



2012 ASUSTeK Corporate Sustainability Report

About This Report

ASUSTeK Computer Inc. annually publishes the corporate sustainability report since 2008. This report discloses the strategies, goals, approaches and performances of our company from January 2012 to December 2012, Fiscal Year 2012. The previous report was published in July, 2012. The report is compiled based on GRI G3.1 (Global Report Initiative Sustainability Reporting Guidelines Version 3.1), the latest version released in March 23, 2011, and the GRI G3.1 table is attached at the end of the report for reference.

Boundary, Scope and Principle

The report follows GRI G3.1 Guidelines to disclose issues, strategies, goals and approaches relevant to sustainability, and the GRI G3.1 table is attached at the end of the report for reference. The boundary and scope contain information and performance indicators of Headquarter and sites in Taiwan for Fiscal Year 2011. A portion of performance indicators regarding Labors, Environment, and Community Involvements of the following 7 major overseas subsidiaries are also included in the report: ASUSTeK Computer (Shanghai) Co., Ltd. (ACC), ASUS Computer (Shanghai) Co., Ltd. (ACS), ASUS Technology (Suzhou) Co., Ltd. (ASZ), ASUS Computer GmbH (ACG), ASUS France S.A.R.L. (ACF), ASUSTeK Italy srl (ACIT), and ASUS Computer Czech (ACZS).

Report Assurance

To increase the transparency, completeness and reliability, ASUSTeK entrusts SGS Taiwan Ltd. (SGS) reviews the report against the AccountAbility AA1000 Assurance Standard Type II High Level and the GRI G3.1 guidelines on materiality, inclusivity and responsiveness, and the report is verified to meet the requirements of Application Level A+. SGS' Report Assurance Statement can be found at the end of the report. The financial data is referred from the Financial Statement certified by a qualified accountant.

Contact Information

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

Email: GreenASUS@asus.com

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

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

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

01

MESSAGE FROM THE CHAIRMAN AND CHIEF QUALITY OFFICER

Message from Chairman 03

02

ABOUT ASUSTeK COMPUTER INC.

Company Overview 04

Financial Information 05

Corporate Governance 06

Stakeholder Engagement 11

03

ENVIRONMENTAL

Eco Design 14

Supply Chain Management 20

Eco Labels 20

Product Takeback Service 23

Greenhouse Gases
and Climate Change 24

04

SOCIAL

Inspire, Motivate and Nurture Employees 30

Corporate Social Responsibility Management
in Supply Chain 37

Customer Service 39

ASUSTeK Cloud Service Applications 42

Community Involvements 43

05

OTHER PERFORMANCE INDICATORS

Economic Indicators 52

Environmental Indicators 52

Social Indicators 55

Awards 66

06

REPORT ASSURANCE STATEMENT

67

07

GRI Index

68

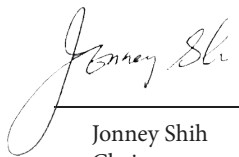
Message from Chairman

The global economy changes rapidly, and the industrial structure is constantly changing. ASUSTeK upholds its business philosophy: commit to integrity and diligence; focus on fundamentals and results ; endlessly pursue to be number 1 in the areas of quality, speed, service, and innovation; and strive to be among the world-class green high-tech leaders and to provide valuable contributions to humanity and environment.

As one of the leading ICT brands, for many years we have cultivated in environmental protection and corporate social responsibility, and the performances in those areas are highly being paid attention to. In 2012, ASUSTeK became the first computer company to receive IECQ HSPM (Hazardous Substance Process Management) Certificate. We are delightfully honored to be recognized for our commitment in environmental protections and moves

ASUSTeK has invested in the development and application of cloud computing technology for many years for we believe that this technology offers Taiwan a golden opportunity for inter-industry cooperation. In 2012, ASUSTeK collaborated with the Show Chwan Health Care System to set up an industry chain for healthcare and perfectly integrate the healthcare and information technology. ASUSTeK Cloud technology that has been validated by over 10 million users around the world was combined with Show Chwan's extensive medical capabilities as well as the most complete healthcare coverage in Taiwan to introduce innovative new applications for the technology.

ICT industry continues to shift from personal computing to become omnipresent cloud computing. ASUSTeK is fortunate to enter into the consumer experience-based business model. We launched the campaign "Happy Experience 2.0" which does not only focus on specs but more on Beauty, Sound, Touch, Instant On Instant Connect and Cloud which aims to deliver consumer happiness. This was a new milestone where we moved beyond its traditional pursuit of satisfaction with hardware specifications into satisfaction with the user experiences, moving toward to become "The World's Most Admired Leading Enterprise in a New Digital Era".


Jonney Shih
Chairman



2.1 Company Overview

2.1.1 Company Profile

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., Peitou, 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 (2357: Taiwan Stock Exchange).

ASUSTeK had announced spin off OEM (Original Equipment Manufacturer) and Brand in January 2008; thereafter, ASUSTeK became a Brand company, with notebooks and motherboards as the primary products. In 2011, ASUSTeK divided the product lines into two groups – system and open platform. Product lines in system includes notebook computer, desktop computer, tablet PC, and handheld includes smartphone PadFone™; open platform includes motherboard, VGA card, desktop, LCD (liquid crystal display), wireless, ODD (optical disk drive), and digital home equipment.



Figure 2.1 ASUSTeK Product Groups

By the end of 2012, there were 50 subsidiaries and over 1,000 service centers worldwide located in Asia Pacific, Europe, America and Africa. There were 12,905 employees worldwide, with 5,401 employees in Taiwan and the rest of them in China and overseas. Information such as the operation structure of the organization including main divisions, operating companies, subsidiaries, and joint ventures, please refer to annual stakeholder report for details: <http://www.asus.com/investor.aspx>

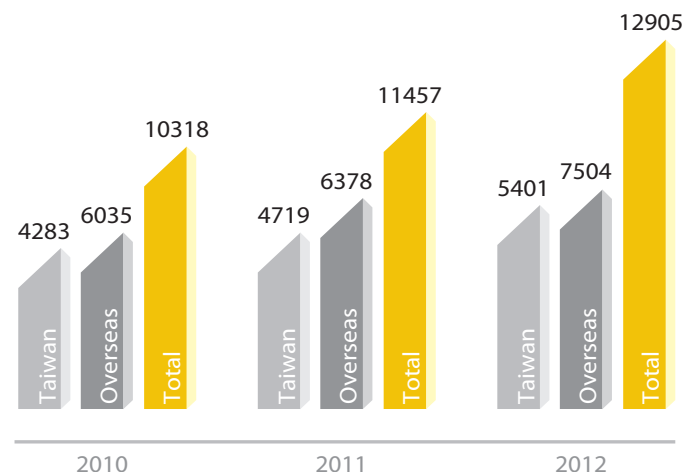


Figure 2.2 Historical Data of ASUSTeK' Employees for Past 3 Years

2.1.2 Business Philosophy and Corporate Culture

Business Philosophy

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

ASUS DNA

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

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



Figure 2.3 ASUS DNA

Brand Promise

2009 was the 20th year of the establishment, and ASUSTeK began with the new brand promise "Inspiring Innovation · Persistent Perfection" (IIPP). It is our formula for exceeding expectations in everything we do, and delivering complete customer satisfaction consistently. It will chart the course for ASUSTeK to fulfill our vision of becoming the world's most admired leading enterprise in the new digital era, and will continue to serve as the blueprint for making our customers' dreams a reality in decades to come.

2.1.3 Associations

The table below lists the associations ASUSTeK participates in and values, and also provides an overview of ASUSTeK's involvement, such as if ASUSTeK has a position in the governance body of

the associations, participates in projects or committees, and/or provides substantive funding to the associations.

Associations	Member	Position in governance body	Projects or committees involvement	Substantive funding
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	■	□	□	□
Taipei Computer Association (TCA)	■	□	□	□
Business Council for Sustainable Development (BCSD) of Taiwan	■	□	■	□

■ =Yes □ =No

Table 2.1 ASUSTeK Memberships in Associations and Advocacy Organizations

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

2.2 Financial Information

ASUSTeK attained individual operating income of NTD375.1 billion for the parent company in 2012 with an earning before tax of NTD26.714 billion and net income of NTD 22.422 billion, growing at 35% as compared with that in 2011. The consolidated operating income for ASUSTeK computer brands (unaudited company numbers) for 2012 was NTD413.1 billion, growing at 18% as compared with that in 2011. The business related operating income was NTD22.011 billion, growing by 23% as compared with that in 2011.

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>

2.3 Corporate Governance

2.3.1 Board of Directors

In 2012, 5 Board of Directors meetings were held with the members as below:

Name	Age	Title	Gender
Jonney Shih	60	Director	Male
Jonathan Tsang	60	Director	Male
Jerry Shen	52	Director	Male
Eric Chen	49	Director	Male
S.Y. Shian	47	Director	Male
Joe Hsieh	48	Director	Male
Samson Hu	49	Director	Male
Tze-Kaing Yang	58	Supervisor	Male
Chung-Jen Cheng	64	Supervisor	Male
L.H. Yang	56	Supervisor	Male

- ASUSTeK Board of Directors was composed of 7 Directors and 3 Supervisors. All of them are male and there is no independent Director.
- Shareholders have the ownership of the company. The Board of Directors is responsible for verifying and supervising decision-making
- Directors and Supervisors are periodically elected by shareholders and perform their assigned duties according to the relevant regulation
- Jonney Shih, the Chairman of ASUSTeK since 2008, has been the Chairman of the Board of Directors since 1984, and he is not an executive officer of ASUSTeK.

The details of their qualifications and background information are available in the annual report on our Investor Relations Website:

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

The performances of the Board of Directors are determined by our shareholders at the Shareholders Meeting. The corporate performance and the job function of the Director are linked to the remuneration of the Board of Directors. According to the "Article of Incorporation", benefits of the members of the Board of Directors do not exceed 1% of the profit sharing.

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

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

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

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

2.3.2 Anti-Corruption and Anti-Bribery

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

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

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

Besides, Employees who violate the Code will be punished and announced publicly depending on the level of offenses. A rewarding system is established to prevent any violation happened in any form. Otherwise, we do not specifically analyze the risks related to corruption and there is no violation in anti-corruption in 2012.

2.3.3 Audit Office

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

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

2 ABOUT ASUSTeK COMPUTER INC.

Internal Audit Operation provides Asus Group the following services:

- Annual audit of headquarter: Internal auditors shall frame annual audit proposals in accordance with risk assessment, and relevant regulations Audit proposals shall be approved by Board of Directors prior to implementation. The annual audit includes but not limited to operational audit and compliance with law audit.
- Special project audit: In accordance with the operational and managerial need of the Board of Directors and the top management, irregular special project auditing would be executed.
- Annual self-assessment of internal control system: Audit Office annually coordinates "self-assessment of internal control" that requires the executors of the department to periodically evaluate the rationality of, implementation of, and the effectiveness of all operational control items. Through the reviews of the "self-assessment of internal control" report by Audit Office, the evaluated result is submitted to Board of Directors and the top management.
- Subsidiary audit: In accordance with the annual audit plan or the request from Board of Directors, Audit Office conducts periodical or irregular audit to evaluate and assure the business objective achievement, reliability of financial reporting and adequacy of internal control system. Audit office assists to assure the performance enhancement of, regulation compliance of and effectiveness and efficiency of operations of a subsidiary.
- Consulting service: Audit Office provides operational effectiveness improvement advice and internal control system consulting service in order to enhance effectiveness and efficiency of business operations.

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

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

2.3.4 Compensation Committee

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

Ms. Hsiu-chih Wang resigned from the committee in July, 2012, and the Board of Directors of ASUSTeK has appointed Mr. Chun-an Hsu as the new member of the Compensation Committee. In 2012, the Compensation Committee has held 4 meetings. The profit-distribution proposal of the Board and the regular review of the directors', supervisors' and executives' performance evaluations and compensations were approved during the meetings. The Compensation Committee is devoted to corporate governance and maintaining the competitiveness of the company.

For more details about the Compensation Committee, please refer to the annual report published on the ASUSTeK investor's website:

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

2.3.5 GreenASUS Steering Committee and SERASUS Steering Committee

The Chairman of ASUSTeK established GreenASUS Steering Committee in July 2004 and SERASUS (Social and Environmental Responsibility, SER) Steering Committee in July 2006. The Chief Quality Officer (CQO) is the Management Representative authorized by CEO to audit and supervise ASUSTeK Quality Management System, ensuring the quality management and hazardous substances management function properly and effectively, as well as to communicate and assign responsibility when issues arose. The GreenASUS and SERASUS Steering Committee is held biweekly and chaired by the Management Representative who plans, coordinates, decides on and promotes the Quality Management System and Environmental Management System of ASUSTeK as well as executes the implementations. The meeting is held about 214 times by the end of 2012.

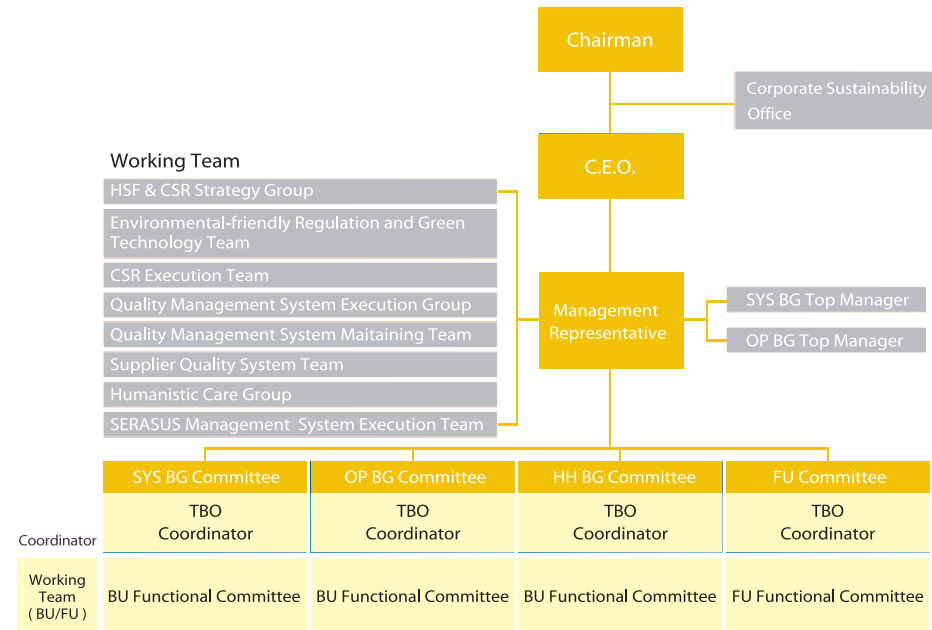


Figure 2.4 GreenASUS Steering Committee

2.3.6 Corporate Sustainability Office

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

2

ABOUT ASUSTeK COMPUTER INC.

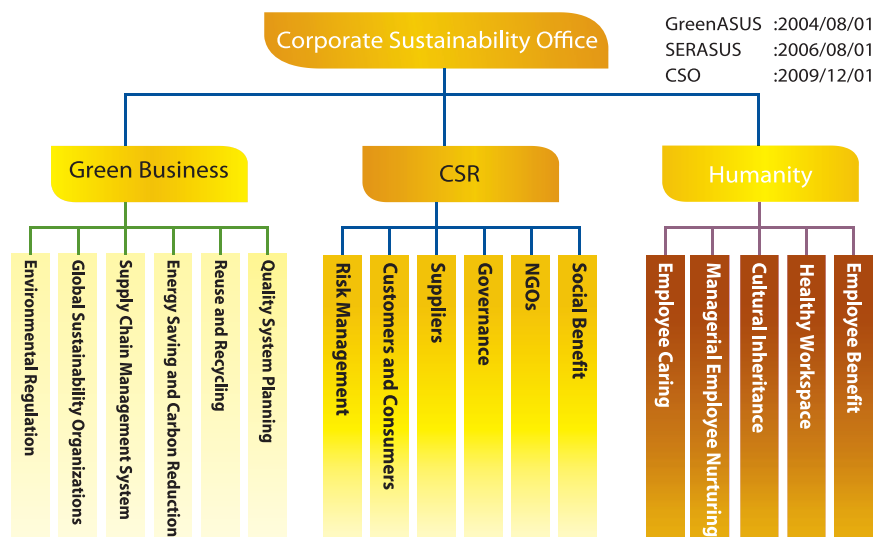


Figure 2.5 Organization Chart of Corporate Sustainability Office

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

The function of each sector is as followed:

Employee Benefit

Employee is one of ASUSTeK most important assets. We values employees by providing them with a competitive payment structure and various welfare benefits to attract talented people to join

ASUSTeK, creating a brilliant future together. We devote ourselves to establish a free, open and two-way communication culture. More over, with a mutual trust, our employees will be willing to give us feedbacks, and we will be able to convey ASUSTeK's value and belief.

