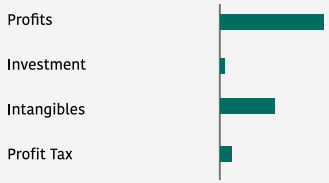
Environment
- New corporate headquarters building received a green building certification Leadership in Energy and Environmental Design (LEED) Platinum certification
- Greenhouse gas emission reduced by 15% (2008 baseline)
- Waste conversion rate in headquarter reached 72%
- Weight of recycled products reached 14.6%

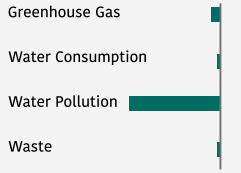
Intelligence
- All notebook computers comply with Energy Star, and the energy-efficiency of ASUS notebooks exceeded by 27%
- 4,092 patents were obtained worldwide in 2019

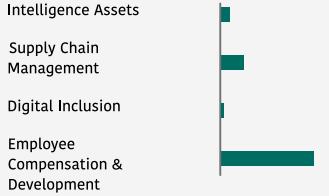
Human Resource
- Salary and benef it were beyond the regulations, ranked among the top 100 high-paying companies in Taiwan
- The average training hours per employee was 16.5 hours

Society
- Social Return on Investment (SROI) for Digital Inclusion reached 5.7:1 in 2019
- Volunteer service reached 7,152 hours
- Establish more than 500 digital lopportunity centers in 38 countries cumulatively

Value Creation

Economy


Environment


Society


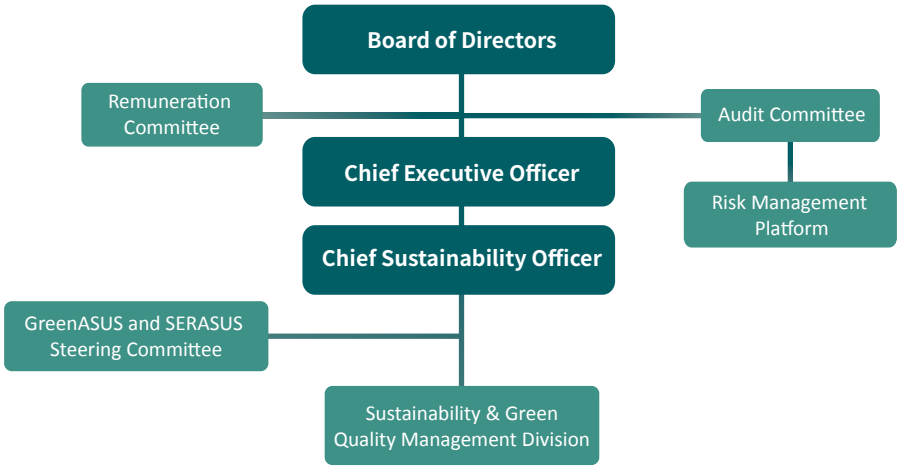
Historical data (2018-2019)

Employee | Investor | Supply Chain | Customer | Media | Community | Government

3 Corporate Governance

Governance

The foundation of an enterprise's sustainable management is built on a robust governance system, which we believe coming from ASUS DNA - humility, integrity, diligence, agility, and courage. ASUS value governance and safeguard the rights and interests of various stakeholders in the environmental and social dimensions.



Governance Structure

In order to strengthen the corporate governance, ASUS formulated its own "Best Practice Principles of Corporate Governance" according to "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies" and corporate governance principles by OECD. Besides the provision and regulation regarding the governance, it also covers the contents such as protecting the rights of shareholders, strengthening the functions of the board of directors, exercising the functions of a supervisor, respecting the rights and interests of stakeholders, and enhancing information transparency.

Board of Director

The ASUS Board of Directors values high efficiency, transparency, diversification, and professionalism to strengthen the company’s administration. After considering professional skills, including operation judgments, accounting and financial analysis, operation and management, crisis handling, industrial knowledge, international market outlook, leadership, and decision-making, as well as avoiding blind spots in decision-making, the shareholders selected 13 board members for the 12th Board Members according to the Regulations on Board Member Election in the shareholders meeting held in June 2019.

3 members are independent directors who will enhance the quality of management with their superb professional knowledge and input the viewpoints of external stakeholders. All members are male. Chairman Jonney Shih does not hold the position of President.

All members of the Board of ASUS are highly disciplined to avoid any conflicts of interest, and the relevant statement is clearly provided in "Rules and Procedures of Board of Directors Meetings." In case the Directors or Managers of ASUS undertake the business operation within the scope of business run by ASUS for themselves or in favor of a third party, they are required by law to obtain the approval of the General Meeting of shareholders in advance.

According to the "Corporate Governance Evaluation System" of Taiwan, the average attendance rate for board meetings needs to reach 80%. There were a total of 7 board meetings in 2019, with an average attendance rate of 96.70%. Besides, the performance evaluation method for board of directors is expected to be formulated in 2020. It will cover the overall operation of the board of directors as well as conducting self-evaluation on individual directors to strengthen and supervise the business decision-making.

Audit Committee

To promote quality and integrity in the supervision of accounting, auditing, the financial reporting process, and the financial control of board members, ASUS established the Audit Committee composed of three independent Boards of Directors. There were a total of 4 meetings in 2019, with an attendance rate of 100%.

Remuneration Committee

The Remuneration Committee aims to assist the Board of Directors in the implementation and evaluation of the company's overall remuneration, benefits policies, and remunerations of Directors and Managers and to ensure that the company's remuneration arrangements comply with the relevant laws and are sufficient for attracting talented people. There were 3 Remuneration Committee meetings in 2019 with, with an attendance rate of 100%.

Internal Audit System

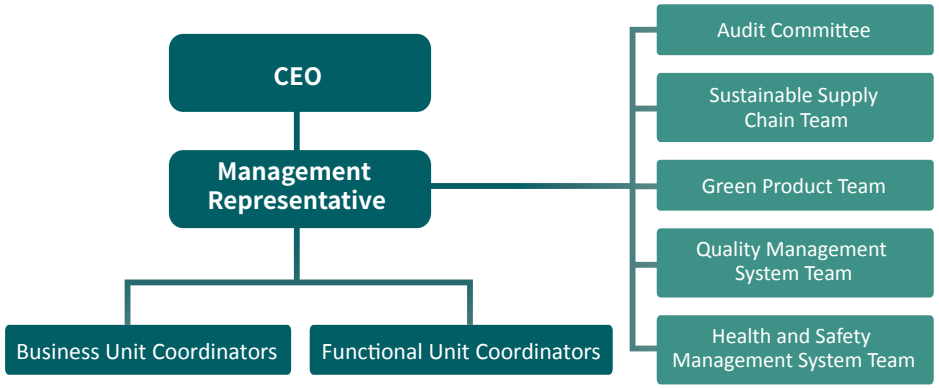
The Audit Office is set up with one chief auditor under the Board of Directors; a complete audit and reporting system is established. The Audit Office is in charge of the internal auditing business and enables the board of directors and senior management to assess the completeness, effectiveness, and implementation of the ASUS group's internal control system independently and objectively, so as to fulfill its corporate governance responsibilities.

Sustainability & Green Quality Management Division

In 2009 ASUS established a designated unit to monitor the trend of sustainability through analyzing the issues in governance, environment and society. It integrated the core of operation with our innovation in product and service to form strategic sustainable direction to execute relevant programs. The unit is led by the Chief Sustainability Officer who is responsible for analyzing the trend of global sustainability, managing sustainability policy, objectives and actions, and regularly submitting the annual key projects and performances to the Board of Directors for verification.

GreenASUS and SERASUS Steering Committee

In order to communicate across the units on key issues such as products, supply chain and organization operations that are highly influential to corporate sustainable operation, ASUS establishes the "GreenASUS & SERASUS Steering Committee". CSO is authorized by the CEO to be the management representative and holds the meeting every 2 months. The members of the Committee come from the business units, procurement department, customer service, administration, legal and other departments. The communication and coordination are carried out across the units, and the resources can be effectively allocated throughout the company. All ASUS people can work together in a consistent direction to combine the sustainability and core of operation to become one of the competitiveness advantage.



Risk Management

To improve the governance and implement risk management that a company should focus on, ASUS established the sustainability risk management platform at the end of 2016. We believe a systematic risk management approach will strengthen the counter-measures in response to risks, thus reducing the chance of major operational risks turning into crises.

The sustainability risk management platform is organized according to ASUS internal governance structure and monitoring mechanism, including 2 teams: 1) the sustainability risk management-promoting team: including the sustainability unit, human resources department, administration department, safety and health department, finance, sales, customer service, public relation, computing center and business units. These units are responsible for identifying risk issues and drafting approaches for cross-department in response to risks, and delivering the annual risk management report to the Audit Committee. 2) The risk monitoring team: The audit office is in charge to ensure the sustainability risk management follows regulations, while the Chief Auditor reports to the Audit Committee. The Audit Committee will decide whether to report information to the board according to the materiality.

The risk management platform uses systematic mechanism to conducts identification, assessment and monitoring. We incorporate the risk management practices from four major management systems, ISO 9001, IECQ QC 080000, ISO 14001, and ISO 45001, and continuously track the measures taken since previous year. In 2019, the promotion covers three main dimensions: climate action, sustainable procurement in supply chain, and information security and management, and the risk management report is summited to the Audit Committee in May 2020. Further information regarding these dimensions is available in relevant chapter.

Faced with the impact of the novel coronavirus (COVID-19) pandemic toward of the end of 2019, ASUS immediately initiated a COVID-19 War Room unit, and followed the Business Continuity Management (BCM) guidelines to carry out risk management measures for prevention and improvement for possibilities of business interruption. Apply the core concept of BCM through the risk management platform for prevention, mitigation and recovery. Simulate major risk scenarios and launch various contingency plans and measures.

The Movements of COVID-19 War Room:

Stabilizing Organization Operations	Stabilizing Supply Chain	Financial Resilience
Provide and maintain a safe and healthy workplace	Monitor supply chain and ensure long-term supply	Ensure financial liquidity is sufficient to withstand a crisis

Customer Relations	External Communication	Information System
Respond to impact on market demand /repair services	Maintain communication with relevant organizations/statement of responsible consumption	Ensure the uninterrupted operation of information systems

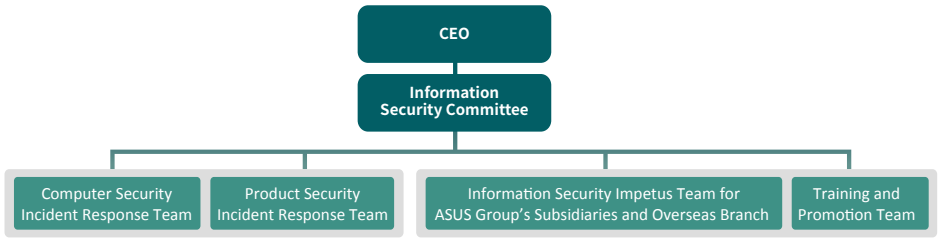
The novel coronavirus pandemic spread quickly and affected global operations. ASUS took this as an opportunity to consolidate new operating strategies and examine organizational resilience. We adjusted the structure of the original risk management platform and initiated task groups to engage in cross-department issues and focus on intermediate- and long-term solution planning and responses. The decision-making manager can handle risks and opportunities, and disaster responses through the platform to minimize the impacts and resume operations within an acceptable timetable, so that the company can continue its operation.

In recent years, the risk management platform has built up a risk culture and robust capabilities. It regularly collects the risks in sustainability around the world and monitor the change in industrial development trend to adjust the materiality and present it in the annual risk management report. Encountering more impacts coming from unpredictable emerging risk, we hope to effectively consolidate internal and external resources through risk management platform to better predict, prepare for, respond to and adapt to the continuous changes in the environment. In the event of sudden operational interruption, the company will be able to survive and make breakthroughs and grow, and the capability to adapt will create more potential opportunities.

Information Security Management

Organizational Structure and Policy

To strengthen sustainable corporate operation, ASUS established the Information security management committee to promote ISO-27001 management system. The Committee established the management procedures that complied with international standard, planned, executed and reviewed internal activities on information security, as well as verifying various activities and relevant results to meet target requirements of the ISMS (Information Security Management System). These were used to grasp possible defects in the Company's information security, timeously correct, track and confirm, as well as ensuring validity and continuous improvement.



To ensure that information security measures or specifications comply with requirements of existing laws, the information security policy is reviewed annually.

- Ensure confidentiality of relevant business information, prevent sensitive information and customer private information from various threats and damage due to internal or external, deliberate or accidental factors, which exposes business information under risks such as modification, exposure, damage or missing.
- Ensure the completeness and availability of relevant business information and thus correctly carrying out the operation, and to protect security of information assets.

Performance of 2019 Information Security Management

ASUS establishes the information security management system in compliance with the international standard. We introduced ISO 27001 in 2019 and receive the certification in 2020 to ensure the information system and the computing center meet the standard, meaning ASUS' information assets (including information, software, physical equipment, personnel and services) was protected from internal and external risks and thus the confidentiality, integrity and availability of the company operation core system are secured, reducing risks of company operation to reasonable level and ensured sustainable operation of the Company.

Structure of Information Security Management

The framework of ASUS ISMS was built according to the Cybersecurity Framework of NIST (National Institute of Standards and Technology), which included 5 core aspects, namely risk assessment, protection of information security, information detection, notification and response on product security, as well as continuous operation of information service. The risks on information security were checked and managed through the above-mentioned 5 aspects, which corresponded to links before, during and after the event, as well as covering management strategy on life cycle of information security management.

1. Risk assessment

The valuation and risk assessment on information assets is performed at least once per annum. The value of assets is calculated according to confidentiality, integrity and availability of the information assets; the ones with high value undergo risk assessment and all items with high risk are compiled into operation impact analysis and finally applied with improvement measures for risk reduction. This ensures adequate protection for information assets with great significance and reduces risk of operation interruption. This year, sever vulnerability of the core information system were scanned through assessment results. Items with Critical & High weakness in the scan report received security patch and enhancement of network protective measures to strengthen security of the core information system.

2. Protection of information security

- **Development and management of product information security**

  ASUS uses an industry standards-based discrete Trusted Platform Module (TPM2.0), certified to Common Criteria EAL4+. The ASUS BIOS capsule is our foundation and has been certified with digital signature is Trusted and is physically isolated from the machine's CPU and operating system(OS), providing resiliency to the device BIOS, OS, and critical OS applications. ASUS commercial PCs with MyASUS security update meet the National Institute of Standards and Technology's (NIST) Platform Firmware Resiliency Guidelines. Further, ASUS Secure BIO automatically sense the identity in face and finger print & Isolate the firmware update path to a known good state & outside OS & CPU. To ensure critical security features cannot be accidentally or maliciously disabled, ASUS Runs delivers cryptographically verified persistence in digital signature which provides hardware-based isolation for malware attack BIOS level through websites or common attachments. ASUS moreover offers ASUS Business Manager, ASUS control center and ASUS system Dynastic manageability solutions for both enterprises and small businesses.

  ASUS provides various network communication product service solutions, this product uses Building Security In Maturity Model (BSIMM) methodology for product development. This methodology uses information security risk lists (OWASP top 10 and SANS 25) before development to perform threat modeling on newly developed functions. Vulnerabilities can be identified during the design phase, and internal source code scanning, internal white box testing, and external penetration testing are performed to identify vulnerabilities during the product testing phase. Then, the vulnerabilities are classified into high, medium and low levels according to the scoring method of the Common Vulnerability Scoring System (CVSS). Corresponding treatment methods will be used according to different risk levels. When there are major external security issues that have been notified, we will announce via ASUS Security Advisory after correction. This product has a built-in firewall for all models, and the TrendMicro Software is used for packet filtering for mid- to high-end models to provide higher-level network security. In addition to using threat modeling to identify risks during the product design phase, we request our suppliers to perform risk analysis to meet ASUS security management requirements.

- **Information security awareness training for all employees**

  Regular information security training is conducted per annum. In 2019, the high and mid-tier superintendents in the Information Department received training courses on information security awareness. The staff information security awareness focused on prevention against attacks from externally malicious mails. Regular emails were sent to all internal staff every 6 months on information security propaganda. 3 social engineering speeches were presented on security of using e-mails, where the propaganda was strengthened on high-risk groups via practice reports. The aim was to raise staff alert towards suspicious e-mails, reduce damage and risks from hackers and hostile individuals by means of emails.

3. Detection of information security

- **Protection of internet security**

  With the introduction of "Threat Discovery Service" utilizing mechanism of intelligent internet protection and virus code comparison that regularly provide analytical reports, discovers affected computers, analyzes source of threatening infections, produces statistical data of security under threats and evaluates potential security risks, the Company can swiftly and efficiently respond to attack from malware, as well as extensively reduce data loss, reduce cost of damage control and improve overall condition of information security.

- **Surveillance operation on information service system**

  To maintain high availability of information service systems, the central control room of information facilities was established with information service surveillance systems, where the server, network nodes and relevant devices linked with information service were all included in the surveillance operation. Through set-up of various error detecting functions, the administrator of the information system was able to identify and respond to various abnormalities via email or message to mobile phones with greater accuracy within the shortest time, where the maintenance personnel could be expected to swiftly handle abnormal disruption of information system upon occurrence.

- **Internal surveillance against unknown software installation**

  With the introduction of ACC (ASUS Control Center) developed by ASUS, all computers throughout the Company can be managed with one-stop collective system, which can automatically count quantity and list device information, as well as administering software installed in all computers. Through setting of blacklist and whitelist software, all employees using software from unknown source will receive warning notification. We asked all staff to value the intellectual property right and follow relevant company regulations and through the mechanism of regular check, we asked superintendents to confirm necessity of software used by staff in the Department, which reduced the risk of unknown software hidden with malicious attack to minimum.

- **Junk mail surveillance program**

  By introducing the mechanism of filtering junk and malicious mails, the Company security against external mails was strengthened via credit database, continuous update of automation rules and anti-virus engine. At the same time, the built-in junk and malicious mail filtering function of Microsoft Exchange mail server and Outlook used in the Company reduced attack from the said mails to employees to minimum with production of double measures.

4. Information security notification and response

- **ASUS Security Advisory**

  We strive to ensure safety of ASUS products at all costs for protecting the privacy of our valued clients. We always strive in improvement of our safety and protective measures on personal information according to all applicable laws and regulations. We also welcome clients to notify us on safety or privacy issues related to the product. As a result, the product and information security notification and management platform were established as an exclusive channel for the consumers, information security experts or researchers to report security vulnerabilities or problems with ASUS products or information systems. Case automation management was introduced to the Platform for maintaining administration quality on case notification and response. Through such a platform, we would make random announcements on security of ASUS products, so consumers could understand security updates of ASUS products, as well as keeping good communication and interaction with information security experts or researchers over the internet community via the Platform.

- **Information security trend monitoring**

  Regarding the latest trend on information security, ASUS introduced the warning notification provided by an external consulting company, which can provide preventive measures of handling through notification once the new type of attack appears. This prevents important information assets of the Company from new types of external attacks on information security.

5. Continued operation of information service

The continuous operation capacity of the core information system for Company operation was improved. In addition to the information facility located at our headquarters, we hired the facility that passed ISO27001 information security certification as an extended facility provided to the core information system for establishing structure of remote backup. At present, the important operation core information system of the Company has been completed with establishment of backup structure and operated with application of Active-Active loading balance structure. This ensures that the information system of the remote backup facility can take over the operation within the shortest time when a major accident occurs. Moreover, the accident recovery and switching drill for continuous operation capacity of the core information system was completed in 2019, which ensured that risk of operation interruptions reduced to a minimum.

- **2020 Main plans for information security management**
  - In response to the impact of the COVID-19 pandemic which requires employees to work remotely, we reinforced the security and usability of information system services and network connections.
  - In response to the increasing number of online ransomware and email fraud incidents and in order to enhance employees' information security awareness of malicious emails, we have reinforced our advocacy for the prevention of email frauds and conducted social engineering drills for emails from time to time to prevent hackers from planting malicious programs into employees' computers through the network or emails and improve information security for the work environment.
  - In order to prevent the interruption of physical operations due to Site Fail of the company's information system or network connection, we plan expansion of equipment and conduct drills for business continuity.

Statement on the Security Incidence of the ASUS Live Update Tool in Early 2019:

ASUS Live Update is a proprietary tool supplied with ASUS notebook computers to ensure that the system always benefits from the latest drivers and firmware from ASUS. In 2019, a small number of devices have been implanted with malicious code through a sophisticated attack on our Live Update servers in an attempt to target a very small and specific user group. ASUS customer service has been reaching out to affected users and providing assistance to ensure that the security risks are removed.

ASUS has also implemented a fix in the latest version of the Live Update software, introduced multiple security verification mechanisms to prevent any malicious manipulation in the form of software updates or other means, and implemented an enhanced end-to-end encryption mechanism. At the same time, we have also updated and strengthened our server-to-end-user software architecture to prevent similar attacks from happening in the future. Additionally, we have provided consumers with an online security diagnostic tool. Afterward, ASUS introduces the external technical protection control of information security on email, endpoints, servers, and networks etc., to enhance our system.

At the corporate governance level, ASUS has implemented ISO 27001 Information Security Management System (ISMS) verified by SGS professional audit team. In order to strengthen the business sustainable operation, ASUS has established Information Security Committee to help the company avoid future risks. ASUS will continue to develop more stringent scenarios to improve its management regarding cyber-attacks and relevant risks, showing our commitment in information security.

ASUS Cloud Information Security Management

ASUS Cloud is committed to cultivating the system maintenance technology for cloud services to provide quality cloud services to users around the world. Information security is an essential element of the cloud system and is important for accumulating brand equity. We have established information security policies with the statement "No service interrupted; No data lost; No personal information leakage; Sustainable operation". It covers the physical environment, software and hardware equipment for cloud service operations, business data, management units and related operational processes to build an information management system (ISMS) that meets the requirements of the international standard.

Performance of 2019

- Since obtaining the ISO27001:2013 certification in 2011, ASUS Cloud has complied with 23 indicators specified in the basic operations for information security management system, cloud service operations (including customer service and system maintenance), human resources information security, system security, and requirements from regulations and contracts, and regular audits are conducted by the designated unit.
- ASUS Cloud obtained the certification for service capability registration of technical service agency issued by the Industrial Development Bureau of the Ministry of Economic Affairs in 2019. It covers information security testing, service, construction and 8 sub-categories in 2 major product categories. ASUS received additional two certificates "Information Security Service, Construction and Product Services" and "Information Security Testing Services" and proved itself capable of providing clients with safe, available, and reliable products and services.
- ASUS Cloud organized education and training sessions on information security to meet the needs for various levels of information security awareness, and requests all new hires to receive the basic awareness training.

Detection of Information Security

ASUS Cloud has established related network and security management, system management, backup management and malware prevention measures, which include internal traffic monitoring, automatic monitoring of abnormal activities and unauthorized data access and construction of protection mechanism to prevent information assets from being attacked by malicious programs.

Continuous Operation of Information Service

To ensure that sabotage of key business activities can be promptly reported and timely recovered to maintain the continuous operation of core businesses, ASUS Cloud has developed an operating procedures guide for business continuity and holds the drills every year. In 2019, we conducted business continuity drills focusing on damage to the information database storage, malfunction to the data storage server, and power failure and air-conditioning failure of the information computer room.

