



Quality ▪ Innovation ▪ Speed
Service ▪ Partnership



2009 ASUSTeK Corporate Sustainability Report

About This Report

ASUSTeK COMPUTER Inc. has published the annual corporate sustainability report since 2007, and this is the fourth report publishing the sustainability report. The report continues to follow GRI G3 (Global Report Initiative Sustainability Reporting Guidelines Version 3) Framework to disclose ASUSTeK's strategies, goals, approaches, and performances. This report is checked by GRI against GRI G3 Framework and is qualified as Application Level A GRI-checked. The previous report was published in June, 2009 with Application Level B GRI-checked.

Boundary

Since ASUSTeK had announced spin off OEM and Brand in January 2008 and became a Brand company thereafter, the data reported may cover since 2008. Unless otherwise mentioned, information and performance indicators are mainly from ASUSTeK in Taiwan region (Headquarter and Lu Ju site). For Fiscal Year 2009 report, we also include a portion of performance indicators of the following 4 major overseas subsidiaries: ASUSTek Computer (Shanghai) Co., Ltd. (ACC), ASUS Computer (Shanghai) Co., Ltd. (ACS), ASUS Technology (Suzhou) Co., Ltd. (ASZ), and ASUS Computer Czech (ACZ). Their names will be mentioned when the contents/graphs/tables include their information.

Principle

We disclose the profile disclosures and performance indicators according to the Application Level A of GRI G3 Framework. Additional information and performance indicators are selected based on the interests and concerns of our stakeholders through different channels. The selection and prioritization of topics are based on how frequent a topic is asked or heard within the same/different group(s) of stakeholders. We will further respond to those issues throughout the report.

Contact Information

Please feel free to provide feedback or to contact us regarding any CSU issue.

Email: GreenASUS@asus.com

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

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

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

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01 Message from Manager

Message from Chairman

Paradigm Shift to Green Hi-tech and Sustainability

In 2008, the global economy faced the biggest economic crisis since the Great Depression. All businesses were affected, and the impact was profound.

All industries are thinking of how to react to the crisis and what recovery measures should be taken to turn the crisis into opportunities, and this is a very important issue to the enterprises. We should consider a lot of things based on Green Hi-Tech, Corporate Social Responsibility (CSR), Sustainable Development, and should pay more attention and discuss more about them and then implement the approaches.

The deterioration of global warming and climate change is far more serious than we can imagine. In view of this, more than 190 world leaders participating in COP 15 held in December 2009 in Copenhagen, Denmark by UNFCCC, and reached a consensus – a tolerable level of two degrees Celsius above pre-industrial levels, and to cut carbon emissions to stabilize levels of CO₂e to 450 ppm, implying that the human economic development must adapt to this consensus. Alternative energy will be widely used, and the high energy consumption will decline. The global economy will head toward a direction of low carbon, high resource efficiency and social sustainable development.

The economic crisis speeds up the driving force of low carbon and sustainable development. Experts believe that the Environment, Social and Governance (ESG) are the three important areas to overcome the crisis and shift the economy to green hi-tech and sustainability.

Therefore, ASUS established GreenASUS in 2000 and developed the Taiwan's first lead-free motherboard in 2004. Furthermore, ASUS' notebook received the first EuP (Energy-using Product) and the first Environmental Product Declaration (EPD) and Carbon Footprint certifications. In response to low-carbon and energy conservation, ASUS will approach from two aspects:

- (1) To persist on innovation to provide a more energy-efficient electronic products, and;
- (2) To use these IT products to help manage climate change issues.

Natural resources are limited, and Taiwan is highly dependent on energy imports. With a macro perspective, we have advantages and opportunities to promote the concept of sustainable development. Greenhouse gases and carbon reduction call for all of our attentions, and IT industry should lead the enterprises into green high-tech and sustainability. This is the responsibilities we should take.

Jonney Shin Chairman



Message from Chief Quality Officer

Green Sustainability Leads to Future Digital Life and New Living Experience

ASUSTeK has been dedicated in environmental protection, energy efficiency and corporate sustainability. Our Chairman Jonney Shin has started GreenASUS Project which promotes “Four Green Home Runs” - Green Design, Green Procurement, Green Manufacture, Green Service and Marketing since 2000. ASUSTeK has devoted in the development of Green technology and set various Green Technical guidelines for this industry. Some of the achievements in receiving international Eco Labels are as followed: various products are registered as EPEAT GOLD and are among the leading companies to be awarded EU Flower certificate, and ASUSTeK notebook is the world’s first notebook to receive PAS 2050 Carbon Footprint certificate.

ASUSTeK commits to environmental protection. Internally, we formulate energy using product technical standard and innovate ultra-efficient energy-saving technologies SHE (Super Hybrid Engine). Externally, we produce Bamboo notebook U Bamboo series, LCD monitor MS series and other eco labels products, showing our commitments in Green energy efficiency and the future of sustainable life.

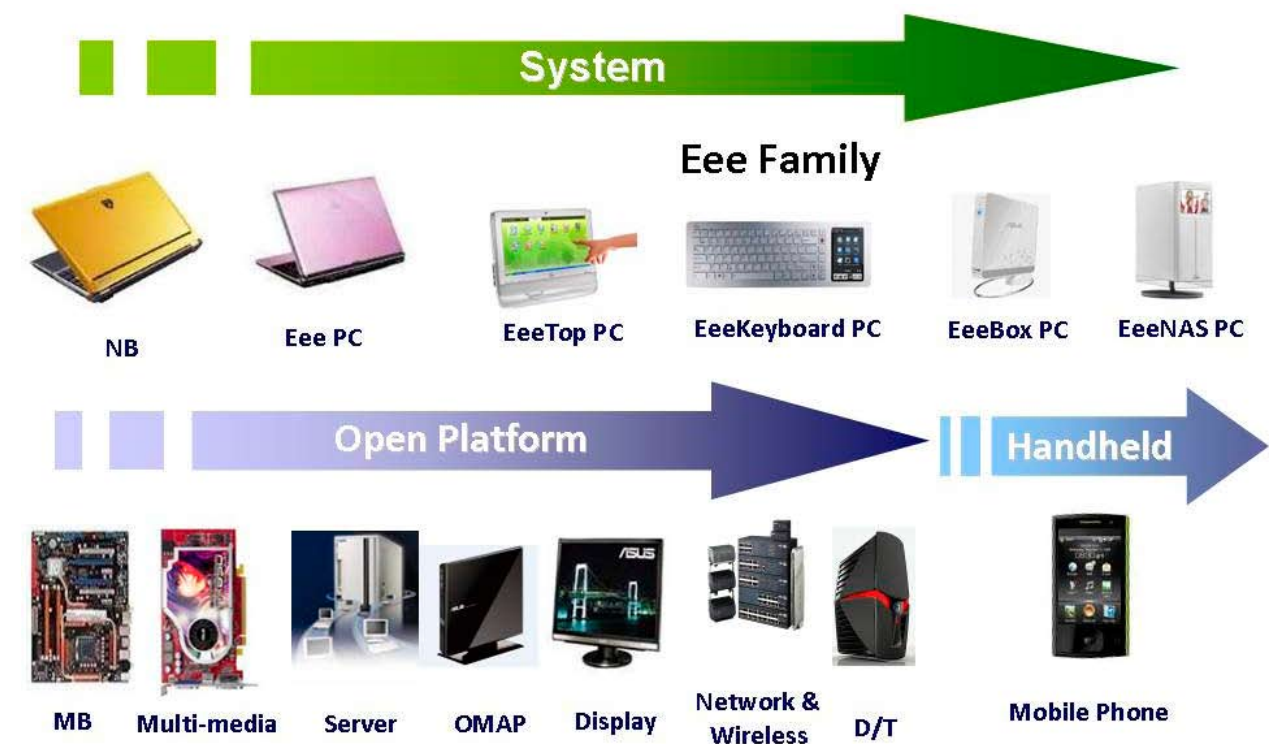
Frank Lin Chief Quality Officer




2.1 Company Overview

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

ASUSTeK had announced spin off OEM (Original Equipment Manufacturer) and Brand in January 2008; thereafter, ASUSTeK became a Brand company. 2009 was the 20th year of establishment, and the new slogan has become “Inspiring Innovation · Persistent Perfection” . In April, ASUSTeK reorganized the company and divided the product lines into three groups - system, open platform, and handheld – with each of them led by Jerry Shen the CEO, Jonathan Tsang the Vice Chairman, and Jonney Shih the Chairman accordingly. Notebooks and motherboards are the primary products. Product lines in system includes notebook and Eee Family such as EeePC, EeeBox and EeeTop; open platform includes motherboard, VGA card, desktop, LCD (Liquid crystal display) displays, LCD televisions, wireless, and digital home equipments; handheld includes handhelds and navigations.



| Figure 2.1 ASUSTeK Product Groups |

Be prepared for the future challenges, ASUSTeK launched two giant lion plans - “33 Plan” for the notebook and “55 Plan” for the motherboard. “33 Plan” means “Become the world’s 3rd largest notebook brand in 3 years (by 2011)” ; “55 Plan” means “Increasing the market share by 50% in 5 years (by 2014)” . In 2009, ASUSTeK became the world’s 4th largest notebook brand.

We grow to become an International company. The global service system has overall 32 branches offices, 50 service centers worldwide and over 500 service corners located in Asia Pacific, Europe, and America. ASUSTeK provides the information of the company and of products to International customers around the world through the official websites in 37 languages. There are 9,574 employees worldwide by the end of 2009.



Financial Performance

Since 2008, the financial statements will only show the revenue of ASUSTeK the Brand company. The revenue was 7.6 billion U.S. dollars. Year 2009 was the first time ASUSTeK faced and discussed about the causes in the operating lost in Q4 2008. The Global economy was still not able to recover from the economic crisis and thus led to the unexpected decrease in demand. Although ASUSTeK had already taken measures by controlling the stacking and procurement activities, the inventory by the end of Q4 2008 was still more than expected. ASUSTeK still had the net profit for about 492 million U.S. dollars in 2009; however, Q4 2008 was the first deficit throughout the history of ASUSTeK. Even though we realized that the economic crisis greatly impacted the global economy, we still needed to consider if there were operation factors contributing to the loss.

Operational result was below expectations in Q4 2008 were mainly due to:

1. Rapid decline in global economic led to rapid decline in computer demand. This unexpected result greatly affected the operational income and operational profit.
2. Rapid decline in computer demand led to the increase in product and parts inventory of notebooks and LCD monitors. This indirectly impacted the gross profit margin of the product and the list price of the materials.
3. The sales quote did not correctly reflect the unstable exchange rate of Euro dollars, thus affecting the profit margin of some products.
4. The organizational operation and adjustment in processes flow had not reached the ideal state.

Although the economy downturn was one of the contributing factors to the lost, not able to reach a lean operation management was also an important factor. Therefore, the measures in response to this situation were:

1. Reduce and strictly control the inventories
2. Control operating expenses and personnel costs
3. A radical improvement in business operation processes
4. Continue to strengthen product differentiation to create new niche market and to improve gross profit margin through innovation
5. Improve the accuracy on sales quote and implement quote hedge to reduce the impact on unstable exchange rate

For information regarding the operation overview, annual stakeholder report and financial statements, please visit the following URL for details, and documents are available for download:

<http://www.asus.com/investor.aspx>

Awards

ASUSTeK was ranked as “InfoTech 100” in Business Week for the 12th straight year and the first place in “Quality and Innovation” among the Asia enterprises top 500 in Wall Street Journal Asia 2009. We received 3,268 awards from all over the world, about 9 awards per day; ranked the first in “Taiwan Excellence Award” for 6 successive years and received 53 awards, about 20% of the total finalists, which covered almost all ASUS product lines. Eee PC S101 received the Glod Award for “Taiwan Excellence Award” in 2009. Our products also received many international design awards such as iF Award, Red Dot, G-Mark, iF China. Moreover, Eee PC 1000HE particularly promoted as the most recommending energy-saving product in CNN News “Your Green World”, and U6V Bamboo notebook was selected as one of the products in “Green Design 100”. All of these achievements show our efforts and commitments in R&D innovation, design and innovation, quality system, brand recognition.

Moreover, we were the first Taiwan IT manufacturer to join EPEAT and EU Flower, and the notebooks were among the first awarded EU Flower in 2008, and we expended the product lines receiving EPEAT and EU Flower to display, EeePC, and desktop in 2009. Moreover, ASUSTeK’s N51V was the first in the world to receive Type 3 Environmental Product Declaration certificate and Carbon Footprint Certificate, and the first notebook manufacture to received Taiwan Carbon Label of TEEMA (Taiwan Electrical and Electronic Manufacturers’ Association).

For more award information, please visit <http://www.asus.com/Award.aspx>
For Eco Label introduction page: <http://csr.asus.com/english/index.aspx#18>



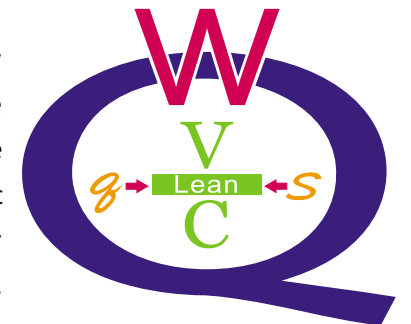
2.2 Business Philosophy and Corporate Culture

ASUSTeK Business Philosophy

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

Mission and Value

With big Q (Big quality) centric thinking, ASUSTeK continuously strives for operational excellence. We pursue and improve our value streams with quality, lean and speed based on customer values. We design and develop our products with innovative technology, aesthetic craftsmanship and rock-solid quality. It enables ASUSTeK to satisfy our customers with innovative, aesthetic and quality products and services. We create the heart-touching user experience by creating customer values. It is these great strengths that makes ASUSTeK employees proud and inspire them to live ASUSTeK’s values and mission every day.



| Figure 2.2 ASUS DNA |

Total Brand Management

People from ASUS not only believe that ASUS DNA (the corporate culture) is the most valuable asset to its company, but also it is the foundation of competition for its brand name. President Jonney Shih emphasizes that “the brand name for a corporation is equivalent to its creditability and reliability.” ASUS first started the TBM Project (Total Brand Management) in October 2009. The purpose of the project is to bring out the most unique characteristics of ASUS in its products and service. The TBM project chooses a “brand ambassador” from each department. The chosen ambassadors discuss the relationship and connection between “the company’s promise, ASUS DNA, and daily operation” through observation, learning, creativity, and passing down experience.” It is expected that ASUS’ unique characteristics will present in every processes, products, and service. To earn the trust from consumers through their experiences, feeling and become the most admired company.