Healthy Workplace

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

Cultural Inheritance

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

Managerial Employee Nurturing

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

Employee Caring

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

2.4 Stakeholder Engagement

ASUSTeK collects the voices of our stakeholders through various communication channels such as websites/emails, platforms and online survey. We integrate their interests, inquiries, and concerns with performance indicators to select and prioritize the topics, and then to response to our stakeholders. Issues that fall in the area "responded through the CSR report" are those concerns by multiple groups of stakeholders and may have high impact to our business, and these key issues will be further explained in details in the following chapters. Other information such as the performance indicators required by the according GRI application level and concerns that would not have great impact to our business will be talked about in brief or be explained in the chapter "OTHER PERFORMANCE INDICATORS", and some of the issues may be responded through our CSR website or other communication methods when necessary.

We define the following 6 stakeholder groups as our audiences for this report: investors, clients, suppliers/outsourcers, employees, consumers, and non-governmental organizations (NGOs)/academic units. The following table shows the key issues concerns by stakeholder group in 2012, as well as the responding methods and frequency of engagement, will be further explained in the report:

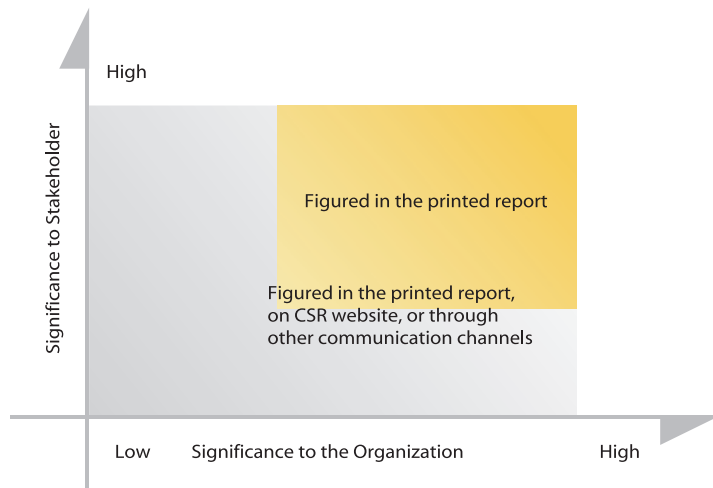


Figure 2.6 Materiality Matrix of Stakeholder Concerns

2

ABOUT ASUSTeK COMPUTER INC.

Stakeholders	Frequency of Engagement & Communication Channels	Key Interests & Concerns	Responding Methods
Investors	Quarterly investor conference, Annual shareholder meeting or provisional meeting, Investor Relations Website/Email/ Hotline, ASUS CSR website, Online survey	<ul style="list-style-type: none"> ■ Operations and Financial Performance ■ Community Involvements 	<ul style="list-style-type: none"> ■ Regularly hold investor conference and shareholder meeting to response to their interests and concerns ■ Disclose the latest financial reports/statements and investor activities (such as online broadcasts) on investor relations website
Clients	Regular conference call, Time to time questionnaire, ASUS CSR website, Email	<ul style="list-style-type: none"> ■ CSR Screening in Suppliers and Outsourcers ■ Chemical Substances Management ■ Green Products/Eco Labels 	<ul style="list-style-type: none"> ■ Communicate with clients the environmental compliance status and CSR information through ASUS CSR website, Email and clients' own surveys. ■ Work closely with and communicate with our distributors to ensure that our products are complied with the required regulations
Suppliers/ Outsourcers	Supply Relationship Managem (SRM)/Supply Chain Management (SCM) platform, Supplier workshop, Supplier Questionnaire	<ul style="list-style-type: none"> ■ Environmental Regulation Compliance ■ Labor Safety and Health ■ Energy Efficiency ■ Operations and Financial Performance 	<ul style="list-style-type: none"> ■ Announce and release the latest notice and technical standard through SRM/SCM platform ■ Acknowledge and educate suppliers/outsourcers our CSR policy and the trend of the latest regulations as well as to share our experiences on international eco labels through annual workshop, and also distribute questionnaires for feedbacks
Employees	Enterprise Information Portal (EIP), E-paper, Email, Forum, Hotline, Online survey	<ul style="list-style-type: none"> ■ Compensation Benefits ■ Employee Nurturing 	<ul style="list-style-type: none"> ■ Open classes and hold various activities throughout the year to make them feel rewarded and inspired ■ Use EIP platform and email to deliver importance message to and communicate with them
Consumers	Telephone, ASUS website, ASUS CSR website, Online survey, Email	<ul style="list-style-type: none"> ■ Chemical Substances Management ■ Green Products/ Eco Design ■ Community Involvements ■ Customer Service and Privacy 	<ul style="list-style-type: none"> ■ Disclose product information on ASUS website ■ Communicate our policy and achievements on eco products through ASUS CSR website ■ Communicate with them regarding products through Email and telephone
Non-Governmental Organizations/ Academic Units	ASUS website, ASUS CSR website, Spokesman, Email	<ul style="list-style-type: none"> ■ Eco Products /Eco Labels ■ Community Involvements ■ Climate Change and Greenhouse Gases ■ Operations and Financial Performance 	<ul style="list-style-type: none"> ■ Response to the interests and concerns through the most appropriate channel in a timely manner.

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

ASUS has dedicated itself to environmental protection for years. We were in the lead of introducing green manufacturing and improve the product design in our industry. Jonney Shih the Chairman further promoted ASUSTeK's Green Concept "Four Green Home Runs", which are "Green Design, Green Manufacturing, Green Procurement, and Green Service & Marketing", bringing the concept from the product design to the end of life of a product.

Four Green Home Runs	Explanation
Green Design	<ul style="list-style-type: none"> ● Improve/research & develop greener products ● Design for easy to reuse & easy to recycle ● Follow stricter guideline to avoid hazardous substances ● Improve power efficiency
Green Manufacturing	<ul style="list-style-type: none"> ● Implement greener manufacturing processes which are lead- and halogen-free.
Green Procurement	<ul style="list-style-type: none"> ● Process of green procurement and ASUSTeK e-Green platform ● Oversee a green supply chain management (SRM) system and maintains an online database of green vendors.
Green Service & Marketing	<ul style="list-style-type: none"> ● Establish product takeback service in major markets in the world ● Promote eco label products for green marketing

Table 3.1 ASUSTeK Four Green Home Runs

ASUSTeK Social and Environmental Responsibility (SERASUS) Policy

Comply with regulations and standards to reduce the environmental risk

Treasure natural resources to mitigate the environmental impact

Satisfy the clients' needs to pursue as a Green Enterprise

Actively take care of our employees to enhance Humanity

Participate together to fulfill social responsibility

Social and Environmental Responsibility Management System

Our SERASUS management system is based on the following standards:

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

ASUSTeK Quality Policy

Our GreenASUS quality policy states:

Continued pursuit of perfect quality and exciting innovation and Lean Six Sigma to strengthen personnel training. Precise and rapid development of green technology foresight immediate delivery products to win customer satisfaction up

ASUSTeK Quality Management System

Our GreenASUS quality management system is based on the following standards:

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

Regulation Monitoring

ASUSTeK has formed a GreenASUS Team monitoring, updating and phasing in the international environmental regulations into the corresponding product lines to ensure all products meet the requirements since 2004. The scope covers restriction of hazardous substance, end of life management, eco design and energy-related regulations, and others.

The foundation of GreenASUS is to be in line with international regulations. However, we believe that we should move forward on the trends of global environmental regulations from mandatory regulations to voluntary standards, and thus having products meeting criteria of various eco labels.

3

ENVIRONMENTAL

Furthermore, ASUSTeK formulates a voluntary environmental policy such as "Halogen-Free Policy" and develops the world's 1st completely halogen-free motherboard and a Full-HD (1920x1080) halogen-free monitor, as well as introduces the world's 1st carbon footprint and carbon neutral certified notebook. These achievements are the proofs of our innovations and efforts in green products, showing our green competitiveness.

3.1 Eco Design

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

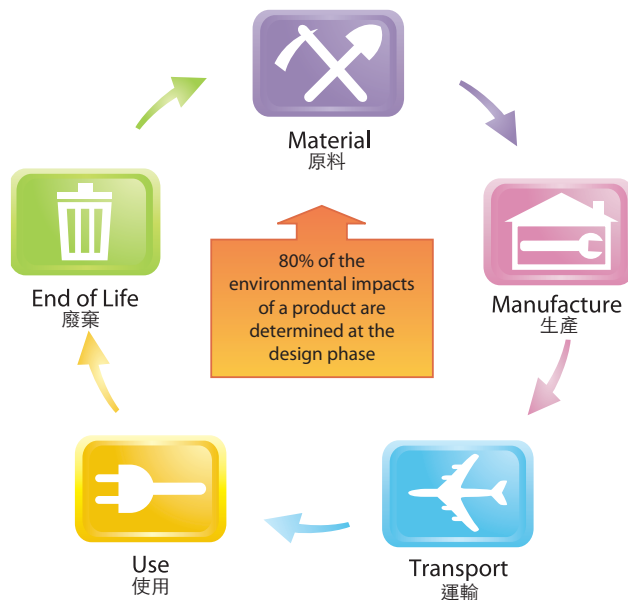


Figure 3.1 Concept of Product Life Cycle

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



Figure 3.2 ASUSTeK Eco Design Frameworks and Purpose

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

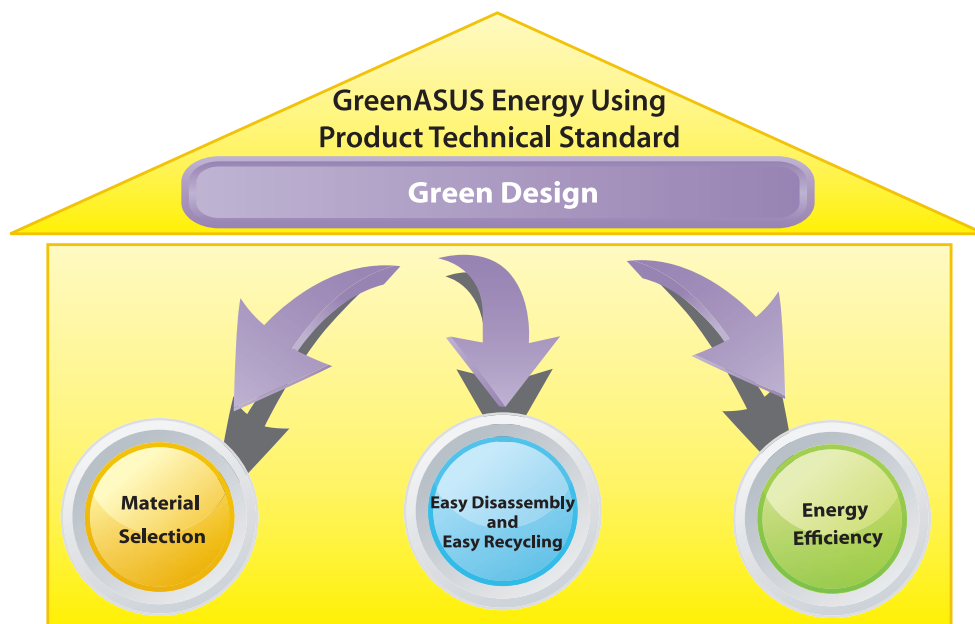


Figure 3.3 Three Key Areas of Ecodesign

3.1.1 Material Selection

Chemical Management

Objective	Key Performance in 2012	
Monitor international regulations on restriction of hazardous substances and include them into internal controls	Included new candidates of restricted of hazardous substances in 2012 into ASUSTeK internal technical standards	●

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

We integrate voluntary standards and eco label requirements into the product design as well to mitigate the impacts to the environment.

Hazardous substances defined by ASUSTeK are chemicals who contain any of the following characteristics:

- Persistence
- Bioaccumulation
- Toxicity
- Carcinogenicity
- Distortion aberration
- Toxicity replicability
- Endocrine disruptors

To manage hazardous substances, we formulate "ASUSTeK GreenASUS HSF (Hazardous Substance Free) Technical Standard" which classifies hazardous substances used in components and products into 4 levels. By the end of 2012 the Technical Standard reached 13th version. All new products manufactured after January 1st, 2006 are all in compliance with RoHS (Restriction of Hazardous Substances) Directive which regulates the usage and concentration of the following six hazardous chemical substances: lead (Pb), cadmium (Cd), mercury (Hg), hexavalent chromium (Cr6+), polybrominated biphenyls (PBBs), and polybrominated diphenylethers (PBDEs).

3

ENVIRONMENTAL

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

By the end of 2012, we included the latest hazardous substances and candidates of Substances of Very High Concern (SVHC) defined in EU REACH, as well as halogenated compounds such as flame retardants (BFRs and CFRs), beryllium (Be) and beryllium compounds, and antimony (Sb) and antimony compounds into the revision of "ASUSTeK GreenASUS HSF Technical Standard". By the end of 2012, ASUSTeK controls 247 chemical substances and the list will expand according to the trend of restriction on chemical substances.

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

3.1.2 Easy Disassembly and Easy Recycling Design

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

Easy Recycling Design	<ul style="list-style-type: none"> ● Label plastic parts > 25 grams or > 100 mm² in conformity with ISO 11469:2000 ● Make plastic material components > 100 grams with a single resin ● Reduce the use of surface paintings or metal coatings that are not compatible with recycling or reuse on plastic parts >100 grams, or use the detachable coating treatment ● Consider the use of postconsumer recycled plastic ● Consider the use of recycled material ● Consider the use of renewable/biobased material ● Decrease the use of additive in the plastic ● Avoid the use of glue-on or welding to join different materials ● The back of the plastic parts should be without stickers or foam; if the sticker is necessary, it should be removable
Easy-Disassembly Design	<ul style="list-style-type: none"> ● Plastic parts > 25 grams could be manually separable by one person alone with commonly available tools into recyclable resin streams ● The metals in plastic parts should be easily disassembled using common tools ● The parts should be easily and safely disassembled ● Use snap combination to the maximum extent possible, reduce using screw combination, stick combination and weld combination ● Reduce screw categories ● Product needs to be easily disassembled using common tools according to Annex II of EU WEEE Directive
Life Cycle Extension	<ul style="list-style-type: none"> ● Use modular design that can be easily disassembled using common tools ● Components such as CPU (Central Processing Unit), memory, and interface card in the product should be easily disassembled using common tools ● Consider extension of spare parts for the product ● Consider extension of warranty for the product

3.1.3 Energy Efficiency

Objective	Key Performance in 2012	
100% notebook computers comply with the energy efficiency requirement in Energy Star V5.2	All notebook computers manufactured in 2012 comply with the energy efficiency requirement in Energy Star V5.2	●
The energy efficiency of the notebook computers is 30% better than that set forth in Energy Star	The average energy efficiency of the notebook computers manufactured in 2012 is at least 45% better than that set forth in Energy Star	●

The analysis of carbon footprint shows that the energy consumed at the use stage takes up 40% 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. The carbon footprint ratio of the product will vary depending on product categories and specification differences. The figure below shows the allocation of the carbon footprint of ASUSTeK' notebook computer N51V.

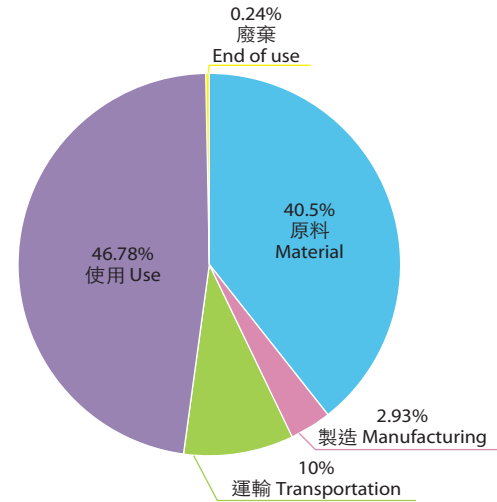


Figure 3.4 Allocation of The Carbon Footprint Ratio of ASUSTeK' Notebook Computer N51V in Its Product Lifecycle

As the result, ASUSTeK continuously develops energy conservation software and hardware based on the requirements set forth in the strictest energy efficient standard - Energy Star - and requires all notebooks to comply with the energy efficient standard. In 2012, ASUSTeK's notebook computers performed at least 45% better than those followed the latest requirement of Energy Star.