Personal Data Protection Committee

ASUS established the "Personal Data Protection and Information Security Committee" in April 2012 according to the instruction from the top management to formulate the company's policy on personal data use and handle relevant matters. In response to regulatory changes and reorganization, the above committee has changed to the "Personal Data Protection Committee" (Hereinafter referred to as “the Committee”) in 2018, and the Committee has released a new company’s policy named the "General Personal Data Protection Policy" and implemented it internally. The Policy is used as guideline on the collection, processing and use of personal data collected through ASUS products and services (such as computers, software, official websites, customer support services and others). The Committee published the "ASUS Privacy Policy" on ASUS official website to let the general public and consumers aware of how ASUS protects and manages their personal data.

In order to ensure the full implementation of the company's policies, the Committee holds regular bi-weekly meeting to implement and review annual objectives, and calls irregular meetings from time to time to adjust implementation measures and handle personal data relevant events. By the end of 2019, the Committee has held 222 regular meetings.

Main accomplishments of the Personal Data Protection Committee in 2019:

- **Regulatory compliance management for the personal data protection laws:**
  - **Data inventory review**
    Continue to examine the nature of data collected, processed and used by the company to ensure the scope of regulatory compliance.
  - **Process improvement**
    The Committee elaborates to the relevant departments on the data processing procedures that shall be modified and improved to be in accordance with personal data protection laws in response to the update of products or services.
  - **Privacy policy review**
    Adjust the ASUS Privacy Policy for each country in response to regulations from different jurisdictions if needed.
  - **Education and training**
    Education and training sessions are held annually to ensure all employees understand the company's policy. In 2019, 10 education and training sessions were held in domestic and overseas offices.
  - **Handle the request and inquiry of data subjects and supervisory authorities**
    The Committee is the central contact point for handling requests and inquiries of data subjects and supervisory authorities. ASUS shall respond to the requests from data subjects within the statutory period by law. The Committee collaborates with the relevant departments to handle requests and responds to the data subjects to fulfill the regulatory obligations. Inquiries from the supervisory authorities are also handled with the same approach to mitigate legal risks.
- **Annual internal audit**

  The responsible departments involved in the management of personal data are included in the scope of audit to cooperate the company’s internal audit. With internal self-assessment conducted by the departments, examination of service providers' practices conducted by the departments, and audits conducted by auditors, the Committee provides corrective measures and improvement approaches on non-compliant items to assist the responsible departments or service providers to improve their practices to ensure the full implementation of the company's policies and relevant management procedures.
- **Annual vulnerability scanning on personal data related websites**

  In order to reinforce security of websites and consumer data, the Committee requires the Enterprise Intelligence Data Development Center to implement vulnerability scanning on websites which provide external services and collect personal data. Based on vulnerability scanning evaluation report issued by the Center, the Committee conducts the tracking of vulnerability correction progress and audits the implementation of vulnerability management. The responsible department is required to improve on non-compliant items within a limited time period.
- **Education and training**
  - **Regular in-person classes:** Training courses on personal data protection are offered to all employees annually.
  - **Non-scheduled classes:** Provide specific sessions on personal data protection based on the needs of each department.

Main plan 2020 for Personal Data Protection Committee

- Improve the interface used by data subjects to file personal data requests and its internal process procedure.
- Review and improve the company's regulatory compliance in accordance with the new regulations in the U.S., Brazil, and Thailand.
- Add overseas audits and assist related departments to conduct audits to service providers.

Business Ethics

ASUS formulated the "Employee Code of Conduct" based on the Code of Conduct by the Responsible Business Alliance (RBA, formally known as the Electronic Industry Citizenship Coalition, EICC) and "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies." The Employee Code of Conduct includes but is not limited to corruption and bribery, insider trading, intellectual property rights, and the proper preservation and disclosure of information. We created the online Employee Code of Conduct course, which is mandatory for all employees and translated into various languages; new employees need to complete the course within their first month. Furthermore, we retrain our employees annually as well as provide an “Unfair Competition and Bribery” card to strengthen their principles, hoping they will demonstrate high ethical standards in their actions. Questions regarding the contents of the code and its legality can be directed to the legal department for interpretations.

ASUS has always engaged in all business activities with honesty and forbids corruption and any form of fraud. With a system of rewards and punishments, we make sure that employees do not accept any type of fraud regarding demands, contract, bribery, or any other improper benefits. Should anyone discover a potential violation of the Employee Code of Conduct of ASUS employees, a report can be made to us through our public mailbox, audit@asus.com. We will provide protection for the whistleblower from unfair and disrespectful treatment. In case of a violation of the Employee Code of Conduct, the employee will receive a penalty according to case scenarios and regulations. ASUS severely punishes incidents where regulations are violated, and the case will be reported to judicial units for investigation.

In 2019, there were 2 violations of the Employee Code of Conduct in the ASUS group. The employee in each event was given warning or was dismissed according to the severity of the event classified in the internal “Work Rule” and “Employee Code of Conduct”. We reinforce the anti-bribery concept to our employees (including manufacturer cooperation notices, confidential information and Employee Code of Conduct), and prohibit any bribery for vendors, and the introduction and bargaining of vendors are conducted in accordance with the company's normal bargaining procedures.

Regarding business partners, ASUS requests that they sign the "Code of Conduct Compliance Declaration." We will take necessary legal actions in accordance with the provisions of the conduct against partners who violate the anti-bribery and anti-corruption policy and thus cause damages to the business.

Regulation Compliance

Regulatory compliance is not only a practice ensuring integrity, but also the core of decreasing operational risks and sustainable developments. To ensure ASUS products and services meet the global regulations, we have a designated legal department that pays close attention to the development of regulations that might have a potential influence on ASUS and tracks, evaluates, and establishes the compliance mechanism of policies and regulations, assisting relevant departments to conform to and implement relevant regulations.

ASUS has formulated the “ASUS Internal Regulation Identify Management Measures,” which identify and manage operational, environmental, and service-related regulations. We disclose public criminal or administrative law cases that involved fines of more than NT $1.5 million or seriously affected the operation of the company's major events in the CSR report to comply with the balance and transparency principles of the GRI Standards. There was no major violation in regulation compliance in 2019.

In 2017, the European Commission opened a proceeding against ASUS for imposing fixed or minimum resale prices on its online retailers, in Germany and France between 2011 and 2014, in breach of EU competition rules, and the case was closed in 2018. We have always attached great importance to compliance and complied with relevant regulations. In the face of the antitrust issue, we promote the "Employee Code of Conduct" to employees around the world regularly and put it into practice in employee education and work procedures to ensure that similar mistakes will not occur again. In addition to the employees at the Taiwan headquarters, in 2018, the focus was placed on the employee training in Europe, and external antitrust attorneys were appointed to lecture in each European subsidiary. In 2019, the anti-monopoly education applied to other regions; the Code of Conduct and training contents are updated constantly in response to the latest laws and regulations management platform. All the training materials and records are integrated into the ASUS School training management platform.

Operation-Related Regulations	Environmental-Related Regulations	Service-Related Regulations
Business and Taxation Act Product Labeling and Warranty Act	Environmental Protection Act Occupational Safety and Health Act Fire Services Act of Building Labor Rights Act	Personal Information Protection Act

Intellectual Property Management

We are committed to innovative research and development, with intellectual property rights are one of the key achievements. The number of patent applications filed worldwide is increasing stably every year. By the end of 2019, 4,092 patents have been obtained in countries around the world. In 2019, the number of patents obtained worldwide was 373, increased by 18%; in Taiwan was 151, ranked 11th; in other Asia regions (Japan, Korean and China) was 101, increased by 150%.

In 2019, the number of patents received increased by 67% compared with that of in 2017. In addition, efforts has been made to the development in the high-end communications market recently, and the number of patent applications in the communications field was 418 in 2019. Of them, there were a total of 135 cases of standard essential patents in line with the promulgation by the European Telecommunications Standards Institute (ETSI).

Customer Satisfaction

ASUS values user experiences and thus we plan the satisfaction survey for various service channel to receive their impressions after the service experience. The scope covered Asia Pacific, America and Europe, with different forms of satisfaction surveys and user feedback channels to collect and analyze the satisfaction of various supports, such as service centers, telephone customer service, on-line instant messaging customer service, and technical support by emails.

ASUS conducts satisfaction surveys through maintenance orders, emails, interactive phone services, and built-in software in the product. The continuous improvement on key service processes that affect customer satisfaction and service, such as service timeliness, material management, service quality, cost control and systemization, improve continuously and thus the maintenance process of each product line could be completed within the planned time. Relevant operations are set to track indicators, and internal and external audit units conduct audits every year to continuously improve the process.

In addition, ASUS occasionally organizes product inspection activities, including software updates, functional testing, simple troubleshooting, appearance cleaning and maintenance services, which can extend the product life cycle and enhance consumers' personal attachment to our brand.

ASUS has set a global annual customer dissatisfaction target of less than 10%, and the target was achieved for the dissatisfaction ranged from 0.29% to 9.14% over the total of 52 weeks in 2019.

4 Environmental Responsibility

Management Approach

Humans are now experiencing the environmental crisis. Our planet is threatened by a wide range of environmental problems, including resource depletion, degraded environmental quality, climate change, and land contamination, which make a negative impact on global environmental and economic system.

ASUS believes that the corporate shall take responsibility for protecting our planet. To pursuant the philosophy, becoming a world-class green leader in high-tier technology, ASUS aims to decouple growth from resource consumption. We integrate environmental factors as one of the considerations in the decision-making process. Start from compliance with increasingly strict environmental regulations, we keep taking forward-looking measures to improve the environmental performance of products, thus create share value with the environment and toward a circular economy.

Strategy

It's generally believed that more than 80% of environmental impact is determined at the design phase. The best way to prevent degrading environmental quality is to introduce environmental-friendly and circular concepts when design products and services. Thus, we consider the impact from the whole lifecycle and proactive approaches to utilize efficiency based on longevity, repair, upgrade and recyclability. Meanwhile, we apply the environmental certificate to a greater opportunity of green procurement and create differential competitiveness.

Performance

- Sales of eco products accounted for **71%** of revenue.
- **14.6%** of global sales weight at global take-back service.
- **87.1%** of components do not use halogen flame retardants.
- **100%** of new lunched/sold notebook computers comply with Energy Star, with the average performance is **27%** better than the requirements.
- **LEED Platinum** certification was awarded to the new ASUS corporate headquarters building.

Circular Economy and Product Stewardship

The linear economy of “take-make-dispose” led to growth and prosperity in many parts of the world. It is, however, also one of the reasons for current sustainability problems because the linear model implies using resources in an unsustainable way and producing large quantities of waste that destroy the environment further. It leads to a contradiction that both “resource scarcity” and “resource waste” threaten our economic and environmental system. Among them, the characteristic of rapid replacement in electronic products has made the problem even more serious.

ASUS believes that companies shall transform into a more circular model. It not only could help prevent the risk for resource scarcity and price fluctuation, but also leave a sustainable future for next the generation. Toward to the goal of sustainable development, ASUS adopts environmental-friendly and approaches, through re-design of materials, products, manufacturing process and business model, to extend the product life cycle of “cradle to grave" as to “cradle to cradle," to increase the efficiency of resource utilization.

The circular economy could not be achieved with one step. We analyzed the trend of international development and referred to the research from Accenture.[1] We started from the five models, “circular supply chain," “extension of the product life cycle," “Product as a Service (PaaS)," “sharing platform” and “recycle for regeneration, through technology and solutions that enable entire industries to eliminate waste and drive efficient, circular value chains.

Circular Supply Chain	Safer chemicals; Use sustainable materials; Material reduction in packaging
Extension of Product Life Cycle	Design for life cycle extension; Eco label promotion
Product As A Service	Develop innovative business models, product lease instead of ownership
Sharing Platform	Reduce idle inventories via sharing platform
Recycle and Reuse	Global recycling service; resource regenerations

Safer Chemicals

Numerous chemicals would be added to the product to ensure quality and safety. Along with advancing analysis on scientific hazards and risks, however, the current use of certain chemical falls under acceptable risk. This may possibly be determined for necessary control or prohibition in the future, which disrupts the possibility of product or part re-circulation. Therefore, the use of safer chemicals will assist in the circulated use of resources.

ASUS 2002-2018 Records of chemical management

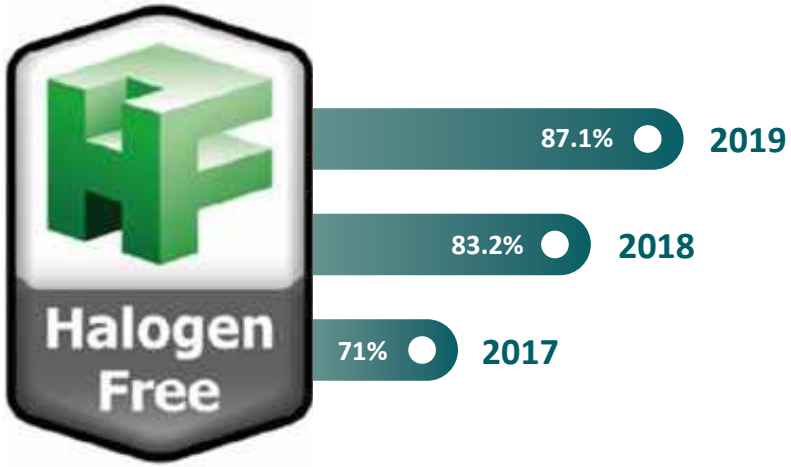
[1]Circular Advantage - Innovative Business Models and Technologies to Create Value in a World without Limits to Growth, Accenture, 2014

The ASUS HSF (Hazardous Substances Free) standard has aligned with RoHS (Restriction of Hazardous Substances Directive) since 2002, and then augment the substances, such as and beryllium, antimony and red phosphorus, that exist risks for potential hazards to the human body or the environment, and are restricted by our proactive management. After several revision, the Standard was not only far ahead of international mandatory regulations, but also covered IEC 62474- International material declaration standard at the same time[2]. It could help to exchange chemical information between different suppliers.

From 2018, we revised the standard to align with global eco-labels to set stricter requirements for prohibited substances, to improve environmental performance. We established advanced machines from tested by third-party laboratories, reviewed by ASUS professionals and audited procedures, to make sure the products are safe to humans and the environment during its whole lifecycle.

In recent years, the issue of plastic pollution has attracted the most attention. ASUS started from enhancing recyclability of plastic, were one of the key factors was the retardant in plastic. Since electronic products generate high temperatures during operation, it is necessary to add flame retardants to plastic to inhibit, suppress or delay combustion for product safety. In the past, halogen-based retardants were advantageous for extensive applications, less dosage, high flame retardant efficiency and compatibility, as well as relatively low cost, which has been the main cause of its wide utilization. However, it has been proved internationally that halogen flame retardants would generate dioxin from improper recycling and treatment, which cause a hazard to the environment and human health. Furthermore, the parts containing halogen cannot be recycled due to encroachment under halogen acid, which is against the goal of the circular economy.

ASUS committed to reducing the usage of halogen flame retardants, provided that alternative technology and economy are feasible without affecting the product performance and quality. Since 2010, we have autonomously introduced the halogen-free policy, and now strive towards the goal of not using halogen flame retardant among 85% of delivered products by 2020. The goal was supported by our supply chain. Since 2019, the hard-drive and battery vendors had stopped using the halogen flame retardant. The components in compliance with the “GreenASUS Halogen-Free Technical Standard” account for 87.1%3 of the components available for use in all the products shipped in the 2019 fiscal year (hereinafter referred to as “2019”). We will continue to march toward greater goals.



Due to the proactive measure of chemical control, ASUS acquired the benefit of environmental tax reduction, which was rewarded by Sweden in 2019 at an amount exceeding USD 1.1 million. It is proved that our competitiveness in enhancing green products did not only contribute to the environment, but also generated benefits for operation.

In addition to products, ASUS also restricted highly risky substances used in the manufacturing process, which reduced the hazards to the ecosystem, environment and humans. For example, the use of chlorine in the paper bleaching process would generate chlorinated organic compounds such as chloroform and dioxin. To drive upstream suppliers towards the low-chlorine and non-chlorine bleaching process, ASUS has required paper packaging vendors on the prohibition of using chlorine-bleached papers since 2018. In addition, we also restrict PVC-contained components. PVC (Polyvinyl Chloride) is a plastic that may impact the environment and health from the production, application and disposal stage. In 2019, the overall PVC consumption had reduced by 27.0% compared to 2016.

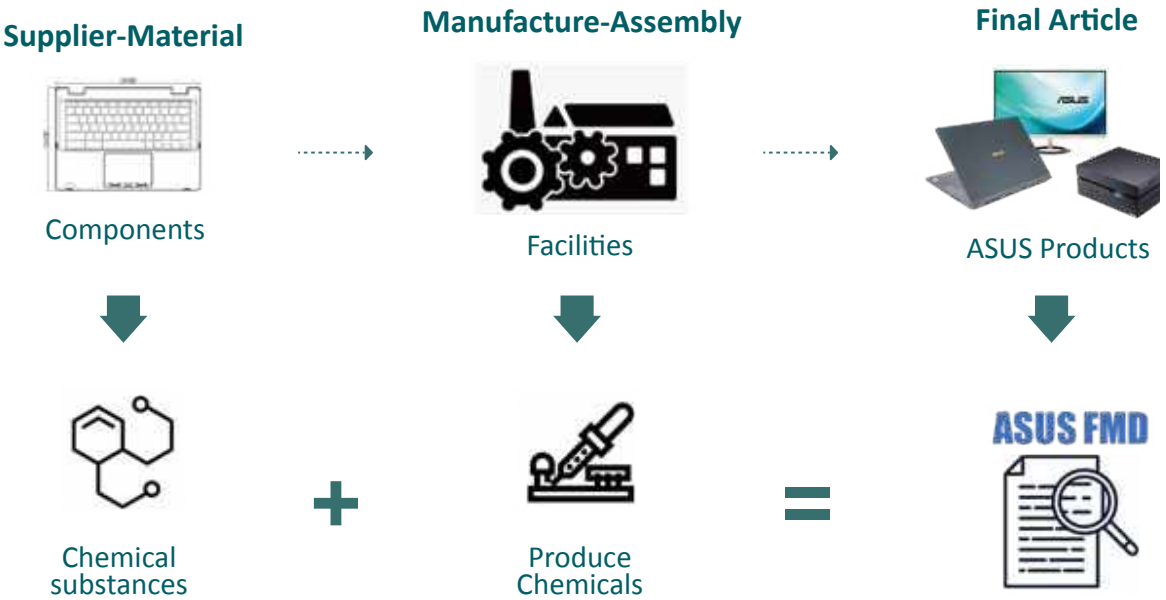
[2]IEC 62474: With the electrical and electronic standards set by IEC (International Electrotechnical Commission), we used the supply chain material declaration to track and declare information of material composition for electrical and electronic products, which enhanced the efficiency of data exchange in the world and the supply chain.

[3]Regarding the ratio of halogen-free components, please see pages 4-12.

In the past, we needed to invest in our system and supply chain to address global regulatory and/or customers require document. These passive approaches lead to inefficient work and high cost. In order to be to respond quickly to changing substance restrictions, we adopted the FMD (Full Material Disclosure) program since 2018. With investigation from material source to all substances used in the assembly/ production line, we further analyzed data and evaluated substance risks.

FMD (Full Material Disclosure) is the method of enhancing the transparency of the chemical supply chain in the production process. We collaborate with our supply chain and prioritized the FMM of mainstream products. To implement the FMD program, we helped suppliers to establish operating procedures of substance flow, and partnered with suppliers to make the process more efficient. The effective recovery ratio of FMD achieved 75%~95%.

From Passive to Active, we adopt the proactive management of chemicals in products and supply chains that creates long-term value by staying ahead of regulatory and market demands. The potential benefits including:



- Nimble in addressing rapidly shifting market and regulatory demands.
- Identified the risk of chemicals by using assessment tools, such as GreenScreen.
- Costs greatly reduced or eliminated for crisis management.
- Timely responsiveness to customers builds long- term relationships.
- Recycling and reuse easier, e.g. identify the valued materials in the products and make the opportunity to recycle them.

〔Case Study〕Full Material Declaration Project - Notebook Computers

The chemical in electronic products may leakage exposure or leakage of hazardous substances at a product using or end-of-life stage, and cause impact to humans and the environment.

The potential benefits including:

- Nimble in addressing rapidly shifting market and regulatory demands
- Identified the risk of chemicals by using assessment tools, such as GreenScreen
- Costs greatly reduced or eliminated for crisis management
- Timely responsiveness to customers builds long- term relationships
- Recycling and reuse easier, e.g. identify the valued materials in the products and make the opportunity to recycle them

Take laptop computers for instance, through FMD we can understand that over 300 chemical substances were used, which could be classified in sequence as plastic (approximately 38.1%), metal (approximately 28.9%), glass (approximately 11.3%), and other compositions (approximately 21.7%). The analysis can identify high-risk substances, further understanding and planning for alternative materials to reduce the risks of product hazards.

Environment-Friendly Materials

IIn addition, to improve the recyclability of resources, we also apply sustainable materials in the products gradually. The WEF (World Economic Forum) has estimated that plastic products would grow at a speed of 3.5% per annum before 2050. With such a trend, 2.8 Gt of CO2e will be discharged in 2050, which is equivalent to the discharge amount from 615 coal-fired power plants. Among ASUS products, mainstream products contain more than 30% plastic of total weight. Therefore, we cooperated with the suppliers to explore the opportunities that increase the recycled content as much as possible without affecting quality, function and durability.

In the last three years through product design, ASUS has replaced recycled virgin plastics by recycled ones. The amount of recycled materials is up to 669 tons, which is equivalent to approximately 1,200 tons of CO2e reduction emission.

In addition, we select priority packaging material containing recycled materials. For example, the transportation boxes contained than 80% of recycled content. To address the global trend in plastic reduction, we reduced the used of plastic foams and switched to covering keyboards with non-woven cloths.

In the future, ASUS will continue to expand the use of sustainable materials on products and adopt practical action, toward our circular and sustainable goals.

Reduction of Packaging Volume and Quantity

Packaging materials carry the purpose of protection during transportation and marketing. Compared to the products, however, most of the packaging materials were discarded by consumers after purchase, and caused resource wastage. According to the WEF and research report from Ellen MacArthur Foundation in 2016, most of the packaging was only used once; where the massive plastic junk produced after use was only recycled effectively at a mere 5%.

Therefore, we reduced wastage by designing a reduction of internal space for packaging, which reduced the volume of product packaging and dematerialization. And we also consider the stacking way. It not only could improve transportation efficiency, but also prevent damage caused by transporting products of different dimensions.

Reduction of packaging volume and space wastage	Integration to unified dimensions for reducing wastage in the manufacturing process	Increase stacking and transportation efficiency

Design optimization for ROG PHONE II packaging structure

17% Volume reduction

33% Volume stacking efficiency

Life Cycle Extension

During the design phase, the product was considered for recycling and re-utilization procedures that can improve the efficiency of resource usage with the effect of promoting a circular economy. Through the design of easy dismantling for recycling, the consumer can update spare parts to accommodate with the requirement of usage when the product needs to upgrade for improving the computing performance, so there is no need to replace the entire product. Upon product error, it is easy to dismantle, maintain and replace materials for extending the life of product usage. Should scrapping become necessary, the product can assist the recycling company in sorting, which reduces the operational cost of recycling and enhance the recycling value of electronic products.

Technical Support

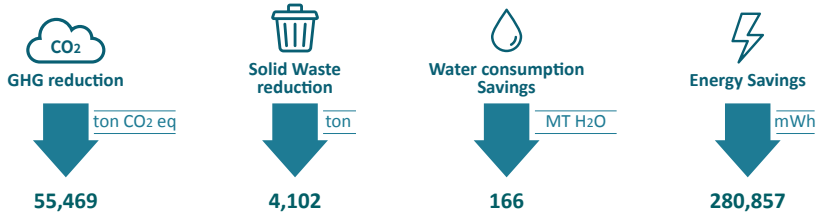
AASUS has established the technical support website to provide software and firmware updates for optimizing product performances. At the same time, we also provided diversified customer services such as physical stores, timely service and support website to solve questions on product use or provide maintenance service for the consumers. Moreover, we have developed the “Self-diagnostic check” to help users on optimizing product performances and solving product problems, as well as helping users to grasp the health status of their own computers at all times, which extends the product life of utilization further.