Culture Cultivation

■ Jonney Lunch Meeting

Realizing the importance of the corporate culture and management to the enterprise managers, the Chairman has been holding a total of 63 Lunch Meetings for successively 48 months since May 2006. Participants are randomly selected and include: fundamental employees, officers, and managers. The Chairman has face to face communication with them regarding issues of ASUSTeK culture.



| A Snapshot of Lunch Meeting |



2.3 Corporate Governance

We recognize that good governance is structured to ensure company is effectively operated and managed. The implementation covers the follow 3 areas:

- Strengthen the information transparency
- Implement internal control system to eliminate operational risks and fraud
- Pursue the long-term vision and creating the greatest benefits for shareholders.

Shareholders have the ownership of the company; the Board of Directors is responsible for verifying and supervising decision-making. The Chairman of the Board of the Directors is not an executive officer of ASUSTeK.

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

<http://www.asus.com/investor.aspx>

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

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

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

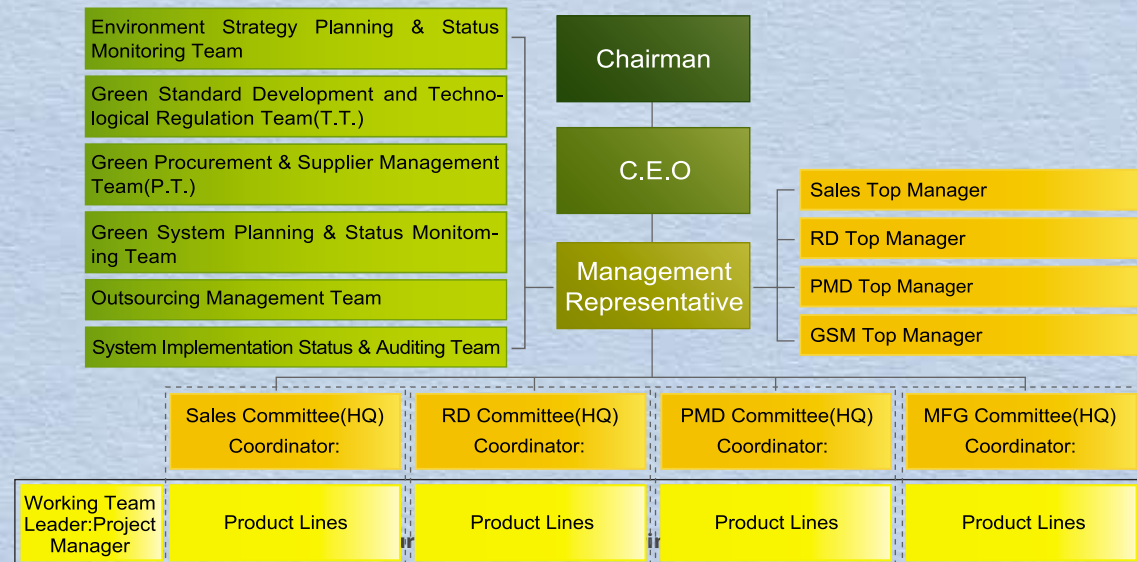
Investor Relations Department will regularly pass the suggestions of shareholders to the ASUSTeK management team/Board of Directors for their references. Regarding to avoiding the conflict of interests among the Board of Directors, we will record the name of the Director, the topic, the reason for not participating the discussion, and the process of decision-making.

2.4 Supervision and Monitoring

GreenASUS Steering Committee and SERASUS Steering Committee

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

GreenASUS Steering Committee Organization Chart



SERASUS Steering Committee Organization Chart

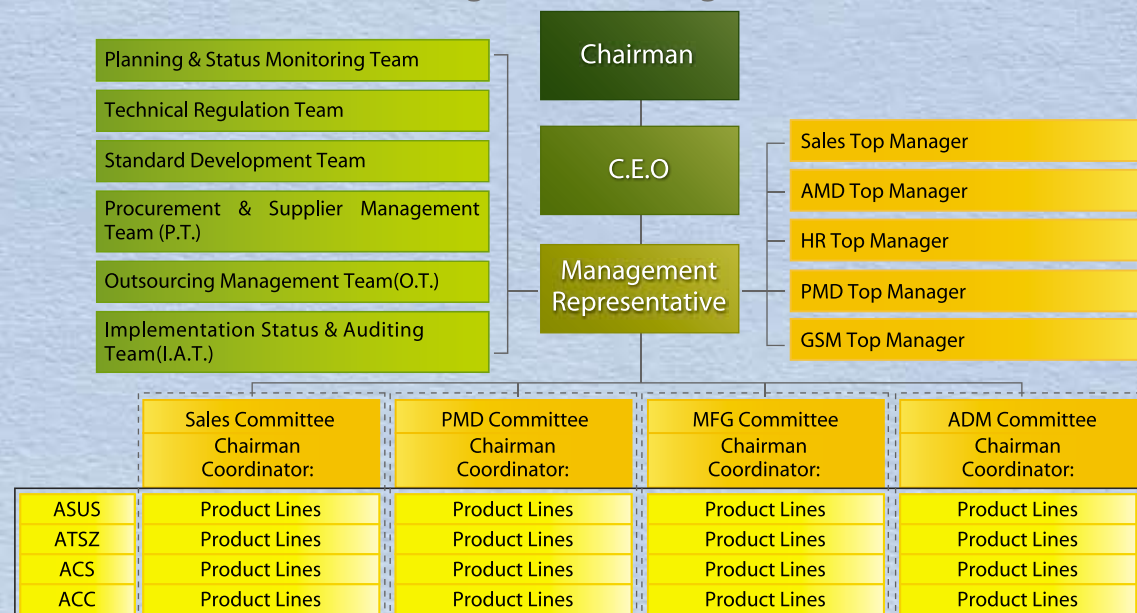


Figure 2.4 SERASUS Steering Committee

Corporate Sustainability Office

ASUSTeK established Corporate Sustainability Office (CSO) in December 1st, 2009, and it is chaired by the Chairman. The functions of CSO is to compile business strategies from the senior management team and integrate the strategies with Green Business, CSR, Humanity and International Sustainability Guidelines, building up the core competitiveness for our corporate sustainability to create the greatest value to ASUSTeK.

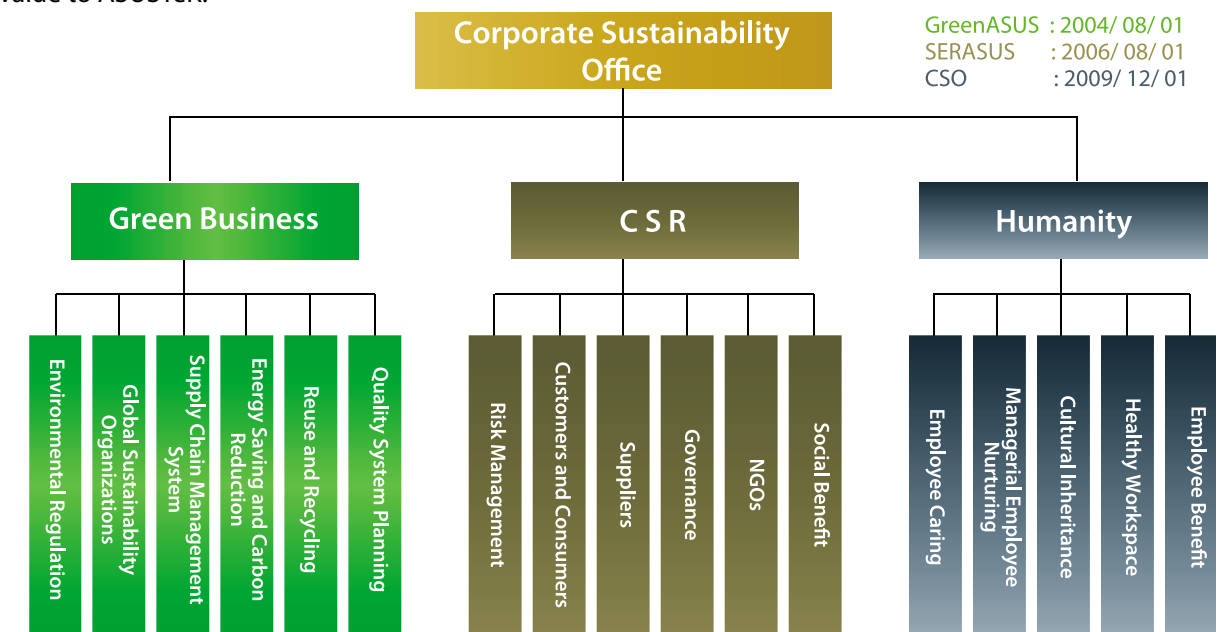


Figure 2.5 Organizational Chart of Corporate Sustainability Office

Risk Management Center

ASUSTeK has a designated body "Risk Management Center" to formulate, confirm and manage the performance in economic, environmental and social sectors, as well as to adhere and ensure the compliance with internationally recognized standards, codes of conduct, and principles.

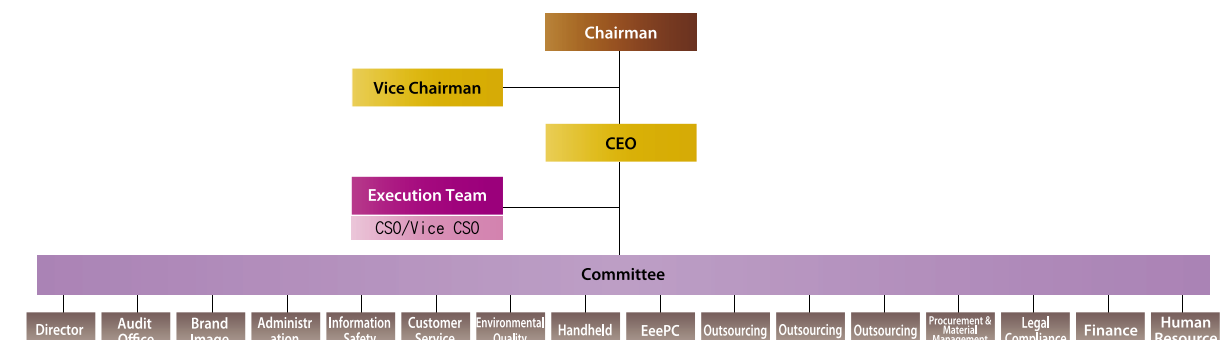


Figure 2.6 Organization Chart of Risk Management Center

In order to ensure the sustainable operation of ASUSTeK and to fulfil the social responsibility for our stakeholders, ASUSTeK developed the “Risk and Management Emergency Policy” and then established Risk Management Center according to the core of the policy. The following six indicators are used to determine the potential risks to the company:

1. Major cases happened in the past
2. Potentially high risk
3. Huge impact and influence
4. Lack of controlling experience
5. Huge impact on brand image
6. The existing regulations is not detailed and not completed

We could prioritize risks by using the above indicators and at the same time promote and implement the plan to avoid them.

■ Execution Body:

The core members for strategic planning and implementation are: Sustainability Officer and Sustainability Vice Officer of CSO, and General Director of Risk Management Center.

■ Expected Benefits:

Assist the headquarter and overseas branches (Europe, United States, Asia Pacific, and Chinese) to develop the ability to response to the risk

The benefit of Brand Protection is about 25% of our Brand Value.

■ Steps to promote risk management:

1. Set up the risk management goal for each unit according to the internal and external environment, public authority, competitors, suppliers, investors or other stakeholders
2. Analyze and quantify the risk
3. Calculate the tolerable range of lost based on the probability of the risk and the possible lost brought by it
4. Determine the most appropriate risk response strategies through the cost-benefit analysis
5. Implement the risk control and improve the process flow through the Risk Management Center
6. Track the effectiveness of the implementation



We believe that after going through the above six steps, our Brand image, reputation and value adding are guaranteed well, meeting the expectations from our stakeholders.

Anti-Corruption and Anti-Bribery

Risk Management Center is also responsible for promoting of anti-corruption and anti-bribery policy in the organization and for educating our employees the ethical integrity in order to prevent any potential corruption. Recently we focus on the following three groups for anti-corruption implementation:

1. Employees in Procurement Units:

▲ Announce the anti-corruption policy through promotion activities and regular meetings

2. Vendors/Suppliers:

▲ Send letters that clearly state the anti-corruption and anti-bribery policy to all ASUSTeK suppliers and request them to sign and return the “Honesty Declaration Letter”

▲ Disclose the contact information of corruption reporting email and hotline in Supplier Relationship Management (SRM) and encourage suppliers to report any potential case to us

▲ Regularly request the suppliers to fill out the anti-corruption survey, attempting to collect any potential violations from various channels.

3. Other Employees:

▲ Set up the violation reporting email and hotline and educate all employees through email and internal documentation.

After analyzing under what circumstances the employees were likely to face corruptions, we considered the employees in procurement units had the highest possibility of facing this issue. Therefore, we started with the procurement units to educate the employees with anti-corruption policy. As the result, the percentage of business units analyzed for risks related to corruption is 100%, and the percentage of employees in procurement units trained in organization’s anti-corruption policies and procedures were 100%. We plan to integrate the anti-corruption lesson into the Orientation and the online education platform so that all the rest of our employees will be able to receive the anti-corruption education in the near future.

If an incident of corruption occurred, the General Director of Risk Management Center will step into the case for further and detail investigation. There was no incident of corruption in 2009.

2.5 Associations

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

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

☒ =Yes ☐ =No | Table 2.1 ASUSTeK Memberships in Associations and Advocacy Organizations |

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

2.6 Stakeholder Engagement

Different stakeholders may have same or different concerns. For this report, we define the following 6 stakeholder groups as our audiences: investors, clients, suppliers / outsourcers, employees, consumers, and non-governmental organizations. We have various communication channels such as Email, telephone and online survey to collect their voices and later integrate those interests, inquiries, and concerns with performance indicators to select and prioritize the topics, and then we will be able to response to our stakeholders. Some of the highly concerned issues such as climate change, greenhouse gases and social activities are also included in our report as well.



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

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

Climate change, greenhouse gasses, and the CDP questionnaire, will be further detailed in Section 3.5.