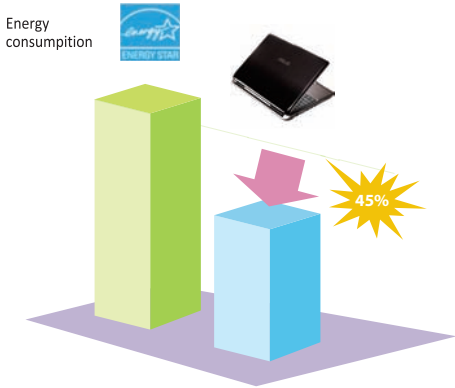


Figure 3.5 Energy Efficiency between ASUSTeK Notebook Computer and Energy Star Standard

3.1.4 Packaging Design

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

3

ENVIRONMENTAL

Since 2010, the packaging that meets ASUSTeK requirements are labeled with the "ECO BOX" mark, indicating the packaging material is 100% recyclable, used at least 80% of post-consumer materials, and printed with soy ink. As opposed to traditional petroleum-based inks, soy-based ink is more environmentally friendly with the following characteristics:

- Vegetable-based inks, which are biodegradable
- Reduce the use of fossil fuel resources
- Reduce the emission of Volatile Organic Compounds (VOCs), thus mitigating the harms to human and environment
- The soy-based inks are easier for deinking process than the traditional petroleum-based inks during the recycling process, thus the recovered materials will have less injuries and can be made into high-quality recycled paper.
- Petroleum-based inks will generate secondary pollutants during deinking process, thus the use of soy-based inks can avoid this situation.

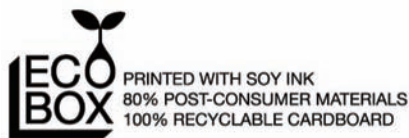


Figure 3.6 ECO BOX Mark



Figure 3.7 Soy Ink Mark

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

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

Objective	Key Performance in 2012	
The packaging of the demonstration model of notebook computer reach 30% volume reduction	Reduction in volume reached 39%	●

Reduction in The Packaging

In 2011, ASUSTeK tried on the reduction in the weight and volume of as well as the stacking pattern of the packaging. In 2012, we tried on the lightweight method by improving the folding structure of the packaging materials, and the method received relevant patents. As the result, the volume of the packaging for 15 inches notebook computer was 39% smaller than the old one.



Reduction in The Ink Coverage and The Use of Soy Ink

Regarding the printing on the packaging, ASUSTeK thought that reducing the amount of ink used on the packaging can help protect the environment. We discovered that the ink coverage of the old packaging reached 76.8%, thus we decided to apply monochrome printing and use the primaries paper as the cardboard. With the new printing design, the ink coverage is reduced significantly to 29%.



Use of Post-Consumer Materials

ASUSTeK attempts to use post-consumer plastic for plastic packaging materials, and we believe it could have the following benefits:

- Reduce greenhouse gas emissions
- Reduce the consumption of the resource
- Reuse the recycled waste materials.

Therefore, after going through the process of complicated post-consumer materials selection and trying out various blending ratio, we currently introduce the post-consumer plastic materials into the EPE bag, PE bag, EPE Cushion and plastic handle set. After various relevant physical and chemical experiments were performed, the quality of the packaging materials is not affected.

Packaging Type Pictures Ration of Post-Consumer Contents

EPE Bag		100%
PE Bag		100%
EPE Cushion		50%
Plastic Handle Set		50%

3

ENVIRONMENTAL


In the future, ASUS will continue to reduce and control the total materials used for packaging, increase the interoperability of packaging materials in different products, and introduce sustainable materials, such as plant fiber (of rice husk or coconut shell).

3.2 Supply Chain Management

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

ASUSTeK Supplier Quality Management includes the following 3 dimensions: Quality System Audit (QSA), Quality Process Audit (QPA), and GA (ASUSTeK Green Supplier Standards).

The following table shows the key performances related to supply chain management in 2012:

Objective	Key Performance in 2012	
100% of new suppliers in 2012 received ASUSTeK onsite audits	Performed onsite audits in 3 dimensions to all 146 new suppliers	

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

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

Table 3.2 ASUSTeK Audit Dimensions

In 2012, all of the 146 new suppliers received the onsite audits conducted by ASUSTeK. Suppliers that pass the onsite audits on the 3 dimensions will be included in our Approval Maker List (AML).

In addition to strict screening, we also perform annual Quality Business Review (QBR) on our major suppliers, including documentation review and annual on-site audit. Suppliers with superb performance will be our long-term partners. We hold on the idea of PDCA (Plan-Do-Check-Act) to continuously monitor and perform audits on our suppliers to ensure they comply with ASUSTeK's supply chain management.

3.3 Eco Labels

ASUSTeK has been aggressively promoting green products. Since 2008, we had N Series and Bamboo Series notebooks registered at EPEAT (Electronics Products Environmental Assessment Tool) Gold level notebooks, and these products were among the first awarded EU Ecolabel certificates and complied with Energy Star requirements. In 2009, ASUSTeK expended the products registered as EPEAT Gold level

to all ASUSTeK product lines, thus now ASUSTeK has notebooks, displays, Eee PCs, and desktops registered as Gold level products. In 2010, we reached out to Eco Labels in Asia and had the product receive Japan Eco Mark and Korea Eco-Label, and in 2011 we received China Environmental Labeling. In 2012, our notebooks were the first group of products received the certification of China Management Methods on Pollution Prevention and Control for Electronic Information Products.

3.3.1 EPEAT



EPEAT is an easy-to-used environmental procurement tool to evaluate a set of 8 environmental performances, which are: Reduction or Elimination of Sensitive Materials, Materials Selection, Design for End of Life, Product Longevity/Life Cycle Extension, Energy Conservation, End of Life Management, Corporate Performance, and Packaging.

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

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

Table 3.3 EPEAT Product Level Chart

In 2008, ASUSTeK was the first Taiwan IT manufacturer participating in EPEAT with N Series registered at the Gold level. In 2012, ASUSTeK had registered a total of 175 products with Gold level as well as increased the registered countries. A new country Australia was added to the scope besides Northern America, Taiwan, and European. For detailed list of registered models, please visit "Eco Products" at ASUS CSR website or visit EPEAT Official Website.

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

3.3.2 Taiwan Green Mark

"Green Design, Manufacture, Marketing and Procurement" becomes the trend in 21st century. In order to not only tie in with the green consumption concept to make consumers clearly choose environmentally friendly products but also promote the sale and manufacture of production and thus encouraging the development of environmental friendly products, Environmental Protection Agency (EPA) of Taiwan designed the Eco Label system and presented the



3

ENVIRONMENTAL

"Green Mark" to the selected products that went through rigorous review and ranked the first 20%~30% products in each product category in March 19th, 1992.

The logo of the Taiwan Green Mark is designed as "a piece of green leaves wrapped with clean, unpolluted Earth", which is also a symbol of "recyclable, low pollution, the provincial resources", the concept of environmental protection. ASUSTeK takes the requirements of Taiwan Green Mark into the product design, so most of ASUSTeK's products are qualified for Taiwan Green Mark and thus ASUSTeK is able to join the Green Public Procurement. ASUSTeK will continue to devote to have more products applying for Ecol Label.

ASUSTeK has notebook computers, desktop computers and displays receiving Taiwan Green Mark in 2012. Please visit "Eco Products" at ASUS CSR website or visit Taiwan Green Mark Official Website for detailed list of products.

ASUS CSR Eco Products/ Taiwan Green Mark: <http://csr.asus.com/english/index.aspx#44>

GreenLiving Information Platform of EPA of Taiwan: <http://greenliving.epa.gov.tw/greenlife/green-life/index.aspx>

3.3.3 China Environmental Labeling

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



ASUSTeK has notebook computers, desktop computers and all-in-one receiving China Environmental Labeling in 2011, and we expanded the scope of the product category to display.

Please visit "Eco Products" at ASUS CSR website for detailed list of products.

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

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



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

ASUSTeK notebooks computers were awarded 3 certifications among the first group of products by China Quality Certification Centre in July, 2012.



3.3.5 Carbon Footprint Certification

A "carbon footprint" is the total set of direct and indirect greenhouse gas (GHG) emissions caused by an individual, event, organization or product. At product level, each stage of the product life cycle will emit greenhouse gas emissions. We can get the "carbon footprint" of a product by calculating the total of direct and indirect greenhouse gases throughout its product life cycle.

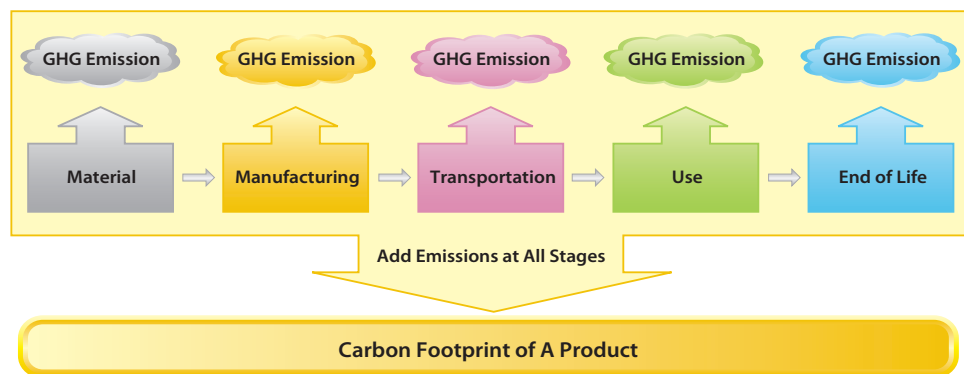


Figure 3.8 Schematic Diagram of the Calculation of Carbon Footprint of A Product

After analyzing the carbon footprint caused by human activities, we could plan the carbon reduction and offset the residual emissions by trading, and then achieve the "carbon neutrality" status, meaning there is no net increase in the global emission of GHG to the atmosphere.

To promote the research and development of low carbon products, ASUS has been executed Life Cycle Assessment since 2008. In 2011, ASUS followed "PAS 2060:2010 Standard for Carbon Neutrality" published by BSI to implement the carbon neutrality project. For more information, please read "3.5.4 Carbon Neutral Certificate".

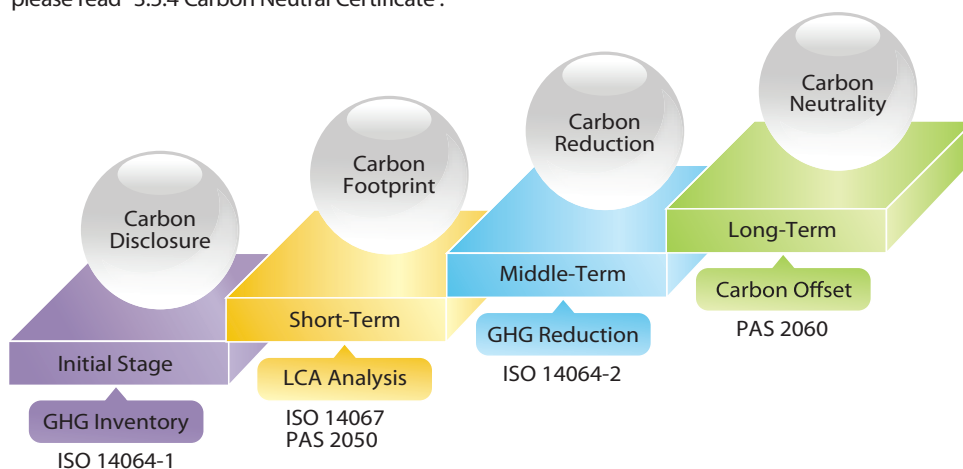


Figure 3.9 ASUSTeK Carbon Footprint Road Map

3.4 Product Takeback Service

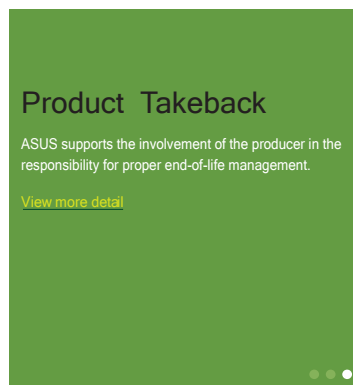
Computers, notebook computers, and other electronic equipment contain hazardous chemicals that can be harmful to the environment when disposed in a landfill with trash. The metals, plastics, and components found in an old computer should be properly treated through recycling to

3

ENVIRONMENTAL

decrease the impacts to the environment. ASUSTeK supports that when products reach the end of life stage, the manufacturer should take care of the recycling and the disposal management of those products. We support Individual Producer Responsibility (IPR) by providing the product takeback service to our products and working with qualified recyclers for proper end of life management. We use strict standards to monitor our recycling partners to ensure the safety of their employees and the compliant with applicable international and regional regulations. Since 2006, ASUSTeK has worked with qualified local recycling vendors to establish the free recycling system in Europe, North America, Taiwan, India, China and Australia to ensure that the end of life computers are treated properly in order to reduce the impact on the environment.

The recycling system will provide recycling service to customers as well as to meet the EU WEEE Directive and recycling requirements in various countries.



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

3.5 Greenhouse Gases and Climate Change

In recent years, climate change is one of the most important environmental issues. In 2007 IPCC (Intergovernmental Panel on Climate Change) released a report emphasizing that the rise in global average temperature is "very likely" contributed to Greenhouse Gases (GHG) emissions, which further cause the change in weather patterns, such as the uneven distribution of rainfall and the increase in rainstorm and drought. Therefore, various flexible GHG reduction mechanisms and relevant supporting tools are developed around the world, and they may help to achieve the goal of GHG management and reduction.

3.5.1 Greenhouse Gases Strategy

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

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

ASUSTeK continuously performs GHG inventory and reduction measures based on the above GHG policy:

- At organizational level, ASUSTeK performs GHG inventory according to ISO 14064-1 and establishes a database to keep the historical records. This will help ASUSTeK to identify sources of emissions and to analyze data, thus will be able to set up reduction plan and goal.
- For product, ASUSTeK integrates the green design into product development, and analyze the

carbon carbon reduction potential of each stage in a product lifecycle, thus developing innovative technology to help reduce the carbon footprint.

- For suppliers management, ASUSTeK reduces product carbon footprint through providing educations to and communicating with suppliers so that suppliers will have better knowledge to find out alternative materials or to improve manufacturing process. By working with the suppliers, ASUSTeK is able to boost the overall industry to reduce carbon emissions. In 2012, we followed "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" to conduct Scope 3 GHG inventory on our key suppliers. We hope ASUSTeK as a Brand company to drive our suppliers to perform GHG inventory and disclose the information.
- For information disclosure, ASUSTeK has answered CDP Questionnaire to disclose the GHG inventory data and environmental strategies since 2007. Besides, we also disclose the GHG emission data on our CSR website. We will continuously improve ourselves and contribute more to the topic of global climate change issue.
- For external involvement, ASUSTeK became a member of Business Council for Sustainable Development (BCSD) Taiwan and participates in the GHG Reduction Law working group of Taiwan Corporate Sustainability Forum (TCSF) in 2008 to show our support in GHG Reduction Law. We also aggressively participate in various international environmental surveys as the self assessments of our environmental performance.

3.5.2 Greenhouse Gases Management at Organizational Level

TargetO	utcome	
Disclose Scope 3 supply chain GHGs in accordance with "Corporate Value Chain (Scope 3) Accounting and Reporting Standard"	Disclose Scope 3 GHG inventory data for key suppliers in accordance with "Corporate Value Chain (Scope 3) Accounting and Reporting Standard"	●

As one of the world's leading computer brands, ASUS is willing to devote itself to climate change issue. ASUSTeK commits to reduce 15% of the GHG emissions associated with energy use by 2015 (based on 2008 level). We have a dedicated team to perform GHG inventory based on ISO 14064-1 annually, to establish a database that will help identify sources of emissions based on historical emission data, and to monitor global climate change issues regularly, including international regulations on GHG reduction and the risks and opportunities the corporate may face. The climate change issues will be discussed periodically in GreenASUS Steering Committee where GHG strategies are made.