For scrapped products that cannot be used, ASUS has established a global recycling service. In Taiwan, we also executed the “Refurbished Computer and Digital Training Program”, where product life of usage was extended by means of refurbishment and reuse.

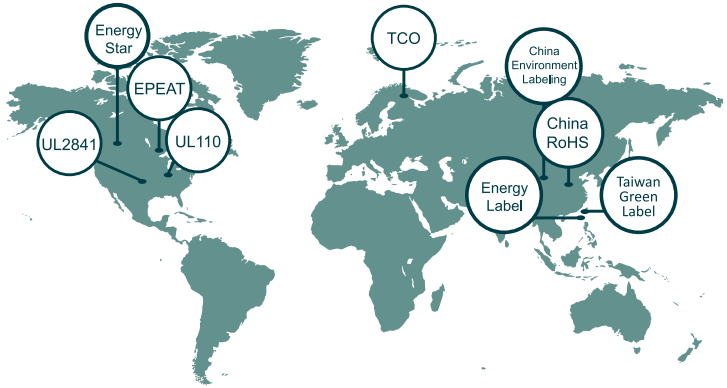
Green Products

The Green Mark helps consumers to identify products or services with better environmental quality. It is deemed as one of the most suitable methods to implement a circular economy. For example, the Type I Eco-label defined under ISO 14024 requires that the product must comply with the requirements in the whole life cycle, and be verified by the independent third party. Among the market, only 25% to 30% of products could achieve such a level of environmental performance.

ASUS has invested in green product R&D over a long period and acquired green certification under strict review by international eco-label, which proves that in addition to its high quality, our product also presents excellent environmental performance. Take the EPEAT[4] eco-label for instance, ASUS products, manufacturing process and operation could comply with the requirements on ten aspects, namely substance management, material selection, product design, energy usage, product & corporate footprint, regenerated energy, CSR (Corporate Social Responsibility), conflict minerals and packaging reduction, which reduced environmental impact over the entire life cycle. The ASUS products acquired with EPEAT certification covered our mainstream products such as laptop computers, desktop computers and LCD (Liquid Crystal Display). Through the GEC (Green Electronics Council) assessment tool for statistics on the total performance of environmental load reduction over products sold in 2019, ASUS products reduced more than 55, 469 tons of CO_2e and 4,102 tons of solid waste, as well as saving 1.66 million metric tons of water and 280,857 mWh in total. In addition to revealing our excellent reduction performance under EPEAT certification, the above also demonstrated ASUS determination on environmental load reduction.



In addition to EPEAT, ASUS also actively participated in the application of various labels. In 2019, we acquired a total of 8 eco-labels and the turnover of labelled products was 71%[5] of our total product revenue. We also adopt the method of SASB (Sustainability Accounting Standards Board) to take statistics for the proportion of sales on green labelled products over corporate revenue as one of the reference indicators for investors. It was also important for ASUS to demonstrate green competitiveness. Among them, annual revenue from sold products compliant with EPEAT or equivalent standard was 18.7%[6] of the total revenue, the revenue from products compliant with Energy Star was 63.7%[7] of the total revenue.For calculation basis, please refer to attachments.



Product As A Service (PAAS)

PAAS was one of the business models which aims of the circular economy. It changed the concept of ownership and encouraged people to rethink how to use service. The business model allowed corporations to save energy and resources to manufacture more goods and dispose pf waste, as well as generating continuous revenue from service provision. Corporates may achieve the goal of the circular economy by solving environmental problems and generate turnover at the same time via innovative mode.

In the past, promoting such service was successful at government procurement or large commercial scale. ASUS now attempts to promote the integrated product service in academic campuses and medium/ small companies, which includes leasing of suitable products to users, software/ hardware installation and maintenance. In the case of client needs for upgrading or renewing equipment, we offered free service of recycling and data removal. From the clients' perspective, integrated service has eliminated the questions and troubles of subsequent product handling. They only need to pay for services of genuine needs, where both parties receive benefit from more active and sustainable relations.

[4]The EPEAT (Electronic Product Environmental Assessment Tool) was jointly initiated by the EPA and IEEE in the USA. The Tool follows ISO 14024 structure and acts as a representative global eco-label in the IT industry.

[5]For the ratio of the revenue from eco products, please see page 4-12.

[6]For the ratio of the revenue from products in compliance with EPEAT or equivalent standards, please see page 4-12.

[7]For the ratio of the revenue from products in compliance with Energy Star, please see page 4-12.

Sharing Platform

Since the consumers showed greater concern over privacy and personal data in the IT products. It makes the difficulty to promote the sharing of products. We dealt with it from another perspective by establishing a sharing platform that optimized the efficiency of idle items. ASUS has built digital learning centers around the world, where we strived in promoting digital education to reduce the digital divide. By utilizing the sharing platform, we utilized idle items to establish digital infrastructures to enhance material efficiency.

Global Recycling

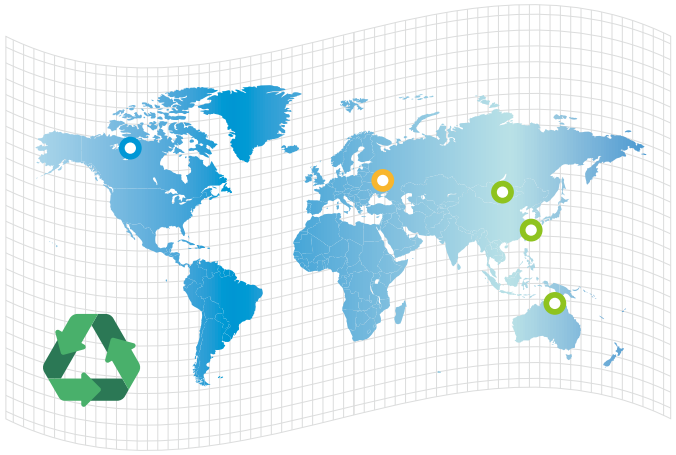
E-waste is now the fastest-growing waste stream in the world. Each year, approximately 50 million tons of electronic and electrical waste (e-waste) is produced, which is equivalent to the weight of 4500 Eiffel Towers. The UN has called it a tsunami of e-waste. Differing from general garbage, however, E-waste may contain precious metals such as gold, copper and nickel as well as rare materials of strategic value such as indium and palladium. These materials can form an industry of green circulation with resource regenerating procedures, which imposes significance in both economic development and environmental protection. The annual value of electronic waste is estimated to exceed USD 62.5 billion, which equals the GDP of numerous countries.

Through recycling and resource circulation, replaced electronic products were given new value and life, which created the next wave of opportunity for economic development and became the key of the circular economy.

Based on extended producer responsibility, ASUS has established free recycling service in major markets including Taiwan, Europe, North America, China and India. We also realized that electronic waste often flows to less developed countries due to lack of regulatory, process costing and second-hand markets, which severely affects human health and causes environmental pollution after improper treatment. To ensure well-treated of electronic waste and compliance with the Basel Convention, all recycling companies working with ASUS are either approved by local government, or comply with electronic recycling standard, such as the Responsible Recycling (R2), the e-Stewards Standards. We will conduct annual audits on items including the compliant procedures for treatment, tracking of downstream and pollution prevention, which ensures that waste had been treated to valued resources that could be reused and prevent illegal disposal.

During the recycling process, we found that most of the discard computers were still usable or with only partial damages, which could be refurbished and reused. In view of the above, ASUS started the “Digital Inclusion program” from the Headquarter in Taiwan. We cooperate with the strategic partners that tested the recycled computers, and repair them as to refurbished computers. The refurbished are donated to NPO’s (Non-profit Organizations) in Taiwan and overseas. In addition to the extension of product life, the policy was also applied to promote digital learning. Through these programs and services, we create a new life for the discard computers and greater the materials efficiency.

In 2019, ASUS global recycling service covered more than 74% of the sales market, recycled more than 10,000 tons of electronic waste and the ratio of the recycled amount was 14.6% of global sales.[8]



[8]For the calculation on recycling rate, please see page 4-12.

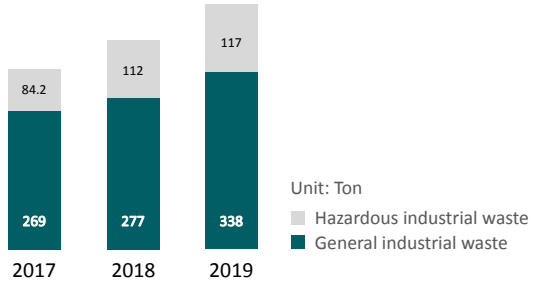
Continuous Reduction of Environmental Footprints

ASUS has established an exclusive EHS (Environment, Health & Safety) team to assess the possible environmental impact from company activity for compliance with relevant regulations. To improve corporate performance for environmental protection, the administration team has set strict specifications and continued to promote improvement programs, which helped us to reduce environmental impact to a minimum and head towards the goal of “Zero pollution."

Waste Management and Zero Waste to Landfill

We expect to achieve zero waste and toward the goal of the circular economy. Since 2015, ASUS has initiated the “Zero Waste to Landfill” program from the Headquarter by adopting UL ECVP 2799- Zero Waste to Landfill standard, which tracks waste flow with quantified index, confirms adequate procedures on waste recycling, reuse and conversion instead of direct land-filling. Due to the activation of the second building of ASUS operation headquarters in 2019, a large amount of waste was produced during the moving process, which caused the dropping of conversion rate to 72%. Improvement was expected after completion of moving.

ASUS waste could be classified into general waste and hazardous waste. The hazardous waste mainly included R&D materials and waste, which are treated and recycle by approved recyclers. The general waste mainly included daily garbage from employees, which are main reused after adequate recycling. The portion that cannot be recycled will be finally processed with incineration or land-filling.



Water Resource Management

Regardless of whether it is to maintain life or business operations, the dependence and demands for water resources have grown, but the problem of insufficient water resources and risks has have also increased over the years. In ASUS, the consumption of water resources mainly covers daily water for general office staff and the source comes from municipal supply while the risk of operation affected by water resources is relatively lower. Based on CSR, numerous water-saving measures were conducted for effective administration on water resources.

To achieve these, as well as improving usage efficiency and reducing wastage on water resources, we have implemented numerous measures in software and hardware. Hot spots of higher water consumption in Taiwan undergo analysis and statistics on significance, which will serve as records for long-term tracking. Moreover, a water recycling and reuse facilities were erected at the Headquarter, which collected overflowing water for toilet use and plant maintenance.

The source of wastewater mainly covers general wastewater from office, which is normally drained into a specified sewage treatment system as per government regulations, thus not listed within significant scope.

Due to activation of the new building in 2019, the water consumption increased by 20% compared to the previous year.

Water Usage (ML)

Climate Change and Energy Management

Climate change is the contemporary topic over the world for inducing profound impacts and challenges to humankind, ecology and earth environment. According to the Global Risks Reports published by the World Economic Forum (WEF) over the decade, the extreme climate has always been the primary risk that threaten the world, despite of the possibility and the impact. The research by Stanford University[9] indicated that failure to achieve the goal of the Paris Agreement may lead to a loss of trillions in USD by the next century.

The climate issue has been identified as a material topic for ASUS, which does not only attract high attention from stakeholders, but also imposes great influences in governance, environment and society. ASUS supports the Paris Agreement, as well as the science-based targets. Although ASUS is not an energy-intensive industry, we still strive to impose industrial influence on the topic of mitigating climate change based on no regret policy. To allow investors and stakeholders in understanding and corresponding, we adopted the TCFD (Task Force on Climate-related Financial Disclosures) issued by FSB (Financial Stability Board) where we disclosed governance, strategy, risk and opportunities and indicators in the annual report to address climate change.

We integrated the climate action into the business strategy. Regarding to the material climate risks and opportunities, we adopt strategy and actions based on the governance structure, as well as implementing tracking performance by qualitative and quantitative measures. To assess the business impact, we conducted simulated scenarios to analyze ASUS climate resilience from the supply chain, operation, and product usage.

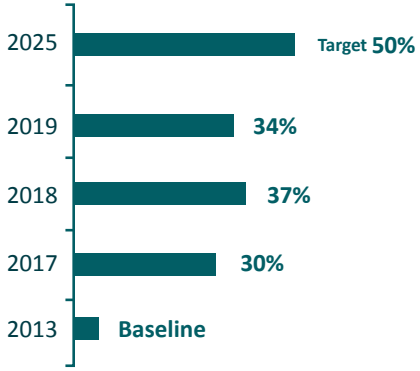
The simulated scenarios for analysis included impact from cost of raw materials, loss under accident and violations for regulations, as well as a review on potential exposure in finance and corporate resilience. Since our main production and supply chain is located in China, the INDC (Intended Nationally Determined Contribution) under China was used as one of the scenarios, while the other scenario was based on the Paris Agreement. The two scenarios corresponded with scenarios 2.6 and 8.5 under RCPs (Representative Concentration Pathways) respectively.

- IEA WEO 2016 estimated the cost change of global resources under 2°C (RCP2.6) and 4°C (RCP8.5). ASUS built the simulated scenarios according to this for estimating cost increase in the carbon tax and regenerated energy that could possibly be confronted in the supply chain.
- The Energy Technology Perspectives 2017 estimated in 2DS that the global growth in energy consumption must reduce from an increase of 3% per annum to 1.5%. ASUS built the simulated scenarios according to this for estimating product energy efficiency required to improve for achieving the 2DS (2 Degree Scenario) goal, as well as assessing the potential risks, financial impact, commercial opportunities and strategic adjustment to be faced under such scenarios.

Regarding the simulation of significant climate risks and opportunities, we set relevant administration measures on mitigation, transfer and control over the full value chain. The main actions include:

- Product and service: Introduction of green design platform and continuous investment of innovation to improve the efficiency of energy utilized in software and hardware.

In the simulated scenario, energy efficiency statutes for global products become gradually strict and generates potential risks. To prevent interruption by energy efficiency statutes and create competitiveness among the market of green products, each ASUS laptop computer must comply with Energy Star requirements before entering into the market. Although Energy Star revised with stricter efficiency requirements, ASUS still holds the criterion for our laptop computers. 100% of notebook computers newly launched in 2019 and developed by the ASUS' New Product Development Project are compliant with the requirements for computers defined in Version 7.1 ENERGY STAR® Program. The average energy consumption of the notebook computer is 27% more efficient than the standard value of Energy Star. The efficiency was also improved by 34% compared to 2013.



In 2019, we helped consumers to save 436,000 mWh of electrical power equivalent to approximately NT $130 million[10] of electricity fee.

$130 millions

[9]Large potential reduction in economic damages under UN mitigation targets, nature, 2018.

[10]For the calculation on the amount of electricity fee saved for the consumers by using an ASUS notebook computer, please see page 4-12.

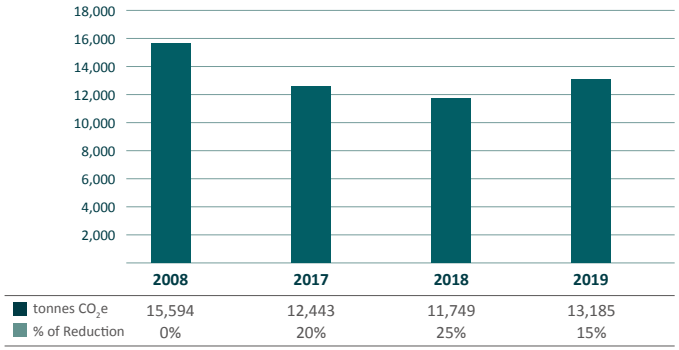
- Supply chain: Under the RBA audit mechanism, we guided suppliers to strengthen resilience in corresponding with climate change, which motivated the supply chain in the transformation towards low-carbon manufacturing.

During the process of risk analysis, we estimated that the supply chain might experience an increase in energy cost and risk in the natural disasters. Toward low-carbon manufacturing, we partnered with suppliers to conduct out the GHG investigation. For relevant information, please refer to the Chapter on supply chain management.

- Operation: With the ISO 50001 energy management system, we identify the hot spot with high energy consumption for improving energy efficiency gradually.

In ASUS, 99% of CO2 emissions generated from use of electricity in office operation. Since 2015, we build up the ISO 50001 Energy management system to identify hot spots with high energy consumption, gradually improve energy efficiency and reduce power consumption towards a goal of 1% annually. Moreover, the ASUS buildings are within convenient distance to public transportation for reducing CO2 emission from staff commuting. Both of our operation headquarters have certified the top class of green building that reduces environmental impact. In 2019, our CO2 emission increased by 12% compared to the previous year due to the movement of the new building, which was 15% lower than the benchmark. We will plan and re-assess the baseline and reduction targets. For other information, please visit CSR website - Energy Management and Addressing Climate Change.

Emission (scope 1+scope 2)



〔Case Study〕 LEED Platinum Certification of New Headquarter Building

Taking two years to build, ASUS today officially opened its headquarter “LiGong Building”, which received LEED v4 BD+C (new building category) platinum certificate from USGBC (US Green Building Council). “Thirty years ago, ASUS has founded a mission to create the world’s best technology. The last three decades have been extremely exciting as we dedicated ourselves to this mission with many impactful innovations,” said Chairman Shih. ”The opening of our new building is a symbolic milestone for the entire ASUS family as we unit and grow to garner be a leading innovator in the new AIoT era. We will continue our journey in search of incredible to create the most ubiquitous, intelligent, heartfelt and joyful smart life for everyone".

Important Milestone in the History of Green Buildings of Taiwan Enterprise

ASUS has added many sustainable ideas in the design stage of the LiGong Building. The environmental-friendly approaches and benefit include:

- More than 5,000 square meters of green space retained to echo the natural ecology of Guandu.
- High efficiency of energy use through the smart control system and sensor to save energy and conserve water.
- High-quality indoor air and circulation provided by the external air-conditioning system .
- Improve the utilization of water resources through rainwater recovery systems. e.g. The irrigation for green space requires zero running water .
- The indoor water conservation percentage is more than 55% higher than the standards of the LEED.
- The green roof reduces the urban heat island effect.

At the same time, the software infrastructure includes comprehensive information communication, system integration, energy-saving management and smart innovation. There are high-efficiency wireless network communication/teleconferencing equipment, digital bulletin displays at public spaces, smart license plate recognition and parking instructions and energy recovery devices for elevators, which save 35% of electricity consumption compared with the conventional elevators, and these facilities earn the building a diamond certification, the highest level for smart building, issued by the Ministry of the Interior.

【ASUS LiGong Building Trivial】

Base area: 13,311 m2

Building floors: 16 floors above ground and 4 floors underground

LEED version: LEED v4 BD+C (Building Design and Construction, new building category)

LEED Level: Platinum

Remark: The Calculation Base of Environmental Indicators

The ratio of Halogen-free Components	
Numerator	Number of Halogen-free components used in products available for shipment in 2019
Denominator	Number of all components used in products available for shipment in 2019

The ratio of Revenue from Eco-Products	
Numerator	Revenue of products are eligible for the eco labels
Denominator	Total revenue of product deducting the revenue of products (such as accessories and assembled semi-product) what were not applicable for eco-label in 2019

The ratio of Revenue of Products Complies with EPEAT or Equivalent Standards	
Numerator	Revenue of products are eligible for EPEAT, TCO, Taiwan Green Mark and China Environment Labelling
Denominator	Total revenue of products that could apply for EPEAT, TCO, Taiwan Green Mark and China Environment Labelling in 2019

The ratio of Revenue of Product Complies with Energy Star ratio	
Numerator	Revenue of products are eligible for the Energy Star
Denominator	Total revenue of products that could apply for Energy Star

Recycling Rate	
Numerator	The weight of recycled equipment, which sourced from governments/recycling vendors, estimation on ratio of responsible recycling charge
Denominator	Total weight of delivered products

The calculation for The Amount of Electricity Fee Saved for the Consumers by Using an ASUS Notebook Computer

On average, each notebook computer saves 33.79 kWh per year compared to the legal requirements, and the cost of electricity was estimated at NT $3 per kWh.
The Amount of Electricity Bill Saved = The cost of electricity NT $3 per kWh x Total Number of Shipments of the notebook computers in 2019

5 Responsible Supply Chain

Management Approach

Suppliers are our key and strategic partners to promote sustainable operations. We drive vigorously to support the development of a sustainable supply chain in line with ASUS' concept of sustainability in environment, society, and governance.

Strategy

In response to the 17th SDG: Partnerships, based on the cooperation model, geographical relationship, and stakeholder expectations, we examine sustainability risks that might occur in suppliers' life cycle. By incorporating sustainability into the supplier management and procurement process, with responsible procurement, annual audits, and supervision project, ASUS would like to ensure our suppliers provide safe workplace to their employees, comply with environment regulations, and managing business with Ethics.

Performance

On-site audits regarding corporate social responsibility and hazardous substances management were **100%** completed.

The audit of corporate social responsibility protected the labor rights of more than **360,000 employees** person-time. Note

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

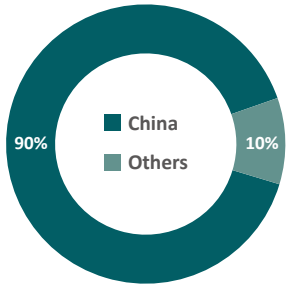
Supervision and training projects reached a total number of more than **2,600 employee** person-times and a total number of more than **570 hours**. Note

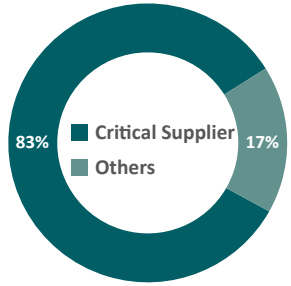
Note: Accumulated since 2013

ASUS Supply Chain

As a global leader in information communication technology industry, ASUS has cooperated with more than 700 suppliers, including product assembly plants and component suppliers, mainly located in China. Please see the figure for regional distribution.

We define the critical suppliers by purchase amount, supply limitation, and key technology. Critical suppliers are vital partners for ASUS in providing assurance of smooth launching regarding the mass production of products. We commit our resources to assist suppliers in sustainable management for the assurance of sustainable production.

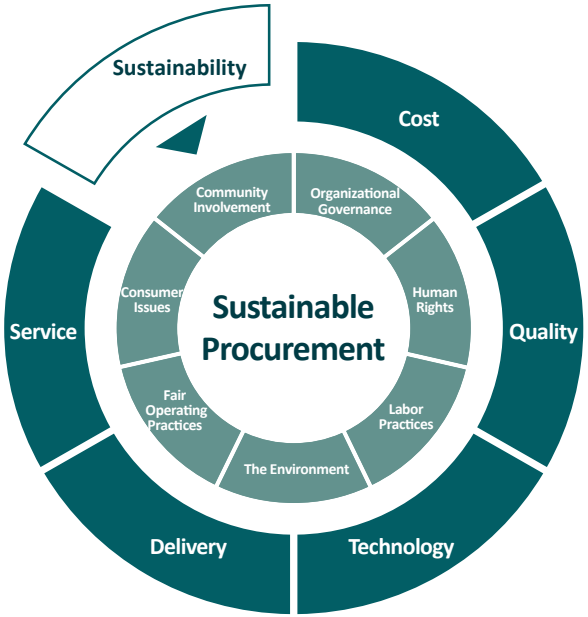




Supply Chain Management Framework

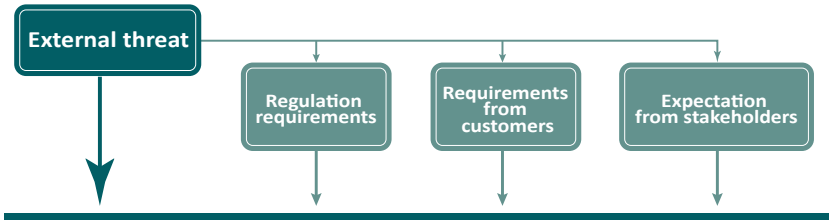
According to The Electronics Industry Procurement Analysis Report, more than 60% of enterprise spending is on the supply chain. Procurement management is an aspect of showing corporate social responsibility and is a critical mechanism for driving the supply chain forward to achieve the goal of sustainability. The Supply Chain Risk Management Practices published by US National Institute of Standards and Technology (NIST 800-161) identify sustainability as a vital aspect of risk management.