Starting from 2009, ASUSTeK has established ASUS Corporate Social Responsibility (CSR) website (<http://csr.asus.com/english/>) and CSR Online Survey, looking for more interaction with our stakeholders. We welcome and invite all our stakeholders to engage with our Corporate Social Responsibility issues more in depth. We appreciate your voice and will base on the priority to response to the inquiries or concerns through our Corporate Sustainability Report.

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

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



3.1 Environment and Safety Policy and Management System

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

ASUSTeK Social and Environmental Responsibility (SERASUS) Policy

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

SERASUS Committee is committed to the following:

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

8. Implement health care programs and improve the environment of the workplace to ensure the employees' mental and physical health.
9. Openly pledge the company's commitment in protecting the environment and labor rights and reducing occupational hazards.



3.2 Environmental Protection and ESH Risk Management

To face the rapidly changing industry and challenges, ASUSTeK amended the "Principles of Environment and Labor Safety" and drafted the "Principles of Environmental Considerations, Risk Assessments and Management Approaches" which clearly identifies any potential environmental and safety risk in our daily operations, such as the raw materials, R&D, equipments and process used in activities, products and services. These situations will be taken into considerations when formulating improvement and management policy. The principle is applicable to any situation including routine, non-routine and urgent situation, and to different stakeholders including suppliers, outsourcers, logistic vendors that have direct or indirect business with us.

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

Moreover, Labor & Safety Department develops the "Chemical Management Guidelines" to educate employees with regarding the use of dangerous and hazardous substances to protect them from occupational hazards and to prevent the workplace from environmental pollution. There is no significant chemical spill in 2009.

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



[Snapshots of Emergency Simulation Drills]

3.3 ESH Training

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

3.4 Environmental Management

ASUSTeK' headquarter is located at Guantu Plain which is near by Guandu Nature Park. There is a small ecological area with landscape plants and eco-pond to provide biodiversity. No pesticide is used and self-made organic fertilizer is used for growing plants. We regularly recruit volunteers to help clean up the neighborhood and Dansui River.

To provide employees a good and healthy working environment and leisure, we built a gymnasium which includes indoor court, fitness center, aerobics room, billiards room, swimming pool, SPA, steam room, sauna, and outdoor sunbathe. ASUSTeK had also become the only enterprise out of 1,739 to receive "Nutrition and Health Award" .

Water

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

The leasing office sites are supervised by the Building Committee. Besides the periodical effluent testing and the system maintenance of the sewage treatment plant, it also holds regular meeting to review and monitor if any non-conformance occurs. The quality check of the effluent met the regulation requirements the whole year. The total water discharge in 2009 was 20,742 cubic meters.



Waste

Most of the wastes are domestic wastes. The hazardous wastes produced during R&D process make up a small portion of the total wastes. They are treated properly by government approved clearance vendors and are in compliance with environmental regulations. The total weight of wastes by type in 2009 were as followed: domestic wastes for 217 metric tonnes, recyclable wastes 117 metric tonnes, and hazardous wastes for 6 metric tonnes. Recyclable wastes were all donated to Tzu Chi charity to benefit more people in need.

3.5 Greenhouse Gases and Climate Change

According to Intergovernmental Panel on Climate Change (IPCC) fourth Assessment Report: Climate Change 2007, the change in weather patterns such as the uneven distribution of rainfall and the increase in rainstorm and drought are obvious, and the cause of these phenomenon could possibly be contributed to Greenhouse Gases (GHG) emissions.

To provide employees a good working environment and leisure, ASUSTeK built the gymnasium which includes the cafeteria, fitness center, sauna and indoor swimming pool. ASUSTeK had also become the only enterprise out of 1,739 to receive "Nutrition and Health Award" for its healthy workplace.

Even though Taiwan is not one of the countries listed in Annex 1 of Kyoto Protocol, Taiwan government has recognized the potential risks and thus has been drafting GHG reduction law. In addition, there are other international environmental regulations such as ErP (Ecodesign requirement directive for Energy-related Products, ErP) Directive and Korean E-standby Program which use a market mechanism to control energy-using product by requesting products to meet certain energy efficiency requirements in regards to energy consumptions.

Therefore, we have no immediate risk of emissions restriction from Kyoto Protocol for we are not in energy-intensive industry. However, there are still potential risks such as delay in manufacturing or shipments brought by extreme climate change.

In addition, we realize that we will still face regulatory risks such as energy using regulation and carbon tax which could bring financial risks as well as other risks to ASUSTeK business. Some of the potential risks include but not limited to change in consumer purchasing behavior and the increase in green public procurement with Eco Label. Both of them bring us to a more competitive market.

We support the strategy to mitigate climate change and embrace the “no-regret policy” by formulating GHG Reduction Plan and Climate Change strategy to help reduce ASUSTeK-owned operation carbon emissions and product carbon footprints, and we have a designated body responsible for monitoring and discussing GHG policy and status of actions taken. For example, the departments such as the Administrative Department and R&D Department who are in charge of their program that relates to GHG emission, energy saving programs, or eco-efficient products will report to GreenASUS Steering Committee and SERASUS Steering Committee. CQO will review the strategies, track the progresses, provide guidance, and make decisions for further following actions. We believe that if we could react to the risks at the early stage, we could turn risks into opportunities for we have excellent R&D teams for innovations.

Moreover, we have established the Risk Management Committee by the end of 2008 to monitor, prevent and manage any possible disruption to our business activities. Knowing that the climate change could seriously affect our business, one of the major tasks of the Risk Management Committee is to work with the GreenASUS & SERASUS Committee to review the risks and strategies relate to climate change closely.

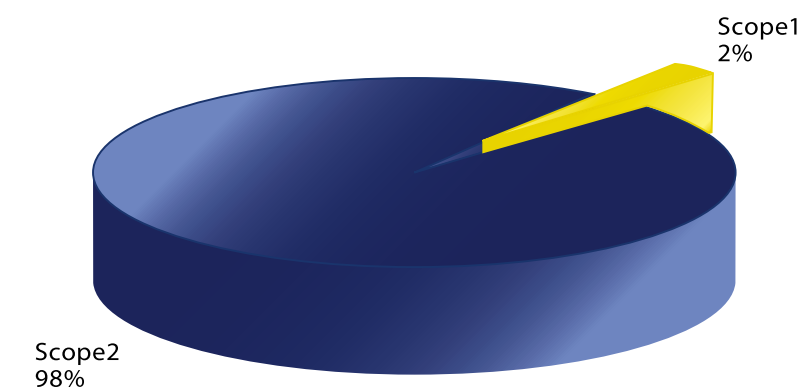


Organizational Level of Greenhouse Gases Inventory

ASUSTeK had drafted the GHG inventory plan in 2006 and began the actual inventory in 2007. Since ASUSTeK became a Brand company in January 1st 2008, we set Year 2008 as the baseline for GHG inventory. In 2009, ASUSTeK committed to reduce 15% of the GHG emissions associated with energy use by 2015 (based on 2008 level). We have a designated department responsible for promoting the energy saving programs, including but not limited to climbing stairs instead of riding the elevators. The major energy saving programs such as installing variable-frequency drive (VFD) on AC at HQ and replacing T8 Tube Light with T5 Tube Light at Lu Ju could help save 600,000 KWH.

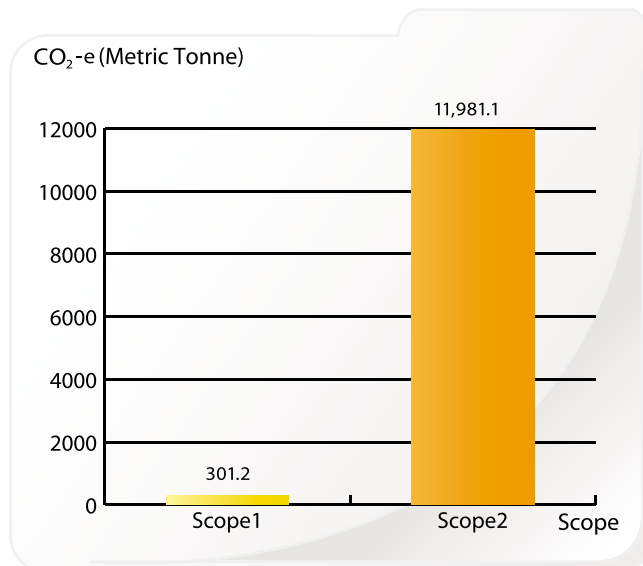
The GHG inventory in 2009 followed “The Greenhouse Gas Protocol” published by World Business Council for Sustainable Development (WBCSD), and the boundary includes all ASUSTeK owned or lease building in Taiwan only. Scope 1 included diesel oil of emergency generators, gasoline of transportation buses, energy consumption by the facilities in headquarter, air conditions and refrigerants in headquarters; Scope 2 included electricity of office buildings/sites, service centers and dormitory; Scope 3 included business travel, natural gases, gases and refrigerants from cafeteria.

The total and the types of energy consumed for Scope 1 and 2 in 2009 were: 19,230 MWh of electricity, 228 liters of diesel oil, and 13,714 liters of gasoline. The total CO₂-e emissions were 12,282.3 metric tonnes of CO₂-e, with Scope 2 makes up the majority of the GHG emissions. Fiscal Year 2009 CSR report is our first time to include business travel for Scope 3 and two of our oversea major branches for Scope 2. The electricity consumption of ACC and ASZ is 40,396 KWH and 367 MWH accordingly.

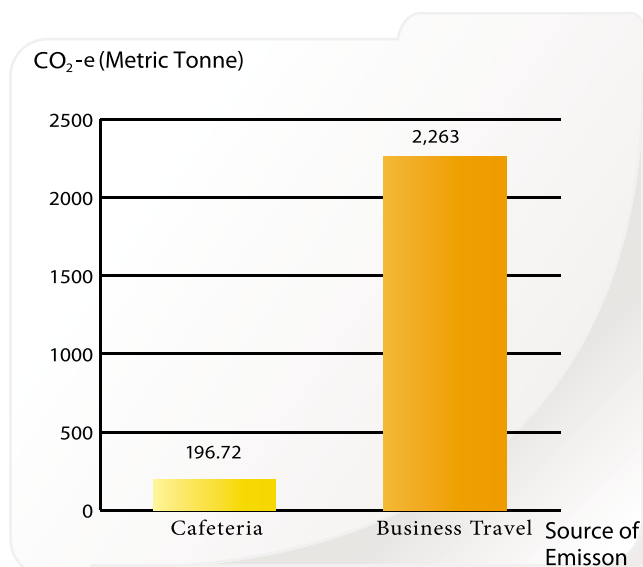


[Figure 3.1 2009 Proportion of GHG Emission of Scope 1 and 2 in Taiwan]





[Figure 3.2 2009 GHG Emissions Data of Scope 1 and Scope 2 in Taiwan]



[Figure 3.3 2009 GHG Emissions Data of Scope 3 in Taiwan]

ASUSTeK joined CDP Supply Chain 2010 in late 2009 to work with CDP, looking for further expansion of our Scope 3 inventory to our major suppliers and outsourcers, and we will include the GHG inventory of supply chain in the future.

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



ASUSTeK has disclosed GHG Inventory information in 2007 Corporate Sustainability Report since 2008 and answered CDP questionnaire annually. The details of CDP Questionnaire and GHG inventory data of 2009 will be available at the CDP official website after September 2010.

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



4.1 Quality Policy and Quality Management System

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

4.2 Eco Design and Green Management

Eco design, or Design for Environment (DfE), is a general concept that refers to a variety of design approaches that attempt to reduce the overall environmental impact of a product, process or service, where environmental impacts are considered across its life cycle. In order to reach this objective, we focus on three areas for our DfE: the selection of environmental friendly materials, easy disassembling and easy recycling, and energy saving. Therefore, we formulate our own “GreenASUS Energy Using Product Technical Standard” (S-AT2-005) which contains requirements in hazardous substances managements, design for easy reuse, recycling and disassembling, design for Life Cycle extension and low energy consumption. Therefore, this internal technical standard is based on international standards, directives and regulations such as RoHS and REACH (Registration, Evaluation, and Authorization of Chemicals) to prevent any intended addition of hazardous substances. Furthermore, we also integrate WEEE, ErP, Energy Star, ASUSTeK Technical Standards, and other environmental regulations into our product design to mitigate the impact to the environment.



Regulation Monitoring

ASUSTeK has formed a GreenASUS Team responsible for monitoring and responding to international environmental regulations since 2004. The scope covers:

- Restriction of Hazardous Substance of Electronic and Electrical Equipment: such as RoHS Directive, REACH Regulation, and Montreal Protocol on Substances that Deplete the Ozone Layer
- End of Life Recycling Management: such as Waste Electrical and Electronic Equipment Directive, Electrical and Electronic Product Takeback in Taiwan and North America
- Eco Design and Energy-related Regulations: ASUSTeK has established a platform to ensure the products are in compliance with Energy-using Product Directive, Switzerland The Ordinance on Energy, Energy Star, China Energy Conservation Certification Criteria for Computer, China Energy Label, Korean E-standby Program
- Others: battery and packaging materials usage and waste management

ASUSTeK regularly holds GreenASUS & SERASUS Steering Committee meeting, and the GreenASUS Team of Corporate Quality Assurance Center will monitor and update the International environmental regulations and help to phase in into the corresponding product lines to ensure all our products are in compliance with those regulations.

Chemical Management

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

To manage hazardous substances, we formulate “ASUSTeK GreenASUS HSF Technical Standard” (S-AT2-001) and require suppliers to provide the parts and products in compliance with this technical standard. All new products manufactured after January 1st, 2006 are in compliance with RoHS Directive. Besides the six hazardous substances defined in RoHS and substances restricted by other regulations, ASUSTeK also controls ozone depleting substances, radioactive substances and other 57 plus chemicals as well as batteries and packaging materials. The scope goes beyond that regulated by RoHS. In 2009, we integrated EU REACH Regulation and Substances of Very High Concern (SVHC) into the revision of the standard. The new substances included are: halogenated compounds such as flame retardants (BFRs and CFRs), Polyvinyl chloride (PVC), Phthalates and Dimethylfumarate (DMF). Recently, ASUSTeK Technical Standard controls about 145 substances. We will continuously monitor the trend of restricted chemical substances and the latest SVHC candidate list to update our standard.