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

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

In 2012, ASUSTeK's GHG information on sources of emissions and the emission data for each scope in Taiwan were as followed:

Sources of Scope 1 emissions

- Natural gas: consuming 92.754 m3, producing 174.5 metric tonnes CO₂-e
- Diesel: consuming 228 liters, producing 0.6 metric tonnes CO₂-e
- Gasoline: consuming 10,218 liters, producing 24.1 metric tonnes CO₂-e
- Others: producing 53.8 metric tonnes CO₂-e

Sources of Scope 2 emissions

3

ENVIRONMENTAL

- Electricity: consuming 20,678 MWh, producing 11,084 metric tonnes CO₂-e

Sources of Scope 3 emissions

- Employee business travel: 19,949 passenger mile, producing 61,126 metric tonnes CO₂-e (emission factor: Climate Leaders, U.S. EPA. 2008)

Energy/Source of Emission	Volume Used	GHG Emissions Equivalent (metric tonne CO ₂ -e)
Natural gas	92,754 m ³	174.5
Diesel	228 liters	0.60
Gasoline	10,218 liters	24.1
Others	-	53.8

Table 3.4 The Breakdown of Source of Emissions in Taiwan in 2012

Scope	GHG Emissions Equivalent (metric tonne CO ₂ -e)	Ratio
Scope 1	253	2%
Scope 2	11,084	98%

Table 3.5 The Ratio of GHG Emission in Taiwan in 2012

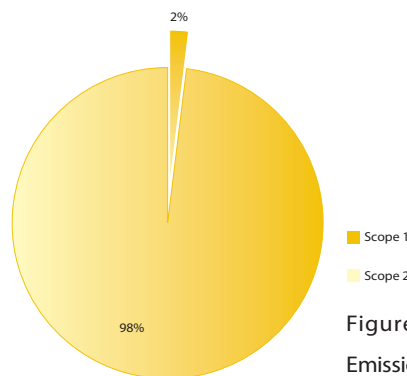


Figure 3.10 The Ratio of GHG Emission in Taiwan in 2012

ASUSTeK has annual energy efficiency improvement plans that help to reduce the use in energy and the GHG emission. The major plans include the following:

- Energy efficient setting on computers
- Improvement on Boiler
- Cooling water system at Lu Ju site
- Temperature adjustment for air conditioners
- Elevator shifts during high-peak hours

Besides, ASUSTeK provides incentives to our employees who join the GHG reduction activities, such as:

- Employees participating in "Stair Climbing" will receive awards.
- Some booths in the cafeteria will provide discount to employees who bring their own accompanied accompanied cup to buy drinks.
- The meeting rooms are ready with washable glass cups to replace plastic cup, reducing the GHG and waste.
- Food booths in cafeteria use cooking materials from local to reduce the GHG emissions from transportation.

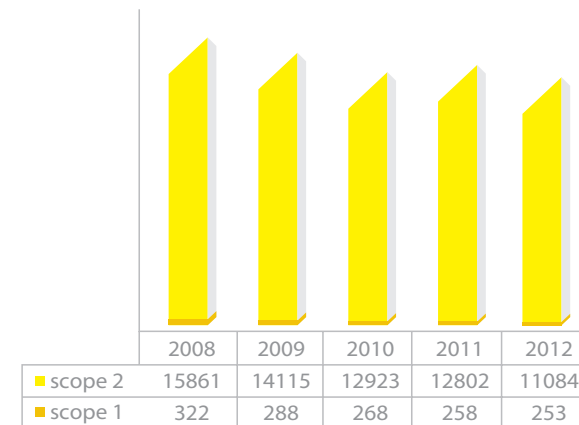


Figure 3.11 Historical GHG Emission Data in Taiwan

The electricity uses in 2012 was 239 MWH less than that used in 2011. The total emissions of Scope 1 and Scope 2 were 13% less than that of 2011, and it was 30% less than that of the baseline year.

	2008	2009	2010	2011	2012
Scope 1	321	288	267	258	253
Scope 2	15 861	14 115	12 922	12 802	11 084
Total Emissions	16 183	14 403	13 190	13 059	11 337
Reduction Proportion (compared with 2008 baseline)	0.00%	11.00%	18.49%	19.3%	30.0%

Table 3.6 Historical Emission Data for Each Scope and Reduction Proportion in Taiwan

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

- China: ACC, ACS and ASZ. The Total emission of these three subsidiaries was 5,056 metric tonnes CO₂-e.
- Europe: ACG, ACF, ACIT, and ACZS. The Total emission of these four subsidiaries was 1,213 metric tonnes CO₂-e.

ASUS conducted a Scope 3 GHG inventory of key suppliers this year. In accordance with the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" as well as the previously mentioned distribution of carbon footprint in the product lifecycle, we select Category 1 Purchased Goods and Services out of the 15 categories from Scope 3 GHG inventory due to its higher weighting. The 5 types of suppliers asked to cooperate with the GHG inventory were:

- Final product assembly factory
- Motherboard manufacture factory

- Panel manufacture factory
- Monitor assembly factory
- Power supply manufacture factory

The inventory parameters were as follow:

- Data period: January, 2012 to December, 2012
- Business boundary: Scope 1 and Scope 2 GHG emission data
- Data allocation: Data allocation was based on the supplier's factory profile including: proportion of ASUSTeK products in total shipment, ratio of production line man-hours, production output, proportion of resources used, product value as a proportion of total output, and more.

Analysis of inventory results:

- Sum of Scope 1 and Scope 2 data: Scope 1 and Scope 2 emissions from 15 suppliers were added together. The emission ratio of Scope 1:Scope 2 was approximately 20%:80%.

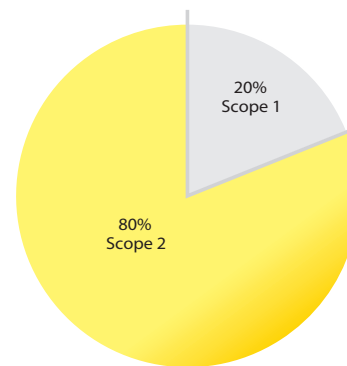


Figure 3.12 Proportion of Scope 1 and Scope 2 GHG Emissions Based on Total Volume Analysis

3

ENVIRONMENTAL

- Five supplier types: The emission ratio of Scope 1:Scope 2 for panel manufacturer factory is the closest approximate 25%:75%. The Scope 1:Scope 2 ratios of the other four types of suppliers were approximately 9%:91%.

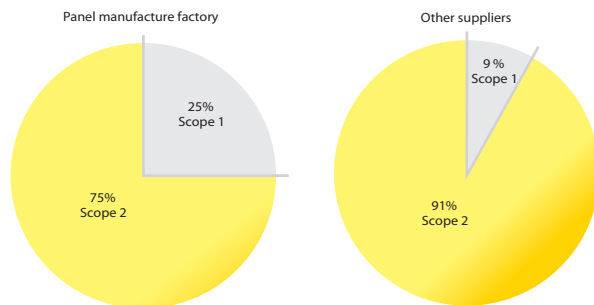


Figure 3.13 Proportion of Scope 1 and Scope 2 GHG Emissions by supplier types

The data showed that in terms of total volume analysis, Scope 2 GHG emissions were more significant than Scope 1 GHG emissions. Reduction strategies targeted at Scope 2 GHG emissions will therefore offer the best returns. Further analysis according to supplier type showed that panel manufacture factory can also benefit from Scope 1 emission reductions in addition to targeting Scope 2.

3.5.3 Greenhouse Gases Management for Product

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

The analysis of carbon footprint shows that the energy consumed at the use stage takes up 40% of the GHG emissions during the product life cycle. Therefore, ASUSTeK continuously improves on energy saving design of the product. In 2012, all of our notebooks were in compliance with Energy Star, and the average energy efficiency of the notebooks was 45% better than Energy Star Program for Computers V5.2 standard, bringing valuable environmental contributions.

ASUSTeK shares its experiences in GHG inventory with suppliers and becomes a driving force in both upstream and downstream supply chain:

Driven the Upstream Supply Chain

ASUSTeK has invited our suppliers to perform GHG inventory. By the end of December 31, 2012, we had brought over 50 suppliers to perform GHG inventory. After ASUSTeK completed the carbon footprint project, we shared our experiences regarding GHG inventory on various conferences. Many parts suppliers who receive carbon footprint requests from other clients had contacted ASUSTeK for further advice. We believe that this will not only help build our vendors' capability in GHG inventory but also discover any possible reduction in carbon footprint of the product.

Driven the Downstream Product Chain

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

We also educate our consumers on how to save on electricity costs through creating the Energy Calculator. This tool could help them to estimate their energy consumption, electricity costs and GHG emissions according to their using habits, as well as promoting the idea of energy saving and environmental protection.

Please visit the Energy Calculator at the following URL: <http://csr.asus.com/english/EnergyCalculator.htm>

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

ASUSTeK has answered CDP questionnaire annually. The details of ASUSTeK GHG inventory data of 2012 will be available at the CDP official website after September 2013.

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

3.5.4 Carbon Footprint and Carbon Neutral Certificate

Objective	Key Performance in 2012
Select the product to proceed carbon footprint and carbon neutral projects	The continuation of Carbon Neutral Declaration, reached Carbon Neutral Status in 2012

ASUSTeK has been devoting itself in sustainability development and innovation to help reduce environmental impacts for years. In 2009, ASUS had the world's first notebook received the carbon footprint certificate and has continued to combine Integrated Product Policy (IPP) with ecodesign concepts to proceed carbon reduction.

The "carbon footprint" is the total set of direct and indirect greenhouse gas (GHG) emissions caused by an individual, event, organization or product throughout its product life cycle. After analyzing the carbon footprint caused by human activities, we could plan the carbon reduction and offset the residual emissions by trading them and then achieve the carbon neutrality status, meaning there is

no net increase in the global emission of GHG to the atmosphere.

The main events described as below:

2011 ASUSTeK Declared The Commitment of Carbon Neutrality

By using bamboo instead of plastics for parts of the notebook chassis and developing energy-saving hardware and software, ASUSTeK attempted to reduce the carbon footprint of U53SD up to 10 percent and committed to reach carbon neutral status in 2011 following "PAS 2060:2010 Standard for Carbon Neutrality" published by BSI. The declaration was verified by DNV. We expected to reach the carbon neutrality through purchasing carbon credit from wind power.

2012 ASUSTeK Published The Achievement of Carbon Neutrality

After the reducing measures, U53SD could reduce 10% GHG emission in manufacturing stage by using bamboo material, and 26% GHG emission in using stage by developing energy-saving hardware and software.

Regarding to the residual carbon footprint, we calculated global sales of U53SD and purchased carbon credit to offset it, and then achieved the Carbon Neutrality.

The declaration of achievement of Carbon Neutrality was verified by DNV. For more information, please visit ASUS CSR website: <http://csr.asus.com/english/#1548>

In the future, ASUSTeK will perform carbon footprint analysis on products with carbon reduction innovations and will keep on implementing the carbon reduction measures.

4 SOCIAL

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

Besides enhancing international competitiveness and maintaining financial stability, ASUSTeK established GreenASUS Steering Committee in July 2004, SERASUS Steering Committee in July 2006, and CSO in December 2009 to carry out the sustainability development in economic, environmental and social areas.

4.1 Inspire, Motivate and Nurture Employees

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

4.1.1 Fostering Talent

Talent is the cornerstone of business success. ASUSTeK believes that unless every employee could well demonstrate ASUS DNA - ASUS 5 Virtues, Focus on Fundamentals and results, Lean Thinking, and Innovation & Aesthetics - and shows his or her potential in the job, ASUSTeK would be able to achieve the vision of "The world's most admired leading enterprise in a new digital era". Therefore, based on the ASUS DNA, we analyzed managerial and professional competencies that were necessary for employees in every level and planned to build the

learning and development system based on these competencies. We work toward systemizing managerial and professional training and expanding resources to develop a learning organization, so as to appeal and cultivate employees with ASUSTeK personalities and capabilities and, furthermore, make the organization strong.

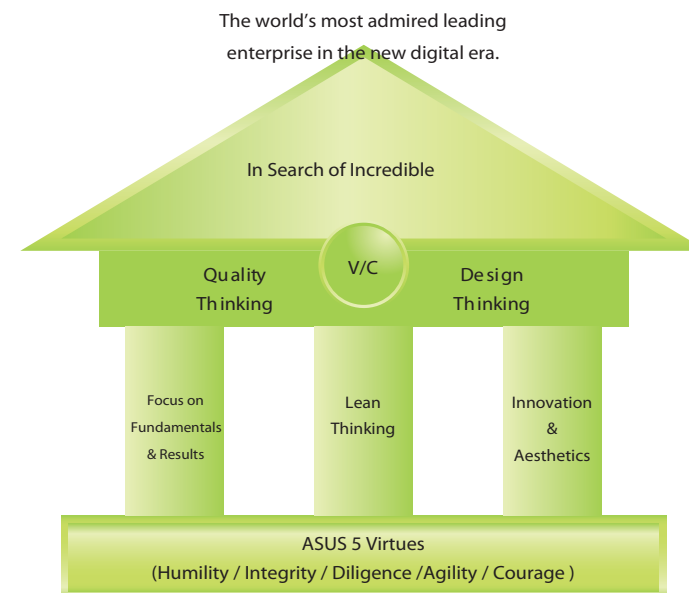


Figure 4.1 ASUS DNA

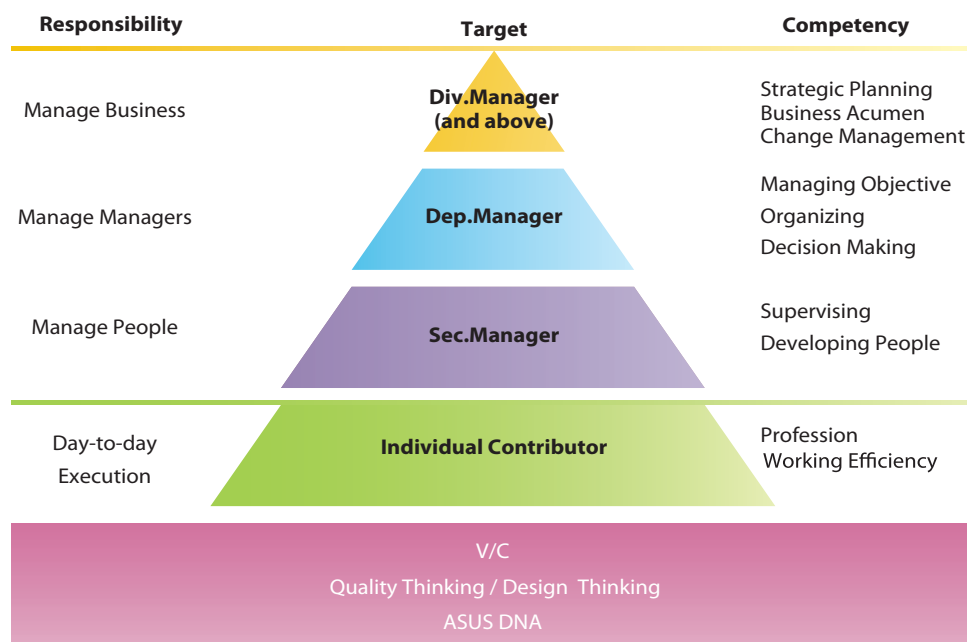


Figure 4.2 Competency Model

We focused on the establishment of the learning structure in 2011, and continued polishing it in 2012. Our training goal in 2013 is to have the learning structure and resource go global. The achievements in 2012 are summarized as below.

Establishment and Implementation of Training System

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

Categories	Content	Objective
Core Value	<ul style="list-style-type: none"> Corporate culture training Core-value training 	To have employees share the same values, recognize and adapt to the organizational culture.
Management	<ul style="list-style-type: none"> Management training for high-level managers Management training for mid-level managers Management training for entry-level managers Management training for newly promoted managers Management forum 	To develop managers' management capabilities and leadership efficiently to lead members to success.
Work Efficiency	<ul style="list-style-type: none"> Self-management training Work-management training Train-the-trainer training 	To enhance employees' working efficiency to achieve success.
Language	<ul style="list-style-type: none"> Business English Business Mandarin 	To enhance employees' language skills for the purpose of business communication.
Profession	<ul style="list-style-type: none"> Professional training 	To enhance employees' professional capabilities for success.

Table 4.3 Internal Training Course

In 2012, ASUSTeK devoted to polishing the training roadmap, developing training material and nurturing our internal trainers. By the end of 2012, 90% of the management and core value training materials are designed and delivered by our internal trainers. In addition, in order to make the professional courses delivered more efficiently, the Human Resources Division integrated the cross-department professional courses and established the shared mechanism that every employee could join the course if needed.

In Taiwan, ASUSTeK held a total of 262 internal courses, including 209 classroom trainings and

4 SOCIAL

53 online courses with overall 12,352 trainees in 2012. In terms of training quality, the overall satisfaction was scored 4.34 (for a total of 5), which showed the quality of the courses were recognized by our employees.

Learning & Growth Plan

The performance management in ASUSTeK combines performance appraisal with learning development to improve employee's performance and ability to achieve the organization's goal. In addition, we emphasize on continuous communication between managers and employees to establish clear objectives aligned with the organizational goals.

ASUSTeK has initiated "Learning & Growth Plan" to assist managers in developing the competences of our employees and provide training plans since 2009. Based on ASUS DNA and the competences required for employees in each level, a manager would evaluate individual performance and personal developmental needs, and then discuss with every employee to plan out a tailor-made development plan.