Sustainability is a key factor of consideration in supply chain management. We implement ISO 20400 sustainable procurement program, considering of cooperation strategy, procurement model, and geographical relationships to identify the risks of human rights, labor practice, environment, and fair operation practices inherent to the life cycle of mining, components manufacturing, assembly, and disposal, and as such implementation of our strategy for the sustainability of the environment, society, and governance to drive the sustainable transformation of the supply chain.

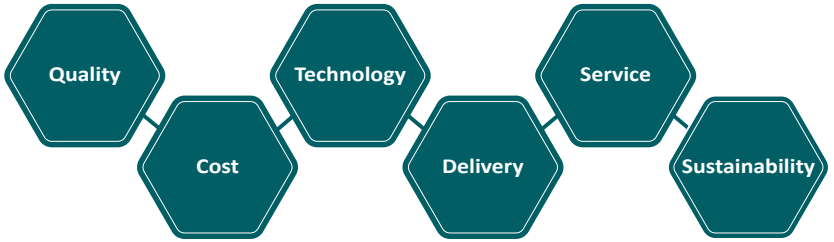


	Mining	Components manufacturing	Assembly	Disposal
Human Rights	• Responsible Minerals • Forced Labor • Child Labor	• Forced Labor • Child Labor • Non-discrimination	• Forced Labor • Child Labor • Non-discrimination	
Labor Practices	• Health and Safety	• Health and Safety • Working Hours	• Health and Safety • Working Hours	
The Environment	• Deforestation • Wastewater • Greenhouse Gases	• Greenhouse Gases • Wastewater • Waste	• Greenhouse Gases • Wastewater • Waste	• Waste
Fair Operating Practices		• Anti-bribery	• Anti-bribery	

ASUS sustainable procurement has been certified by the third party SGS, to prove that ASUS has implemented sustainability in its procurement policy and practice, and has been issued the world's first ISO 20400 certification with high rating, becoming a benchmark case of sustainable procurement. We will increase the proportion of sustainable procurement in the supply chain and increase the evaluation proportion of sustainability performance in the Quarterly Business Review (QBR) to build up a sustainable supply chain with the influence of ASUS' purchasing power.



ASUS Supply Chain Management Framework

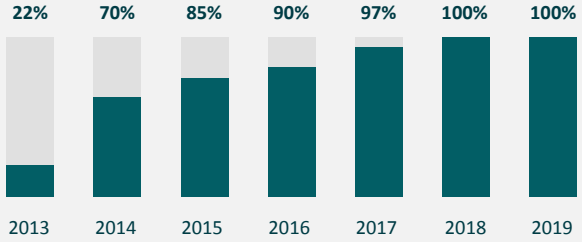


〔Case Study〕ISO 2040 Sustainable Procurement Certification

ASUS implements sustainable procurement and has successfully brought sustainability to the attention of the supply chain with the input of resources for sustainability management. For bolstering partnership and mitigating the impact of supply chain procurement on the environment:

- 100% responsible minerals came from qualified smelters
- 100% new suppliers received ISO 14001 certification

Percentage of suppliers received environmental certifications



Percentage of tantalum, tin, tungsten, and gold came from qualified smelters

Further to the consideration of quality, cost, technology, delivery, and service, sustainable procurement also entails the choosing of suppliers, continuous management, to reduce the impact on the environment and enhance the contribution of procurement to society and the economy as a whole.

Supply Chain Management Strategy

According to the 2018 annual report of the Responsible Business Alliance (RBA), the primary risks confronting the electronic industry in sustainable development are labor, environment, and partnership. We have established our risk identification procedures in accordance with the RBA Self-Assessment Questionnaire, hazardous substances management, brand management, brand reputation, labor protection, continuous improvement, management system, and labor intensity. We use it to identify the risk level of more than 300 suppliers and outsourced service providers with an annual procurement amounting to NT$2,500,000 and further determining a list of high-risk suppliers to conduct the onsite audits and provide supervisions.

We continue our efforts in engagement and cooperation with the external stakeholders on supply chain management issues, and actively participated in the RBA as a full member to demonstrate our ambition in supply chain management and promise to assume a larger share of responsibility as a producer. We utilize the RBA Code of Conduct and include PAS7000 and SA8000 to establish the ASUS Supplier Code of conduct, reinforcing our protection of young and female labor, and lead the suppliers to share the corporate social responsibility under the full-range management framework to create a sustainable supply chain.

The Supply Chain Management Process

The management consists of three phases: new supplier approval, continuous risk management, and performance evaluation. The targeted suppliers cover tier 1 product assembly, tier 2 component manufacturing, and tier 3 mining of raw material.

- System Certification: ISO 9001, ISO 14001
- Signing Compliance Declaration
- Initial Audit: Quality, Hazardous Substance Free, Corporate Social Responsibility

- Annual Audit: Hazardous Substance Free, Corporate Social Responsibility
- Annual Survey: Responsible Minerals, Greenhouse Gases, Water Footprint, Waste

- Quarterly Business Review: Quality, Cost, Technology, Delivery, Service, Sustainability

Phase 1: New Supplier Approval

The entrance barrier for becoming ASUS' qualified suppliers are: possessing ISO 9001 and ISO 14001 certifications, singing the compliance declaration, and passing the audits on Quality, Hazardous Substance Free (HSF), and Corporate Social Responsibility (CSR).

Phase 2: Continuous Risk Management

We manage suppliers with continuous business relations by risk level. Suppliers classified as high risk will be subject to onsite audits by ASUS and the third party. Suppliers classified as moderate to low risks will be audited by document review. All suppliers must complete the annual survey on responsible minerals, greenhouse gas, water footprint, and waste. The potential risks of the suppliers in labor, health and safety, environment, and ethics are managed through audits to avoid posing an impact on governance, the environment, and society, which in turn affects the operation of the supply chain.

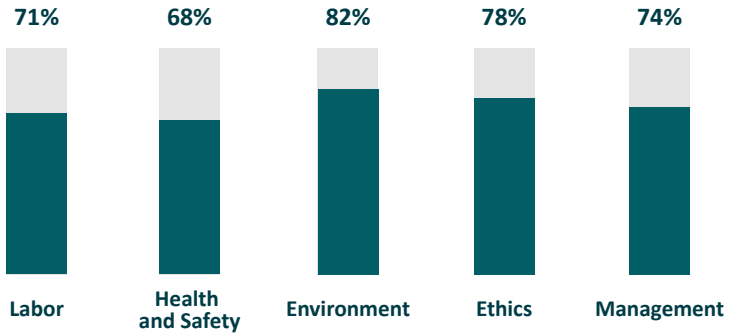
Phase 3: Performance Evaluation

Besides the quality, cost, technology, delivery, and service, we also includes sustainable indicators such as ethics, environmental protection, labor rights and health and safety for the QBR as an important basis to allocate orders and determine whether to continue the partnerships; suppliers with good performance will be given more resources. ASUS uses its influence to drive the supply chain for continuous improvement.

Sustainable Performance in Supply Chain

Labor Rights Protection

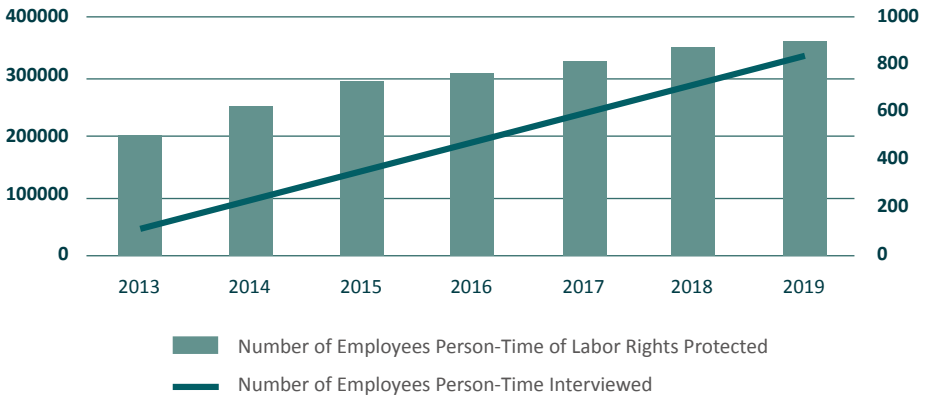
Through performing audits, ASUS ensures that suppliers meet the requirements of the management strategy regarding labor rights protection, occupational hazards prevention, and environmental protection. We identify a list of high-risk suppliers for auditing based on factors such as special labor employment, labor intensity in production lines, and environmental management, with supplier categories such as labor intensive outsourcers, mechanisms, monitors, motherboards, power supply, and battery. In 2019, a total of 20 onsite audits were performed. The total number of findings identified was 284, and the average passing rate was 75%. The audit results showed that the largest number of findings was in the health and safety:



We launched seminars to help the suppliers correct the findings by working with the third party to provide best practices and establish a communication platform for experience sharing. All findings were corrected, and the high risk in working hours was reduced to low risk identified by RBA.

Dimension	Priority Findings	Improvement Plans
Labor	Weekly working hours exceeded 60 hours; worked for 7 consecutive days.	Monthly reporting on working hours; proper allocation of human resources; enhancing the labor awareness.
Health and Safety	Insufficient personal protection equipment for positions in special manufacturing process.	Immediate correction required by purchasing sufficient protection equipment within one month.
Ethics	Did not develop sustainable procurement in the supply chain management.	The standard of selecting new suppliers included considerations such as labor, health and safety, and the environment.

Under the continuous audits over these years, more than 800 employees person-time were interviewed, and the labor rights of 360,000 employees person-time were protected.



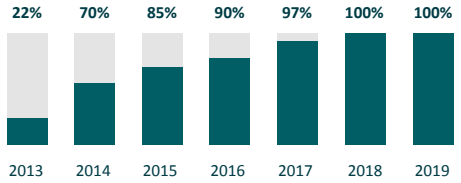
Responsible Minerals Procurement

The findings of a survey conducted by Responsible Mineral Initiatives (RMI) indicates that the rebel groups in the Democratic Republic of Congo and adjoined countries adopt forced labor, child labor, and other illegitimate means in mining for minerals such as tantalum, tin, tungsten, and gold (3TG) and sell these minerals in exchange for weapons, which eventually cause regional disturbances. Four minerals harvested from illegal operations are called conflict minerals.

Tantalum, tin, tungsten, and gold, which are necessary materials for the functional operations of electronic products, are commonly used in resistorr, inductor, CPU, hard disks, memory, motherboards, and connectors. ASUS is a brand that stands for human rights and environmental protection; as such, ASUS has a social responsibility to avoid the use of conflict minerals. To meet this responsibility, the ASUS Responsible Mineral Sourcing Policy was formulated which establishes a set of measures and has required suppliers to procure metals from qualified smelters to avoid illegal mining, which leads to human trafficking, arms coercion, child labor abuse, and ecological damage.

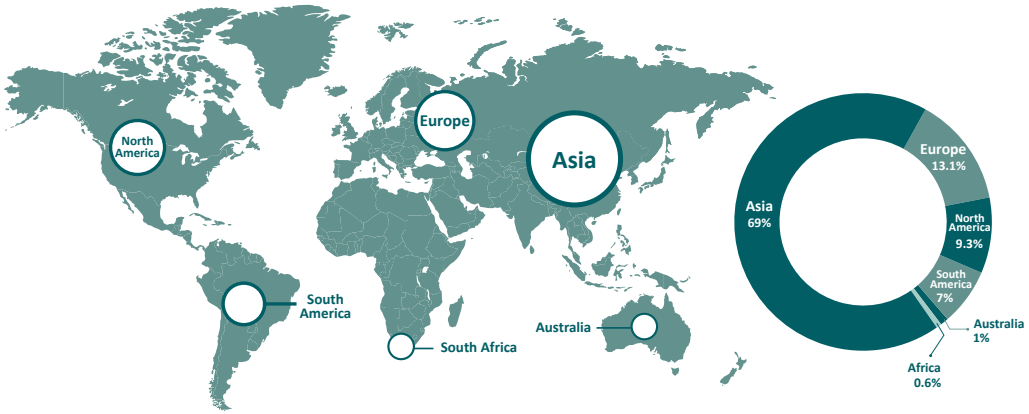
ASUS implements measures based on the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance:

With the implementation of the qualified smelters conversion plan over the years, the percentage of 3TG sourced from qualified smelters has been significantly improved from 22% in 2013 to 100% in 2018. We will continue the investigation of due diligence and maintain our partnership with the suppliers for assurance of achieving the procurement of responsible minerals. This result also constitutes the success of ASUS in minerals management whereby more than 40,000 child labors in Africa were avoided being employed in illegal and hazardous operations.



Percentage of tantalum, tin, tungsten, and gold came from qualified smelters

We conducted analysis on the distribution of qualified smelters. They are located mainly in Asia and Europe, and none are located in known conflict regions.



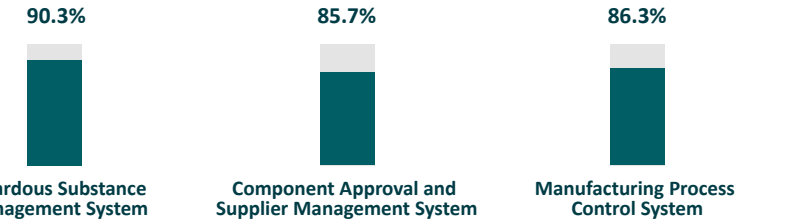
One-third of the world's cobalt comes from the Democratic Republic of Congo and the nearby regions, and thus it was listed as the fifth conflict mineral by Responsible Minerals Initiative (RMI) in 2019.

Cobalt is the key material to manufacture the battery. ASUS also includes cobalt into the management of responsible mineral procurement and conducts annual due diligence investigation. Considering that the number of qualified smelters for cobalt at this stage has not been popularized, in order to avoid the outages, ASUS develops a five-year conversion plan which requires suppliers to increase the proportion of cobalt purchased from qualified smelters and reach 100% by 2025.

Besides, when performing the stakeholder engagement, we realize that some countries have employed child labors with low wages for engaging in illegal operations of mica mining, which has emerged as an issue that attracts the attention of human rights organizations. Mica is the main material of paint, and is mostly used for the external part of electronic products. For the mining of mica brings risk in the supply chain management, we continue to pay attention to the management requirements of mica by international organizations and will communicate with the supply chain in a timely manner.

Reduction of Environmental Footprints

We start with 3 dimensions: hazardous substance management system, component approval and supplier management system, and manufacturing process control system, to ensure our products meet the management strategies of the safe chemical substance policy through auditing. We identify a list of high-risk suppliers for auditing based on factors such as component recognition anomalies, no independent detection capabilities, non-RoHS manufacturing process management, with supplier categories such as outsourcers, mechanisms, monitors, packaging, and power supply. The total number of findings identified was 143, and the average passing rate was 88%. The audit results showed that the largest number of findings was in the component approval and supplier management system. All findings were corrected, and the average passing rate for each dimension is shown in the following table:



Dimension	Priority Findings	Improvement Plans
Hazardous Substance Management System	Fail to meet ASUS' latest requirements on hazardous substance management	Regularly update on ASUS' latest requirements to include them into the documents
Component Approval and Supplier Management System	Fail to perform hazardous substance management audit on upstream supplier	Develop a supplier audit mechanism for hazardous substances
Manufacturing Process Control System	Fail to realize internal testing on hazardous substance management	Establish internal monitoring and reporting mechanism

- **Greenhouse Gases, Water, and Waste management**

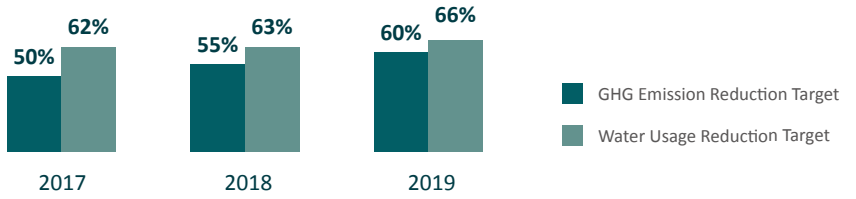
We follow the "Corporate Value Chain (Scope 3) Accounting and Report Standards" and "Carbon Disclosure Project - Water Disclosure" to conduct annual inventories with suppliers having continuous business relationships.

The key performances in 2019 were as follows:

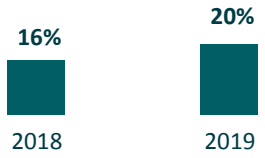
- Energy and Resource Emission and Usage:

Total Greenhouse Gas Emission	Total Water Consumption During Manufacturing Process	Total Industrial Waste
28 million metric tons CO_2e	14 million cubic liters	28 million metric tons

- Proportion of suppliers with greenhouse gas emission and water usage reduction targets increase gradually:



- The proportion of suppliers using renewable energy increased from 16% in 2018 to 20% in 2019. The type of renewable energy was solar energy:



- Suppliers had commissioned qualified waste treatment plants to handle industrial waste, and the test data of wastewater was in compliance with legal requirements.

- Compliance rate of industrial waste management process
- Compliance rate of quality of wastewater

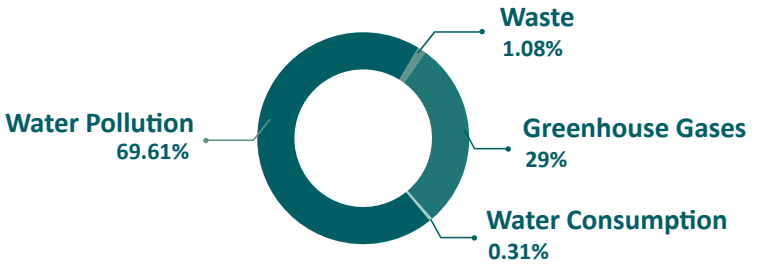
- To fulfill the commitment in the Greenhouse Gas Reduction, we execute the following measures of management:
  - Provide a priority list of suppliers showing good environment practices, such as receiving ISO 50001 energy management system certification and using of renewable energy, to the procurement unit.
  - Set the greenhouse gases science based target (SBT) for 90% of suppliers by annual spend, and review the reduction performance year by year.

- **Environmental Profit and Loss Program (EP&L)**

In the past, the evaluation of the environmental impact from operations such as carbon emissions and waste disposal could only be measured in terms of greenhouse emission or weight of waste. This kind of expression is meaningful only to those who have the related knowledge background but not for the public, investors, or managers who have no knowledge of chemical and physical units where they cannot ascertain if the environmental impact is serious or not. Through environmental profit or loss assessment, the impact on the environment is translated into monetary value. Examples are the cost of loss on agriculture and ecology caused by climate change due to greenhouse gases. This makes different forms of impact become comparable, and can indicate if the operation process has caused a net loss or net gain to the environment. Internally, it provides an important information for decision-making in future product development and supply chain management strategies, and externally, it can use simple language to communicate with stakeholders about ASUS environmental performance.

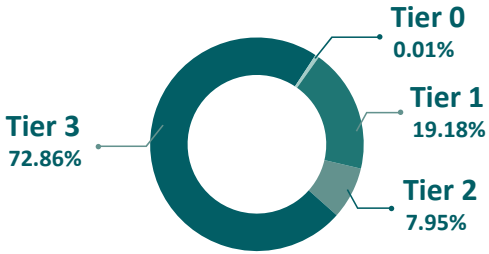
We launched the environment profit and loss program in 2017 with notebook computers as the pilot product. In 2019, the program was extended to product lines contributing 90% of the revenues, including: notebook computers, desktop computers, cell phones, motherboards, and monitors. We selected 4 environmental impact indicators including greenhouse gases, water consumption, waste, and water pollution by the specific nature of the production process to calculate the monetary value of the environmental impact from the mining of raw materials, manufacturing of components, product assembly, and ASUS operation, which totaled approximately US $5.78 million.

According to the analysis, water pollution had the largest impact among all environmental aspects, followed by greenhouse gas emission, and water consumption the least. The details were as below:



Further analysis led us to realize that motherboard products caused a significant impact on the environment in terms of the indicator of waste, which exceeds the environmental impact brought by other products.

For the analysis of the impact on the supply chain, tier 3 mining of raw material was the largest, followed by tier 1 product assembly, and tier 0 ASUS operation the least. The detailed was as follows:



ASUS identified the environmental impacts and the supply chain management hotspots and further formulated the followings:

- Since 2019, new suppliers have to possess ISO 14001 certification, and by 2025 all suppliers have to possess ISO 14001 certification
- Suppliers need to set GHG reduction target and water usage reduction target by 2020
- Suppliers need to set waste reduction target by 2021

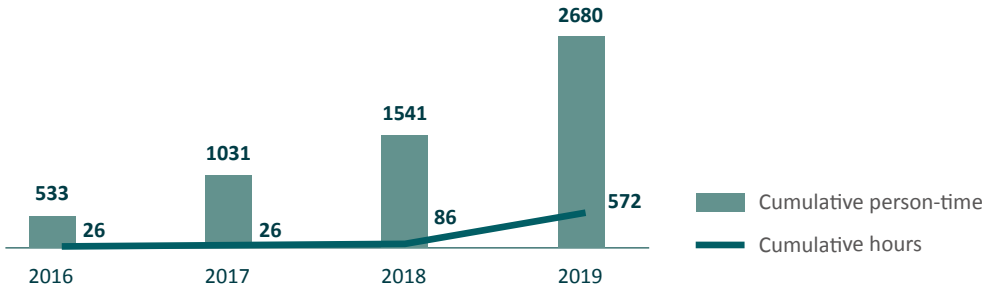
Strengthen Partnership

Engagement and Communication

To enhance suppliers' awareness of sustainability issues and their ability to respond to risks, ASUS organizes supply chain conferences and training for individual suppliers on a regular basis to convey its management requirements in the interests of further deepening the partnership with the supply chain.

In 2019, the supply chain conferences were held in Taipei, Shenzhen, Suzhou, and Chongqing, and all ASUS' qualified suppliers were invited. With "ASUS 2020 Sustainability Goals" as the theme, ASUS' sustainable management strategies were conveyed, including 3 subjects, namely corporate sustainability, green products, supply chain management. Short-, mid-, and long-term goals were announced, and suppliers are invited to achieve these goals with ASUS. In addition, ASUS invited the third party consultant to present sustainability topics such as carbon management trends and challenges, and the application of big data to manage hazardous substances.

The supplier conference and training have benefited accumulatively a total number of more than 2,600 employees person-times and a total number of more than 570 hours:



Supervision Project

ASUS holds quarterly counseling meetings to assist suppliers to correct findings by inviting third party RBA qualified auditors to analyze the causes of the findings and share outstanding cases, as well as to enhance supplier management awareness and counsel manufacturers to improve their abilities. In addition to the meetings, we also establish a WeChat Group with the suppliers under supervision for the timely sharing and exchange of information.