Easy Disassembly and Easy Recycling Design

ASUSTeK’s guidelines for easy disassembly and easy recycling and for product life cycle extension require the product designers to consider the following:

A. Easy Recycling Design

- Label plastic parts > 25 grams or > 100 mm² in conformity with ISO 11469:2000
- Make plastic material components > 100 grams with a single resin
- Reduce the use of surface paintings or metal coatings that are not compatible with recycling or reuse on plastic parts >100 grams, or use the detachable coating treatment
- Consider the use of postconsumer recycled plastic
- Consider the use of renewable/ biobased material
- Decrease the use of additive in the plastic
- The back of the plastic parts should be without stickers or foam; if the sticker is necessary, it should be removable



B. Easy-Disassembly Design

- Plastic parts > 25 grams could be manually separable by one person alone with commonly available tools into recyclable resin streams
- The metals in plastic parts should be easily disassembled using common tools
- The parts should be easily and safely disassembled
- Use snap combination to the maximum extent possible, reduce using screw combination, stick combination and weld combination
- Reduce screw categories
- If the product contains items listed in Annex II of EU WEEE Directive, it will need to be easily disassembled using common tools

C. Life Cycle Extension

- Use modular design that can be easily disassembled using common tools
- Components such as CPU (Central Processing Unit), memory, and interface card in the product should be easily disassembled using common tools
- Consider extension of spare parts for the product
- Consider extension of warranty for the product

ASUSTeK Eco Design and Energy Management Platform

ASUSTeK built an Eco Design and Energy Conservation Management Platform to phase in the eco design concepts of during the product design stage. The concepts set up in the platform were based on various sources, for examples, international eco design standards such as IEC 62075, IEC 62430 and ECMA 370 and some considerations in use of chemical substances, material selections, product life extension, recycling, and packaging material.

The analysis of carbon footprint shows that the energy consumed at the use stage takes up 50% of the GHG emissions during the product life cycle. Therefore, improving the energy efficiency at the use stage could not only help consumers save on the electricity fees but also reduce the carbon footprint of the product.

In regards to energy efficiency, ASUSTeK had invented the unique energy conservation technology Super Hybrid Engine (SHE). It combined “Power4 Gear” energy saving system, which could automatically adjust the CPU speed, LCD brightness and Windows power schemes according to the system loading, with energy saving chip EPU so that SHE which could automatically adjust the CPU speed, Windows power schemes and LCD brightness according to the system loading. This innovation could extend the battery duration time for about 35%, differentiating our products from those of our competitors.

Product Life Cycle Assessment

■ Type 3 Environmental Product Declaration

Eco label and environmental declaration are worldwide environmental management tools designed to pursue green consumption and to provide consumers the opportunity to purchase environmentally friendly products, as well as leading manufacturers to develop and produce environmental friendly products in response to market demand. Different from eco label, in order for a manufacturer to claim a Type 3 Environmental Product Declaration (EPD) for a product, Life Cycle Inventory (LCI) is required to quantify the environmental impacts of a product in each stage throughout the life cycle of the product, and the data has to be verified by an independent third party and be published.

According to the Product-Category Rules published by Type 3 EPD GEDnet, ASUSTeK followed ISO 14025 to implement LCI for N51V notebook computer, and the product receives the world's first EPD certificate for notebook computer in September, 2009. Obtaining EPD certificate could help consumers to objectively compare the environmental performance among products and purchase products with lower environmental impacts, and it could also provide data throughout the product life cycle to manufacturer for further improvement in environmental performance.



| ASUS Notebook N51V EPD Certificate |

■ Carbon Footprint Certification

The term “carbon footprint” is the total amount of direct and indirect greenhouse gas (GHG) emissions during each stage of the product life cycle, including material extraction, manufacturing, using, transportation, and disposal.

We implemented the carbon footprint inventory of a selected notebook computer from life cycle perspective by computing the total GHG emissions from cradle to grave, adding some voluntarily inventory items from PCR in addition to the requirements of EPD, and expanding the boundary to the whole product life cycle, which includes material extraction, manufacturing, using, transportation, and disposal.

ASUS followed PAS 2050:2008 published by BSI and Carbon Trust to define the boundary and process for performing LCI for N51V notebook computer through the following steps:

1. Ensure process map
2. Ensure boundaries and prioritisation
3. Collect data
4. Calculate GHG emission
5. Uncertainty analysis

Then, the process and data are verified by Det Norske Veritas (DNV). ASUS N51V notebook computer received the world's first carbon footprint certificate.



| Symbolization of Carbon Footprint |





| EPD and PAS:2050 Award Ceremony |

From left to right: Frank Lin (ASUSTeK CQO), Dr. Ning Yu (EDF), Jerry Shen (ASUSTeK CEO), Percy Lakdawalla (DNV), Jonney Shin (ASUSTeK Chairman)

■ Carbon Label of TEEMA

Taiwan's electronics industry takes an important position in the world. In order to catch up with international trend, TEEMA (Taiwan Electrical and Electronic Manufacturers' Association) aggressively promoted Carbon Label and Carbon Reduction Label. TEEMA was the very first organization to promote Carbon Label. ASUSTeK showed the support in Carbon Reduction Project by applying the Carbon Label Program. The selected notebook was successfully awarded Carbon Label certificate after the information was verified by TEEMA, and then ASUSTeK also announced the Green Declaration during the Award Ceremony.



| Carbon Label Certificate of TEEMA |



4.3 Supplier and Outsourcer Management

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

Supplier and Outsourcer Selection and Audit

To ensure the suppliers and outsourcers all comply with ASUSTeK technical standards, we require all new suppliers and outsourcers to go through and pass a series of self surveys of Quality System Audit (QSA), Quality Process Audit (QPA), and GA (ASUSTeK HSF Green Supplier Recognition) before evaluating by our team. 100% of the new EMS and suppliers, total 105 vendors, received the surveys and passed the evaluation.

The 3 dimensions cover the following:

- QSA: the completeness of and the implementation degree of the quality system
- QPA: the stringency of the quality control of the manufacturing process
- GA: whether the overall quality system could meet the level set by ASUSTeK GA standard

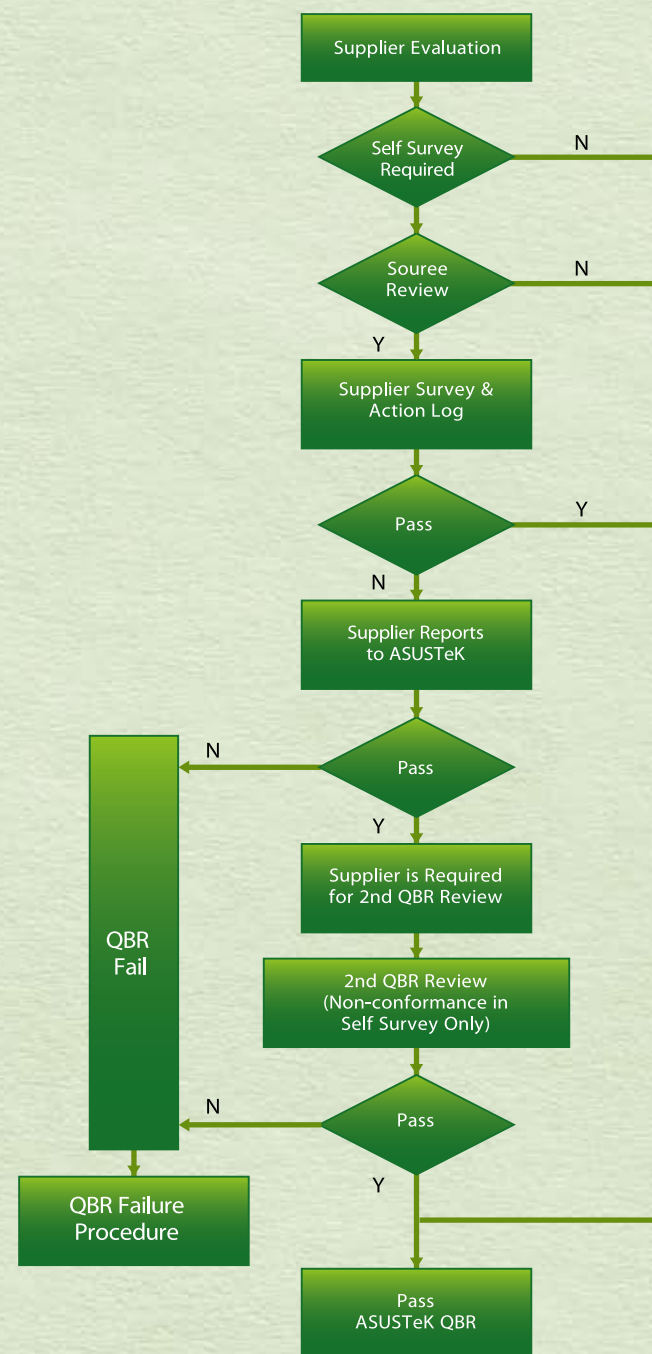
Only the suppliers and outsourcers that pass our audits will be considered as and be included in our Qualified Vendors List (QVL), and we believe this will drive the overall supply chain for continuous improvement.

In 2009, ASUSTeK further developed the eSQA system under Supply Relationship Management (SRM) platform. The purpose of the system is to store the information and keep record of QSA, QPA and GA evaluations, functioning as a database for further reference.

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

Starting form 2008, to make our suppliers and outsourcers aware of the corporate social responsibility such as labor, environment, occupational safety and health, and code of conduct, ASUSTeK required them to sign the "Consent of ASUSTeK Code of Conduct". By the end of 2009, 100% of our new vendors had signed the consent, committing to be compliance with any law and regulation.

Besides promoting CSR through “Consent of ASUSTeK Code of Conduct”, we plan to perform CSR audit to our new suppliers and outsourcers in 2010 with the following 5 dimensions: Labor, Occupational Health and Safety, Environmental, Management System, and Ethics. We would like to be more aggressive to convey our CSR policy to our suppliers and outsourcers ensuring their status of CSR implementation, and to provide recommendations for improvement if necessary.



| Figure 4.1 QBR Audit Process Flow |

Supplier and Outsourcer Workshop

In February and March 2009, ASUSTeK held the Supplier and Outsourcer Workshops in Taiwan and China accordingly. Besides explaining the audit process and ASUSTeK’ supplier and outsourcer management policy, we further educated and update them with the trend of International regulations. All relevant technical standards are disclosed on our SRM website and are available to our vendors for download.



| Snapshot of Supplier and Outsourcer Workshop |

Supply Chain GA Parts Approval Management

In response to RoHS Directive and promote environmental protection, ASUSTeK manages the parts suppliers based on “Green” principle. Therefore, a parts supplier needs to submit the test report from a qualified third party and the “Certificate of the Non-Use Hazardous Substances” to ASUSTeK by using the eGreen platform on SRM website. We use a common platform to build up a GA database as well as to speed up and avoid the repeated approval processes of GA parts.



4.4 Eco Labels

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

In February 2009, ASUSTeK held an international eco label experience sharing seminar at National Taiwan University and invited the leading green enterprises to talk about their experience as well. Promoting Green Procurement could make the consumers be more aware of the environmental impact from a product, thus they may choose a more environmentally friendly or even environmentally beneficial product when purchase, and this will drive the manufacturer to develop a greener product and also to mitigate the impact of the pollution to the Earth. We have been demonstrating our efforts and commitments to protect our environment.

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

Since 2008, ASUSTeK has been aggressively promoting green products. We had N Series and Bamboo Series notebooks registered at EPEAT (Electronics Products Environmental Assessment Tool) Gold level notebooks, and they also were among the first awarded EU Flower certificate and also complied with Energy Star requirements. In 2009, ASUS N51V notebook received the first “EPD” certificate in notebook category and the world’ s first “Carbon Footprint” certificate. Moreover, ASUS also expands the product lines registered as EPEAT Gold or received EU Flower certificate.



EPEAT

EPEAT is an easy-to-used environmental procurement tool to evaluate a set of environmental performances, which are: Reduction or Elimination of Sensitive Materials, Materials Selection, Design for End of Life, Product Longevity / Life Cycle Extension, Energy Conservation, End of Life Management, Corporate Performance, and Packaging.



These requirements are based on IEEE (Institute of Electrical and Electronics Engineers, IEEE) 1680 standard of the electronic products. Products must meet all required criteria for the lowest rank. Furthermore, products meeting all required criteria plus different numbers of optional criteria are ranked differently, from the lowest to the highest are Bronze, Silver and Gold product.

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

Table 4.1 EPEAT Product Level Chart

In 2008, ASUSTeK was the first Taiwan IT manufacturer participating in EPEAT with N Series registered at the Gold level. In 2009, ASUSTeK further expended the product line registered at Gold level to EeePC, desktop and monitor. The following list shows ASUSTeK’ s EPEAT Gold products in 2009:

- EeePC
 - ▲ 1005HA, 1001HA, 1101HA
- Notebook
 - ▲ UX50V, UL20A
- Desktop
 - ▲ EeeBox PC EB1501,
 - ▲ EeeBox PC EB1012
- Monitor
 - ▲ VH222H-P, VH232H-P, VH236H-P, VH242H-P,
 - ▲ VH242HL-P, VH236HL-P, VH235T-P, VW196T-P

Product Verification	Compare	Product	Country	Product Category	Rating	Out. Pts	Energy Star Version
RESOURCES	<input type="checkbox"/>	ASUSTek VH222H-P	United States	Displays	Gold	19	5.0
Purchasers	<input type="checkbox"/>	ASUSTek VH232H-P	United States	Displays	Gold	19	5.0
Manufacturers	<input type="checkbox"/>	ASUSTek VH236H-P	United States	Displays	Gold	19	5.0
Retailers	<input type="checkbox"/>	ASUSTek VH242H-P	United States	Displays	Gold	19	5.0
Individual Consumers	<input type="checkbox"/>	ASUSTek EeeBox PC EB1012	United States	Desktops	Silver	15	5.0
Small Business	<input type="checkbox"/>	ASUSTek EeeBox PC EB1501	United States	Desktops	Silver	15	5.0
BACKGROUND	<input type="checkbox"/>	ASUSTek VH222H-P	United States	Displays	Gold	19	5.0
EPEAT Background	<input type="checkbox"/>	ASUSTek Eee PC 1005HA	United States	Notebooks	Silver	17	5.0
EPEAT and Energy Star	<input type="checkbox"/>	ASUSTek Eee PC 1005HA	United States	Notebooks	Silver	17	5.0
Reference Consumers and Links	<input type="checkbox"/>	ASUSTek EeeBox PC EB1000	United States	Desktops	Silver	15	5.0
	<input type="checkbox"/>	ASUSTek Eee PC 1005HA	United States	Notebooks	Gold	21	5.0

EPEAT Product List

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

EU Flower

EU Flower program helps establish a set of standard environmental and performance criteria to evaluate all aspects of a product life cycle, starting from product design, manufacturing, use stage and final disposal. This Eco Label provides European consumers simple guidelines on choosing an environmental friend product. All EU Flower certified products are verified by the competent body to ensure the conformity of the products.