In Taiwan, about 57.71% of the employees participated in the Learning & Growth Plan, and their completion rate of the assigned learning actions was 60.43% in 2012. The following chart is the procedure of the Learning & Growth Plan:



Figure 4.4 Learning & Growth Plan Procedure

Multiple Learning Resources

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

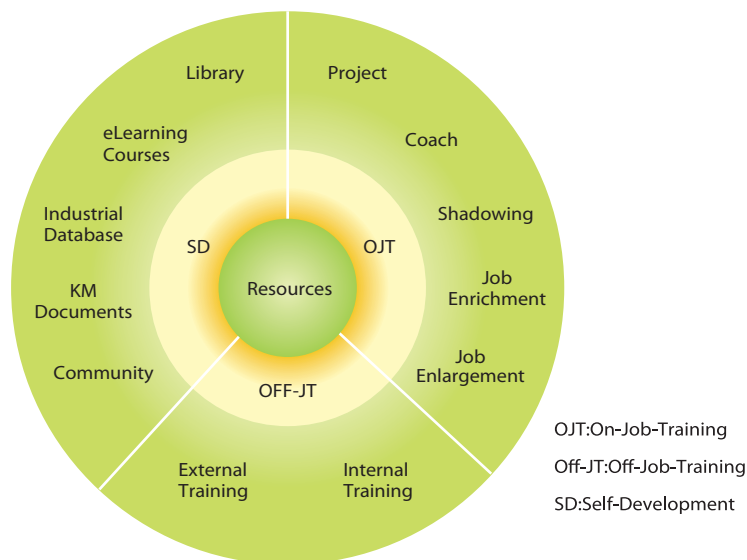


Figure 4.5 Multiple Learning Resources

■ Off-Job Training (Off-JT)

ASUSTeK has been learning new knowledge from the external market and also provide employees with external training opportunities that can help employees grow and learn persistently. We subsidize the external training programs if they are related to employees' work. In 2012, ASUSTeK's employees joined overall 235 external training courses.

■ On-Job training (OJT)

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

■ Self-Development

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

Inspiring Innovation . Persistent Perfection

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

4.1.2 Recruiting and Cherishing Talents

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

■ No child labor

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

■ Minimum wages

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

4 SOCIAL

■ Working hours

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

■ Non-discrimination

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

■ No harsh or inhumane treatment

Prohibit physical abuse, harassment or the threat of either.

■ Freely-chosen employment

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

■ Health and Safety

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

■ Employee training and development

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

Recruitment and Retention

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

■ Public recruitment: we publish hiring positions, criteria, and procedure publically to widely appeal talents.

■ Fair selection: we insist the principles of fairness and equal opportunity to select the appropriate candidates according to the hiring criteria, rather than gender, race, religion, family background and reference.

■ Hiring the best: only candidates who pass the required exam and interviews with the highest satisfaction will be hired.

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

4.1.3 Compensation and Benefits

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

Remuneration Policy

ASUSTeK combines the corporate performance with payment structure closely, as well as individual responsibility, to strengthen the competitive advantages of enterprises. The candidates with identical background will have identical starting salaries regardless of gender. The relevant department will compare the remuneration with competitors within the industry and adjust if necessary. ASUSTeK had established a Remuneration Committee in 2011 to ensure that the remuneration offered complies with relevant laws and is sufficient to attract talents.

Pension

Labor Pension Act has applied to every Taiwanese employee since January 1st, 2008. ASUSTeK will deposit 6% of employees' monthly wages into an individual labor pension account managed by the Bureau of Labor Insurance. Foreign employees will be covered by the Labor Standards Act and ASUSTeK will deposit 2% of employees' monthly wages to the Pension Deposits Trust in the Bank of

Taiwan. Such trust mentioned will be calculated by actuaries each year and ASUSTeK will prepare labor pension in case of foreign employees' retirement.

Welfare

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

- Holiday bonuses for specific holidays
- Personal bonuses which are in accordance to individual performance and company achievement
- Patent awards and model staff bonus
- Life insurance, labour insurance, group medical insurance, disability/invalidity coverage, and so on
- Wedding and funeral grants, coupons as birthday gift
- Discounted price when consuming at the contracted stores and when purchasing company's product
- Scholarships to employees as well as to their children
- Occasional activities held during special holidays throughout the year
- cultural exhibitions, seminars
- recreational activities
- Department gathering event, ASUS Family Day, Christmas party

4.1.4 Safety and Health

Occupational Safety and Labor Safety Education

The cornerstone of any enterprise is its "people", thus the health and safety of all employees are important company assets. At ASUSTeK, our employees' working environment is important to us and we do our best to create a safe and healthy workplace.

Labor safety & health education/training is carried out through classes, meetings, seminars and exercises. Once the training is completed, the performance is evaluated through the actual execution, oral report or presentation. Personnel are also sent to outside training units to acquire

professional certifications. Internal and external training courses for labor safety and health are as listed below:

Labor Safety & Health Course Type	Course
Internal Training	<ul style="list-style-type: none"> ● Environment, safety and health training for new employees ● Fire training ● First-aid training ● Introduction to hazards and dangerous substances ● Emergency response training ● Lead and solvent operator on-job training
Professional	<ul style="list-style-type: none"> ● Nurse training ● ISO 14001 lead auditor training ● OHSAS 18001 lead auditor training ● Organic solvent supervisor training ● Special chemicals supervisor training ● Dust supervisor training ● Fire prevention manager training ● Forklift operator training ● Boiler operator training

To reduce the risk of occupational injuries and make employees pay more attention to work safety, ASUSTeK has leveraged government resources, events and experiences to organize labor safety and health events/training for workers. The training materials are presented through animations and videos while the contents are simple and easy to understand. These methods make the courses easy for employees to read, boosting interest in learning and results. Fire/chemical drills, evacuation exercises and actual fire hose operations are held at each site in Taiwan on a regular basis to strengthen employees' emergency response skills and disaster prevention concepts.

4 SOCIAL



Snapshots of Emergency Simulation Drills

Healthy Workplace

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

Besides, in Taiwan, ASUSTeK promotes annual health activities such as offering annual health examination, and the health department will analyze the results causing unhealthy conditions to provide consulting and keep track on the employees with abnormal results. Employees at the headquarter and Da-Tong site could participate in health activities, including but not limited to stair climbing, weight loss class, vaccine injection, vision care program, cancer screening for women, hepatoprotective activities, and health seminar 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.

4.1.5 Employee Caring

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

- Employee Code of Conduct and Performance Coaching : For those who is under performance or breaks internal regulation, we provide opportunities for improvement. During the process of improvement, first-line managers will provide one-on-one coaching and HR will provide caring and support for helping employee enhance performance and devote themselves to the team. For those who cannot enhance performance, we will provide thoroughly communication and necessary rotation. If the employee cannot find proper position in the organization, we will provide support during the career transition period.
- Employee Assistance Programs (EAP): we collaborate with a consulting firm to establish a 24-hour EAP that could assist employees to address job stress, psychological distress, marital and family

mental health issues. Employees can make the reservation with the consulting firm through toll-free number or email to have the one-on-one professional counseling. The personal profile and the content of the advisory are kept confidential.

- **Employee Caring Website:** the purpose is to encourage our employees and help relieve their job stress and thus reaching the work-life balance status. The content includes but not limits to tips of how to relieve the stress, positive thinking, other information that may be helpful to daily life, and schedules of self-growth seminars.
- **Various two-way communication channels:** in Taiwan, we aggressively promote e-DM and BLOG to encourage two-way communication between employees and managers for years. Besides, we also provide other methods to all employees as well as to external parties, including but not limited to internal website EIP, DigiTrend magazine, corner propaganda, 24-hour Emergency Line "2119, and Humanity Service Line "1799", bridging good internal and external communication.
- **Spiritual events:** we invited our employees to the viewing of a public service documentary and of a musical "The Impossible Times", as well as LOHAS and volunteer seminars to promote self-improvement.
- **Volunteer Service:** we provide official leave to high performance employees to attend International Volunteer Service in South-East Asia. This not only shows our devotion for public service but also provide great opportunity for employees to create self-worth and make achievement.
- **Caring of employee's family:** we would participate the funeral ceremony of employee's family member to show our love and care, and we could also help on temporary child care if necessary. Besides, we aggressively contacted the employees dispatched to Japan during Japan 311 Earthquake to help the family ensure that they were safe and sound.

4.2 Corporate Social Responsibility Management in Supply Chain

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

The following table shows the key performances related to CSR management in supply chain in 2012:

Objective	Performance in 2012	
Held supplier workshops	Educated our suppliers with our CSR approaches	●
Performed CSR onsite audit on first tier outsourcers	ASUSTeK personnel performed CSR audit on first tier outsourcers.	●

4.2.1 CSR Promotion

Starting from 2008, to make our suppliers and outsourcers aware of the CSR issues such as labor standard/Human Rights, environment, occupational safety and health, and code of conduct, ASUSTeK requires them to sign the "Consent of ASUSTeK Code of Conduct". All 146 new vendors in 2012 signed the consent, committing to be compliance with any law and regulation.

In December 2012, we held annual supplier workshops in Taiwan and China accordingly. Besides explaining ASUSTeK' supplier audit process and management policy, we advocated our CSR policy

4 SOCIAL

and explained the changes in EICC 4.0 to further updated them with the trend of International regulations and our technical standards. All relevant technical standards are disclosed on ASUSTeK SRM website and are available to our vendors for download.



Snapshot of Supplier Workshop

4.2.2 CSR Audit Plan

Other than promoting ASUSTeK's CSR Policy through the consent, we began the CSR audit on our first tier outsourcers (Electronic Manufacture Services, EMS) in 2011. The scope of the audit covers the following 5 categories: Labor, Occupational Health and Safety, Environment, Management System, and Ethics.

We wished to carry out our CSR spirit and policy to our outsourcers, thus we do not appoint an independent third party but instead appoint our own personnel to perform onsite CSR audit. We teach them the CSR concepts through the face-to-face communication, coaching and education, and we could response to their questions immediately. We completed 100% of the onsite audit on our first tier outsourcers, 18 of them, scheduled in 2012.

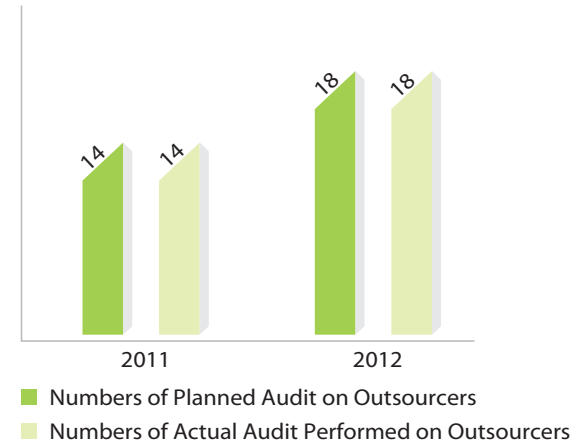


Figure 4.6 Statistics of ASUSTeK CSR Audit on Outsourcers

The common findings and the suggestion on corrective actions are as below:

Category	Common Findings	Suggestions
A. Labor	Working hours over 60 hours per week, and a day break was not taken after working successive 7 days	Establish reminder system to report exceeding working hours and the need of a day break to the manager and relevant department
B. Occupational Health and Safety	The lights of the emergency escape, emergency lights, and fire extinguishers cannot be used normally	Responsible department perform monthly check
C. Environment	SMT steel cleaning solvent was not properly split and stored	Strengthen the education of employees in special positions
D. Management System	Lack of CSR management or audit plan of its suppliers	Establish CSR promotion and management on its first tier suppliers
E. Ethics	Public profile such as financial report or CSR report are not disclosed	Disclose financial information and other information that should be publically available

In 2013, we will continue to extend the targeted parties from first tier outsourcers to all of our outsourcers and component suppliers to ensure all ASUSTeK vendors are aware and comply with our CSR policy. Regarding the issue on the violation in working hours, we would have our Global Supplychain Management (GSM) team to request them to follow the local legislation, and we would include the audit results in QBR to ensure the CSR would be valued and implemented.

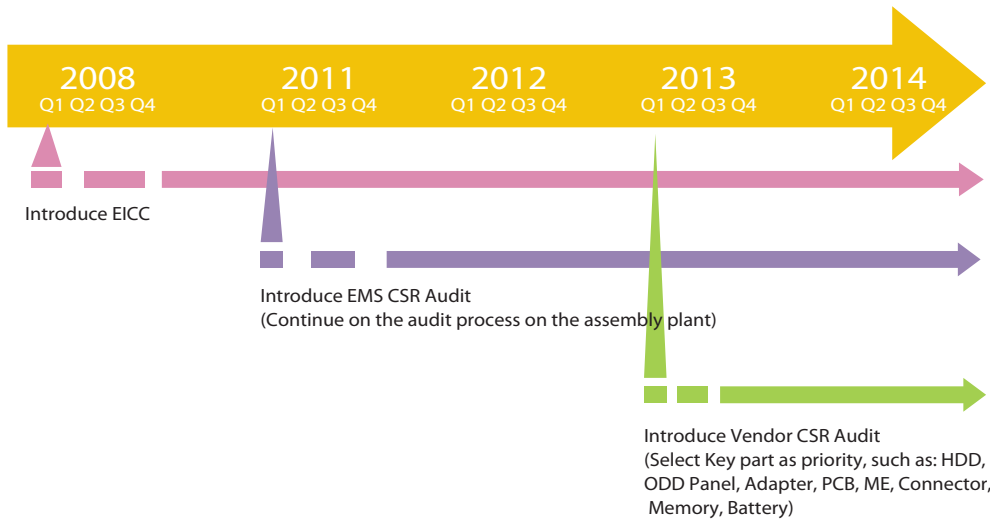


Figure 4.7 ASUSTeK Milestone on Outsourcers CSR Audit

4.3 Customer Service

Apart from the support of our strong product design, R&D and sales teams, our customer service center has always been in the forefront as the ambassador for the ASUS brand. At ASUSTeK, we don't just care about product quality and performance. We have always strived to deliver comprehensive after-sales service.

ASUSTeK's worldwide service network provides a convenient, localized service system that is committed to delivering friendly, professional, fast and efficient service. We have continued to refine our processes and improve our quality of service to win our customers' trust and satisfaction.

4.3.1 Diverse Service Channels

ASUSTeK has set up effective communication channels to better serve the needs of our customers. Our support platform consisting of regional service hotlines, stores that provide repair services, authorized service centers and official website designed to satisfy customers' service requirements in the timeliest manner.

Physical Service Centers

ASUSTeK began opening "ASUS Royal Club" direct service centers throughout Taiwan in 2001. Customers no longer have to experience the inconvenience of going through distributors retailers to have products returned to the manufacturer for repairs. At the end of 2012, there were 13 Royal Club service centers in Taiwan staffed by engineers trained by the original manufacturer. The engineers provide customers with on-site consultation, quick product testing and troubleshooting as well as product firmware recovery/update services. This opens up a face-to-face communication channel with customers they also provide professional, efficient consulting and technical support services.

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

4 SOCIAL

Online Resources

For customers that find it inconvenient to visit one of our service centers, ASUSTeK offers a technical support website that not only provides a FAQ database and online technical support but also an official forum, the latest drivers and firmware, product registration, warranty inquiries, extended warranty and RMA (returned materials /merchandise authorization) progress inquiries. ASUSTeK customers can also use the official forum to share opinions and discuss product information. In 2012, we began to provide real-time communication software similar to MSN in North America and China. Online technical support representatives can engage in real-time chat with customers to solve their problems more efficiently.

ASUSTeK is also actively cultivating our social networking website by publishing product news, events and also interacting more directly with customers in order to hear what they are truly saying.

Mobile communications has become a part of everyday life, thus ASUSTeK offers the "MyAsus" app for download on iOS and Android. Customers can use the App to connect to the mobile version of our technical support website and check on the status of products repairs.

Technical Support Hotline

Customers can contact their local technical support hotline by phone as well. Technicians can help troubleshoot customer problems over the phone or determine if the product needs to be returned for repairs.

4.3.2 Customer Satisfaction Survey and Management

We believe that "increasing the quality of service starts with customer satisfaction". The goal of customer service is to enhance customer satisfaction, and this forms the basis for our

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

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

- Email
- SMS
- Interview
- Interactive Voice Response
- e-Survey

The customer satisfaction survey that follows after the service allows us to understand each customer's perception of our current service quality. Weekly review and the analysis of the survey results ensure that our products and services match the needs of our customers. The survey also helps us identify opportunities for improvement and innovation.

The target rate for customer satisfaction is set for the customer service center at the end of each year. At the end of 2012, the target rate for 2013 was increased by 5%. We believe by constantly raising the target rate, we could continue to improve our overall customer satisfaction.

Listening to our customers' voices and needs as well as putting ourselves in their shoes help us gain a better understanding of the services that customers want and the direction of improvements needed.