Online Courses

To encourage our suppliers to receive ISO certification and be familiar with the RBA Code of Conduct, we prepare online courses (in Chinese) available at CSR website – Online Learning. The courses include:

- ISO 14001 Environmental Management System
- ISO 45001 Occupational Health and Safety Management System
- IECQ QC 080000 Hazardous Substance Process Management System
- Introduction to RBA organization, and the requirements of five dimensions in CSR management: labor, health and safety, environment, ethics, management system

Through various promotions, courses have been viewed more than 300 times. We will continue to produce more online learning resources to help strengthen supplier sustainability management.

6 Employee Development and Inclusive Workplace

Management Approach

ASUS considers its employees the most important assets, and works with them to elaborate on collective wisdom and individual and team potential and professional interests. We have created a friendly workplace for employees and welcome an open and innovative research and development culture full of creativity to inspire everyone's vitality and imagination. It is hoped that by shaping the corporate culture and cultivating key talents, we will be able to acquire skills in key business areas and increase the value of human capital.

Strategy

ASUS believes in a people-oriented corporate philosophy of “Inspire, Motivate and Nurture Employees”. We are committed to pursuit high-performance organization and outstanding talents, establish a comprehensive remuneration and benefit program, and cultivating and developing diverse talents, as well as providing a comfortable and safe working environment and taking care of the physical and mental health of employees to let employees focus on their work, sharing "Work Happy, Enjoy Life".

Performance

Offer remunerations and benefits beyond the statutory requirements and ranked among the **top 100** high-paying companies in Taiwan.

LinkedIn “Most Engaging Employer Brand” for **three consecutive years** (2017-2019)

National Occupational Safety Award - **Corporate Outstanding Award**

Inspire, Motivate and Nurture Employees

ASUS brand foundation is made up of four core values - “The ASUS Virtues, Focus on Fundamentals & Results, Lean Thinking, Innovation and Aesthetics” - of the ASUS DNA. Faced with the business transformation and a clearer mission and vision, 2019 was a year when ASUS culture shone. The motto "Re-engineering and Evolution, Truth and Transparency, Exertion of Wisdom, and Creativity and Optimization" has become an indicator of ASUS conduct. We face challenges together to create an optimized consensus and ambition.

ASUS is committed to pursuing high-performance organizations and outstanding talents, establishing a comprehensive remuneration and benefit program, and cultivating and developing diverse talents. The Company aims to create a creative environment to stimulate the vitality and imagination of employees.

ASUS believes in a people-oriented corporate philosophy of “Inspire, Motivate and Nurture Employees”; working with employees to give full play to their wisdom; helping to unleash individuals’ and teams’ potential; putting their professional interests to good use, and planning for macro-career development to attract further talent in search of incredible.

Human Rights

ASUS does not discriminate against people based on race, sex, age, political affiliation, religion, or disability status. We follow the local minimum age requirements, local regulations, RBA Code of Conduct, and other relevant provisions, as well as announcing our Declaration on Human Rights Policy in accordance with the United Nations Universal Declaration of Human Rights.

Human Resource Structure

By the end of 2019, there were more than 50 operation offices located in Asia Pacific, Europe, America, and Africa. ASUS in total had around 14,100employees worldwide, with 6,300 employees in the headquarters in Taiwan, and the rest of them in China and overseas.

The proportion of Asus's global female employees is 37.9%, and the proportion of global female managers is 27.1%. This can mainly be attributed to the characteristics of the IT industry, in which most employees are males; however, there is no discrimination or unfair treatment due to gender.

Category	Type	Gender	Taiwan		China		America		Asia-Pacific		East & Europe		Global	
Labor force composition	Employee	Male	4064	65%	1873	54%	362	54%	1150	64%	1160	66%	8609	62%
		Female	2206	35%	1573	46%	308	46%	650	36%	594	34%	5331	38%
	Worker	Male	0	0%	2	13%	1	50%	39	76%	36	49%	78	55%
		Female	0	0%	13	87%	1	50%	12	24%	38	51%	64	45%
Contract	Permanent	Male	4031	65%	1845	54%	362	54%	1150	64%	1155	66%	8543	62%
		Female	2164	35%	1572	46%	308	46%	650	36%	589	34%	5283	38%
	Temporary	Male	33	44%	30	68%	1	50%	39	76%	41	49%	144	56%
		Female	42	56%	14	32%	1	50%	12	24%	43	51%	112	44%
Employment type	Full-time	Male	4031	65%	1843	54%	362	54%	1150	64%	1155	66%	8541	62%
		Female	2164	35%	1559	46%	308	46%	650	36%	589	34%	5270	38%
	Part-time	Male	33	44%	32	54%	1	50%	39	76%	41	49%	146	54%
		Female	42	56%	27	46%	1	50%	12	24%	43	51%	125	46%
Employee type	General Employee	Male	2892	61%	1468	51%	287	52%	1055	64%	1087	64%	6789	59%
		Female	1884	39%	1411	49%	265	48%	601	36%	599	36%	4760	41%
	Manager	Male	1172	78%	407	70%	76	63%	134	69%	109	77%	1898	75%
		Female	322	22%	175	30%	44	37%	61	31%	33	23%	635	25%

Note: For Taiwan region, since ASUS Cloud has its own independent HR database, the statistic for ASUS Group does not include ASUS Cloud, and ASUS Cloud is listed separately.

Type	Definition
Employee	Employee: (1) Regular (2) Expatriate (3) Temp. Contractor (4) Intern/Trainee
Worker	Non-employee according to ASUS definition: (1) Dispatched Staff (2) Representative
Permanent	(1) Regular (2) Expatriate
Temporary	(1) Temp. Contractor (2) Intern/Trainee(3) Dispatched Staff (4) Representative
Full-time	(1) Regular (2) Expatriate
Part-time	(1) Temp. Contractor (2) Intern/Trainee(3) Dispatched Staff (4) Representative

Human Resources Development Policy

Work Happy, Enjoy Life

• Pursue High-Performance Organization and Outstanding Talents

Recruitment

ASUS recruitment follows the principles of public recruitment, fair selection, and hiring the best from all over the world. Information on vacancies, conditions for employment, and related procedures are also transparent. All applicants must take required examinations and interviews, and the selection is made based on their performance therein. Qualified candidates who come from various fields of specializations and satisfy the conditions, requirements, and expectations will be chosen.

- AIOT Talent recruitment plan

  In response to the Company's transformation in 2019, we are actively recruiting talents in the AIoT field. ASUS first launched the “Ph.D. Recruitment Plan” in the industry. During the recruitment period, it held five consecutive sessions of the “ASUS Artificial Intelligence Forum and Ph.D. Recruitment Plan Briefing” at National Taiwan University, National Taiwan Normal University, National Cheng Kung University, National Tsing Hua University and National Chiao Tung University. In each session, we invited speakers from the fields of artificial intelligence, which included experts in the fields of speech, vision, and Natural Language Processing (NLP) in the academic and research fields to speak to participants on the development and forward-looking trends in the field of artificial intelligence. Students who sign up for the Ph.D. recruitment plan can become ASUS employees after the research topic and the thesis proposals also have been reviewed and approved by the ASUS selection committee. During the employment period, they may conduct their doctoral dissertation research full-time, and at the same time are exposed to ASUS artificial intelligence product development to achieve the goal of industry-university exchanges. In addition, we continue to provide top-notch internship platforms especially for innovative and ambitious college students. We provide internships covering areas including AI, Cloud R&D, product marketing, industrial and commercial design, and other fields. Every intern has the opportunity to be assigned to a project related to their field of study to communicate and receive guidance from their seniors. This provides them with an opportunity to experience the workplace and have further opportunities for interaction, communication, and learning with the ASUS team. Students who perform well during the internship will have an opportunity to be hired as full-time employees of ASUS after graduation.

Academic-Industry Cooperation Training Plans

ASUS spares no effort to cultivate science and technology talents. According to the annual main development of technology, ASUS held the “Taiwan Tech Enterprise Academy” jointly with the National Taiwan University of Science and Technology. This year was its fourth year. In the fields of AI, Big Data, Cloud, IoT, and Robots, a total of 27 students were admitted this year after a strict preliminary written review and interview.

The Enterprise Academy carefully planned a series of courses. Each R&D manager goes to campus after work, interacts closely with participants, integrates theory with practice, and designs practical implementation, group discussions, and special reports in the course, we let students experience the thinking way and viewpoints of enterprises in problem-solving, analysis and application . In addition to professional courses, we also tailor-make self-career-exploration courses for students to understand their personal strengths and possible development, and provide advice on the career development for students.

After an entire semester course, we have also arranged corporate visitation and project reports at the end of the semester to allow students to simulate the real technical project reports in the Company. The supervisors give feedback on all questions raised in the technical presentation as well. Some creativity and ideas presented by the students have surprised and inspired the supervisors.

In the future, we will also actively engage ourselves in academic-industry cooperation and academic exchanges with other colleges and universities. We hope that by assisting in the deepening and development of talents in schools and integrating theory with practice, we will be able to recruit and cultivate more outstanding talents to fulfill our corporate social responsibility.

Stabilizing the Best Employers Branding

Besides recruiting companies and on-campus recruiting in colleges and universities, we also cooperates with LinkedIn to stabilize the employers branding to improve recruitment accuracy. In 2019, we successfully recruited suitable talents for 60 branches worldwide and the number of followers were increased by more than 76,000 on LinkedIn. We have extended the brand power to talent recruitment and ASUS has become the most popular Taiwanese product with most fans.

In addition, ASUS won the LinkedIn “Most Engaging Employer Brand” for three consecutive years (2017-2019), and also won the “Top Talent Team”.

In 2005, we began to invest in the internship program “Campus Executive Officer” (ASUS Campus CEO). Over the years, it has trained more than 1,000 outstanding students and won the Taipei City Government’s “Award of Excellence” for 3 consecutive years.

The magazine “Cheers” has published the “Most Attractive Employer” survey since 2006, allowing companies to understand the logic behind young generations’ accurate job hunting while enabling fresh graduates to grasp the market trends, which is a focus for Taiwanese enterprises and the new generation of talents. ASUS has been listed among the top 20 in the survey for 14 consecutive years.

Establish a Comprehensive Remuneration and Benefit Program

Candidates with identical backgrounds will have identical starting salaries regardless of gender, religion, political view, and marital status. We review the remuneration against the industry level, ensuring that the pay is competitive and attractive to the talents.In order to retain key position personnel and high-performance talents with outstanding performance and development potential, we trains ASUS management staff and professional functional talents, thereby enhancing the competitiveness of the Company, and specially formulates key talent retention bonus plans.

In Taiwan, in 2019, the ratio of standard entry-level wage and remuneration by gender compared to local minimum wage was 1.04:1. Comparing the wage of women to men with same job level, for general employees it was about 1:0.81, while for management level it was 1:0.79. The retirement system of ASUS employees is governed by the Labor Standards Act and the Labor Pension Act. According to the law, the retirement fund is allocated on a monthly basis, and the Company allocates a special account for the labor retirement reserve supervision committee for storage and expenditure.

Salary and Bonus

- Basic salary
- Holiday bonuses for specific holidays
- Performance bonus
- Patent bonus
- Employees of the Year bonus

Insurance and Pension

- Labor insurance and health insurance
- Employee insurance
- Pension

Subsidy

- Meal expense
- Health examination
- Wedding and funeral
- Fertility
- Scholarship for employee's child
- Employee voucher
- Birthday voucher
- Season voucher

Activity and Reward

- Club activity
- Department gathering
- Family Day Activity
- Summer/Winter camp for employees' children
- Chinese New Year party and gifts
- Christmas party and sport competition for employee
- Arts and culture activity

Other

- Solatium of an employee's death to the family
- Parking subsidary
- Volunteer leave
- Others

Cultivate and Developing Diverse Talents

The corporate strategies lead the development of Talent. Through our core values, employees are led to develop their strengths at work. ASUS DNA clearly defines the code of conduct and specific behaviors. The Company has also integrated it into management practice, launched a dual-track system of management and professional occupations, and established a function-oriented development system.

The ASUS talent training system is divided into three major functions, including core values, management leadership, and professional skills. The Company has also planned annual training projects. The relevant contents are as follows:

I. Core Values

Starting with the corporate culture and core values, ASUS develops and practices leadership, core values, and newcomer training courses.

- The practice of leadership

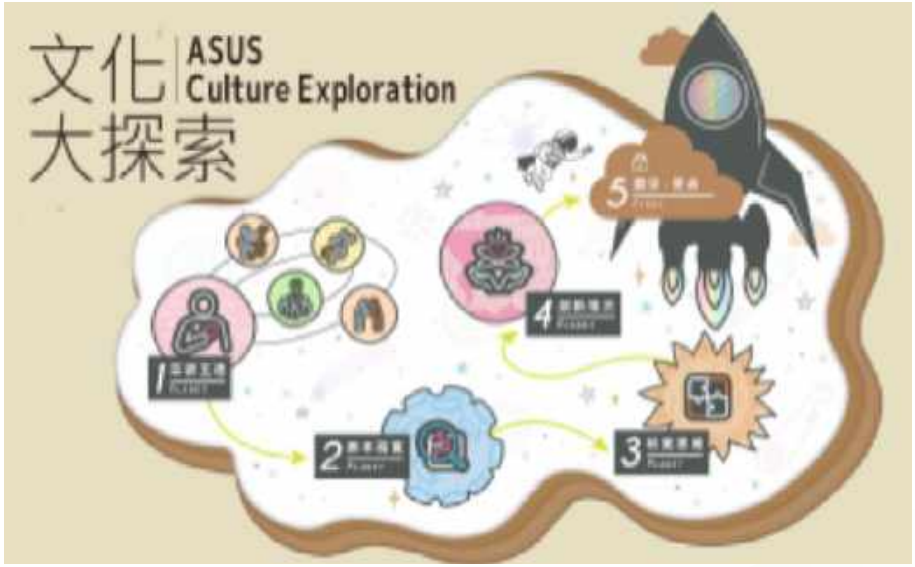
  In order to enhance the supervisors' understanding and consensus on functions, so as to enhance the observation and inspection of their members' functional performance, and help them develop their functions effectively, the Company has designed a compulsory practical function leadership course for management. The course uses multiple methods such as group activities, problem discussions, and real cases to assist supervisors to have a deeper realization and daily practice, and improve the overall learning effectiveness. The course started in June 2019. By the end of the year, there were 20 classes in total, and the amount of completed training supervisors is 599. The satisfaction of overall course was 4.54 (out of 5) on average. It is expected that the in-service supervisor training will be completed by September 2020. In order to follow up with newly promoted and newly recruited supervisors, classes are opened every quarter, for the continuous implementation and execution of the Company's culture.

- Core Value Aspect

To reinforce the recognition of ASUS brand and organizational culture with the oversea subsidiaries, we translated the ASUS Way course into multi-language version with a total of 13 languages in 2019 in addition to the Chinese and English versions. We also implement systematic global training to establish ASUS values, with the training participating rate of 98.21%.

We treat the establishment of our core values very seriously. We hope employees all over the world can share the same spirit with ASUS and comply with ASUS's moral standards. Therefore, we proactively promoted our "Employee Code of Conduct" and issued memo cards on "Unfair Competition and Bribery Prevention" to all our employees, including overseas. New comers will also receive the card as well as the online course, with the complete rate of 99.06%. A systematic annual training mechanism was established to remind employees to always review the code of conduct from time to time, ensuring ASUS' sustainable operation, and the retraining rate was 98.97%.

With ASUS DNA, the "Global Cultural Communication Event" was held in 2019 in addition to strengthen employees' consensus on core and management. Through ASUS vision-conveying videos, ASUS DNA stories, and supplemented with a cultural brochure, the Company conveys and promotes the concept to ASUS Taiwan and overseas bases (more than 10,000) employees. The company also built an interactive website, launched a series of cultural games and competitions, and interacts with participants in offices or stores. Through interesting and vivid ways, we strive to pursue the same goal throughout the world. The activity website has a click rate of more than 25,000, and cultural competition games have more than 5,000 participants have joined. The Company designed a series of cultural story interview activities, and invited each project team to share their daily work and show their management function. These are written into stories and management cases. This has been recognized and praised by the employees.



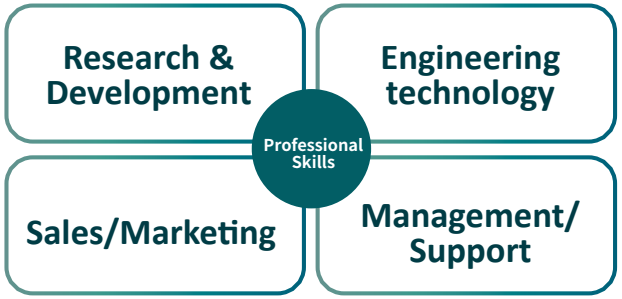
II. Management leadership

In 2019, ASUS re-examined its corporate culture and integrated it into management practice. The Company clearly define the behavior standards for the five forces of beginning-level, middle-level management, and high-level management leadership. Based on this, the Company has developed a complete management training plan, and integrates core values, the five forces of management into various management systems such as target management, assessment, promotion, model selection, talent development, and training.

In order to build a high-performance team, ASUS also invites middle- and high-level executives to serve as the keynote speaker for “internal management training” to convey the philosophy of management, and share how to achieve the given goals and enhance competitive advantage beside the introduction of external resources.

III. Professional Skills

ASUS has been pursuing unparalleled technological innovation for a long time. In response to the ever-changing world, sales strategy, and market trends, ASUS actively promotes efficiency of product and brand business. ASUS professional skills are divided into four major areas, including: R&D, engineering technology, business marketing, and management support. We clearly define the skill requirements for each position and provide corresponding professional training. In addition, experts and scholars in the professional field are invited yearly to hold keynote speechs on technology and trends to strengthen the professional know-how of our employees.



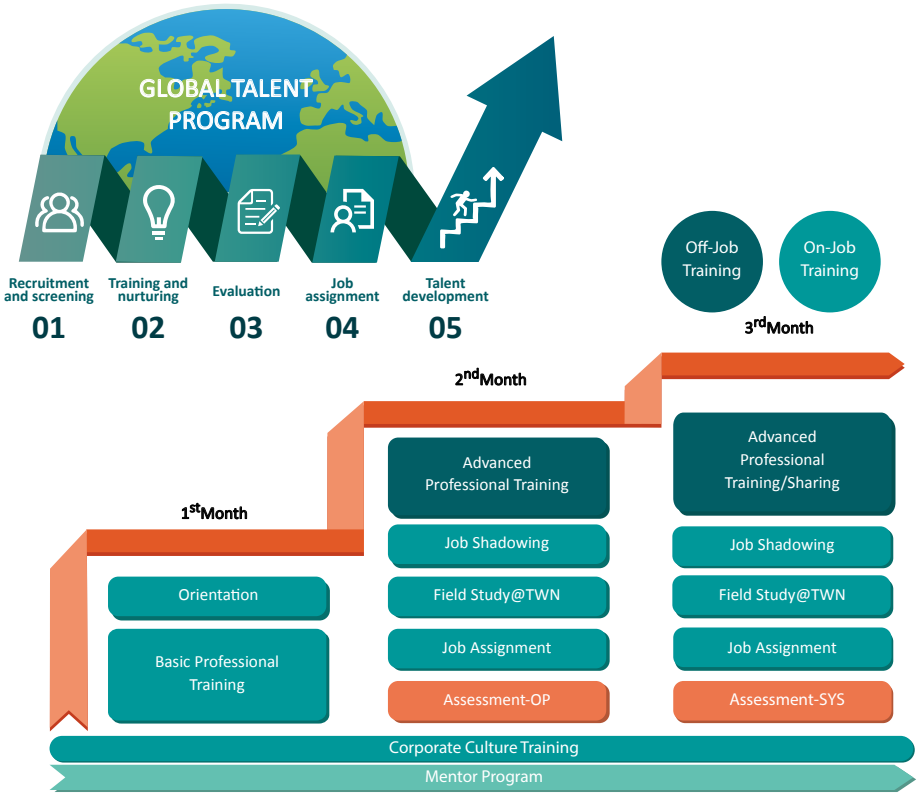
- Blueprint for professional job training

  In response to operational strategies and company development needs, it has become increasingly urgent in need for key positions and international talents. Through job analysis, the Company clarifies the key capabilities and knowledge required to perform the various duties, and builds training blueprints and systematic training models. We aims to integrate cross business units learning resources and to reduce the cost of double training waste.

Global Talent Program (GTP)

In terms of cultivating international talents, ASUS strategically implements its international talent training- Global Talent Program (GTP), and establishes a comprehensive and systematic training model to effectively pass down and replicate successful experiences and quickly prepare talents to expand to the global market.

International talents with potential undergo a variety of training sessions in three months, include training courses, reading clubs, internship, company mentors and evaluation, to elaborate on the synergy. The program trains employees to become international business talents who understand the overseas market and possess leadership skills. They are assigned to suitable positions to effectively improve the readiness of business teams and achieve the operational goals.



The Global Talent Program entered its sixth year in 2019, and has continued to adhere to its 70-20-10 ratio in learning guidelines; 10 is for the organization of offline courses, 20 is for counseling and feedbacks and 70 is -on-job training. The approach reinforces regular counseling and feedbacks, which directly helps in adapting to the new environment and jobs, earning 4.76 (out of 5) for the overall satisfaction of the courses. In 2019, a total of 16 new trainees for the international business and marketing program completed the training and passed the evaluation test and they started to serve as professional sales managers for various overseas regions or take on the global marketing and planning responsibilities at the head office.



Since 2014, the GTP has trained a lot of 149employees who served as overseas sales, marketing and customer service professionals. Among them, 62 overseas sales professionals are deployed to the Asia-Pacific, European and Latin American countries to engage in market development and operations and they have become the professional managers in various regional markets. The heads of overseas branches highly recognize the GTP elite who have obtained their qualifications from the intensive training and levels of challenges at the headquarters and are able to quickly connect with their assigned regional markets and take on challenges. In addition, the GTP elite who have taken on the responsibilities of sales and marketing planning for global businesses and services planning for clients have demonstrated their professional capacity and leadership potential and been promoted to supervisors after further training.

GTP elite Host ASUS's Product Presentation Chair in Indonesian

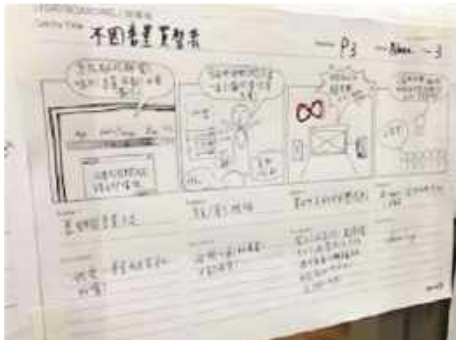
- Lectures on Technology and Trends

  In order to let employees to master the trends of technology, and integrate into the Company's key development strategies, in 2019, we invited experts with expertise in relevant technologies and application, in the field of AI. There were a total of 11 sessions and 981 participants. The course satisfaction was 4.38, and the student recommendation rate reached 93%.

- Design thinking workshop

  Designed from the users' perspective, dig into the use of the situation, bold and innovative design thinking for the concept of beauty, and constant creation of a joyful experience to users are the core meanings of ASUS's DNA - "innovated beautifully". Among them, "design thinking" is our method to create a successful formula of thoughtful products and services.

  Focusing on the next generation of innovative product planning about 1 to3 years later, ASUS invites external advisors with practical coaching experience to lead employees in different positions, PM, ID, RD, ME, MKT, etc., and experience the complete design thinking and agile development process, in order to transform the concept into a product prototype, receive the evaluation and feedback from potential users and internal investors, quickly revise the product design, and make innovative products that are thoughtful and touch the users' heart.