To establish a standard to reduce environmental impact, the EU Flower program developed a set of environmental and performance criteria for judging products based on all aspects of a product's life, from its production and use to its eventual disposal.

The key requirements to achieve the EU Flower include: Consumes less energy during use and standby, Contains less substances that are dangerous for health and the environment, A free take-back service is provided by the manufacturer after use, Designed for easily disassembly and recyclability, Increased product durability through upgrades, and Batteries are efficient and less polluting.

In 2008, ASUSTeK's N series notebook was among the first awarded EU Flower certificate and at the same time the only ones awarded both EU Flower and Czech Eco Label certificates. In 2009, we had EeeBOX receiving EU Flower certificate in desktop category. The following are ASUSTeK's products receiving EU Flower certificates in 2009:

■ Notebook

▲ U50 Series, UX50 Series, UL50 Series, U80 Series, UL80 Series

■ Desktop

▲ EeeBOX : B201, B202, B203, EB1002

▲ EeeBOX : B204, B206, B208, EB1006

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



| EU Flower Certificate |

Taiwan Green Mark

“Green Design, Manufacture, Marketing and Procurement” becomes the trend in 21st century. In order to not only tie in with the green consumption concept to make consumers clearly choose environmentally friendly products but also promote the sale and manufacture of production and thus encouraging the development of environmental friendly products, Environmental Protection Agency (EPA) of Taiwan designed the Eco Label system and presented the “Green Mark” to the selected products that went through rigorous review and ranked the first 20%~30% products in each product category in March 19th, 1992. The logo of the Taiwan Green Mark is designed as “a piece of green leaves wrapped with clean, unpolluted Earth”, which is also a symbol of “recyclable, low pollution, the provincial resources”, the concept of environmental protection. ASUSTeK takes the requirements of Taiwan Green Mark into the product design, so most of ASUSTeK's products are qualified for Taiwan Green Mark and thus ASUSTeK is able to join the Green Public Procurement. ASUSTeK will continue to devote to have more products applying for Ecol Label.



The following are ASUSTeK's products receiving Taiwan Green Mark in 2009:

■ Notebook: 82Q, EeePC 1005HA, K40IJ and other models

■ Desktop: Eee BOX B202, BM5240, BA5190 and other models

■ Monitor: VW195D, VW222U and other models

Please visit the following websites for the list of products awarded Taiwan Green Mark:

GreenLiving Information Platform of EPA of Taiwan.

<http://greenliving.epa.gov.tw/GreenLife/green-life/english.aspx>

ASUS CSR website: <http://csr.asus.com/english/#44>

4.5 Product Recycling

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

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

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

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

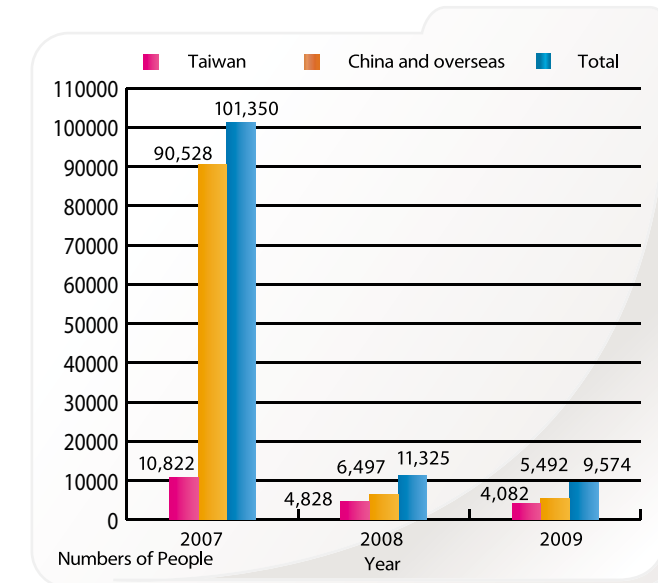
Since 2008, ASUSTeK executed “PC Recycling for a Brighter Future” project with “Innovative Technology Applications and Services Program” (so-called ITAS) of Ministry of Economic Affairs, Department of Industrial Technology of Taiwan to establish a recycling system in Taiwan. In addition, we also build the recycling website (<http://recycling.asus.com/>) to deliver the green concept to our consumers and business users and provide convenient recycling channels.

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



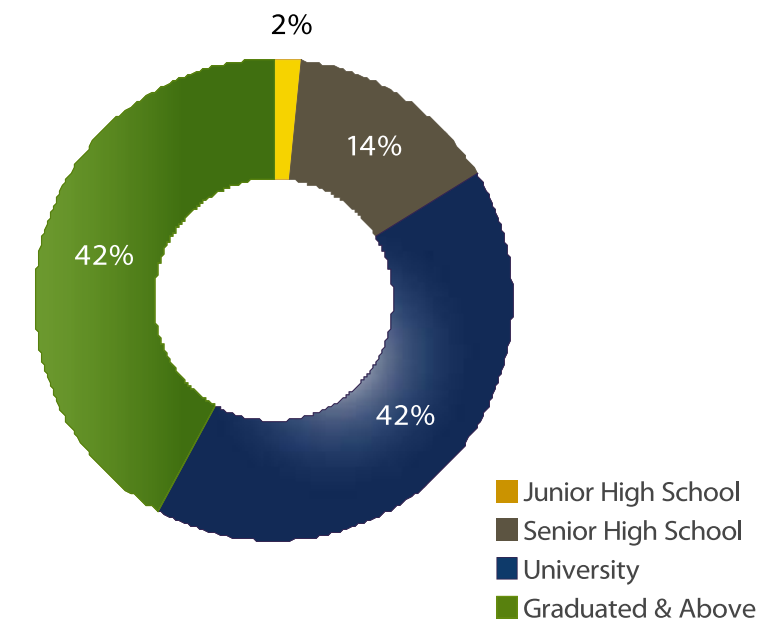
5.1 Employee Profile in ASUSTeK

In accordance with the strategy, ASUSTeK span off our contracted manufacturing business and own-brand business in January 1st 2008. The number of employees declined significantly from 101,350 of 2007 to 9,574 of 2009, and 5,492 out of 9,574 located in China and overseas.



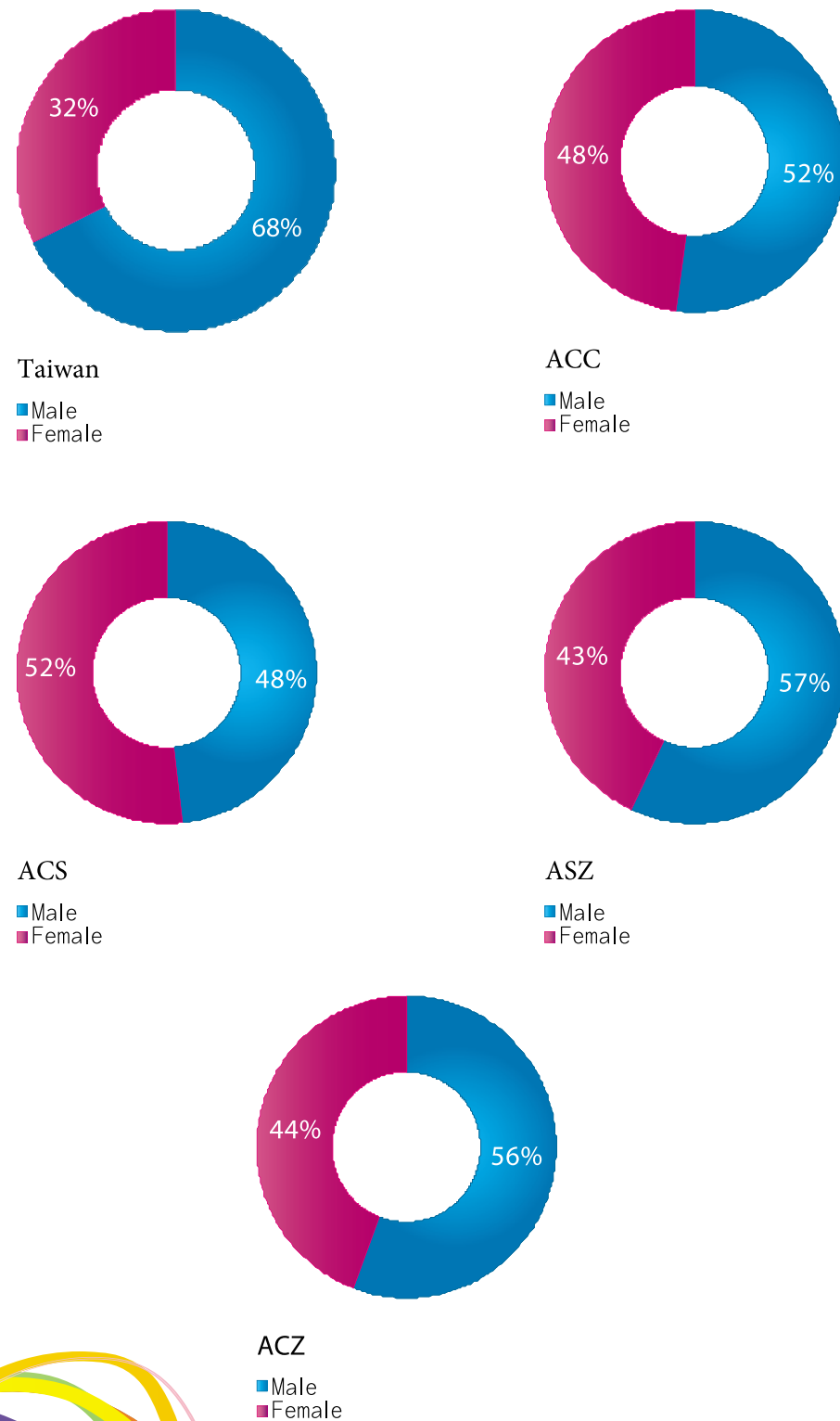
| Figure 5.1 Number of ASUS Employee |

ASUSTeK employs high-level employees. Figure 5.2 shows that 98% of the employees in Taiwan have senior high school degree or higher. 84% of the employees have university degree or higher, including 42% university and 42% graduated and above.



| Figure 5.2 Education Level of Taiwan Employees |

The majority of ASUSTeK workforce is male for R&D is our core competence. As Figure 5.3 shown, the number of male employees was twice as many as female employees. The proportions of gender in other overseas offices were about even.



| Figure 5.3 Employee Gender |



5.2 Human Rights Declaration

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

■ No child labor

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

■ Minimum wages

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

■ Working hours

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

■ Non-discrimination

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

■ No harsh or inhumane treatment

Prohibit physical abuse, harassment or the threat of either.

■ Freely-chosen employment

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

■ Health and Safety

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

■ Employee training and development

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

5.3 Corporate Commitment to Employees

ASUSTeK has established Corporate Sustainability Office (CSO) which covers Green, Corporate Social Responsibility, and Humanistic Caring. CSO is responsible for Humanistic Caring, together with GreenASUS committee and SERASUS committee for Green and Social Responsibility accordingly to operate, plan, and execute measurements independently, and regularly report to the Chairman and top management team.

Humanity

This function is to integrating employee caring, managerial employee nurturing, cultural inheritance, healthy workplace, and employee benefits with internal and external resources, committing to the first of ASUSTeK business philosophy: “inspire, motivate and nurture our employees to explore their highest potential” .

Employee Caring

■ For major disasters

- Taking mechanisms when employees or their family are facing disasters
- Establishment of emergency contact network and application of financial aids
- Fundraising
- Humanistic Caring and on leave coordination
- Volunteers
- Long-term medical caring

■ Execution and record

- Taking appropriate measures when employees or the family members get diseases or having accidents
- Work arrangement
- Medical resources
- Apply for the need of care workers
- Apply for joining care associations
- Consulting service for employees and their families
- Condolence assistance on the death of employees or their families



Managerial Employee Nurturing

- Improve the competitiveness of and develop the international view of the employees , cultivating successors at all levels to avoid the risk for not having future leaders
- Nurture a higher managerial level successor for the next 10 years
- Turn top-level managers from "specialists" into "generalists"
- "Only to train the next successor could bring his/herself to the next level"
- Encourage employees to become volunteers to create work life balances

Cultural Inheritance

- Promote activities in areas such as experience sharing on research and development, brand management, human and industrial culture inheritance, spiritual improvement for employees, and competitiveness training to achieve the needs for sustainable development
- Establish internal and external platform to keep record on all documentations or events that link with social responsibility.
- Hold corporate volunteer training program to promote social welfare, committing to business philosophy

Healthy Workspace

We attempt to create a link between the workplace and personal life according to their needs and conveniences. For example, providing professional skills training or foreign languages may help to fulfill the needs for both workplace and personal life. We are trying to make our employees enjoy their works.

Employee Benefits

ASUSTeK values employees by providing them with a competitive salary structure and various welfare benefits to attract talented people to join ASUSTeK and create a better future together. We commit to build up free and two-way communication to gain their trusts; they will be willing to give us feedbacks, and we will be able to convey ASUSTeK's value and belief. The very first business philosophy of ASUSTeK is “Inspire, motivate and nurture our employees” . Therefore, we place importance on employees’ compensations and benefits. Welfare and insurance systems secure employees’ basic livings so that they could also give consideration to family life and health while concentrating on work.

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

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

Besides wedding and funeral grants, we provide various coupons in addition to holiday bonuses to our employees and offer discounted price if purchasing company' s product. Moreover, we encourage our employees to pursue further educations by not only offering scholarships to them and their children but also planning internal and external training courses.