4.3.3 Faster Turnaround Time

In Taiwan, the analysis of the 2011 Q3 satisfaction survey showed that the most common complaints

on Royal Club service centers in busier districts were long queues and excessive waiting times. To shorten the waiting time, we began implementing improvements in January, 2012, and introduced the "Advance Booking and Pick-up" process at the end of the year. With the new process, customers can book a service site and time for the repair service on the Support Site. Customers can now arrive at the selected Royal Club 10 minutes before the booked time and enter their booking number to enjoy priority service, saving valuable time.

Apart from "Advance Booking and Pick-up" process, we will progressively introduce "Pick-up from A Different Site" and "Pick-up and Go" processes to satisfy customers with different RMA needs.



4.3.4 Happy Experience 2.0

In 2012, we launched an incomparable concept to create a peerless high-quality consumption experience for customers. This was the genesis of the "Happy Experience 2.0" philosophy.

The "Happy Experience 2.0" was a new milestone where we moved beyond its traditional pursuit of satisfaction with hardware specifications into satisfaction with the user experiences. When ASUSTeK committed to providing consumers with incomparable happiness, we at the same time expanded the scope of our customer service, interpreting it as "Service 2.0".

We have established a specialized training program targeted at the etiquette, quality and service principles of our frontline service staff based on the spirit of "consumer service satisfaction comes first". However, "Service 2.0" emphasizes on listening to the customer, making the frontline customer service as the first step of the service. By embracing a service philosophy of "understanding what consumers really need, listening to the consumer's voice and providing the consumer with the best solution", we train our customer service representatives to enjoy helping customers solve their problems in order to provide the warmest, most attentive service to and create happy service experiences for the customers.

To ensure that our customer service representatives adapt to constantly changing consumer behaviors as well as possess proper attitudes and techniques when providing service to customers, we organize relevant training courses every year to establish their learning requirements and check on current quality of service.

4.3.5 Customer Privacy and Security

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

Remind the customer to backup data

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

4 SOCIAL

In 2012, there was no complaint regarding data loss due to negligence by ASUSTeK, and no lawsuit involving the Personal Information Protection Act.

4.4 ASUSTeK Cloud Service Applications

ASUSTeK believes that cloud technology offers Taiwan a golden opportunity for inter-industry cooperation and the creation of a world-class industry chain. We have therefore invested in the development and application of this technology for many years to overcome regional constraints and expand the reach of our service. In 2012, ASUSTeK collaborated with the Show Chwan Health Care System on the integration of healthcare and information technology. ASUSTeK Cloud technology that has been validated by over 10 million users around the world was combined with Show Chwan's extensive medical capabilities as well as the most complete healthcare coverage in Taiwan to introduce innovative new applications for the technology.

Preventive and family medicine has begun gathering steam in recent years, and the general public now pays more attention to their physical health. Over two thousand years ago, the Yellow Emperor's Inner Canon first proposed the concept that "the best doctor treats diseases that haven't occurred, the average doctor treats diseases that are about to occur, and the worst doctors treat diseases that have already occurred". The best doctor is therefore not the one that is most adept at treating illness but the one that can prevent illnesses from happening in the first place. In reality, Taiwan's healthcare service can only care for 5% of people that are already sick. The other 95% of healthy and sub-healthy people usually lack medical attention and so many miss some of their body's warning signs.

For this reason, ASUSTeK and Show Chwan formed a cross-industry partnership to care about the general public through digital cloud technology and the concept of preventive healthcare

was gradually made a part of everyday life. Healthcare agencies can use such technology to monitor patients who are nursed or rest at home. Blood pressure and living habits can now be monitored on a daily basis. Cloud technology also allows people working far from home to stay up to date on their family's health. In the past, the results of medical examinations conducted at different clinics and hospitals in Taiwan could not be shared due to incompatible electronic medical records. This means the general public had to undergo identical tests. Moving physiological readings to the cloud will help reduce medical waste and lighten the heavy burden on national health insurance.

The "Love - Health Cloud" alliance use regular meetings to bring together Show Chwan's professional doctors, many healthcare service providers in Taiwan as well as IT experts. With the strong support of the Executive Yuan, Health Department and Industrial Bureau, we create a health database based on PHR (Personal Health Record). These will be extended along the 3 kinds of cloud services that have the most effect on public health: Healthcare Cloud, Health Management Cloud, and Medical Research Cloud. PHR is the core of the health clouds. Electronic patient records established by the Department of Health were used as the basis for information infrastructure. Around 200 hospitals joined "Love - Health Cloud" alliance to see its core values put into use. We have also started developing health-related cloud applications.

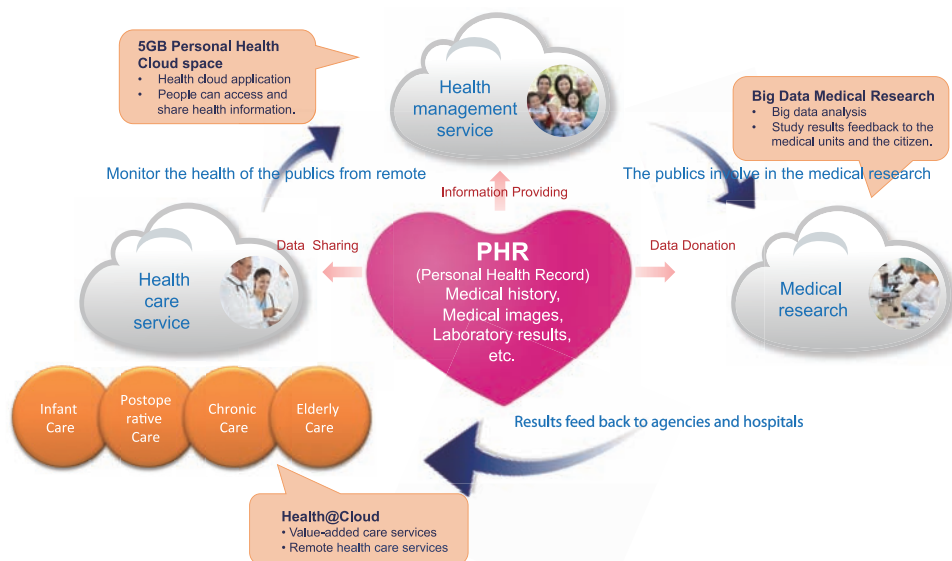


Figure 4.8 ASUSTeK 3 Main Cloud Services

■ Personal Health Record

PHR is the core of this program. We can create a database and link to other cloud services by using the personal electronic medical record, inspection record, fitness record, digitized medical image, record of drug usage and of biological monitoring

■ Healthcare Cloud

Users can authorize their physiological data from PHR uploaded to Healthcare Cloud. The professionals of care institutions can provide caring service and health education remotely. If there is any anomaly in their data, users will be alerted by the system and the remote care institutions.

■ Health Management Cloud

ASUSTeK provides everyone with 5GB of cloud storage. This allows the general public to upload their personal health information and view individual/family health records. The power of the family can therefore be used to promote self health management.

■ Medical Research Cloud

Once user permission is given, the data in PHR can be used for medical research, and long-term physiological data from the general public can be used for research analysis and academic discussion in the future. The results could then apply to medical agencies to improve the Healthcare Cloud as well as general medical education.

We developed the cloud technology which combines ASUSTeK' core value across the industries with a perfect cloud platform. The platform integrated various healthcare resources, reduced the technical risks. The integration of different medical resources not only reduced the risks of technology investment risk in the health industry but also improved the quality of care provided to the general public. In the future, we hope that other industries and private enterprises will join the project to set up an industry chain for healthcare.

4.5 Community Involvements

ASUSTeK has always upheld the long term emphasis, efforts, directions, and goals of "reducing the digital divide", "increasing innovation", "cultivating technical talent", "stimulating industry-university cooperation", and "promoting environmental and energy conservation". In 2008, the ASUS Foundation was established in hopes of encouraging the public to proactively invest in public service and caring for the community. We hopes that by giving back to society through tangible initiatives on a long-term basis, we can fulfill our corporate social responsibilities while realizing our medium-term goal of becoming global citizens and international volunteers. ASUSTeK has not only

4 SOCIAL

invited employees to many internally initiated community/environment events, but has also actively initiated donation events with companies within and outside of our industry.

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

4.5.1 Reducing the Digital Divide

PC Recycling for a Brighter Future

The "PC Recycling for a Brighter Future" program launched by ASUSTeK in 2008 recovers discarded computers and refurbishes them for reuse. The program not only recovered discarded computers through reverse logistics to promote the concept of loving our planet but also helped to promote e-learning. Discarded computers were collected through reverse logistics. Usable parts were reassembled and legitimate software installed. Refurbished computers were then donated to disadvantaged groups to help students and residents to improve their life through e-learning.

Nearly 1,700 refurbished computers were donated in 2012 and resulted in the Ministry of Education presenting the Social Welfare Award. Selected recipients included: Ministry of Education, Taoyuan County Government Social Welfare Bureau, Digital Dream Project of Taiwan Fund for Children and Families, National Mentor Program of Chinese Christian Relief Association,

Always Caring Learning Program of Fo Guang Shan.

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

Partner	Performances
Ministry of Education	<ul style="list-style-type: none"> Partnered with the Lifelong Learning of Ministry of Education to help promote the national disadvantaged and elderly education computer project and promote family education for providing an accessible IT learning environment throughout Taiwan. Donated 414 refurbished computers to 137 senior education centers and 22 county/city family education centers around Taiwan.
Taoyuan County Government Social Welfare Bureau	<ul style="list-style-type: none"> Partnered with the Social Assistance Section, Social Welfare Bureau of Taoyuan County Government to improve the IT skills of children from low-income families and from disadvantaged families in order to reduce the digital divide. Low-income families, mid-low-income families, economically disadvantaged families and the residential organizations by Social Welfare Bureau were selected, and the priority was given to 5th grade to senior high school students who does not have computer at home. Families were assessed by social workers and 1 computer would be provided to each family. A total of 100 refurbished computers were donated. Discounted Internet access was also provided by Chunghwa Telecom to help disadvantaged families.
Digital Dream Project of Taiwan Fund for Children and Families	<ul style="list-style-type: none"> The purpose of this project, which has begun since 2010, was to help the administrative operations, to set up new computer classrooms, and to replace the old computers in the existing classrooms for Taiwan Fund for Children and Families (TFCF), as well as and to fulfill the needs in computers for students from disadvantaged families. Each of the 26 TFCF service center throughout Taiwan submitted their computer requirements each year, and The ASUS Foundation then donated refurbished computers . The long-term support of ASUSTeK enabled TFCF centers to set up multimedia classrooms and host IT classes taught by volunteers or computer experts. These in turn improved the digital skills of children and parents from economically disadvantaged families, of abused children and youths, of placed or fostered children and youths, and of school drop-outs that had returned to school. 143 refurbished computers were donated in 2012. Since 2010, the 26 service centers have received a total of 536 refurbished PCs and 20 tablets.
National Mentor Program of Chinese Christian Relief Association	<ul style="list-style-type: none"> 239 refurbished computers were donated to the CCRA's mentoring classes in 78 remote rural communities around Taiwan, helping to set up digital teaching courses for 1,370 children. These were used to help students in remote areas with their homework and computer learning.
Always Caring Learning Program of Fo Guang Shan	<ul style="list-style-type: none"> Donated 430 computers (including 354 refurbished computers) to help Fo Guang Shan promote its "Reduce the Digital Divide" project. The computers were then distributed by FGS to poor regions around Taiwan: Helped 11 "Night Angels" and 300 students around Taiwan to improve their digital learning environment and solve the problem of hardware shortages at remote schools. 225 seniors at 8 senior centers used the computers to bridge the digital divide and connect to the world. 6 Yunshui book buses traveled to Yilan, Chiayi, Pingtung and Kaohsiung to cultivate and educate students through the Yunshui Library. These helped to reduce the urban and rural digital divide so the seeds of learning can take root early



ADOC (APEC Digital Opportunity Center) Plan

ASUSTeK continues to participate in APEC's APEC Digital Opportunity Center 2.0 (ADOC) program with the support of the Ministry of Foreign Affairs. The program assists local non-profit organizations in ADOC member nations and Taiwan's foreign allies to set up digital opportunity centers, promoting digital learning and reduce the digital divide. We hope that the donation of equipment, volunteer training and education promotion will provide local people in remote, backward regions with equal access to learning opportunities. Reducing the digital divide between nations, rural and urban regions, and even between different age groups and genders will allow people to have more convenient and happier lives. In 2012, we worked with the ADOC Secretariat on photo & essay competitions, volunteer traveler and the establishment of 6 ADOC centers.

■ ADOC Photo & Essay Competition

2012 marked the third year that ASUSTeK has collaborated with the ADOC Secretariat on organizing the ICT competition. The competition encourages students at ADOC centers to use the competition

4 SOCIAL

as a platform for sharing their learning experiences, technical skills and success stories in digital learning. The 2010 blog competition, 2011 photography competition and 2012 photo & essay competition were all very popular with students.

This year, a total of 96 entries were received from 10 countries, including Chile, Peru, Mexico, Indonesia, the Philippines, Vietnam, Thailand, Malaysia, Papua New Guinea and Russia. Voting and professional judging came through the ADOC website and ADOC FB Fans Page, and 12 teams with the highest total score for public recognition. A 2013 desktop calendar was also produced to share the digital learning stories from each country and promote digital learning.

■ Volunteer Traveler

The purpose of this event is to make interviews from a Taiwanese perspective. 27 unique digital opportunity centers in 7 ADOC member nations including Thailand, Malaysia, Indonesia, the Philippines, Peru, Vietnam and Russia that ASUSTeK and the ADOC Secretariat established over the past 4 years were chosen for interviews and reporting. Facebook and the ASUSTeK website were used to share the success stories, providing equal access to digital learning opportunities to young students in remote or impoverished regions through digital opportunity centers set up by non-profit organizations in Taiwan and other countries.

■ ASUSTeK Campus CEO

This program partnered with ASUSTeK Campus CEO to select two Campus CEOs to serve as young volunteer reporters and travel to digital opportunity centers set up by ASUSTeK and ADOC. During their travels, Facebook and the event website were used to share in real-time social welfare digital news, digital learning stories and videos from the overseas ADOCs set up by Taiwan. The interview materials were also produced into portfolios and albums. ASUSTeK provided each volunteer with 50,000 NTD travel expenses and one notebook computer, and the roundtrip tickets were sponsored by China Airlines.

■ Digital Opportunity Center

Digital opportunity centers were established in the Philippines, Vietnam, Thailand and Peru.

Country	Recent Performances
Philippines	<ul style="list-style-type: none"> In 2009, computers were donated to help the Philippine government's Commission on Information and Communications Technology, the Asia Child Hope Foundation and Harmony Home Foundation Taiwan set up computer classrooms In 2012, computers were donated to set up 1 mobile computer classroom and 1 computer classroom in the Philippines in conjunction with international volunteer service, Southern Taiwan University of Science and Technology and the Philippine's CARE Foundation. These provided Filipinos in remote rural regions with the opportunity to receive computer education. A total of 6 digital opportunity centers have been established as of 2012.
Vietnam	<ul style="list-style-type: none"> In 2011, computers were donated to the Quang Tri Provincial Government, World Vision Puoc Son in Vietnam and Zhi-Shan Foundation's Hue work station. The project was continued in 2012, and 2 digital opportunity centers were established in conjunction with the Zhi-Shan Foundation in 2 elementary school libraries in Hue. The centers helped local children and students with their learning. A total of 12 digital opportunity centers have been established as of 2012.
Thailand	<ul style="list-style-type: none"> In 2010, computers were donated to the ZOA refugee camp on Thailand's northern border to set up 2 computer classrooms. In 2012, computers were donated to the non-profit Nonthaburi Center for Independent Living. The goal of the computer classroom was to improve the ICT skills of disabled people in the region and equip them with the skills necessary for independent living. A total of 3 digital opportunity centers have been established as of 2012.
Peru	<ul style="list-style-type: none"> In 2011, computers were donated to the Presidential Elementary School and World Vision to set up computer classrooms. In 2012, we continued to cooperate with World Vision to set up 3 computer classrooms in the Andes, the poorest region of Peru, in order to provide local students with digital learning opportunities.

■ Partnership with Ministry of Foreign Affairs

In 2012, ASUSTeK cooperated with the Ministry of Foreign Affairs to set up 18 ASUSTeK computer classrooms at 18 schools in Guatemala, Dominica and Nicaragua:

Country	Performances
Guatemala	<ul style="list-style-type: none">● The project was assigned high importance by the ambassador to Guatemala and was well-received by all parties. The partnership has been in operation since 2009, and by 2012, a total of 20 digital opportunity centers had been set up at 20 remote, rural elementary schools, high schools and vocational schools in 11 provinces.● In 2012, ASUSTeK donated 122 computers (including 80 refurbished computers) to 8 schools for setting up ASUSTeK computer classrooms that provide local students with digital learning opportunities.
Dominica	<ul style="list-style-type: none">● In 2012, we partnered with the ambassador to Dominica for the first time by donating 122 computers (including 80 refurbished computers) to 5 schools for setting up ASUSTeK computer classrooms that help local students with digital learning.
Nicaragua	<ul style="list-style-type: none">● In 2012, we partnered with the ambassador to Nicaragua for the first time by donating 61 computers (including 40 refurbished computers) to 3 schools for setting up ASUSTeK computer classrooms that help local students with digital learning.