〔Case Study〕 Creative Competition

In 2019, ASUS Technology (Suzhou) Co., Ltd. established the IC Technical Committee, which is committed to develop innovative awareness, stimulate creative thinking, improve creative ability, and encourage entrepreneurship. Under the guidance of the CEO, the first “Creative Competition” has made a debut.

In 2019, 61 creative submissions from different departments’ employees were applied. Among all competitors, only 6 teams entered the finals. After another 90 days of creative implementation, and under the guidance of the bi-weekly review of the IC Technical Committee, the top six teams shared their brilliant achievements to the CEO, external guests, IC Technical Committee and internal creative employees.

At the same time, external experts are invited to speak for the lecture, “From Design Thinking to Innovative Beauty” to inspire the competitors’ creative thinking and assist employees to come up with ideas that have more commercial value. The theme lecture, “Marketing Work Sharing in China’s Brand Market” uses classic brand market marketing cases to expand employees’ horizons beyond limitations and promote future product development.

The impact of the first competition has exceeded expectations, attracting more than 650 participants from 27 departments, with an average satisfaction of 4.68 (out of 5), which is the most important grand event of ASUS Technology (Suzhou) in 2019.

Learning & Growth Plan and Performance Appraisal

In terms of cultivating international talents, ASUS strategically implements its The performance management in ASUS combines performance appraisal with learning development to improve employees’ performance and ability to achieve the organization's goal. In addition, we emphasize continuous communication between managers and employees to establish clear objectives aligned with the organizational goals.

ASUS implements the "Learning & Growth Plan" for all employees to assist managers in developing the competences of our employees and in providing training plans in accordance with the internal "Education & Training Approaches" documentation. 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 devise a tailor-made development plan.

ASUS executes performance appraisals in accordance with "Appraisal Standards". Other than those employees in probation periods, part-time internships, special hiring, and high-level managers, all employees have to participate in the routine performance reviews.

Employee Performance Counseling Program

For those whose performance is not in line with expectations, ASUS provides them with opportunities for improvement. The supervisors provide one-on-one counseling to encourage employees to make improvements, work hard, and grow with the company so that they can enhance their performance; when necessary, their work may be adjusted according to the situation. The Human Resources Office will also offer care and assistance in the process to help employees get back on the right track as soon as possible. For employees who fail to improve their performance, a placement plan will be implemented after sufficient communication.

Personnel Placement Assistance

To provide a positive channel of assistance for employees who wish to retire or resign, we conduct separation interviews centered around the help and resources required by the workers, such as career development consultation or job transfer to external entities. In addition, the company provides employee severance fees in accordance with relevant laws and regulations to protect employees' rights and interests.

Multiple Communication Channels

The company attaches great importance to two-way communication with employees, provides multiple and open communication channels, and promotes a harmonious relationship between labor and management.

〔Case Study〕 CEO Afternoon Tea Party

In 2019, the co-CEOs held five CEO afternoon tea parties to listen to employees' voices through face-to-face communication.

The questions of our participants are very diverse, from the Company's business direction and strategy, the future development direction of each product, cross-organizational cooperation and resource integration, salary, promotion, welfare, and even the daily life of the co-executor, views on young people and encouraging them, and so on.

The participants were randomly selected and asked for their consent. In the process, the participants took the opportunity to ask questions. The co-CEO was kind and answered all questions. Through such close communication, smiles of joy and satisfaction radiated from the faces of participants. Finally, we excerpted the highlights and Q&A of the event into text, and published it on the internal website to share with all ASUS colleagues.

Inclusive Workplace

We uphold the culture of “happy work and enjoy life”. Through the improvement of workplace safety, health promotion activities, physical and mental stress relief lectures, parent-child activities, etc, we aim to maintain work and life balance, and thereby enhance the corporate cohesiveness and competitiveness. ASUS has long been committed to creating a safe, healthy, and comfortable working environment, and applies the spirit of perseverance and the pursuit of excellence to the field of occupational safety and health. The Company won the highest honor of the “2018 National Occupational Safety & Health Award - Enterprise Benchmark Award” by the Ministry of Labor.

ASUS has self-managed and cooperate with local fire departments to organize emergency training through safety and health hazard identification, education and training promotion, and disaster prevention simulation exercises. The Company also promotes the “Workplace GO Relief Reward System”, with the goal of full participation and “zero disaster” to enhance worker safety awareness and ensure workplace safety.

Awarded the CHR Corporate Health Responsibility - Health Awareness Innovation Award from Common Health Magazine

Performance

- Won LinkedIn’s Most Engaging Employer Brand and Most Innovative Employer Brand Awards for 3 consecutive years (2017-2019)
- Won the “Award of Excellence” by Taipei City Government for 3 consecutive years (2017-2019)
- Ranked Top 20 in "Most Attractive Employer" in Cheers Magazine for 14 consecutive years.
- Corporate Headquarters LEED Platinum Building
- Awarded National Occupational Safety Award - Corporate Outstanding Award
- Won the “Taipei City Labor Safety Award for Excellent Corporations” for 3 consecutive years (2016-2018)
- Awarded the CHR Corporate Health Responsibility - Health Awareness Innovation Award in Common Health Magazine

Healthy Workplace

ASUS adheres to the business philosophy of “inspire, motivate, and nurture employees,” and its regulations are superior to the provisions set out in the “Regulations Governing the Labor Health Protection,” allowing each employee to enjoy annual health check-up services. Any abnormalities discovered in the check-up are analyzed and managed according to the level of severity. With regular tracking by occupational doctors and nurses; medical referrals; and the promotion of diverse healthy activities.

In 2019, 90% of employees in Taiwan participated in health examination. With health management, 80% of those who have participated in health examination in two consecutive years and discovered high-risk with abnormal alerts have improved their conditions. ASUS continuously offers health courses and activities to build up a well healthy work environment.

Fitness Test

Five-Star Psychology Caring

The employee assistance program (EAP) incorporates multiple communication channels and assistance and counseling solutions. It assists employees to solve personal issues that may affect work productivity and offers supervisors with professional management consultation services to help them resolve crisis and management issues. In order to improve the comprehensiveness of employee care, the employee relations also provide emergency medical referrals and assistance for employees and their families.

We have established an employee care website, which contains beneficial information on work stress relief, positive thinking and work and life balance

The employee care hotline provides immediate assistance to employees, and the joint consultation services provided by the internal professional colleagues and external consultant experts give employees psychological and emotional support or stress relief solutions related to employees' work, life and health. In the even that employees suffer from accidental injuries, hospitalization or major disasters, we also offer emergency relief and assistance depending on the circumstances of the cases and give employees and their family appropriate care.

Caring for Female Employees

Since 2010, we have continuously obtained the “Excellent Breastfeeding Room Certification”. In order to take care of the health and safety of employees during pregnancy, we completed maternal health protection system in 2019. In addition to providing good pregnancy gifts, car parking spaces and special healthy rest seats, pregnant mothers are comfortable and relaxed during office lunch breaks. According to statistics, 57 cases of maternal health protection were collected in 2019, and the utilization rate of breastfeeding room was about 60%.

In 2019, the return to work rate for females after parental leave in Taiwan and in China was 80% and 80%, accordingly; the retention rate for females after returning to work for 12 months in Taiwan and in China was 91% and 89%, respectfully. Both the return to work rate and the retention rate increased from 2018. It shows that ASUS would not force females to leave due to pregnancy or parenting and that it is committed to providing a gender equality environment.

落實員工母乳友善環境

2018 年購置健康休憩座椅供孕期媽媽使用

Five-Star Fitness Center

To balance employees' work and life, ASUS has a combined court for different sports, heated swimming pools (adult pool, children’s pool, and spa pool), gym, sauna chamber, aerobics classroom, shower rooms, and outdoor sunbathing site, which motivates employees to exercise before and after work and to exercise with peers on holidays to alleviate work stress.

7 Social Activity

Management Approach

To pursue its philosophy, ASUS strive to provide positive and valuable contributions to humanity. On the road to sustainable development, we consider and integrate environmental, social and governance (ESG) factors in our decision-making process. We take social responsibility and feedback in its pursuit of growth, and create shared value for both ASUS and community.

Strategy

ASUS adopts an accountable approach as its strategy of social investment. We aim to connect our business core to leverage influence efforts to greater economic and social opportunity. In addition, we mitigate the risks in the ”S” in ESG and help to solve global challenges through technology. Through incorporate CSR into business management, we could create competitive advantage and higher and more reliable returns over the long term.

Consolidating the internal and external resources and promoting multiple social activities under these three main values, “Digital Inclusion”, “Environmental Protection” and “Community Involvement”, we elaborate on our influence to inspire the ASUS employees, consumers, and partners to join to the public welfare promoting. We hope to create on a positive influence to the public, and build a mutually beneficial society.

Performance

Social Return on Investment (SROI) for Digital Inclusion Program raised from 3.61: 1 to **5.7:1**

Volunteer service hours over **7,000 hours**

Establish more than **500** digital opportunity centers in **38** countries cumulatively

Accountable Social Investment Strategy

According to the CECP[1] study, CSR alignment with the business is more strongly integrated with operations, assets, process, and functions in the firm. ASUS has also noticed that consumers show brand loyalty and satisfaction to the companies with CSR practices. So, in addition to charitable donations, we aim to connect our business core to leverage influence efforts to greater economic and social opportunity.

ASUS believes that efficient and measurable information is the cornerstone of sustainable management. It could help to clearly present the external benefit and impact. In order to measure the effectiveness and efficiency of the inputs on community, we adopted the London Benchmarking Group (LBG) framework, to establish indicators on community investment.

Establishing the LBG framework could help ASUS and our strategic partners understand why, how and when to adjust the input resource, progress and type of activities.

Through the consistent framework, ASUS could take a systematic approach to make our social activities in line with our corporate strategies and make them more transparent. Regarding to the projects or programs that need qualified and/or monetized information in the decision-making progress, we also adopt the Social Returned on Investment (SROI) method to assess the influence.

ASUS creates positive impact on community through its three mainstay focuses of digital inclusion, environmental protection and community involvement. In terms of the management approach under LBG framework, we have established the information for social investment, including motivation, contribution and influence.

How we do

Sponsor	Donation
43%	36%
Time devotion	**Management**
6%	15%

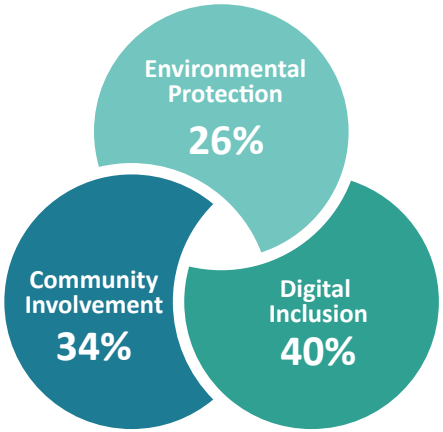
2019 Social Investment NT $43,435,886

Why we do

Charity 20%
One-time Donation

Community Investment 39%
Long-term cooperation with external organization

Business Initiative 41%
Pursue competitive advantage in combination with business strategy



Quantitative
Benefit Tracking of Activity

- 62,149 pieces of discarded electronic products
- 1,413 Volunteers
- 589 cooperative organizations
- 299,324 people reached
- More than 500 digital opportunity centers in 38 countries cumulatively

Qualitative
Expand social influence

- Deliver brand value
- Increase consumer mind share
- Discover potential digital talents
- Strengthen the connection between the enterprise and the community
- Solve the social problem of digital divide
- Inherit knowledge and culture
- Encourage partners to participate in social activities

[1]Chief Executives For Corporate Purpose(CECP); The "S"ocial in Environmental, Social, and Governance, 2017

Environmental Protection

In the “Environmental Responsibility” chapter of the report, we mentioned many of ASUS's ideas and actions in green manufacturing and products. We have also launched campaigns such as “recycled computers,” “plastics reduction in companies,” and “beach cleaning and conservation” to echo our green transformation and extend our influence to social welfare.

Zero Plastic Waste Initiative

With the increasing awareness of reduction in plastic waste, ASUS spares no effort in mitigating the widespread plastic crisis. In order to reduce plastic waste and change the habits of using disposable plastics, we have banned all disposable tableware in all cafeterias, convenience stores, and coffee shops within ASUS building since 2019.

The annual disposable tableware can be reduced by 22.5 tons.

Say No to plastic cups | Say No to plastic bags | Say No to plastic bottles | Say No to plastic straw

Marine conservation

ASUS responded to the “Adopt-a-Beach” program initiated by the Environmental Protection Administration and adopted the 500-meter coastline of the Wazihwei Nature Reserve in New Taipei City, where is close to the mangrove forest reserve and also has a precious wetland, diverse species of ecology, and is an important habitat for many migratory birds and aquatic animals and plants. Avoiding the period of migratory birds from April to July, we invited our colleagues, their families and friends to participate in our beach cleaning activities in spring and autumn.

More than 300 volunteers help to clean up approximately 2.5 tons of marine debris.

Computer Recycling

In supporting the concept of extended producer responsibility, ASUS provides recycling services worldwide to reduce the impact of electronic products on the environment. Based in Taiwan, ASUS is doing more than just complying with government regulation. We have long promoted the “Refurbished Computer and Digital Training Program”, which recycles computers of any brand and refurbishes them to give them new lives, thus establishing a circular society. Consumers or corporate customers are welcome to contact the ASUS Foundation for details regarding the recycling of your unwanted computers.

62,149 pieces recycled, 308 tons of waste electronic products.

Digital Inclusion

Due to the rapid growth in technology development, the technology equipment seems easy to reach; however, not everyone can have it because of factors such as economical income, area of living, age, educational level, and race. According to UNESCO's assessment[2], people need to possess higher digital skills to effectively work, live, learn and communicate with others in the digital era. Those without the skills will be marginalized in the society, turning from digital disadvantages to real society disadvantages.

"ASUS has promoted the digital inclusion project for a long time and hopes that everyone will not have different opportunities to access and use information regardless of differences in education, gender, race, etc." We believe that the establishment of equal digital education will not only help to solve the poverty, create employment opportunities and promote innovation and economic development, but we were also provided opportunities to discover potential talents with technological skills and reduce social problems which could bring risks to the

"Refurbished Computer and Digital Training Program"

During the process of recycling discarded computers, we found that many of them are still in function, or can be reused after refurbishment. To continue and expand the influence of reverse logistics recycling computers, since 2008, the ASUS Foundation began the"Refurbished Computer and Digital Training Program". By installing reusable components and software updates to give new life to scrapped computers, and donate to disadvantage groups lacking digital equipment, the refurbished computers become the first step to promote digital learning and bridge the digital divide.

2,693 refurbished computers were donated in 2019. A total of 15,921 refurbished computers have been donated to 1,800 non-profit organizations cumulatively.

Digital Learning Center

The ASUS Foundation has been working with the Ministry of Foreign Affairs in Asia-Pacific Economic Cooperation Digital Opportunity Center (APEC ADOC) project that helps ADOC member countries and non-profit organizations in countries that have diplomatic relations with Taiwan to establish digital learning centers in where digital resources are lacking, thus promoting digital learning and bridging digital divide. The project not only to improve the quality of life of local residents through digital learning but also help scout the future digital talents.

Donated 870 new computers and 2,693 refurbished computers to 24 countries at local and abroad in 2019.
Established more than 500 digital opportunity centers in 38 countries, and donated a total of 16,000 new and refurbished notebook computers and tables over 10 years, benefiting more than 550,000 people.

[2]Guidelines for Designing Inclusive Digital Solutions and Developing Digital Skills, UNESCO, 2018

Digital Learning Program

ASUS believes that non-governmental/non-profit organizations (NGO/NPO) are an important driving force for social welfare. In order to assist those important social activity partners, ASUS has built and provided technical equipment so that the NGO/NPO can focus on their specific fields. In the meanwhile, in order to make full use of the benefits of digital learning centers and information equipment, ASUS also developed digital teaching materials and provided basic computer training courses for recipients.

In 2019, the non-profit organizations from Taiwan established 36 education centers in Cambodia to provide free computer courses for beginners or Basic English classes. Each education center is equipped with recycled computers donated by the ASUS Foundation. Schoolchildren are encouraged to attend free computer and English classes after they finish their half-day classes at schools to improve their digital capabilities. So far, more than 32,000 students have completed the courses.

〔Case Study〕Love is Passed on by Digital Technology

Ismenia is a housewife living in Peru, which is on the other side of the Earth. In order to take care of her huge family and makes ends meet, she uses her free time from housework to sell hand-made bags and scarves to earn a meager income. By chance, she noticed the flyers about the digital learning center. Having never been in contact with information equipment, Ismenia visited the center out of curiosity. She did not expect that such a decision would change her life.

“I have never touched these things before because we did not have these opportunities here.” Ismenia said.

Ismenia started to take free courses offered by the digital center. Starting from setting up an email account in the digital world, she learned to use the Internet to sell her handicrafts and fabrics. Her products became very popular online, and the huge amount of incoming orders kept her busy. She recruited other housewives seeking their second career just like her and single-parent women to run the work studio with her. Ismenia not only changed her own life but also selflessly shared her experience to create employment opportunities for local women.

The digital divide is a social problem and is closely related to poverty. ASUS's digital inclusion program promotes equal educational opportunities regardless of gender or race so that everyone can share the results, further improving their quality of life. ASUS hopes to pass on this passion to build an inclusive society without discrimination.

International Volunteers

In addition to establishing digital learning centers and developing digital learning programs, we encourage colleagues to participate in international volunteer activities. Throughout the vision of ASUS's employees, the students and partners are inspirited by their experience sharing and professionalism.

In 2019, the ASUS Foundation collaborated with 10 international volunteer teams, formed by 141 students, teachers, and volunteers selected from ASUS employees. The purpose was to conduct information and telecommunication education, Chinese learning, ecological conservation, and technology education sessions held in 8 countries: Malaysia, Thailand, Indonesia, Myanmar, Vietnam, India, Tanzania, and the Philippines. The program has helped 5,663 people. Since 2011, a total of 971 people has participated in international volunteer services and committed a total of 471,355 hours in services. A total of 44,924 people has received assistance, and the information about the program has reached a total of 1,790,704 people.

141 volunteers from 10 volunteer groups serving 5,663 person-times in 8 countries.
Serve more than 470,000 hours and reach nearly 1.8 million people since 2011.

Digital Happy Learning Camp

To advocate with the government's vision of the technology-oriented island making, ASUS has continued to promote its digital fun learning camp program since 2017. After recruiting volunteers and training within the company, they will go to rural areas or disadvantaged social welfare groups to hold courses to cultivate the next generation of digital talents.

- **2019 Otto Robotics Program for Loss of parental child**

Through simple circuit and mechanical structure teaching with graphical programming courses, train students' thinking ability of programming logic, basic electrical knowledge, and structural mechanics concepts, and then use 3D printing and laser engraving to create their own characteristics robot. A total of 88 volunteers participated and 53 service contacts.

- **2019 Summer Digital Happy Learning Camp**

In Changhwa Tong An Elementary School and Nantou FaZhi Elementary School Summer Program, students and teachers can gradually learn the relevant knowledge of program logic and computing thinking, as well as the basic capabilities of simple hardware circuits through program software and 3D modeling software. Increase students' interest and understanding of STEAM education by games playing. A total of 49 volunteers were involved, serving 180 teachers and students.

"Heartfelt 99" Project of Public Television Service

The "99-second (pronounced the same as "lasting" in Mandarin) film selection campaign co-organized by the ASUS Foundation and Taiwan PTS started in 2009 and headed towards the 10th campaign this year. The campaign was the first activity in Taiwan that allowed youths to tell stories via films, so the younger generation could express their caring towards society through their film selection. The theme of "Heartfelt 99" film selection was always set by following global trends and topics under social attention. The past themes such as "Environmental protection-Lasting beauty of Earth," "Heartfelt 99-Discovery of vital force in Taiwan," "Heartfelt 99-Discovery of sincerity, kindness and beauty in Taiwan," "Heartfelt 99-My home," "Heartfelt 99-Happiness campaign," "Heartfelt 99-Shimmering silver-lining," "Heartfelt 99-My descendants" and "Heartfelt 99-Chang in progress" were set with the expectation that participants could be initiated to care about their surroundings from the process of personal filming, where they could discover what it is in their lives that genuinely touched them the most.

The participating teams in the 10th Competition extended from elementary schools to graduate school, which summed up to a total of 83 facilities throughout Taiwan. Some hearing-impaired schools and medical schools even started from their own experiences, disclosing daily challenges they faced in an attempt to induce changing in others with their own strengths.

A total of 90% of colleges and universities have been participated in this campaign in the last 10 years, benefiting more than 100,000 students.

394 teams from 83 schools participated, reached 6458 person-time.
90% of colleges and universities in Taiwan participated, with more than 100,000 students benefited.

Community Involvement

If an corporate creates a balanced social development, it could stabilize the society and reduce external social costs, and it is one of the important factors of ESG.

ASUS believes in a people-oriented corporate philosophy of “Inspire, Motivate and Nurture Employees” and extends the concept through giving back to the society. By donation, providing education, creating job opportunities, and promoting local prosperity, we attempt to improve people’s living standards, especially to allow those from the bottom of the social pyramid or excluded groups to participate in various activities in the society, and thus create a society of mutual benefit and harmony.

The Growth and Training Program of "Children Are Us"

ASUS collaborates with the “Children Are Us Foundation” in an innovative employment program and has hired 10 people with intellectual disability as full-time employees since 2008. A Children Are Us Bakery is established in the employee cafeteria, and 100% of the profits are donated to the Children Are Us Foundation to help more children in need. Through a stable work environment, professional occupational therapy and job guidance and continuous individual development plans, 10 people have delayed their aging and improved intelligence, physical fitness and work capabilities. Their stable income can also help to improve their own families. From the role of being served, they turn into be service providers and from resource consumers to resource creators.

Fun Guandu Festival

GuanDu, where the corporate headquarters of ASUS is located, is the only place in Taipei City that has natural wetlands, migratory bird habitats, fishing ports, and docks. It has a rich natural ecology and history. In order to appreciate the support of local residents for Asus and to gather the community awareness and centripetal force of schools, enterprises, communities, and residents at all levels in the Guandu area, the ASUS Foundation has collaborated with the Taipei National University of the Arts, Guandu Temple, and other local organizations since 2015 to organize the “Fun Guandu Festival” every year. The festival incorporates the unique art and culture elements in this area, Integrate the unique artistic and cultural atmosphere of Guandu area, connect local resources to jointly develop unique characteristics, maintain local natural resources, drive and combine local groups and schools at all levels to jointly cultivate the community and transfer historical culture.

The “Bustling Guandu Festival” is held on the last Saturday of October after the autumn equinox and before winter. It reproduces the scenes of rural harvest in Guandu, where people bring the harvest of the year to the streets and share it with everyone. There are colorful and lively parades on the street. Guandu’s schools, communities, enterprises and public welfare groups are invited to form creative music parade teams to further strengthen their commitment to Guandu and the identification of the local culture. Activities feature booths and shops showing the unique local characteristics and to promote interactions between people and daily life. Through the introduction of various booths, merchandise exhibition sales and creative experience activities, the participating people can better understand the diverse and rich local culture of Guandu, exquisite products, etc., in order to promote the advantages of Guandu to promote the regional economy and enhance the visibility of the district. In 2019, 96 ASUS volunteers were called to reach more than 10,000 people.

ASUS e-Volunteer project

Since 2009, ASUS and the China Association for Science and Technology jointly launched the "Your Action China's Future" volunteer project, encouraging college students to actively participate in social welfare. Through IT and Internet, helping rural farmers to have benefits in using digital equipment and

Internet, our goals are to narrow the digital gap between urban and rural areas, and using knowledge to improve well-being.