Special activities are held during special holidays throughout the year, as well as cultural exhibitions, seminars, recreational activities and "ASUS Department Gathering" event. There are also "ASUS Family Day" and Christmas party which invite all employees from all departments to join and share joys.

We have medical clinics with doctors and nurses at the major sites to take care of the safety and health of our employees. There are always health activities such as annual health examination, vaccine injection, women cancer examination, weight loss class, health seminar, going on throughout the year. We also have nutritionists to monitor the menu of the cafeteria and canteen and the balance of nutrition, as well as to control the calories.

In our gymnasium, there are indoor court, fitness center, aerobics room, billiards room, swimming pool, SPA, steam room, sauna, and outdoor sunbathe area open to our employees and family on weekends.



| Facilities in Headquarter |



5.4 Healthy Workplace

Employees are valuable assets ASUSTeK. We provide a safe and healthy working environment which is better than that of outlined in "Labor Safety and Health" regulation to our employees. The medical clinic is available during office hours to provide immediate and appropriate treatment to any injury or disease, and at the same time to organize and promote various health activities to our employees.

Professional Caring

■ General and emergency treatment

We have nurses on each site to provide general treatment, first aids, hospital treatment and follow-up caring to our employees to ensure that the employees are well taken care of when injured.

■ Clinic Service

We have medical doctor be onsite weekly to provide convenience and immediate medical treatment if necessary, and also provide health consulting service when requested.

■ H1N1

We monitor and update the information on H1N1 daily in order to take appropriate measures such as procuring masks and educating our employees through internal email and posters. If infection is known, we will request the individual to return home and track the status of illness. There are 23 infections with no in-house infection, and all individuals recovered from the illness.

Health Check

■ Provide health check service better than regulation requirements

We cooperate with several hospitals that would provide health check to our employees including accredited personnel, new hires, and food serving personnel at a favorable price. On the other hand, we can help arrange a 1 on 1 meeting between the physician and the employee to help the employee has a better understanding regarding health issues.

■ Illness tracking and management

We use a systematic management to keep track of the record and to monitor any change in symptom so that we would be able to provide the most appropriate measure at the moment.

Energetic Working Environment

■ Outstanding Workplace and Healthy Workplace Certification

In 2009, it is the first time the clinic is in charge to promote “Healthy Meals” to our employees. In average, there are 10,000 orders per month for “Healthy Meals”, and this is about 6 to 7 times more than the orders in 2007 and 2008. ASUSTeK had also become the only enterprise out of 1,739 to receive “Nutrition and Health Award”.

Moreover, we also promoted smoke-free environment and other plans that led us to receive “Health Excellent Award” and “Healthy Workplace Self-Certification”.



| Health Excellent Award |



| Nutrition and Health Award |

■ Weight Lost Event

We invited employees with BMI>24 to join “Weight Loss Association” and provided long-term classes such as water aerobics, boxing aerobics, and health seminars with Health Meal that help employees “eat healthy, exercise happily”. This event was held for 8 months, with the achievement of total weight lost of 144.4 kilograms for 122 people. Each employee lost about 3 kilograms in average, and the individual that lost the most had the record for 22.2kilograms.



| Snapshot of the Weight Lost Event |



■ Stair Climbing

The stair climbing record is stored by sensing the ID card at the beginning floor and destination floor. ASUSTeK provides various awards such as bicycles and our own 3C products to encourage our employees to join the activity.

■ Vision Care Program

Noticing that our employees work long hours with computers, we work with the eye clinic to provide free eye inspection and consulting service to the employees, and those clinic may provide further treatments if necessary, making sure that they are aware of the health of their eyes.

■ Musculoskeletal Health

We realize that employees who use computers for very long hours may have shoulder pain, neck pain, lower back pain and other related problems, thus we invite physiotherapists to provide free consulting service to our employees for early discovery of musculoskeletal health issues. In addition, we make arrangement with physiotherapists to be onsite twice a week to provide treatments and help rehabilitation.

■ Health Screening

We collaborate with several hospitals to provide different health screening according to age, gender, and the nature of work. Those screenings will help check the following organs such as the liver, cancer in cervical/breast. The early we have appropriate treatment, the better change we can recover from these illnesses.

■ Vaccine Injection

We collaborate with several hospitals to provide various vaccine injections, including but not limited to Hepatitis A, Hepatitis B, influenza, cervical cancer, to our employee.

■ Contractual Clinics

We evaluate and select clinics such as orthopedics, ophthalmology, obstetrics, rehabilitation, dermatology, cosmetic medicine, Chinese medicine and pharmacyto based on employees' suggestions, internet reviews, and excellent community medical clinic evaluation as our contractual clinics. The purposes of having contractual clinics for our employees are not only to provide medical services to our employees at favorable prices but also to ensure that the quality of medical cares and services received are adequate.

■Nursing Room

We provide a good and friendly nursing environment according to the requirements set out in the Gender Equality Act and in the standard formulated by Health Bureau. The nursing room is equipped with sofas, cupboards, sink, curtains, refrigerators, UV sterilizer, emergency alarm and others. We wish to fulfill the needs of and provide a comfortable and safe place to the mothers.

■Leisure and Recreational Facilities

To provide employees a good working environment and leisure, ASUSTeK built the gymnasium which includes various leisure and recreational facilities, such as multifunctional court, fitness center, aerobics rooms, indoor swimming pool and SPA, to encourage and inspire our employee to exercise before and after work

5.5 Employee Advisory and Communication

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

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

5.6 Employee Training and Planning

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

There are around 3,187 employees participated in the Learning & Growth Plan. The procedure of the Learning & Growth Plan is as the figure below:



| Figure 5.4 Learning & Growth Plan Procedure |



| Figure 5.5 Key Point of Talent Development Chart |

Multiple Learning Resources

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

Internal Training Courses

In 2009, ASUSTeK held a total of 164 classroom courses and 61 online courses. Classroom courses have 6,964 trainees and the on-line courses have 2,639 trainees. We established the training roadmap for different targeted employees, including the mandatory training courses for high level managers, medium level managers, entry level managers and professional duty employees. In addition to help new comers better understand and adapt to our corporate culture and working environment quickly, we plan abundant and practical new employee orientations to assist these purposes. In 2009, the total number of employees attended the orientations is 322 trainees, and the total hours of orientations is 2,254 hours.

Other Learning Resources

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

Type	Item	Training Content	Training Goal
Off-job training	Core Value / Management training	1. New employee orientation 2. Core Value course 3. New manager orientation 4. Management course 5. Management workshop 6. Elite manager course	Providing a systematic learning and development blueprint to employees in each level is an advantage of reserving the strength of future career development.
	Professional training	1. New employee professional training 2. Professional training 3. Overseas training 4. Expatriate training	Providing systematic courses to improve the depth and breadth of employees' professional knowledge and skills.
	Self-development	1. E-learning 2. IT English class 3. E-library 4. Art workshop 5. ASUSTeK Club	Developing individual ability and making individual interest into consideration through active and self learning.
On-job training	Learning by doing	1. Substitute 2. Job shadowing 3. To coached 4. Assigned Project	Managers assist employees to plan their learning and growth plan in order to strengthen employees' own knowledge and skills through learning by doing.

Table 5.1 Multiple Learning Resources Chart

Intro to the Culture and Education Programs

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

ASUS Culture Program

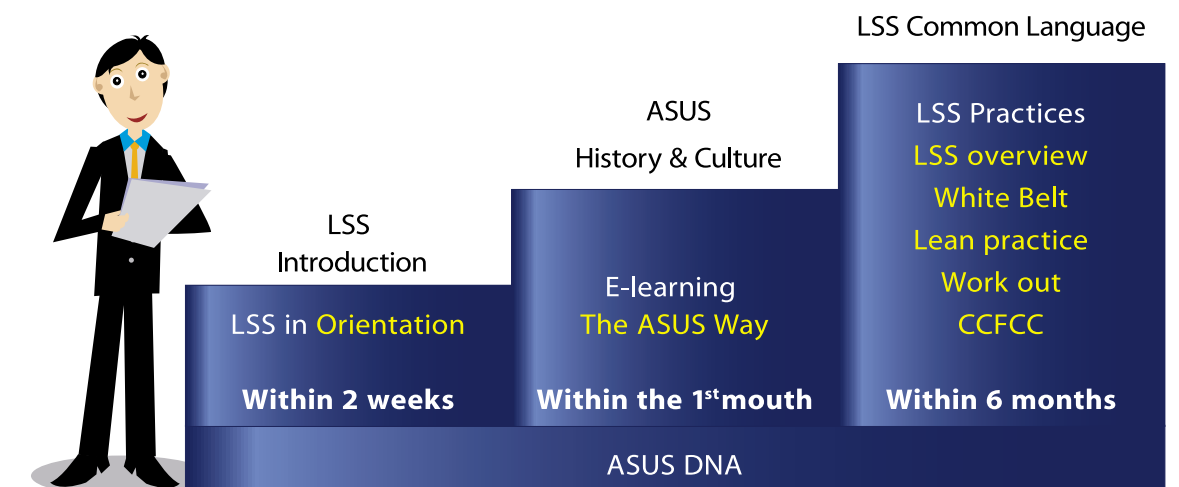


Figure 5.6 ASUSTeK Culture and Education Program

1.LSS and You:

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

2.The History and the Culture:

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

3.The Common Language via LSS:

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

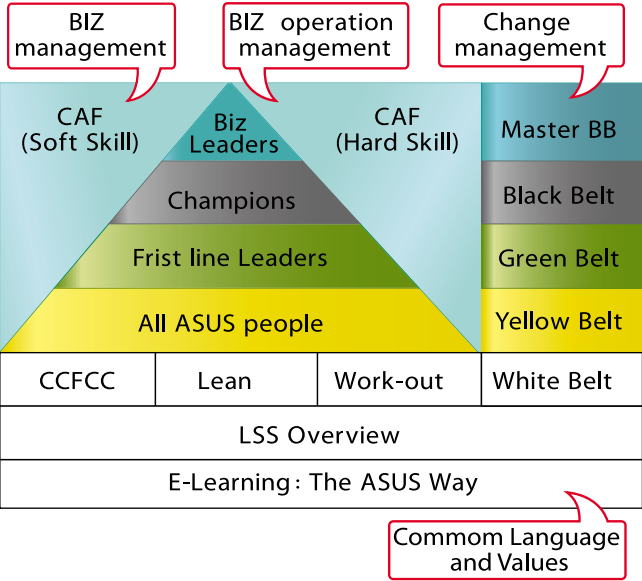
Module	A	B	C				
Course Title	Orientation	The ASUS Way	LSS Overview	LSS White Belt (DMAIC)	Lean Practice	LSS Work-Out	CCFCC
Course Outline	1.Getting to know about LSS	1.History ofASUSTeK 2.ASUS DNA 3.Future Prospects	1.ASUS Branding 2.ASUS DNA 3.Concept of LSS 4.LSS	1.Define what the Problem is 2.Set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

| Table 5.2 Chart of ASUSTeK Culture and Education Program |

Process Improvement Experts Cultivation Program

In May 2006, ASUSTeK started the rebuild by applying Lean Six Sigma into daily operations, and LSS finally reach to the mature stage in 2008. LSS - The ASUS Way is based on “Think Through, Executive Through” ; it pursues the best quality, lean and speed by strict logicality, scientific evidence and data verification. At the same time, it develops abilities of confronting issue and problem solving rapidly from fundamental process and daily environment, to create greatest value of customer experience. ASUS DNA is the core of LSS - The ASUS Way, which integrates the spirit and methodology of Lean and Six Sigma, pushing the idea of continuous improvement into the organizational operation and thus pursues “Inspiring Innovation • Persistent Perfection” and become “The world’ s most admired and Leading Enterprise in new digital era” .

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



| Figure 5.7 Lean Six Sigma - Knowledge Map |

■ The ASUS Way - White Belt Cultivation Course

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

■ The ASUS Way - Yellow Belt Cultivation Course

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

■ The ASUS Way - Green Belt Cultivation Course

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

■ The ASUS Way - Black Belt Cultivation Course

Black Belt Course is the practical course of process improvement experts cultivation program. During the major 5 steps of DMAIC with the total of 20 procedures, students will use the most effective tools to divide up the process into modules. The goal is to create values for a project by improving the process. Students could learn things such as: how to realize the customer needs, how to find the key point for improvement through performance gap, how to use effective methodology to show the process performance, how to define the real cause, how to use scientific statistical methods to verify the cause, how to use collective wisdom to find the leanest solution, and how to monitor the effect of the improvement.



5.7 Performance Management and Learning Development

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

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

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

Employee who lags behind performance requirement is required to participant in the Performance Improvement Plan. During the implementation of the plan, improvement area, evaluate criteria and execution timeline will be set and sufficient resources and support will be provided to help the employee improve performance and attain target.

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

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

6.1 Narrowing the Digital Divide

Aborigines

■Connecting the Tribes to the World with LOVE

ASUSTeK Foundation collaborated with ETMall an event “Connecting the Tribes to the World with LOVE” . There were 135 pieces of computers donated to 17 elementary schools in 7 aboriginal tribes.



| Figure 6.1 Website for “Connecting the Tribes to the World with LOVE” |

■2009 Aboriginal Technologic Award

ASUSTeK Foundation collaborated with National Tsing Hua University to hold the event. The purpose of the award is to promote aboriginal culture and combine the culture with technology.



| Figure 6.2 Website for “2009 Aboriginal Technologic Award” |



Overseas

ASUSTeK Foundation coordinated with Institution for Information Industry of The Executive Yuan of the Republic of China for the project “APEC Digital Opportunity Center” (ADOC 2.0), and this project provide the following digital learning centers to help children in rural areas:

- Set up 1 digital opportunity center in Jakarta, Indonesia
- Set up 2 digital opportunity centers and 2 mobile digital learning centers in Philippine



| Digital Opportunity Center in Indonesia |



| Digital Opportunity Center in Philippine |

On the other hand, ASUSTeK Foundation worked with an ADOC 2.0 private office to publish a book and filmed the story to promote digital learning.

PC Recycling for a Brighter Future

The project “Reversed Recycling Logistics for Green Marketing and Corporate Sustainability Development” , which is also titled “PC Recycling for a Brighter Future” , is our ITAS Program of Economic Affairs, Department of Industrial Technology of Taiwan (ITAS) from July 2008 to December 2009. ASUSTeK was recognized for its outstanding achievements of this project and was praise by Ministry of Economic Affairs.