■ Donations to Domestic Charities

Assistance was provided to a number of domestic charities to promote digital learning. Recipient units included Institute for the Blind of Taiwan, Social Care Association, China Youth Corps, Got to Care, National Teachers' Association, De-en Community Care Association, Tainan Epilepsy Association, the Garden of Hope Foundation's Pingtung Center, China First Light Care Association and more.

ASUSTeK World Citizenship/International Volunteer Project

ASUSTeK collaborated with local and foreign school clubs or non-profit organizations that provide

international volunteer services to draw on their expertise, training and experience. By working together to develop plans for international volunteering, We are able to give back to society and fulfill our ideal of becoming a world citizen.

The project was launched in 2011 and 3 international volunteer groups were organized in conjunction with the ADOC Secretariat, National Chiao Tung University, National Tsing Hua University and Zhi-Shan Foundation. The volunteers traveled to Aceh and the Orangutan Rainforest in Indonesia as well as Hue in Vietnam to provide computer education and promote digital learning. The program was strongly supported by universities and the local people.

The project was expanded in 2012 to include 6 universities and 2 non-profit organizations. A total of 8 international volunteer groups were sent to Indonesia, India, Vietnam, Thailand and the Philippines to provide environmental protection, health and ICT education services in remote, rural regions.

In 2012, volunteer program not only involved students from local universities but also expatriates from ASUSTeK Taiwan, Indonesia, India and the Philippines as well as ASUSTeK Campus CEOs. The supervising teachers and students were jointly responsible for the planning and execution of international volunteer services. Foreign non-profit organizations (digital opportunity centers) that ASUSTeK had previously donated computers to were also recruited for the program. Through actual participation in the international community, we attempted to use green technology to connect with society and culture. Through Facebook and volunteer websites and the use of videos, photos and text to document, we were able to share their volunteering experience, learning and inspiring stories in real-time with the world. These in turn helped fulfill ASUSTeK's ideal of becoming a world citizen.

4 SOCIAL

■ Donations to Domestic Charities

Assistance was provided to a number of domestic charities to promote digital learning. Recipient units included Institute for the Blind of Taiwan, Social Care Association, China Youth Corps, Got to Care, National Teachers' Association, De-en Community Care Association, Tainan Epilepsy Association, the Garden of Hope Foundation's Pingtung Center, China First Light Care Association and more.

ASUSTeK World Citizenship/International Volunteer Project

ASUSTeK collaborated with local and foreign school clubs or non-profit organizations that provide international volunteer services to draw on their expertise, training and experience. By working together to develop plans for international volunteering, We are able to give back to society and fulfill our ideal of becoming a world citizen.

The project was launched in 2011 and 3 international volunteer groups were organized in conjunction with the ADOC Secretariat, National Chiao Tung University, National Tsing Hua University and Zhi-Shan Foundation. The volunteers traveled to Aceh and the Orangutan Rainforest in Indonesia as well as Hue in Vietnam to provide computer education and promote digital learning. The program was strongly supported by universities and the local people.

The project was expanded in 2012 to include 6 universities and 2 non-profit organizations. A total of 8 international volunteer groups were sent to Indonesia, India, Vietnam, Thailand and the Philippines to provide environmental protection, health and ICT education services in remote, rural regions.

In 2012, volunteer program not only involved students from local universities but also expatriates from ASUSTeK Taiwan, Indonesia, India and the Philippines as well as ASUSTeK



4.5.2 Literature, Arts and Academic Sponsorships

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

Digital Art Promotion

In 2011, we continued to sponsor the Taipei Museum of Contemporary Art by providing free loans of ASUSTeK products to invited artists and show organizers. In 2012, we supported 9 domestic and international contemporary art shows that attracted more than 200,000 visitors.

Sponsorship of Zhongzheng High School Dance Class

We continued to sponsor the Zhongzheng Dance Exhibition to provide students with experience of performing on stage and promote the school's dance & arts education. These in turn helped to encourage inter-school exchanges that improve the quality of teaching and would cultivate more talented artists in the future.

Sponsorship of MONSTER Cheerleading

The MONSTER cheerleading squad has won many international and national cheerleading competitions. ASUSTeK continued to sponsor the costs of the MONSTER cheerleading squad's routine training venue to provide the athletes with a safer and more comfortable venue for building experience, studying techniques and rehearsals. Four training sessions were held each week, and there were about 100 team members. The venue is the Kid Power Gymnastics Hall in Luzhou. MONSTER's 2012 competition results were as shown below and the team uniforms all feature the ASUSTeK logo:

- Taiwan National Cheerleading Championships - 1st and 3rd place in the open men and women mixed category. This was MONSTER's 8th successive national championship
- Taiwan National Cheerleading Championships - 1st and 3rd place in the open men and women's mixed 4-person technical category
- Singapore's Southeast Asia Open - 3rd Place in the International Open Mixed 2-Person Technical Category
- ICU Japan Asia Open - 1st place in the international open mixed 4-member category
- ICU US World Cheerleading Championship - 3rd place in the men and women mixed category

Sponsorship of Futsal Club in the Czech Republic

ACZS sponsored a futsal club including ASUSTeK employees, Pegatron employees, and non-employees by purchasing related equipments and paying venue costs, training fees, competition fees, etc., to encourage employees to participate in artistic, cultural, and sporting events.



4.5.3 Cooperative Education and Industry-Academia Partnership

In order to promote exchange and collaboration between the industry and academia, to discuss the future trends of R&D technology, and to develop prospective views and comprehensive knowledge, techniques, management, digitization, and personnel training, the ASUS Foundation has collaborated with education institutes and industries in the hopes of establishing close interaction with academia to enhance talent quality through activities such as sponsoring domestic and foreign scholarships and research grants, donating equipment and R&D cooperation funds, cultivating technology talent, and raising the creative potential of young students. Activities in 2012 included:

4 SOCIAL

Event	Description
"Friend of Tsing Hua University - ASUSTeK Financial Aid" in China	<ul style="list-style-type: none"> ASUSTeK donated 600,000 RMB (approximately 3 Million NTD) to set up scholarships and financial aid that help studious students of good character from poor families complete their studies.
"High School Academic Seminar" at National Tsing Hua University in Taiwan	<ul style="list-style-type: none"> ASUSTeK provided 80,000 NTD to the NTHU and 12 senior high schools for hosting the Academic Event where teachers and researchers shared the results of their academic research with society. Through these science education events, the general public would hopefully build up their professional know-how and expand their horizons. ASUSTeK particularly hoped that the sowing of academic seeds in young lives would boost the effectiveness of the Academic Event and enable the academics to support society. 12 high schools: Changhua Senior High School, Taichung 1st High School, Chiayi High School, Tainan 1st High School, Affiliated High School of Kaohsiung Normal University, Pingtung Senior High School, Taitung Senior High School, Hualien Senior High School, Yilan High School, Taipei First Girls' High School, Wuling High School, Kinmen High School

4.5.4 Caring for the Community

Cooperation with Radio Da-Ai

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

4th National "Touching 99" 99-second Short Film Competition

The mission of the event is to encourage young people to use their creativity and digital technology to produce artworks that share positive and touching stories from their life. These help promote charity and a positive attitude in society.

In 2012, "Touching" was once again chosen as the theme for video submissions with the subheading of "Discovering Truth, Goodness and Beauty in Taiwan". Everyone was invited to discover Taiwan's own unique honesty, goodness and beauty. Winning entries will be compiled into life education materials and provided for free to elementary school teachers and students

throughout Taiwan.



4th ASUSTeK Indigenous Peoples Science and Education Award

A total of 8 ethnic groups in 44 teams took part in the competition this year including 25 school teams and 8 inter-school teams. The total number of competitors exceeded 260 people.

The event has been enthusiastically supported by indigenous elders as well as teachers and students in remote rural communities. The Council of Indigenous Peoples (CIP) and Taiwan Indigenous TV (TITV) have strongly supported the event as well. The award ceremony was once again sponsored by the CIP with TITV responsible for winner interviews, post-production and broadcasting.

Media and academics praised how the event combined science with nature to communicate the culture, knowledge and expertise of indigenous village life. Participating students used digital technology to record their research process, share their research reports and insights. During this process, they also

learned how to make use of computer technology. Finalists were invited to attend the awards ceremony in Taipei and this provided children from remote rural regions with the opportunity to expand their horizons.

Pingtung Sandimen Dashe Village Livelihood Reconstruction Project

ASUSTeK adopted the 5-year Livelihood Reconstruction Project of Dashe Village in Sandimen, Pingtung County, in 2010. 2012 marked the third year of the program and a variety of government agencies and non-government organizations including the Council of Labor Affairs, Council of Indigenous Peoples, Council of Cultural Affairs, World Vision, TFCF and the Rotary Club have now become involved in vocational training.

Caring for Disadvantaged Groups

- A bakery is opened by "Children Are Us", a Taiwan Foundation for mentally retarded children, in headquarter. This creates job opportunities for this minority group. Furthermore, ASUSTeK includes their headcounts as permanent employees.
- The end-of-year blessings event was launched in 2011 and has raised 2 Million NTD by the end of 2012. Recipient units included: TCFC, Chinese Childrenhome and Shelter Association, Hualien Anders Center, Christian Mountain Children's Home, Andrew Charity Association (Food Bank), Sunshine Social Welfare Foundation, Eden Social Welfare Foundation and World Peace League. Charity supplies and everyday goods were also donated to charities to share the spirit of compassion of ASUSTeK with the rest of the world.

Orphanage Christmas Event in the Czech Republic

Since 2009, ACZS has continued to give Christmas presents to the children of the Children's Home for Christmas and participated in their Christmas party to enjoy with the children. In 2012, ACZS provided financial support to ensure the children were well taken care of.



5

OTHER PERFORMANCE INDICATORS

5.1 Economic Indicators

EC3 Coverage of the organization's defined benefit plan obligations.

ASUSTeK and its subsidiaries follow the local government laws and regulations to provide retirement benefits.

Retirement-related information in Taiwan may refer to section Pension in "4.1.3 Compensation and Benefits".

EC4 Significant financial assistance received from government.

In Taiwan, ASUSTeK is applicable to apply for tax incentives, such as R&D tax credits for "Industrial Innovation Act". We also receives the funds to execute the "Innovative Technology Applications and Services Program" (ITAS) and thus receiving the funds from the Ministry of Economic Affairs, Department of Industrial Technology of Taiwan.

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..

The proportion of spending is confidential information and thus will not be disclosed.

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. The business decisions are still made by Taiwanese managers. The proportion of senior management in Taiwan is 100%.

The word "local" in this performance indicator is defined as "nationality". The tables below show the proportion of senior management hired from the local community in major subsidiaries.

Taiwan	ACC	ACS	ASZ
99%	67.74%	100%	100%
ACG	ACF	ACIT	ACZS
100%	100%	100%	87.5%

5.2 Environmental Indicators

EN1 Materials used by weight or volume.

The following table shows the estimated total weights of packaging materials in metric tonnes used in2012:

Material Type	Weight
Plastic	1,597
Paper	13,346
Total	14,943

EN2 Percentage of materials used that are recycled input materials.

1. According to the requirements set forth in major international eco labels, the percentage of post-consumer materials used in paper packaging for the registered product is at least 80%.
2. The case used in ASUSTeK displays contain 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 the water company. The total water withdrawal in Taiwan in 2012 was 121,316 liters.

EN9 Water sources significantly affected by withdrawal of water.

The water used is from the water company, thus no significant effect to water sources.

EN10 Percentage and total volume of water recycled and reused.

The information of ASUSTeK's total volume of recycled water is listed as below:

Source	Weight
Swimming Pool	2,129
Air conditioning condensate	2,685
Total	4,814

All recycled water is used in toilet flushing.

EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

ASUSTeK' headquarter is located at Guandu Plain which is nearby Guandu Nature Park.

EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

ASUSTeK is a brand company and the sites are mainly office buildings, thus the impact is at the minimum level.

EN19 Emissions of ozone-depleting substances by weight.

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 substance is emitted.

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

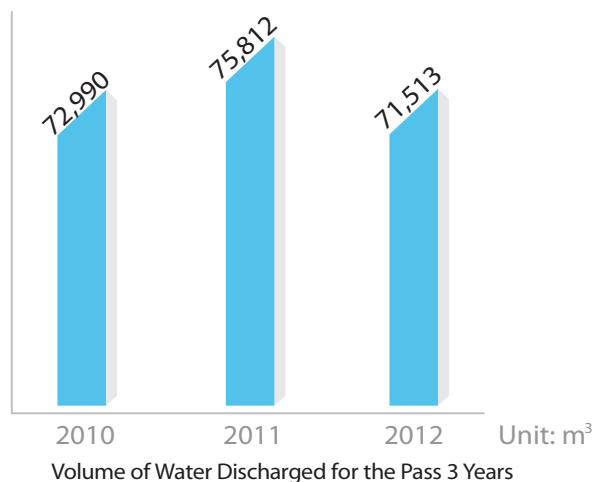
ASUSTeK is a brand company and the sites are mainly office buildings. We do not have combustion engine and thus does not have NO, SO, and other significant air emissions.

EN21 Total water discharge by quality and destination.

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

5

OTHER PERFORMANCE INDICATORS

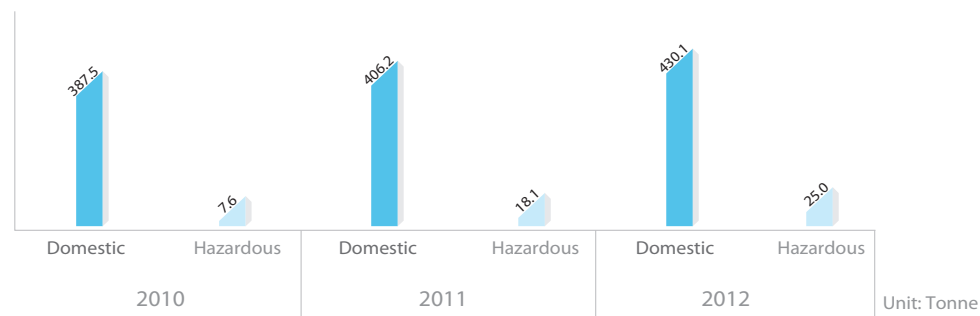


Test Item/Year	2010	2011	2012
Temperature (°C)	31	22	26
pH value	7	7	8
BOD (mg/L)	4	<1	4
COD (mg/L)	40	39	24
SS (mg/L)	13	<2.53	
E-coli	55	<10	3.2*10 ³
Test Result	Compliant		

Quality of Water Discharged for the Pass 3 Years

EN22 Total weight of waste by type and disposal method.

The wastes are classified into 2 types: domestic waste and hazardous waste. The figure below shows the total weight of wastes by type in Taiwan in 2012:



Total Weight of Waste by Type in Taiwan for the Pass 3 Years

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

EN23 Total number and volume of significant spills.

There is no significant chemical spill in 2012.

EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

ASUSTeK is a brand company and the sites are mainly office buildings. We do not have wastewater from manufacturing and thus the environmental impact is at the minimum level.

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

The percentage of end-of-life products reclaimed was 8.5%. The packaging materials came along with the reclaimed products were not recorded separately.

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

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 2012.

EN30 Total environmental protection expenditures and investments by type.

Total environmental protection expenditures in 2012 were listed as below:

Category	Expenditure (in New Taiwan Dollar)
Pollution Prevention	2,254,580
Energy and resource recycling	123,094,102
Environmental administrative costs	178,927
Total	125,527,609

5.3 Social Indicators

Labor Practices and Decent Work

LA1 Total workforce by employment type, employment contract, and region, broken down by gender.