Over the past 10 years, this charity project has trained more than 35,000 college student volunteers, helping with more than 5,000 villages and communities in 31 provinces, municipalities and autonomous regions across the country, completed more than 40,000 IT science lectures, and built 1,080 ASUS Science library.

Charity Donations and Sponsorships

In addition to participating in various social activities, ASUS support different organizations every year. Our employees also initiate fundraising activities. In 2019, ASUS committed a total of NT$23,189,000 in charitable donations for over 35 social welfare organizations (mainly for ASUS Foundation and other social welfare matters) and helped more than 2,000 schoolchildren, families, and the elderly.

Social Return On Investment

In the past, enterprises participated in public welfare activities and merely focused on the investment of resources. They omitted the effects or impacts that the activities might have on targeting minorities. Was the expected effect achieved? This ignorance prevented enterprises from evaluating the actual effects and outcomes of an activity; thus, they were unable to quantify the information and help optimize the effects and outcomes of their actions.

In order to solve the problem of focusing on very qualitative and subjective regarding sustainable information, in 2016-2017, we took the lead in adopting the Social Return On Investment methodology to evaluate our strategic community investment - Refurbished Computer and Digital Training Program. The concept of SROI is similar to the concept and practice of investment in current financial accounting. Through the unified measurement method and the reporting principles, non-profit activities can also generate information on performance measurement with decision-making and management values.

ASUS has invested in the "Refurbished Computer and Digital Training Program" since 2008. The recycled communications products are refurbished and donated to non-profit organizations, thus establishing a "Sound Materialcycle Society." To measure the performance of the program, according to the calculation process and principles in the SROI guide (2009)Note 4, ASUS used a 6-step model to determine the Theory of Change in the input, output, and result, where currency was used as the measuring unit. The final analysis of the SROI of the program showed that each dollar invested generated a social value of NT $3.61.

In 2017, the "ASUS Social Return on Investment Report of the Refurbished Computer and Digital Training Program" was certified by Social Value International, making it the first Asian technology-based corporation and the first in Taiwan to receive this international certification.

In the SROI project, we can understand not only the social value created by the program but also identify the management that still need Improvement in the evaluation process, thereby expanding the social influence. Therefore, we continue to develop digital teaching materials so that the recycled computers are no longer just a “donation” but also an intermediate that helps the recipients and users to master digital skills taught by volunteers and cooperative organizations - thus enhancing their social influences.

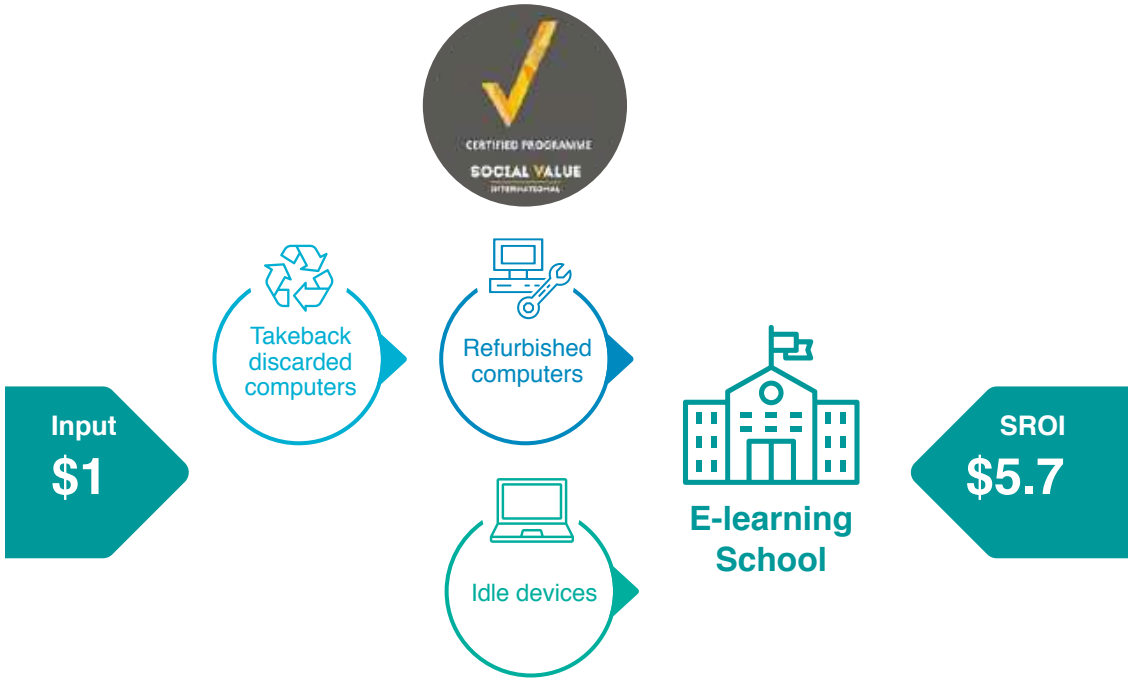
In 2019, when we did an evaluation on the influence of the program, he SROI increased from 3.61:1 in 2016 to 5.7:1.

After establishing a model for SROI, ASUS extended the scope on measuring the effectiveness of the CSR activities, hoping to create greater social value through the planning and managing of public welfare. Therefore, in 2017, we evaluated a program that ASUS had been working on for years: the Growth and Training Program of "Children Are Us." We used the SROI guidelines to further analyze whether the program exerted the desired influence and review the relevance of the social services we have been providing to them, hoping the collaboration among the three parties will be more efficient.

We analyzed the SROI of the program and determined that each dollar invested generated a social value of NT $1.37. Although the bakery had a good reputation, its influence was limited to nine mentally handicapped young adults and their families. Even if they could not work at ASUS, external sheltered workshops were an alternative solution. Therefore, we plan to promote a cooperation model of multi-party resource sharing and also serve as a demonstration to continue to enhance and expand the scope of influence.

In the past, the impressions of most people on the social responsibilities of companies were limited to social goods such as charity, donations, or road and bridge construction. In recent years, more and more companies have gradually combined social activities with their own operations and expertise when promoting social responsibility. However, considering the limited resources of companies, decision-makers must consider how to effectively allocate resources and evaluate the effectiveness of the implementation.

As a leading company in Taiwan, ASUS has continued to increase its influence after the introduction of the SROI project. It is expected that such a demonstration can encourage domestic companies to communicate and grow together, so as to build a sustainable social environment.



Appendix A: Boundary Covered in the Report

Name	Region / Country
ASUS COMPUTER INC.	Taiwan
ASUS Cloud Corporation	Taiwan
ASUS Technology Incorporation	Taiwan
ACBZ IMPORTACAO E COMERCIO LTDA.	America
ASUS COMPUTER INTERNATIONAL	America
ASUS India Private Limited	APAC
PT ASUSINDO SERVISTAMA	APAC
ASUS JAPAN INCORPORATION	APAC
Asus Global Pte., Ltd.	APAC
ASUS SERVICE (THAILAND) CO., LTD.	APAC
ASUS MARKETING (THAILAND) CO., LTD.	APAC
ASUS TECHNOLOGY (VIETNAM) COMPANY LTD.	APAC
ASUSTeK Computer (Shanghai) Co., Ltd	China

Name	Region / Country
ASUS Computer (Shanghai) Co., Ltd.	China
ASUSTEK COMPUTER (CHONGQING) CO., LTD.	China
ASUS Technology (Suzhou) Co., Ltd.	China
ASUS COMPUTER Czech Republic s.r.o.	EMEA
Asus Czech Service s.r.o.	EMEA
ASUS France SARL	EMEA
ASUS Computer GmbH	EMEA
ASUSTeK Italy S.R.L.	EMEA
ASUS EUROPE B.V.	EMEA
ASUS POLSKASP.Z O. O.	EMEA
ASUS IBERICA, S.L.	EMEA
ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI	EMEA
ASUS Ukraine (ACUA)	EMEA

Appendix B: GRI Content Index

GRI Content Index	Disclosure	Disclosure Location or Description	Page
102-1	Name of the organization	About ASUS: Company Profile	1-1
102-2	Activities, brands, products, and services	About ASUS: Company Profile	1-1
102-3	Location of headquarters	About ASUS: Company Profile	1-1
102-4	Location of operations	Appendix A: Boundary Covered in the Report Annual Report 2019: ASUSTeK Computer Inc. and subsidiaries	A-1 AR 202~204
102-5	Ownership and legal form	About ASUS: Company Profile	1-1
102-6	Markets served	Annual Report 2019: Overview of Business Operation	AR 113
102-7	Scale of the organization	Annual Report 2019: Special Disclosures	AR 152~155
102-8	Information on employees and other workers	Employee Development and Inclusive Workplace: Inspire, Motivate and Nurture Employees	6-2
102-9	Supply chain	Responsible Supply Chain: ASUS Supply Chain	5-2
102-10	Significant changes to the organization and its supply chain	No significant changes	
102-11	Precautionary Principle or approach	Corporate Governance: Risk Management	3-3
102-12	External initiatives	TCFD - Environmental Responsibility: Climate Action RBA - Responsible Supply Chain	4-10 5-4
102-13	Membership of associations	GRI Content Index	B-6
102-14	Statement from senior decision-maker	Introduction	III-IV
102-16	Values, principles, standards, and norms of behavior	Corporate Governance: Business Ethics	3-9
102-18	Governance structure	Corporate Governance: Governance	3-1
102-40	List of stakeholder groups	Sustainable Operation: Stakeholder Engagement	2-3
102-41	Collective bargaining agreements	Each subsidiary complies with the collective bargaining agreement in accordance with national laws and regulations.	
102-42	Identifying and selecting stakeholders	Sustainable Operation: Stakeholder Engagement	2-3
102-43	Approach to stakeholder engagement	Sustainable Operation: Stakeholder Engagement	2-3
102-44	Key topics and concerns raised	Sustainable Operation: Stakeholder Engagement	2-3~2-4
102-45	Entities included in the consolidated financial statements	Appendix A: Boundary Covered in the Report Annual Report 2019: ASUSTeK Computer Inc. and subsidiaries	A-1 AR 342~344
102-46	Defining report content and topic Boundaries	About the Report	I
102-47	List of material topics	Sustainable Operation: Stakeholder Engagement	2-4
102-48	Restatements of information	Comparison of historical data	
102-49	Changes in reporting	The organization boundaries were based on consolidated financial statements, while excluding subsidiaries that are established for investment purposes within the corporate or issue independent CSR reports. The scope of the report covers over 95% of total revenue.	
102-50	Reporting period	This report discloses the approaches and performances of our company from January 1 to December 31, 2019. To ensure the completeness of the reporting, some of the contents also covers performances in 2018 and in 2020.	
102-51	Date of most recent report	July 2019	
102-52	Reporting cycle	Annually	
102-53	Contact point for questions regarding the report	About the Report	I
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	I
102-55	GRI content index	This table	
102-56	External assurance	Appendix E: AA1000AS Assurance Statement Appendix G: Limited Assurance Report of Independent Accountants	E-1 G-1

GRI Content Index	Disclosure		Disclosure Location or Description	Page
Material Topics				
Climate Action				
GRI 302 Energy 2016	103 Management Approach	103-1 Explanation of the material topic and its Boundaries	Environmental Responsibility: Continuous Reduction of Environmental Footprints	4-1, 4-10~4-11
		103-2 The management approach and its components	Environmental Responsibility: Continuous Reduction of Environmental Footprints Annual Report 2019: Corporate Governance	4-1, 4-10~4-11 AR 57~60
		103-3 Evaluation of the management approach	Environmental Responsibility: Continuous Reduction of Environmental Footprints Annual Report 2019: Corporate Governance	4-1, 4-10~4-11 AR 57~60
	302-1 Energy consumption within the organization		CSR Website: Energy Management and Addressing Climate Change	
	302-2 Energy consumption outside of the organization		Responsible Supply Chain: Sustainable Performances in Supply Chain	5-7
	302-3 Energy intensity		CSR Website: Energy Management and Addressing Climate Change	
	302-4 Reduction of energy consumption		CSR Website: Energy Management and Addressing Climate Change	
	302-5 Reductions in energy requirements of products and services		Environmental Responsibility: Continuous Reduction of Environmental Footprints	4-7, 4-10
GRI 305 Emissions 2016	103 Management Approach	103-1 Explanation of the material topic and its Boundaries	Environmental Responsibility: Continuous Reduction of Environmental Footprints Annual Report 2019: Corporate Governance	4-1, 4-10~4-11 AR 57~60
		103-2 The management approach and its components	Environmental Responsibility: Continuous Reduction of Environmental Footprints Annual Report 2019: Corporate Governance	4-1, 4-10~4-11 AR 57~60
		103-3 Evaluation of the management approach	Environmental Responsibility: Continuous Reduction of Environmental Footprints Annual Report 2019: Corporate Governance	4-1, 4-10~4-11 AR 57~60
	305-1 Direct (Scope 1) GHG emissions		Environmental Responsibility: Continuous Reduction of Environmental Footprints	4-11
	305-2 Energy indirect (Scope 2) GHG emissions		Environmental Responsibility: Continuous Reduction of Environmental Footprints	4-11
	305-3 Other indirect (Scope 3) GHG emissions		Environmental Responsibility: Continuous Reduction of Environmental Footprints Responsible Supply Chain: Sustainable Performances in Supply Chain	4-11 5-7
	305-4 GHG emissions intensity		CSR Website: Energy Management and Addressing Climate Change	

GRI Content Index	Disclosure		Disclosure Location or Description	Page
Material Topics				
Climate Action				
GRI 305 Emissions 2016	305-5 Reduction of GHG emissions		CSR Website: Energy Management and Addressing Climate Change	
	305-6 Emissions of ozone-depleting substances (ODS)		ASUS has no relevant process, not applicable	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		ASUS has no relevant process, not applicable	
Responsible Manufacturing				
GRI 308 Supplier Environmental Assessment 2016	103 Management Approach	103-1 Explanation of the material topic and its Boundaries	Responsible Supply Chain: ASUS Supply Chain	5-1~5-2
		103-2 The management approach and its components	Responsible Supply Chain: ASUS Supply Chain	5-1~5-4
		103-3 Evaluation of the management approach	Responsible Supply Chain: ASUS Supply Chain	5-7~5-9
	308-1 New suppliers that were screened using environmental criteria		New suppliers have to pass CSR audit. 100% of suppliers are in compliance with the requirements.	
	308-2 Negative environmental impacts in the supply chain and actions taken		a. 229 suppliers were conducted the environmental impact assessment b. 20 suppliers were identified as having significant or potential negative impacts on the environment c. Significant or potential negative impacts include: lack of greenhouse gas reduction targets, failure to implement safe packaging of chemical substances and disposal procedures. d. Corrections were 100% completed e. None of the partnership was terminated	
GRI 414 Supplier Social assessment 2016	103 Management Approach	103-1 Explanation of the material topic and its Boundaries	Responsible Supply Chain: ASUS Supply Chain	5-1~5-2
		103-2 The management approach and its components	Responsible Supply Chain: ASUS Supply Chain	5-1~5-4
		103-3 Evaluation of the management approach	Responsible Supply Chain: ASUS Supply Chain	5-5~5-7
	414-1 New suppliers that were screened using social criteria		Responsible Supply Chain: Supply Chain Management Framework	5-4
	414-2 Negative social impacts in the supply chain and actions taken		a. 229 suppliers were conducted the corporate social responsibility risk assessment b. 20 suppliers were identified as high risk and were performed onsite audit, with the passing rate of 75% c. Priority findings were in labor, health and safety, and ethics d. Besides the working hours, corrections were 100% completed e. None of the partnership was terminated	

GRI Content Index	Disclosure		Disclosure Location or Description	Page
Material Topics				
Circular Economy and Product Stewardship				
GRI 301 Materials 2016	103 Management Approach	103-1 Explanation of the material topic and its Boundaries	Environmental Responsibility: Circular Economy and Product Stewardship	4-1~4-2
		103-2 The management approach and its components	Environmental Responsibility: Circular Economy and Product Stewardship	4-1~ 4-8
		103-3 Evaluation of the management approach	Environmental Responsibility: Circular Economy and Product Stewardship	4-1~ 4-8
	301-1 Materials used by weight or volume		This indicator could not be tracked because the technology is not feasible.	
	301-2 Recycled input materials used		No information on 301-1 and thus the ratio could not be calculated. On the other hand, we disclose the management of circular economy and the weight of recycled plastic in the environmental responsibility.	
	301-3 Reclaimed products and their packaging materials		Environmental Responsibility: Circular Economy and Product Stewardship	4-8
Innovative Product and Service				
	103 Management Approach	103-1 Explanation of the material topic and its Boundaries	About ASUS: Applications of Innovative Technology Annual Report 2019: Overview of Business Operation	1-4~1-6 AR109~113
		103-2 The management approach and its components	About ASUS: Applications of Innovative Technology Annual Report 2019: Overview of Business Operation	1-4~1-6 AR109~113
		103-3 Evaluation of the management approach	About ASUS: Applications of Innovative Technology Annual Report 2019: Overview of Business Operation	1-4~1-6 AR109~113
	Intellectual property rights		Corporate Governance: Intellectual Property Management Annual Report 2019: Review of Financial Position, Financial Performance and Risk Management	3-10 AR 149
	Research & Development Investment		Annual Report 2019: Overview of Business Operation	AR 111~112
Sustainable Value Creation				
	103 Management Approach	103-1 Explanation of the material topic and its Boundaries	Sustainable Operation: Sustainable Value Creation Annual Report 2019: Overview of Business Operation	2-8~2-10 AR 109~112
		103-2 The management approach and its components	Sustainable Operation: Sustainability Strategy, Sustainable Value Creation Annual Report 2019: Overview of Business Operation	2-1, 2-8~2-10 AR 109~112
		103-3 Evaluation of the management approach	Sustainable Operation: Performance of 2020 Sustainability Goals Annual Report 2019: Overview of Business Operation	2-7~2-10 AR113~117
	Corporate Sustainable Value		Sustainable Operation: Sustainable Value Creation	2-8~2-10

GRI Content Index	Disclosure	Disclosure Location or Description	Page
General Topics			
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report 2019: Consolidated Financial Statements	AR 182
	201-2 Financial implications and other risks and opportunities due to climate change	Annual Report 2019: Corporate Governance	AR 57, 65~70
	201-3 Defined benefit plan obligations and other retirement plans	Employee Development and Inclusive Workplace: Inspire, Motivate and Nurture Employees Annual Report 2019: Consolidated Financial Statements, Individual Financial Statements	6-11 AR 206~207, 224~227
	201-4 Financial assistance received from government	Research and development expenditure. The information is not disclosed.	
GRI 202 Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Employee Development and Inclusive Workplace: Inspire, Motivate and Nurture Employees GRI Content Index	6-5 B-6
	202-2 Proportion of senior management hired from the local community	GRI Content Index	B-6
GRI 203 Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social Activity: Digital Inclusion	7-4~7-6
	203-2 Significant indirect economic impacts	Social Activity: Digital Inclusion	7-4~7-6
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Annual Report 2019: Overview of Business Operation	AR 117~118
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	The scope of anti-corruption risk assessment is all operating locations	
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance: Business Ethics	3-9
	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance: Business Ethics	3-9
GRI 206 Anti-competitie Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No significant violation	3-9
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	Responsible Supply Chain: Sustainable Performances in Supply Chain	5-7
	303-2 Management of water discharge-related impacts	ASUS locations are offices and the discharge water complies with legal regulations.	

GRI Content Index	Disclosure	Disclosure Location or Description	Page
General Topics			
GRI 303 Water and Effluents 2018	303-3 Water withdrawal	Environmental Responsibility: Continuous Reduction of Environmental Footprints	4-9
	303-4 Water discharge	ASUS locations are offices and the discharge water will go to the municipal sewer system, thus we do not track it.	
	303-5 Water consumption	Water withdrawal is equal to water consumption	
GRI 304 Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	ASUS activities have no significant direct impact on this issue, and no relevant information is available	
	304-2 Significant impacts of activities, products, and services on biodiversity	ASUS activities have no significant direct impact on this issue, and no relevant information is available	
	304-3 Habitats protected or restored	ASUS activities have no significant direct impact on this issue, and no relevant information is available	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	ASUS activities have no significant direct impact on this issue, and no relevant information is available	
GRI 306 Effluents and Waste 2016	306-1 Water discharge by quality and destination	Environmental Responsibility: Continuous Reduction of Environmental Footprints	4-9
	306-2 Waste by type and disposal method	Environmental Responsibility: Continuous Reduction of Environmental Footprints	4-9
	306-3 Significant spills	No significant violation	
	306-4 Transport of hazardous waste	ASUS generates a small amount of hazardous business waste which are mainly from research and development progress. Waste is processed and recycled in accordance with local government regulations. The transportation of waste is tracked and counted by approved disposal vendors, and is not exported to other countries.	
	306-5 Water bodies affected by water discharges and/or runoff	ASUS has no factory, and the discharge water goes to the municipal sewer system, which is in compliance with local government regulations.	
GRI 307 Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	No significant violation	
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	GRI Content Index	B-7
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Development and Inclusive Workplace: Inspire, Motivate and Nurture Employees	6-5
	401-3 Parental leave	GRI Content Index	B-7

GRI Content Index	Disclosure	Disclosure Location or Description	Page
General Topics			
GRI 402 Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	If there is significant change in corporation, we will provide notice at lease no less than a month.	
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee Development and Inclusive Workplace: Inclusive Workplace CSR Website: SER Management Systems	6-12
	403-2 Hazard identification, risk assessment, and incident investigation	Corporate Governance: Risk Management	3-3
	403-3 Occupational health services	Employee Development and Inclusive Workplace: Inclusive Workplace	6-13
	403-4 Worker participation, consultation, and communication on occupational health and safety	Each subsidiary complies with collective bargaining agreements in accordance with local regulations. ASUS respects the right to freedom of association and collective bargaining. In Taiwan, where the headquarter is located, we holds labor-management committee quarterly in accordance with the regulation.	
	403-5 Worker training on occupational health and safety	CSR Website: Environmental Safety Management	
	403-6 Promotion of worker health	Employee Development and Inclusive Workplace: Inclusive Workplace	6-13
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Development and Inclusive Workplace: Inclusive Workplace	6-13
	403-8 Workers covered by an occupational health and safety management system	All ASUS employees and contractors	
	403-9 Work-related injuries	GRI Content Index	B-7
	403-10 Work-related ill health	Employee Development and Inclusive Workplace: Inclusive Workplace	6-13
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	GRI Content Index	B-8
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development and Inclusive Workplace: Inspire, Motivate and Nurture Employees	6-5~6-11
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Development and Inclusive Workplace: Inspire, Motivate and Nurture Employees GRI Content Index	6-10 B-8

GRI Content Index	Disclosure	Disclosure Location or Description	Page
General Topics			
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Development and Inclusion in the Workplace: Inspire, Motivate and Nurture Employees	6-2
	405-2 Ratio of basic salary and remuneration of women to men	Employee Development and Inclusion in the Workplace: Inspire, Motivate and Nurture Employees	6-5
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incident	
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Each subsidiary complies with collective bargaining agreements in accordance with local regulations. ASUS respects the right to freedom of association and collective bargaining. In Taiwan, where the headquarter is located, we holds labor-management committee quarterly in accordance with the regulation.	
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible Supply Chain: Supply Chain Management Framework	5-5~5-6
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No incident	
GRI 410 Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Same as ASUS employees	
GRI 411 Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No incident	
GRI 412 Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	ASUS has formulated Human Rights Policies in accordance with international standards such as the "United Nations Global Compact" (UNGC), the "United Nations Universal Declaration of Human Rights and the International Labour Organization" (ILO), and also references to the "Code of Conduct for Responsible Business Alliances" and "Governance Best Practice Principles for TWSE/GTSM Listed Companies" to set "Employee Code of Conduct" to implement Human Rights and equality within the organization.	
	412-2 Employee training on human rights policies or procedures	GRI Content Index	B-8
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Responsible Supply Chain: Supply Chain Management Framework, Sustainable	5-4

GRI Content Index	Disclosure	Disclosure Location or Description	Page
General Topics			
GRI 413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainable Operation: Sustainable Value Creation Social Activity: Accountable Social Investment Strategy, Social Return On Investment	1-4~1-6 7-2, 7-8~7-9
	413-2 Operations with significant actual and potential negative impacts on local communities	No significant impact on local communities	
GRI 415 Public Policy 2016	415-1 Political contributions	Confidential information	
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	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, ASUS follows international environmental and safety regulation as standards, and the product would enter into mass production stage only when it complies with those standards.	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No significant violation	
GRI 417 Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	ASUS 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 ASUS CSR website.	
	417-2 Incidents of non-compliance concerning product and service information and labeling	No significant violation	
	417-3 Incidents of non-compliance concerning marketing communications	No significant violation	
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaint regarding breach of customer privacy or lose in data	
GRI 419 Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	No significant violation	
	Social contribution by the technology industry	About ASUS: Applications of Innovative Technology Social Activity	1-4~1-6 7-1~7-9

102-13 Membership of associations

To fulfill CSR and comply with the expectations of stakeholders, we have fully assessed and aggressively participated in various domestic and international organizations and programs to resolutely assume our CSR with corporations from within or outside the industry, contributing to sustainability issues. The table below lists the associations ASUS participates in and values, providing an overview of ASUS' involvement:

Association	Member	Projects or committees involvement
Business Council for Sustainable Development (BCSD) of Taiwan	●	●
Taiwan Institute for Sustainable Energy	●	
Center for Corporate Sustainability	●	
Computer Association	●	
Corporate Green Competitive Association (CGCA)	●	●
Taiwan Stock Affairs Association	●	
The Institute of Internal Auditors - Chinese Taiwan	●	
Taiwan Cradle to Cradle Strategic Alliance	●	●
Taiwan Printed Circuit Association	●	
Chinese Human Resource Management Association	●	
Taiwan Association for Virtual and Augmented Reality	●	
Responsible Business Alliance (RBA, formally EICC)	●	●
Responsible Minerals Initiative (RMI, formally CFSI)	●	
The Sustainable Trade Initiative (IDH) - Tin Working Group (TWG)	●	

202-1 Ratios of standard entry level wage by gender compared to local minimum wage

ASUS Group [Note]

Region	Male	Female
Taiwan	1.04	1.04
China	1.37	1.37

*The data of subsidiaries in other countries other than in Taiwan and in China were still incomplete, thus the data was not disclosed.