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

Scope of the Project:

1. Region: Taiwan

2. Service Providing to:

- B2C: consumers
- B2B: enterprises, including private enterprise, government agencies, corporate bodies

3. Recycling Subject: the following end of life products of any brand

- Personal Computer (including at least chassis, power supply, and motherboard)
- LCD/CRT Monitor
- Notebook



| Figure 6.1 ASUSTeK Recycling Website |



Starting from 2009, we combined this project with ADOC 2.0, the project ran by Institute for Information Industry of The Executive Yuan of the Republic of China, to combine the environmental protection with social welfare by donating the refurbished computers to the minorities.

By the end of 2009, 218 business users participated in this project, and 3,103 pieces of computers were donated to elementary and junior high schools in remote areas and to minority/public interest groups. Please visit the recycling website for more information: <http://recycling.asus.com/>

■ Story - Down's Syndrome Foundation of the ROC

According to the information provided by the Foundation, there is 1 out of 800 newborns with Down's Syndrome. Down's Syndrome is a chromosomal disorder caused by the presence of all or part of an extra 21st chromosome and is often associated with some impairment of cognitive ability and physical growth.

After the visit of Typhoon Morakot, many donations and resources were all allocated to victims of Morakot flooding, causing the lacking of resources of other minorities and public interest groups. Knowing that the Foundation needed the computers as part of the education equipments, ASUSTeK donated 5 refurbished notebook computers to the Foundation and desired those computers could help inspire the learning motivations of victims of Down's Syndrome, making their future brighter and better.



■ Story - HongHua Children's Orphanage

HongHua Children's Orphanage, founded in 1985, is located in the remote area of Sharon Town, Taoyuan. The founder takes care of children from families that could not receive financial subsidies but definitely need assistance until the children reach the adulthood. This orphanage is the only one that does not receive any financial support from the government and is 100% support by private donations. There were more children coming to the orphanage after the visit of Typhoon Morakot, and this situation made it harder to operate the orphanage.

After hearing about the difficulty the orphanage faced, ASUSTeK donated 10 sets of computer to structure a computer center and to set up webcams for online teaching. Teachers could use webcams to keep track of the learning progress of the children, and the children could also learn how to use computers and get in touch with the latest technology.



■ Story - Commission on Information and Communications Technology (CICT) of Philippines

ASUSTeK donated 34 sets of refurbished computers to CICT through ADOC 2.0 on June 23th. This was the very first overseas donation by a private enterprise of an ADOC member.

ASUSTeK coordinated with Institute of Information Industry to assist CICT and National Telecommunications Commission (NTC) to build a hardware maintenance training center. There were 38 students using the refurbished computers as samples and learning tools. These students would later become trainers to teach the minorities the dissembling and maintenance skills. We believed this could help increase their chances of looking for better employment opportunities so that their life qualities may be improved.



6.2 Literature, Art and Musical Events Sponsorship

Sponsoring Digital Arts Events

ASUSTeK and the ASUSTeK Foundation continuously sponsor local literature and arts to help enhance the quality of life for people. Since 2008, we sponsored various equipments used in the exhibitions held in Museum of Contemporary Art Taipei. On the other hand, we had sponsored the following events in 2009:

■ Cow Parade Festival

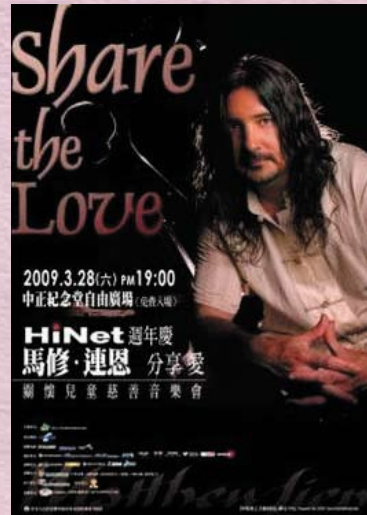
■ 11 exhibitions in Museum of Contemporary Art Taipei, some of the exhibitions were as followed:

- 4th Digital Art Festival
- Poem 100
- The 7th Taishin Arts Awards
- The Barn of My Life - Installation Exhibition by Lin Chuan-Chu
- The Simple Art of Parody
- X beyond O: Calligraphy-Sign-Space
- Animamix Biennial - Visual Attract & Attack

■ Hold the filming contest “Protecting Our Environment, Preserve the Beauty of Earth Forever” with Public Television Service

■ Sponsor Public Television Service for a Conservation Educational Documentary “Black-faced Spoonbill”

■ Sponsor the fundraising concert by Matthew Lien to help children in the Family Support



| Fundraising Concert by Matthew Lien |



| Cow Parade Festival |



| Filming Contest with Public Television Service |



| Conservation Educational Documentary "Black-faced Spoonbill" |

6.3 Cooperative Work Experience Education Program

The ASUSTeK Foundation collaborated with education institutes and industries to facilitate the exchanges of information and thus developed knowledge, professional skills, management, electronic, and talents in all dimensions. Some of the events in 2009 are as followed:

- Sponsor scholarships to students in Tsinghua University and Zhejiang University
- Donate laboratory equipments to Engineering Major of Tsinghua University and Zhejiang University



| Scholarships Award Ceremony in Zhejiang University |

6.4 Caring for the Community

Creating Job Opportunities for the Disadvantaged Minorities

Other than donating computers to help disadvantaged minorities to eliminate the digital divide, we also take care of them through other ways. Since 2009, a bakery was opened by "Children Are Us", a Taiwan Foundation for mentally retarded children, in headquarter, creating job opportunities for this minority group.

Caring for the Children

- Join Cow Parade Festival held by local governments to promote and support the public art. Besides the sponsorship by the ASUSTeK Foundation, ASUSTeK MID department designed three cows for exhibitions. All the funds were donated to charity groups as education funds for the children art.
- Sponsor the fundraising concert held by HiNet of Matthew Lien's concert to help children in the Family Support, and donate Bamboo computer for charity sales

Farm Adoption to Sponsor the Farmer

We joined the event "Caring for Farmers" held by PayEasy by adapting crops planted by a farmer since 2008. We adopted oranges in 2008 and toxic-free rice in 2009.

E-sports for the Elders

Together with Hondao Senior Citizen's Welfare Foundation and Bicycle Development of Taiwan, the ASUSTeK Foundation combined ASUSTeK's product with the bicycles to create e-health equipments for the elders.

Charity and the Disaster Relief

In August, ASUSTeK donated 150 millions NTD to victims of Typhoon Morakot and also encouraged employees to donate a partial of the salary by providing convenience for the employees - subtracting the donation from the salary and depositing the amount to the designated charity groups. In October, ASUSTeK together with Acer, Intel Corp (INTC:US) of Taiwan, Microsoft Corporation (MSFT) of Taiwan donated 4,500 pieces of computers and software to the affected elementary schools and cities. In addition, ASUSTeK also assisted in reconstruction through The Red Cross Society of Republic of China and Taiwan Association for Educational Communications and Technology.

Overseas Subsidiaries

Our subsidiaries also involved in social activities, and some of the activities in 2009 were as followed:

ACC

■ ASUSTeK Technology Library

ASUSTeK collaborated with China Association for Science and Technology (CAST) on a five-year project, attempting to popularize the technology by setting up 1,000 technologic libraries.

■ 60th National Day

ASUSTeK together with 1039 Radio and JFDaily donated computers, projectors and printers to the border areas such as Guangxi, Yunnan, and Tibet to express solicitude to the soldiers.

■ Growth and Hope

ASUSTeK and the volunteers donated three technological libraries in Sichuan and celebrated the completion of the new teaching building with the students to whom it was sent.

■ The Future of Your Hometown

ASUSTeK started a project "IT Teacher" to educate and train 1,451 students in 180 high schools located in 14 cities. These college students would become the "IT Teacher" of their hometown and would later teach their people the skills and knowledge related to computer and technology.

■ Education in Areas Impacted by Disasters

ASUSTeK donated 142 computers to an elementary school in Sichuan. These computers were donated for setting up the computer center and the multi-media classroom.

■ Technology Walks with Nature

ASUSTeK provided technical supports to volunteers and experts who would help improve the reserve areas around Three Great Rivers.

■ Bring Green Technology to Everest to Thank Nature

Volunteers donated books to the elementary school near Everest. Those books were bought using the funds saved by setting up an hour break for the computers.



| ASUSTeK Technology Library |

| New Building in Hope Elementary

| Bring Green Technology to Everest |

School in Sichuan |

ASZ

■ Donate laboratory equipments to Engineering Major of Tsinghua University and Zhejiang University and recruit students from these schools

■ Sponsor Software Competition held in Tsinghua University, and Intelligent Robot Competition and Industrial Design Competition held in Zhejiang University

■ Employees in ASZ made donations to help areas affected by flooding brought by Typhoon Morakot.

ACZ

■ Cooperate with a Children's home and set among the employees a gathering of Christmas gifts for 42 kids in December. Each child had at least three gifts.



| Intelligent Robot Competition in Zhejiang University |

| Christmas in a Children's Home |

6.5 Environmental Protection

ASUSTeK has continued to hold Environmental Protection Events throughout the year for many years. On Arbor Day (March 12th), ASUSTeK planted 355 plants for our Earth. We supported the Earth Day (April 22nd) and the World Environment Day (June 5th) by holding recycling events in the company as a response to these days and to our commitment of environmental policy, and the monetary returns would be donated to the minorities. On December 12th, ASUSTeK invited its employees and their family to clean up the Guandu riverside and streets near by where the Headquarter is located.



| Arbor Day |



| The Earth Day |



| The World Environment Day |



| Beach Cleaning on December 12th |

Protecting Our Environment, Preserve the Beauty of Earth Forever

Together with Public Television Service, the ASUSTeK Foundation initiated an short video filming event “Protecting Our Environment, Preserve the Beauty of Earth Forever” running from November 2008 to February 2009, hoping to inspire the publics to be aware of the environmental issues by providing a platform to present his or her creative idea and deliver the message through a short video, showing the love and caring toward the Earth to the people. There were about 1,000 applicants with 500 films. The awarded films were made into DVDs and were freely provided to environmental and educational institutions for environmental promotion purpose.



| Photo with Winners |

Profile Disclosure

Performance Indicator	Title	Page Number
Strategy and Analysis		
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	3
1.2	Description of key impacts, risks, and opportunities.	23
Organizational Profile		
2.1	Name of the Organization	5
2.2	Primary brands, products, and/or services.	5
2.3	Operational structure of the organization	5, Annual Report P.14-15&P.205-209
2.4	Location of organization's headquarters	5
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	6
2.6	Nature of ownership and legal form.	5
2.7	Markets served.	6
2.8	Scale of the reporting organization	5-6
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	5
2.10	Awards received in the reporting period.	8
Report Parameters		
REPORT PROFILE		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	1
3.2	Date of most recent previous report.	1
3.3	Reporting cycle	1
3.4	Contact point for questions regarding the report or its contents.	1
REPORT SCOPE AND BOUNDARY		
3.5	Process for defining report content	1
3.6	Boundary of the report.	1
3.7	State any specific limitations on the scope or boundary of the report.	1
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	1

3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	25
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	1
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	1, 25
GRI CONTENT INDEX		
3.12	Table identifying the location of the Standard Disclosures in the report.	This Table
ASSURANCE		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	86
Governance, Commitments, and Engagement		
GOVERNANCE		
4.1	Governance structure of the organization.	11
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	11
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	11
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	11, 17, 52
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	11
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	11
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	11, Annual Report P.16-18
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	7, 9, 19-20, 45
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	11-14
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	12-15

COMMITMENTS TO EXTERNAL INITIATIVES		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	13
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	19-20, 28, 45
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none">• Has positions in governance bodies;• Participates in projects or committees;• Provides substantive funding beyond routine membership dues; or• Views membership as strategic. <p>This refers primarily to memberships maintained at the organizational level.</p>	16
STAKEHOLDER ENGAGEMENT		
4.14	List of stakeholder groups engaged by the organization.	17
4.15	Basis for identification and selection of stakeholders with whom to engage.	16-17
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	17
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	17

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EC3	Coverage of the organization's defined benefit plan obligations.	46-48
EC4	Significant financial assistance received from government.	79
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EN20	NO, SO, and other significant air emissions by type and weight.	80
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EN22	Total weight of waste by type and disposal method.	23, 80
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LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	82
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PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	85

GRI Supplementary Index

Economic									
ECONOMIC PERFORMANCE									
EC4	Significant financial assistance received from government								
ASUSTeK did not receive financial assistance from government.									
MARKET PRESENCE									
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.								
All ASUSTeK partners need to pass a series of self surveys and audits discarding where they come from. After passing the audits, ASUSTeK will fully look for opportunities working with them.									
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.								
The manager will have to submit the proposal if additional work force is needed and wait for approval by upper level manager. Human Resource department will then begin the recruitment activities. Recruitment methods must comply with local regulations, and we use examination, interview and reference check to confirm if the person is the suitable candidate.									
In order to carry on ASUSTeK's corporate culture to each operating base, the top executives in major countries are mostly held by the Taiwanese managers. Even though we hire local senior managers, the business decisions are still made by Taiwanese managers. The proportion of senior management in Taiwan is 100%.									
Environmental									
MATERIAL									
EN1	Materials used by weight or volume.								
The following table shows the total weights of packaging materials in metric tonnes used in 2009:									
<table><tr><th>Material Types</th><th>2009</th></tr><tr><td>Plastic</td><td>1,748</td></tr><tr><td>Paper</td><td>29,491</td></tr><tr><td>Total</td><td>31,239</td></tr></table>		Material Types	2009	Plastic	1,748	Paper	29,491	Total	31,239
Material Types	2009								
Plastic	1,748								
Paper	29,491								
Total	31,239								
EN2	Percentage of materials used that are recycled input materials.								
1. According to the requirements set for various eco labels such as Taiwan Green Mark, EPEAT and EU Flower, the percentage of materials used in paper that are recycled input materials is at least 80%. 2.The case used in ASUSTeK display contains post-consumer recycled plastic which is at least 10% of total plastic (by weight) in the product.									
EN8	Total water withdrawal by source.								
The water used is from water company. The total water withdrawal in Taiwan is 62,679 liters.									

EMISSION, EFFLUENTS, AND WASTE

EN17 Other relevant indirect greenhouse gas emissions by weight.