*Entry level employee: Regular employees but excluding Intern/Trainee and low-level administrative tasks or technical support personnel.

202-2 Proportion of senior management hired from the local community

ASUS Group

Region	Percentage
Taiwan	100.00%
China	60.61%
America Region	68.52%
Asia-Pacific	31.03%
Africa & Middle East & Europe	76.92%

* The word "local" in this indicator is defined as "nationality" or possessing “permanent residence permit”

*Senior Management in ASUS Group is defined as followed:

Headquarter: (Main) Center, HQ Manager, Unit Head and above
Overseas-Regional Offices: Division, Center Manager and above
Overseas-County level Offices: Department, Division/Center Manager and above

Note: For Taiwan region, since ASUS Cloud has its own independent HR database, and the number of employees is not significant, ASUS Cloud is not included.

401-1 New employee hires and employee turnover

ASUS Group

Region	Item	Age Group	Male		Female	
			Number of Employees	Proportion of the male employees within that age group	Number of Employees	Proportion of the femaleemployees within that age group
Taiwan	Number and Rate of New Employee	<30	287	31.92%	232	35.80%
		30~50	230	7.17%	110	7.19%
		>50	2	1.59%	0	0.00%
	Number and Rate of Employee Turnover	<30	230	25.58%	162	25.00%
		30~50	505	15.75%	193	12.62%
		>50	11	8.76%	1	2.30%
China	Number and Rate of New Employee	<30	383	56.50%	163	36.40%
		30~50	106	8.41%	39	3.45%
		>50	0	0.00%	0	0.00%
	Number and Rate of Employee Turnover	<30	361	53.22%	167	36.55%
		30~50	197	16.18%	139	12.20%
		>50	1	6.67%	0	0.00%
America Region	Number and Rate of New Employee	<30	11	19.13%	12	21.24%
		30~50	26	9.77%	16	7.49%
		>50	3	4.69%	0	0.00%
	Number and Rate of Employee Turnover	<30	29	50.43%	21	37.17%
		30~50	69	25.94%	40	18.74%
		>50	9	14.06%	3	5.04%
Asia-Pacific	Number and Rate of New Employee	<30	107	40.84%	62	27.37%
		30~50	135	15.50%	55	13.22%
		>50	5	11.11%	2	16.67%
	Number and Rate of Employee Turnover	<30	140	53.44%	109	48.12%
		30~50	229	26.29%	91	21.88%
		>50	4	8.89%	5	41.67%
Africa & Middle East & Europe	Number and Rate of New Employee	<30	69	23.08%	38	22.55%
		30~50	106	12.35%	49	11.89%
		>50	6	9.23%	1	1.43%
	Number and Rate of Employee Turnover	<30	73	24.41%	54	32.05%
		30~50	149	17.37%	73	17.72%
		>50	7	10.77%	6	8.57%

* Male(Female) Employee New Hired Rate of the Age Group= Numbers of New Male(Female) Employee of the Age Group hired the whole year / Numbers of Male(Female) Employees of the Age Group at the end of the year.

* Male(Female) Employee Turnover Rate of the Age Group= Numbers of Male(Female) Employee of the Age Group quitted the whole year / Numbers of Male(Female) Employees of the year of the Age Group at the end.

401-3 Parental leave

ASUS Group

Region	Item	Male	Female
Taiwan	Number of employee qualified for parental leave in 2019	671	402
	Number of employee applied for parental leave in 2019	8	40
	Number of employees who actually returned to work after parental leave ended in 2019	6	31
	Return to Work Rate in 2019	100%	78%
	Number of employees who worked 12 months after their return from parental leave by 2019	3	27
	Retention Rate in 2019	100%	90%
China	Number of employee qualified for parental leave in 2019	NA	509
	Number of employee applied for parental leave in 2019	NA	164
	Number of employees who actually returned to work after parental leave ended in 2019	NA	148
	Return to Work Rate in 2019	NA	99%
	Number of employees who worked 12 months after their return from parental leave by 2019	NA	139
	Retention Rate in 2019	NA	70%

* Region/Country other than Taiwan and China does not have parental leave, thus the data was not disclosed.

* The definition of paternity leave in China is different from parental leave/maternity leave, thus male are not calculated

* Numbers of Employee qualified for parental leave = Numbers of Employee who applied for paternity leave in the period of year 2017-2019

* Return to Work Rate for Male(Female) Employee = Numbers of Male(Female) Employee who returned to work after parental leave in 2019/Numbers of Male(Female) Employee who should return to work after parental leave in 2019 X 100%

* Retention Rate for Male(Female) Employee = Numbers of Male(Female) Employee took the parental leave in 2018 and returned to work for at least 12 months in 2019/Numbers of Male(Female) Employee who should return to work after parental leave in 2018 X 100%

403-9 Work-related injuries

In Taiwan in 2019, there was no high-consequence work-related injury, thus data relevant to fatalities and high-consequence work-related injury were all 0.

Please see the table below for detail:

ASUS Taiwan: Employees

Indicator	Overall	Male	Female
Number of employees	6217	4091	2126
Number of fatalities	0	0	0
Rate of fatalities	0	0	0
Number of high-consequence work-related injuries	0	0	0
Rate of high-consequence work-related injuries	0	0	0
Rate of recordable work-related injuries	0.33	0.25	0.48

Total working hours in 2019: 12,169,144

ASUS Taiwan: Contractor

Indicator	Overall	Male	Female
Number of employees	239	100	139
Number of fatalities	0	0	0
Rate of fatalities	0	0	0
Number of high-consequence work-related injuries	0	0	0
Rate of high-consequence work-related injuries	0	0	0
Rate of recordable work-related injuries	0	0	0

Total working hours in 2019: 471,456

<Note>

1.Excluding traffic accidents

2.Calculation base: (Number of employees in Jan. +...+ Number of employees in Dec.)/12.

Take the average and rounding.

3.Rate of fatalities: (Death toll/Total working hours)X1,000,000

4.High-consequence work-related injuries: cannot recovered within 6 months

5.Rate of high-consequence work-related injuries: (Number of employees serious injuries / Total working hours)X1,000,000 (excluding death toll)

6.Recordable work-related injuries: reported

7.Rate of recordable work-related injuries: (Number recordable work-related injuries/ Total working hours)X1,000,000

8.Working hours: (Number of employees in Jan. X Working days in Jan. X8)+.....+ (Number of employees in Dec. X Working days in Dec. X8)

Scope of data: ASUSTeK, ASUS Technology Incorporation

404-1 Average hours of training per year per employee

ASUS Group

Region	Category	Type	Average hours of training per year per employee
Taiwan	Gender	Male	16.48
		Female	16.61
	Employee type	General Employee	15.44
		Senior Management	20.00
China	Gender	Male	17.29
		Female	10.78
	Employee type	General Employee	12.67
		Senior Management	22.12
America Region	Gender	Male	5.60
		Female	7.19
	Employee type	General Employee	6.44
		Senior Management	5.87
Asia-Pacific	Gender	Male	4.51
		Female	5.03
	Employee type	General Employee	4.50
		Senior Management	6.31
Africa & Middle East & Europe	Gender	Male	3.31
		Female	2.41
	Employee type	General Employee	2.83
		Senior Management	4.95

404-3 Percentage of employees receiving regular performance and career development reviews

ASUS Group

Region	Type	Percentage receive review in Male	Percentage receive review in Female
Taiwan	General Employee	91.80%	92.09%
	Senior Management	93.77%	97.20%
China	General Employee	88.30%	97.14%
	Senior Management	99.75%	99.43%
America Region	General Employee	100.00%	100.00%
	Senior Management	100.00%	100.00%
Asia-Pacific	General Employee	100.00%	100.00%
	Senior Management	100.00%	100.00%
Africa & Middle East & Europe	General Employee	100.00%	100.00%
	Senior Management	100.00%	100.00%

*The followings are excluded from review:

1.Senior managers and above

2.Special hired (i.e. Children Are Us)

3.Intern/Trainee

4.No attendance during the review period

5.New hired in probation period

6.Representative

412-2 Employee training on human rights policies or procedures

ASUS Group

Region	Taiwan	China	America	Asia-Pacific	Africa & Middle East & Europe
Total number of hours in the reporting period devoted to training on human rights policies	6270	3461	672	1851	1828
Percentage of employees trained during the reporting period in human rights policies	99.73%	98%	96.42%	94.56%	97.83%

[Taiwan Stock Exchange Corporation] In Taiwan, the listed company should disclose the number of full-time employees who are not in the manager position, and the average and the median salary of the full-time employees who are not in the manager position, as well as and the difference of each compared to the previous year:

ASUSTeK Computer Inc.

Year/Item	# of Full-time Employees	Average Salary of Full-time Employees (NTD)	Median Salary of Full-time Employees (NTD)
2019	5,426	1,481,000	1,173,000
2018	5,908	1,359,776	1,086,047
Difference Compared to 2017	-482	121,224	86,953

*The table only shows ASUSTeK Computer Inc. in Taiwan

*Full-time employees who are not in the manager position=General Employee

*Excluding employees under 6 months

Percentage of employees represented by an independent trade union

Region	Taiwan	China	America	Asia-Pacific	Africa & Middle East & Europe	Global
Percentage of employees represented by an independent trade union	0.00%	70.76%	24.00%	0.00%	22.00%	21.41%

Appendix C: SASB Index

Code	Accounting Metric	Reference	Page
Product Security			
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Governance: Information Security Management	3-5
Employee Diversity & Inclusion			
TC-HW-330a.1	Percentage of gender group representation for (1) management, (2) technical staff, and (3) all other employees	SASB Index	C-2
Product Lifecycle Management			
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Environmental Responsibility: Circular Economy and Product Stewardship	4-3
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Environmental Responsibility: Circular Economy and Product Stewardship	4-7
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Environmental Responsibility: Circular Economy and Product Stewardship	4-7
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Environmental Responsibility: Circular Economy and Product Stewardship	4-8
Supply Chain Management			
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent (Customer Managed Audit, CMA), by (a) all facilities and (b) high-risk facilities	SASB Index	C-2
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent (CMA), and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	SASB Index	C-2
Materials Sourcing			
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	SASB Index	C-2

TC-HW-330a.1

Global	Female	Male
Management	25%	75%
Technical staff	17%	83%
All other employees	48%	52%

TC-HW-430a.1.

(a) Tier 1 supplier facilities audited by CMA/ all facilities with continuous business relationship =7/358=2%

(b) Tier 1 supplier facilities audited by CMA/ high-risk facilities =7/20=35%

TC-HW-430a.2.

(1) Non-conformance rate with CMA:

Number of findings in each dimension by category/ Total number of findings

Dimension / Category	Labor	Health and Safety	Environment	Ethics	Management System
% of priority finding	9%	5%	0%	0%	0%
% of other finding	27%	27%	9%	4%	19%

(2a) Number of improvement in priority findings / Total number of priority findings =25/26=96%

(2b) Number of improvement in other findings / Total number of other findings=154/154=100%

TC-HW-440a.1

ASUS develops a three-phase critical materials management process as below:

Risk Identification

Identify 13 types of critical materials used in ASUS products through a full substance survey, covering 10 types of components.

Strategic Procurement

Develop alternate source for similar components and decentralizes the geographical location of the factory to ensure delivery.

Adaptation Management

Start a cooperation with component suppliers and recyclers, which recycle and recover the critical materials at the back end to manufacture the components. It could establish the recycle and reuse pattern, and reduce the risk of shortage of critical materials.

Appendix D: The 10 Principles of the United Nations Global Compact

Category	10 Principles	Section(s)	Page number(s)
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	CSR Website: Human Rights	
	Make sure that they are not complicit in human rights abuses	CSR Website: Human Rights	
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining		Each subsidiary complies with the collective bargaining agreement in accordance with national laws and regulations.
	The elimination of all forms of forced and compulsory labour	CSR Website: Human Rights	
	The effective abolition of child labour	CSR Website: Human Rights	
	The elimination of discrimination in respect of employment and occupation	CSR Website: Human Rights	
Environment	Businesses should support a precautionary approach to environmental challenges	Environmental Responsibility: Circular Economy and Product Stewardship	
	Undertake initiatives to promote greater environmental responsibility	Environmental Responsibility: Continuously Reducing Environmental Footprints	
	Encourage the development and diffusion of environmentally friendly technologies	Environmental Responsibility: Circular Economy and Product Stewardship	
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	Business Ethics	

Appendix E: AA1000AS Assurance Statement

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASUSTeK COMPUTER INC.'s CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2019

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 for 2019 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during on-site verification (2020/03/17~2020/5/26). SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

The information in the ASUS's CSR Report of 2019 and its presentation are the responsibility of the management of ASUS. SGS has not been involved in the preparation of any of the material included in ASUS's CSR Report of 2019.

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's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured using our protocols for:

- evaluation of content veracity of the sustainability performance information based on the materiality determination 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;
- AA1000 Assurance Standard (2008) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008); and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.
Financial data drawn directly from independently audited financial accounts, Total Impact Measurement and Management, Social Return on Investment assessments and, and Task Force Climate-related Financial Disclosures 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 affirm our independence from ASUS, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

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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, RBA, 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's CSR Report of 2019 verified is accurate, reliable and provides a fair and balanced representation of ASUS sustainability activities in 01/01/2019 to 12/31/2019.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation 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 Standards in accordance with Core Option and AA1000 Assurance Standard (2008) Type 2, High level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
ASUS has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, ASUS may proactively consider having more direct two-ways 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.
Responsiveness
The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, ASUS's CSR Report of 2019, is adequately in line with the GRI Standards in accordance with Core Option. The material topics 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 topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of ASUS's mechanisms for monitoring the effectiveness of the management approach for each material topic.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000 Licensed Assurance Provider 000-6

David Huang
Senior Director
Taipei, Taiwan
20 June, 2020
WWW.SGS.COM

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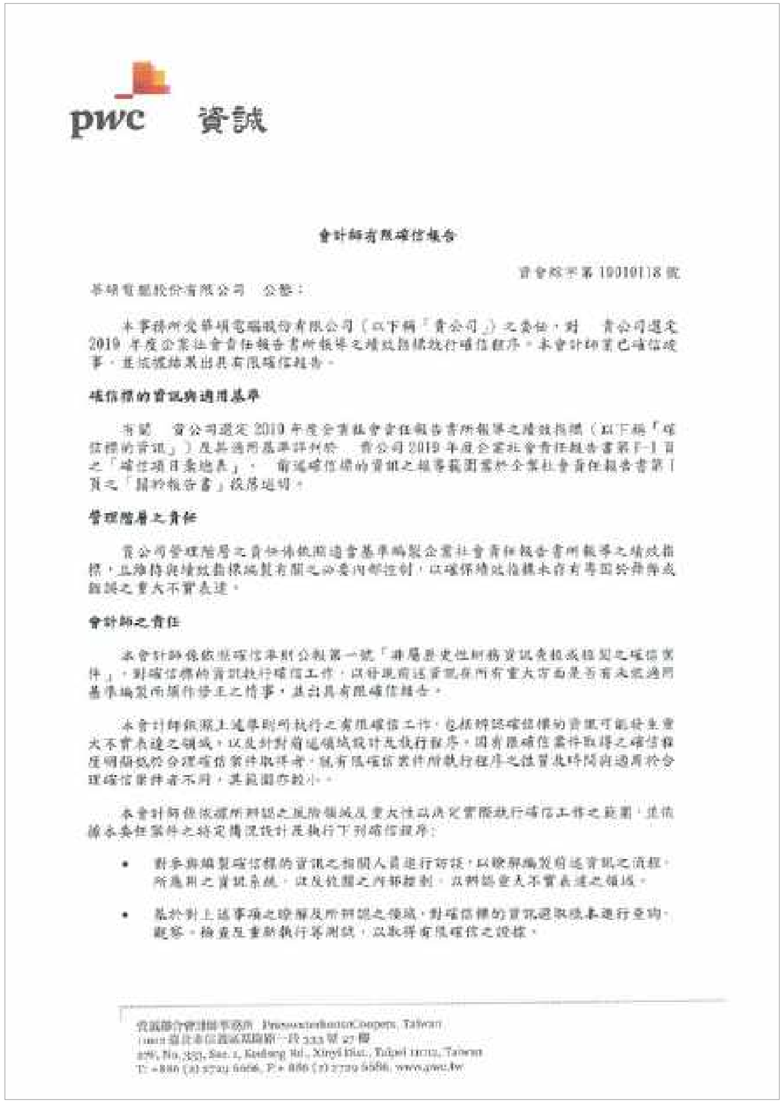
Appendix F: Summary of Subject Matters Assured

No.	Subject Matter Information	Page	Applicable Criteria
1	The components in compliance with the "GreenASUS Halogen-Free Technical Standard" account for 87.1% of the components available for use in all the products shipped in the 2019 fiscal year (hereinafter referred to as "2019").	4-3	The criterion is the ratio of components supported by the Declaration on Halogen-Free components to all the component products shipped in 2019. These Declarations are provided by the parts suppliers according to the "GreenASUS Halogen-Free Technical Standard." The ratio of halogen-free component is calculated as follows: The numerator: The number of halogen-free components among all the components available for use in all the products shipped in 2019 The denominator: The number of the components available for use in all the products shipped in 2019 Notes: Sample products with the shipment quantity of 50 pieces and under are excluded from the calculation. If the same component is used for different products, the component would be counted multiple times. The proofs of delivery of some products have not been accepted by the customers as of December 31st, 2019.
2	100% of notebook computers newly launched in 2019 and developed by the ASUS' New Product Development Project are compliant with the requirements for computers defined in Version 7.1 ENERGY STAR® Program. The average energy consumption of the notebook computer is 27% more efficient than the standard value of Energy Star.	4-10	The criterion is according to the test results of the notebook computer, newly launched in 2019 and developed by the ASUS' s New Product Development Project (see the notes below), in the test reports issued by the third-party testing laboratories. The average energy consumption efficiency of the notebook computers compared to the standard value of Energy Star is calculated as follows: The average of "(The allowance of energy consumption – The value of energy consumption) / The allowance of energy consumption" of all the products. Notes: The New Product Development Project is defined as the products developed between July 1st, 2018 and December 31st, 2019. The definition of the "newly launched" products is the products with sales of 50 pieces and over in both 2018 and 2019. The gaming laptops are excluded from the calculation.

Appendix G: Limited Assurance Report of Independent Accountants



pwc 資誠

會計師有限確信報告

資會綜字第19010118號

華碩電腦股份有限公司　公鑒：

本事務所受華碩電腦股份有限公司（以下稱「貴公司」）之委任，對　貴公司選定2019年度企業社會責任報告書所報導之績效指標執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

確信標的資訊與適用基準

有關　貴公司選定2019年度企業社會責任報告書所報導之績效指標（以下稱「確信標的資訊」）及其適用基準詳列於　貴公司2019年度企業社會責任報告書第F-1頁之「確信項目彙總表」。前述確信標的資訊之報導範圍業於企業社會責任報告書第1頁之「關於報告書」段落說明。

管理階層之責任

貴公司管理階層之責任係依照適當基準編製企業社會責任報告書所報導之績效指標，且維持與績效指標編製有關之必要內部控制，以確保績效指標未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

本會計師係依照確信準則公報第一號「非屬歷史性財務資訊查核或核閱之確信案件」，對確信標的資訊執行確信工作，以發現前述資訊在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。

本會計師依據上述準則所執行之有限確信工作，包括辨認確信標的資訊可能發生重大不實表達之領域，以及針對前述領域設計及執行程序。因有限確信案件取得之確信程度明顯低於合理確信案件取得者，故有限確信案件所執行程序之性質及時間與適用於合理確信案件者不同，其範圍亦較小。

本會計師係依據所辨認之風險領域及重大性以決定實際執行確信工作之範圍，並依據本委任案件之特定情況設計及執行下列確信程序：

- 對參與編製確信標的資訊之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，對確信標的資訊選取樣本進行查詢、觀察、檢查及重新執行等測試，以取得有限確信之證據。

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
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此報告不對2019年度企業社會責任報告書整體及其相關內部控制設計或執行之有效性提供任何確信。另外，2019年度企業社會責任報告書中屬2018年12月31日及更早期間之資訊未經本會計師確信。

會計師之獨立性及品質管制規範

本會計師及本事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。

本事務所適用審計準則公報第四十六號「會計師事務所之品質管制」，因此維持完備之品質管制制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制，對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

有限確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現確信標的資訊在所有重大方面有未依適用基準編製而須作修正之情事。

其它事項

貴公司網站之維護係　貴公司管理階層之責任，對於確信報告於　貴公司網站公告後任何確信標的資訊或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資誠聯合會計師事務所

會計師　張瑞婷　張瑞婷

中華民國 109 年 05 月 30 日

IN SEARCH OF INCREDIBLE