Since ASUSTeK does not have factory, possible GHG Gases emission other than CO₂ are CH₄ and N₂O that are from diesel and gasoline.
CH₄: 2.0321 metric tonnes
N₂O: 0.0040 metric tonnes

EN19 Emissions of ozone-depleting substances by weight.s

ASUSTeK is a brand company and the sites are mainly office buildings. The refrigerant is used for air conditions and thus no major ozone-depleting substances is emitted.

EN20 NO, SO, and other significant air emissions by type and weight.

ASUSTeK is a brand company and the sites are mainly office buildings. We do not have combustion engine and thus does not have NO, SO, and other significant air emissions.

EN22 Total weight of waste by type and disposal method.

The waste treatments are as followed: domestic waste for incineration, recyclable wastes for donation, hazardous waste for heat treatment. Recyclable wastes were all donated to Tzu Chi charity to benefit more people in need.

PRODUCTS AND SERVICES

EN27 Percentage of products sold and their packaging materials that are reclaimed by category.

The global recycling rate reach for about 8%, and this number includes the packaging materials coming with the recycling products.

COMPLIANCE

EN28 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.

No violation for noncompliance with environmental laws and regulations in 2009.

Labor Practices and Decent Work

EMPLOYMENT

LA1 Total workforce by employment type, employment contract, and region.

The following tables show the employee type of male and female in Taiwan and 4 major overseas subsidiaries in 2009:

Headquarter, Taiwan

Contract Type/Gender	Male	Female
Permanent	2,770	1,312

ACC

Contract Type/Gender	Male	Female
Permanent	382	353

ACS

Contract Type/Gender	Male	Female
Permanent	144	147
Intern	5	13

ASZ

Contract Type/Gender	Male	Female
Permanent	683	515

ACZ

Contract Type/Gender	Male	Female
Permanent	179	152
Contract and Part time	35	18

LA2 Total number and rate of employee turnover by age group, gender, and region.

The following tables show the turnover rates by age and gender in Taiwan and 4 major overseas subsidiaries in 2009:

Age Group	Taiwan	ACS	ASZ	ACZ
15 ~ 20	10.5%	8%	0.27%	64.87%
21 ~ 30	46.4%	80%	96.75%	21.62%
31 ~ 40	37.8%	4%	2.98%	2.70%
41 ~ 50	4.7%	4%	0%	10.81%
51 ~ 60	0.6%	4%	0%	0%
Total	100.0%	100.0%	100.0%	100.0%

Age Group	Taiwan	ACS	ASZ	ACZ
Male	69.2%	58%	60%	67.6%
Female	30.8%	42%	40%	32.4%

*The Human Resource Department of ACZ was not had not established until August 2009, thus the 2009 data was only availability from August to December 2009.

LA4 Percentage of employees covered by collective bargaining agreements.

We have established two-way communication and all our employees are welcome to provide us their comments. Employees could talk to their managers or to Human Resource Department, and we hold irregular Lunch Meetings between the Chairman and employees.

LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

According to the Labor Standards Act, when major changes in corporate operations may affect the rights of employees:

- 1.The employees who have served for 3 months to 1 year should be informed no less than 20days.
- 2.The employees who have served for 1 to 3 years should be informed no less than 20 days.
- 3.The employees who have served for more than 3 years should be informed no less than 30 days in advance.

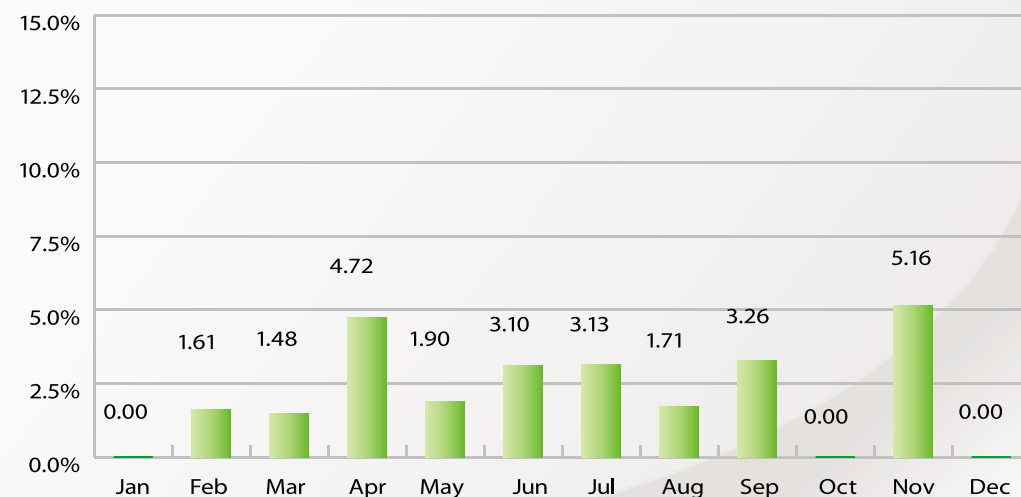
The same required when the employee decides to leave the company.

OCCUPATIONAL HEALTH AND SAFETY

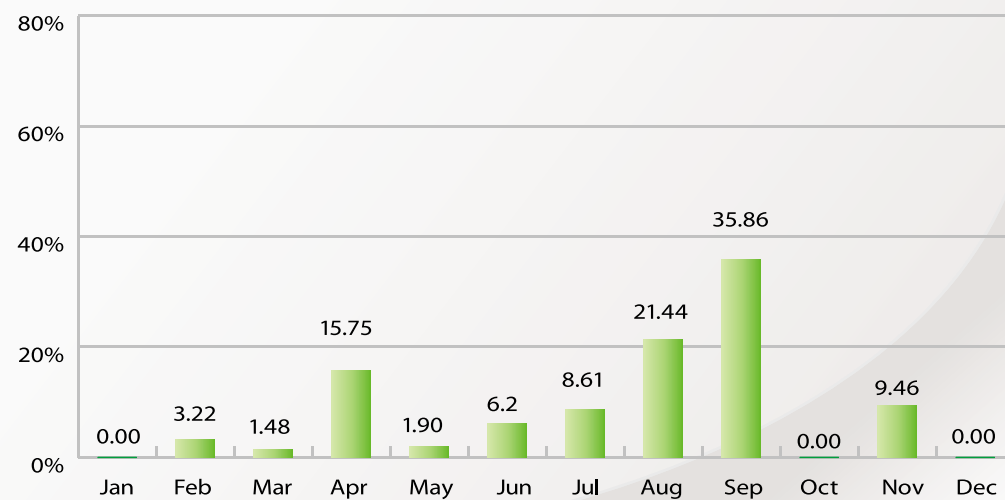
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.

There is the R&D Department at the Headquarter. The rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities for Headquarter are as followed:

2009 Disabling Frequency Rate in HQ (Rate fo Injury)



2009 Disabling Injury Severity Rate in HQ (Rate fo Lost Days)



ACC, ACS, ASZ, ACZ are offices. There were no injury or disease related to job and thus no record for these 4 sites in 2009.

TRAINING AND EDUCATION

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

The following table shows the average hours of training per year per employee by employee category in 2009 in Taiwan:

Category	Average Hours per Year *
General Employee	10.78
Managerial - Manager	11.18
Managerial - Senior Manager	3.89
Managerial - Top Executives	3.94

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

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

The following table shows the percentage of employees receiving regular performance, career development reviews, and participating in talent development in Taiwan in 2009:

Category	First Appraisal *	Second Appraisal **
Performance Appraisal	98.25%	93.94%
Employees Joining Performance Improvement Plan	0.40%	0.24%

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

DIVERSITY AND EQUAL OPPORTUNITY

LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.

The following tables show the composition of and breakdown of employees in 2009 in different sites:

Headquarter, Taiwan

All Employees by Age and Gender

Age Group	Male	Female
15 ~ 20	2.4%	1.0%
21 ~ 30	40.0%	63.2%
31 ~ 40	50.3%	32.5%
41 ~ 50	6.3%	3.2%
51 ~ 60	1.0%	0.1%
Total	100.0%	100.0%

Employees at least Manager Level

Age Group	Male	Female
15 ~ 20	0.0%	0.0%
21 ~ 30	0.0%	0.1%
31 ~ 40	2.0%	1.2%
41 ~ 50	2.9%	0.7%
51 ~ 60	0.7%	0.1%
Total	100.0%	100.0%

Overseas Subsidiaries
All Employees

Age Group	ACC	ACS	ASZ	ACZ
15 ~ 20	0%	7.1%	0%	0.5%
21 ~ 30	74.42%	78.6%	89.3%	57.6%
31 ~ 40	20.82%	12.0%	9.25%	24.7%
41 ~ 50	3.95%	1.3%	1%	12.0%
51 ~ 60	0.68%	1.0%	0.45%	5.2%
61 ~ 65	0.14%	0%	0%	0%
Total	100.0%	100.0%	100.0%	100.0%

Human Rights

NON-DISCRIMINATION

HR4 Total number of incidents of discrimination and actions taken.

No violation of non-discrimination laws in 2009.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.

We have established two-way communication and all our employees are welcome to provide us their comments. Employees could talk to their managers or to Human Resource Department, and we hold irregular Lunch Meetings between the Chairman and employees. Employees are free to set up a club and join the activities.

Society

PUBLIC POLICY

SO5 Public policy positions and participation in public policy development and lobbying.

According to ASUS' corporate culture, we do not lobby on any public policy development.

COMPLIANCE

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

No violation of noncompliance with laws and regulations in 2009.

Product Responsibility

PRODUCT AND SERVICE LABELINGS

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

ASUSTeK discloses the relevant information of all our parts/products required by international regulations such as REACH, J-MOSS and Korean RoHS in user manual or CSR website. For further information, please visit <http://csr.asus.com/english/Compliance.htm>.

MARKETING COMMUNICATIONS

PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

All ASUSTeK promotions are in compliance to local marketing regulations and follow the special requirements for voluntary standards such as EPEAT or EU Flower eco label.

COMPLIANCE

PR9 Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.

No violation of noncompliance with laws and regulations in 2009.

Report Assurance

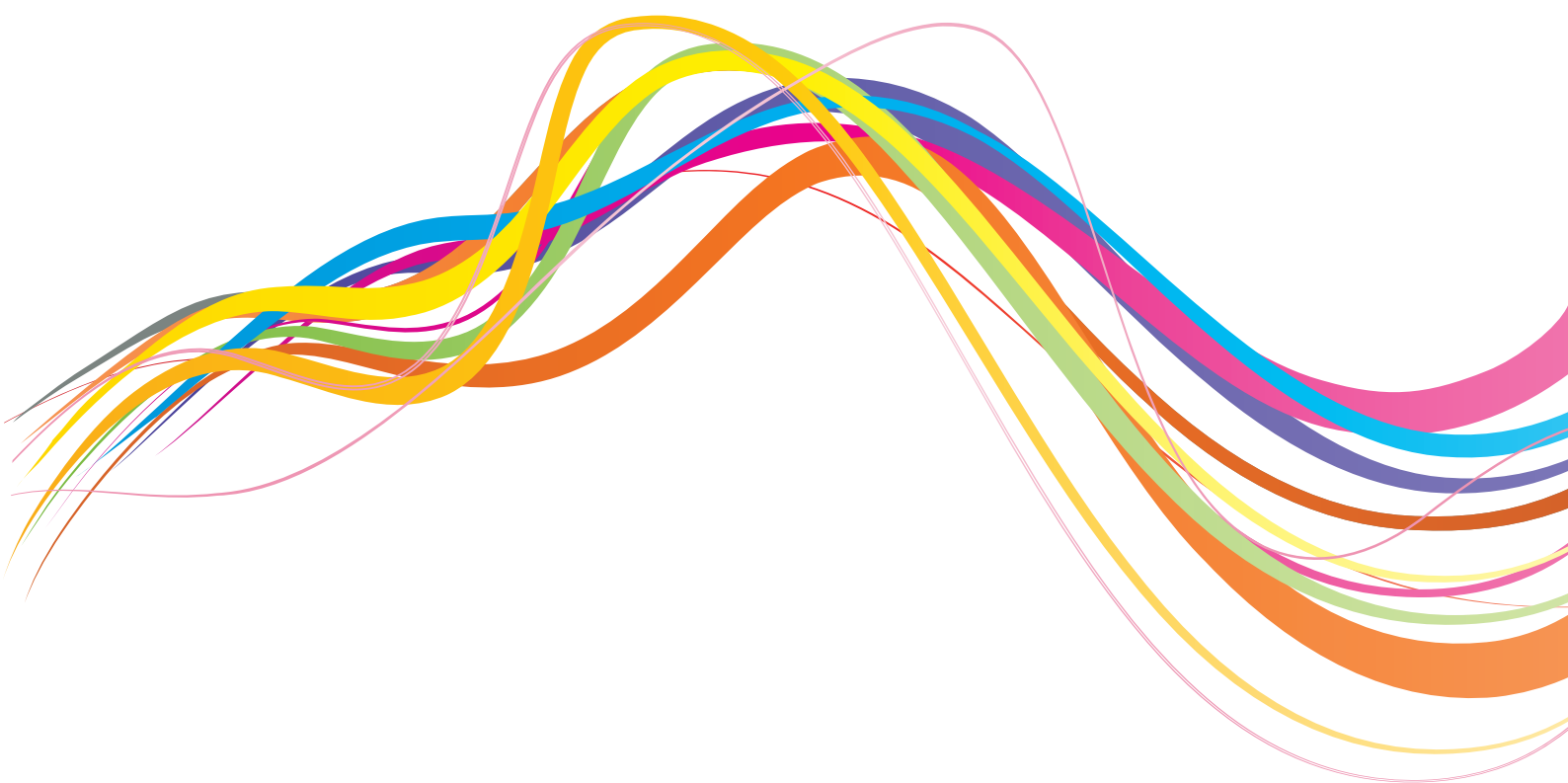
ASUSTeK has self-declared this report to be at Application Level A. This report is checked by GRI against GRI G3 Framework for and is qualified as Application Level A GRI-checked.



Some portions of this report are externally verified, such as ISO 9001, ISO 14001, OHSAS18001 and IECQ QC 080000 IECQ HSPM. We may seek external verification after assessing the cost-effectiveness of the third-party certification for the contents in the next few years.

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

*Sector supplement in final version



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