The following tables show the employee type of male and female in Taiwan and other major overseas subsidiaries in 2012:

Headquarter, Taiwan

Contract Type/Gender	Male	Female
Permanent	3555	1846

ACC

Contract Type/Gender	Male	Female
Permanent	373	414
Contract and Part time	11	6

ACS

Contract Type/Gender	Male	Female
Permanent	111	185

ASZ

Contract Type/Gender	Male	Female
Permanent	835	568
Contract and Part time	4	1

5

OTHER PERFORMANCE INDICATORS

ASZ

Contract Type/Gender	Male	Female
Permanent	835	568
Contract and Part time	4	1

ACZS

Contract Type/Gender	Male	Female
Permanent	165	148
Contract and Part time	47	29

ACG

Contract Type/Gender	Male	Female
Permanent	75	9
Contract and Part time	16	11

ACF

Contract Type/Gender	Male	Female
Permanent	41	26
Contract and Part time	4	6

ACIT

Contract Type/Gender	Male	Female
Permanent	49	24
Contract and Part time	0	9

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

The following tables show the rate of and number of new employee by age and gender in Taiwan and other major overseas subsidiaries in 2012:

Greater China

Rate of New Employee

Age Group	Taiwan	ACC	ACS	ASZ
<30	18.98%	12.06%	48.99%	16.19%
30~50	8.91%	3.68%	5.07%	3.20%
>50	0.07%	0.13%	0.00%	0.00%
Total	27.96%	16.77%	54.05%	19.39%

Gender	Female	ACC	ACS	ASZ
Male	18.92%	9.03%	18.92%	12.43%
Female	9.66%	7.75%	35.14%	6.96%

Number of New Employee

Age Group	Taiwan	ACC	ACS	ASZ
<30	1025	102	145	228
30~50	481	29	15	45
>50	4	1	0	0
Total	1510	132	160	273

Gender	Taiwan	ACC	ACS	ASZ
Male	988	71	56	175
Female	522	61	104	98

Europe

Rate of New Employee

Age Group	ACG	ACF	ACIT	ACZS
<30	7.55%	27.34%	0.00%	8.80%
30~50	9.43%	7.19%	10.00%	2.75%
>50	0.94%	0.00%	0.00%	0.55%
Total	17.92%	34.53%	10.00%	12.10%

Gender	ACG	ACF	ACIT	ACZS
Male	14.15%	18.71%	6.25%	5.78%
Female	3.77%	15.83%	3.75%	6.33%

Number of New Employee

Age Group	ACG	ACF	ACIT	ACZS
<30	8	19	0	32
30~50	10	5	8	10
>50	1	0	0	2
Total	19	24	8	44

Gender	ACG	ACF	ACIT	ACZS
Male	15	13	5	21
Female	4	11	3	23

The following tables show the turnover rate and the number of employee turnover by age and gender in Taiwan and other major overseas subsidiaries in 2012:

Greater China

Turnover Rate

Age Group	Taiwan	ACC	ACS	ASZ
<30	7.31%	12.42%	44.26%	12.00%
30~50	5.35%	3.53%	4.73%	3.48%
>50	0.09%	0.12%	0.34%	0.07%
Total	12.76%	16.08%	49.32%	15.55%

Gender	Taiwan	ACC	ACS	ASZ
Male	7.59%	8.65%	18.58%	5.97%
Female	5.17%	7.43%	30.74%	9.59%

5

OTHER PERFORMANCE INDICATORS

Number of Employee Turnover

Age Group	Taiwan	ACC	ACS	ASZ
<30	395	102	131	169
30~50	289	29	14	49
>50	5	1	1	1
Total	689	132	146	219

Gender	Taiwan	ACC	ACS	ASZ
Male	410	71	55	84
Female	279	61	91	135

Number of Employee Turnover

Age Group	ACG	ACF	ACIT	ACZS
<30	5	5	0	19
30~50	4	3	4	12
>50	0	0	0	3
Total	9	8	4	34

Gender	ACG	ACF	ACIT	ACZS
Male	5	3	2	19
Female	4	5	2	15

Europe

Turnover Rate

Age Group	ACG	ACF	ACIT	ACZS
<30	4.72%	7.19%	0.00%	5.23%
30~50	3.77%	4.32%	5.00%	3.30%
>50	0.00%	0.00%	0.00%	0.83%
Total	8.49%	11.51%	5.00%	9.36%

Gender	ACG	ACF	ACIT	ACZS
Male	4.72%	4.32%	2.50%	5.23%
Female	3.77%	7.19%	2.50%	4.13%

LA15 Return to work and retention rates after parental leave, by gender.

Headquarter, Taiwan

Gender	Return to Work Rate in 2011	Return to Work Rate in 2011
Male	75%	60%
Femal	50%	66.67%

Gender	Retention Rate in 2011	Retention Rate in 2012
Male	NA***	50%
Femal	100%	100%

China

Parental leave is not applicable in this region.

Europe

ACG

Gender	Return to Work Rate in 2011	Return to Work Rate in 2011
Male	NA***	100%
Femal	NA***	100%

Gender	Retention Rate in 2011	Retention Rate in 2012
Male	NA***	NA***
Femal	NA***	NA***

ACF

Gender	Return to Work Rate in 2011	Return to Work Rate in 2011
Male	100%	100%
Femal	NA***	NA***

Gender	Retention Rate in 2011	Retention Rate in 2012
Male	NA***	100%
Femal	NA***	NA***

ACIT

Gender	Return to Work Rate in 2011	Return to Work Rate in 2011
Male	NA***	NA***
Femal	100%	100%

Gender	Retention Rate in 2011	Retention Rate in 2012
Male	NA***	NA***
Femal	100%	100%

ACZS

Gender	Return to Work Rate in 2011	Return to Work Rate in 2011
Male	NA***	NA***
Femal	100%	70%

Gender	Retention Rate in 2011	Retention Rate in 2012
Male	NA***	NA***
Femal	50%	100%

5

OTHER PERFORMANCE INDICATORS

*Return to Work Rate in 2011 = number of employees took the parental leave and actually returned in 2011/number of employees took the parental leave and should return (resign+return) in 2011

**Retention Rate in 2011 = number of employees took the parental leave in 2010 and actually returned to work for at least 12 months by 2011/number of employees took the parental leave in 2010 and should return (resign+return) to work for at least 12 months by 2011

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

LA4 Percentage of employees covered by collective bargaining agreements.

In Taiwan, employees can communicate their issues with Employee Benefit Department or to Employment Relation of Human Resource Department. Currently, no Union is established and thus employees are not covered by collective bargaining agreements.

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

ASUSTeK and the subsidiaries respect the regulation requirement on the minimum notice period(s) regarding operational changes.

If there is significant change in corporate operation, we will provide notice at least no less than a month.

LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

There were 14 members in the committees with 10 of them workforce representatives, thus the percentage of total workforce represented was about 50% to 75%.

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

The following tables show the relevant injury rates in Taiwan for the past 3 years:

Headquarter/Da Tong	2010*	2011*	2012
Disabling Frequency Rate**	1.73	1.82	2.44
Disabling Severity Rate***	16.84	19.79	13.25

Lu Ju	2010	2011	2012
Disabling Frequency Rate	0.00	0.00	0.00
Disabling Severity Rate	0.00	0.00	0.00

The following tables show breakdown of the Disabling Frequency Rate and Disabling Severity Rate by gender:

Headquarter/Da Tong	2010	2011	2012
Male Disabling Frequency Rate	1.01	1.17	1.34
Female Disabling Frequency Rate	0.72	0.65	1.10
Male Disabling Severity Rate	1.87	12.24	6.49
Female Disabling Severity Rate	16.27	7.55	6.76

Lu Ju	2010	2011	2012
Male Disabling Frequency Rate	0.00	0.00	0.00
Female Disabling Frequency Rate	0.00	0.00	0.00
Male Disabling Severity Rate	0.00	0.00	0.00
Female Disabling Severity Rate	0.00	0.00	0.00

*The cause of injuries for Headquarter/Da Tong in 2010and 2011 were traffic accidents.

**Disabling Frequency Rate=Numbers of Disabling Occurrence/Million Working Hours

***Disabling Severity Rate=Total Lost Days/Million Working Hours

LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

ASUSTeK will monitor the information on global infectious diseases and execute the prevention system according to the announcement by Centers for Disease Control of Taiwan. We will provide sufficient medical resources and educate our employees on the infectious disease concerned. In case of the infection occurred, we will provide appropriate recommendations on recuperation depending on characteristics of the disease. We also track the symptom of the victim every day until he or she recovers from the disease.

On the other hand, for the Retirement-related information in Taiwan may refer to section Healthy Workplace in "4.1.4 Safety and Health".

LA10 Average hours of training per year per employee by gender, and by employee category.

The following table shows the average hours of training per year per employee by employee category in Taiwan and other major overseas subsidiaries in 2012:

Greater China

Category	Taiwan	ACC**	ACS	ASZ
General Employee	9.34	-	6	16.47
Managerial - Manager	7.5	-	4	4.81
Managerial - Senior Manager	14.2	-	4	-
Managerial - Top Executives	1.04	-	0	-

Gender	Taiwan	ACC**	ACS	ASZ
Male	9.12	-	5	-
Female	9.09	-	5	-

Europe

Category	ACG**	ACF	ACIT	ACZS
General Employee	-	0.58	19.00	8.65
Managerial - Manager	-	15.00	1.50	6.00
Managerial - Senior Manager	-	0.00	0.00	0.00
Managerial - Top Executives	-	0.00	0.00	0.00

Gender	ACG	ACF	ACIT	ACZS
Male	-	231	49	6.98
Female	-	119	33	2.58

5

OTHER PERFORMANCE INDICATORS

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

**Those subsidiaries did not have the data.

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

The following table shows the percentage of employees receiving regular performance and career development reviews by gender in Taiwan in 2012:

Category	First Appraisal	Second Appraisal
Performance Appraisal for Male	97.52%	97.38%
Performance Appraisal for Female	99.17%	99.05%

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 2012 in different sites:

Headquarter, Taiwan

All Employees by Age and Gender

Age Group	Male	Female
<30	33.33%	50.38%
30~50	64.98%	48.92%
>50	1.69%	0.70%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Age Group	Male	Female
<30	0.00%	0.00%
30~50	7.12%	2.65%
>50	1.27%	0.16%
Total	8.38%	2.82%

ACC

ACC

All Employees by Age and Gender

Age Group	Male	Female
<30	59.25%	66.18%
30~50	39.95%	33.33%
>50	0.80%	0.48%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Age Group	Male	Female
<30	0.00%	0.00%
30~50	2.41%	0.72%
>50	0.00%	0.00%
Total	2.41%	0.72%

ACS

All Employees by Age and Gender

Age Group	Male	Female
<30	70.27%	73.51%
30~50	29.73%	24.32%
>50	0.00%	2.16%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Age Group	Male	Female
<30	3.60%	0.54%
30~50	9.01%	2.16%
>50	0.00%	0.00%
Total	12.61%	2.70%

ASZ

All Employees by Age and Gender

Age Group	Male	Female
<30	60.15%	63.73%
30~50	39.85%	36.27%
>50	0.00%	0.00%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Age Group	Male	Female
<30	0.00%	0.00%
30~50	0.13%	0.00%
>50	0.00%	0.00%
Total	0.13%	0.00%

ACG

All Employees by Age and Gender

Age Group	Male	Female
<30	20.24%	33.33%
30~50	78.57%	57.14%
>50	1.19%	9.52%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Age Group	Male	Female
<30	0.00%	0.00%
30~50	4.76%	0.00%
>50	0.00%	4.76%
Total	4.76%	4.76%

ACIT

All Employees by Age and Gender

Age Group	Male	Female
<30	1.89%	6.90%
30~50	96.23%	93.10%
>50	1.89%	0.00%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Age Group	Male	Female
<30	0.00%	0.00%
30~50	16.98%	6.90%
>50	1.89%	0.00%
Total	18.87%	6.90%

ACF

All Employees by Age and Gender

Age Group	Male	Female
<30	64.44%	50.00%
30~50	33.33%	46.88%
>50	2.22%	3.13%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Age Group	Male	Female
<30	6.67%	0.00%
30~50	8.89%	9.38%
>50	0.00%	0.00%
Total	15.56%	9.38%

ACZS

All Employees by Age and Gender

Age Group	Male	Female
<30	70.28%	29.94%
30~50	27.83%	53.67%
>50	1.89%	16.38%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Age Group	Male	Female
<30	1.42%	0.00%
30~50	3.77%	1.69%
>50	0.00%	0.00%
Total	5.19%	1.69%

Human Rights

HR1 Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.

ASUSTeK selection criteria on subsidiaries include but not limited to geography, population, transportation, and environmental regulations. Otherwise, there is no particular risk assessment performed.

HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

In Taiwan, ASUSTeK provides briefing on "Sexual Harassment Prevention" for 0.5 hour. This is an obligatory course for new employees but a selective for existing employees. In 2012, about 11% of total employees had taken the course, and the total hours were about 300 hours..

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

We have established a two-way communication and all our employees are welcome to provide 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.

ASUSTeK performed CSR audit on our first tier outsourcers, and we did not see any significant risk on freedom of association and collective bargaining.

5

OTHER PERFORMANCE INDICATORS

HR6 Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

ASUSTeK in Headquarter and overseas subsidiaries follow the local minimum age requirement, local regulations, and other relevant provisions for hiring, and prevent child labor from engaging in dangerous works.

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

HR7 Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.

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

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

HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

ASUSTeK is a people-oriented enterprise. We require the security personnel to treat our employees and visitors with respect and polite. If any situation, such as the visitor does not follow or violate

the access provisions, occurred, the security personnel should pass the case to ASUSTeK designated personnel for further handling.

HR10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.

ASUSTeK follows the management philosophy "Inspire, motivate and nurture our employees to explore their highest potential" and provides employees with attractive benefits and has the , as well as announces the Declaration on Human Rights policy which is in accordance with the United Nations Universal Declaration of Human Rights in place. ASUSTeK's form of operation does not have significant risk in violating the human rights, thus we does not specifically perform human rights reviews and/or impact assessments on the operation sites.

HR11 Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.

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

ASUSTeK did not received any grievance regarding the human rights in 2012.

Society

SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs.

ASUSTeK's form of operation does not have significant impact on the local community. We would follow regulation requirement to perform impact assessment on new operations in the future.

SO9 Operations with significant potential or actual negative impacts on local communities.

ASUSTeK is a brand company since 2008, and the sites are mainly office buildings. The wastewater and waste treatments in Taiwan, ACC, ACS, ASZ, ACG, ACF, ACIT, and ACZS were in compliance with regulations, thus the environmental impact is at the minimum level.

SO2 Percentage and total number of business units analyzed for risks related to corruption.

ASUSTeK sends the surveys titled "Internal Control Assessment" which also includes contents from "Employee Code of Conduct" to employees through sampling. The surveys are distributed to employees in general and at managerial level at the beginning of the year to evaluate if there was any risk related to daily operations for the previous year. The survey for 2012 evaluation was distributed in February, 2013, with the results shown below:

Category	Distributed	Collected	Collection Rate
General Employee	790	688	87.0%
Managerial Employee	452	355	78.5%
Total	1242	1043	83.4%

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

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

Product Responsibility

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedure

The impacts of a product on the environment and health and safety throughout the product life cycle are mostly decided at the design stage.

When designing a product, ASUSTeK follows international environmental and safety regulation as standards, and the product would enter into mass production stage only when it complies with those standards.

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

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

5

OTHER PERFORMANCE INDICATORS

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

ASUSTeK has relevant departments to develop press release format, review the content of the press, and monitor the market activities of our business partners to ensure the compliance to the marketing regulations and various eco label promoting guidelines.

PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

ASUSTeK had neither customer privacy infringement nor negligence of data lost case in 2012.

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 concerning the provision and use of products and services in 2012.

5.4 Awards

- Received 4,168 awards from all over the world
- Ranked 1st in "Taiwan Excellence" (Formerly known as the "Symbol of Excellence") for 10 successive years with a total of 50 awards for almost all product lines
- Received various international design awards including German iF Award, German Red Dot, Japan G-Mark, International Design Excellence Awards (IDEA) of America, and iF China
- The 1st computer company to receive the prestigious IECQ HSPM Certificate
- Ranked 3rd place in "2012 Top Taiwan 20 Global Brands" by Foreign Trade Association of Ministry of Economic Affairs, Taiwan, and Interbrand
- Participated in "2012 Green Brand" of Business Next and won Excellent Award in category of Information and Communication
- Ranked the 1st place for "Best Choice" in COMPUTEX 2012 with 6 awards; Eee Box EB1033 which reached 90% recyclability received Green ICT Award
- Accomplished carbon neutrality through bamboo notebook U53SD, which became the first notebook to reach "carbon neutrality"
- Received 3rd place for Non-manufacturing in "Taiwan CSR Report Program" in 2012
- Headquarter received awards for "Excellent ESH Unit" and "Excellent ESH Personnel"
- Headquarter was certified for "Healthy Workplace" in 2012
- Breastfeeding room was certified in 2011 and 2012 by Department of Health, Taipei City Government

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



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASUSTeK COMPUTER INC.'S CORPORATE SUSTAINABILITY REPORT FOR 2012

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ASUSTeK COMPUTER INC. (hereinafter referred to as ASUS) to conduct an independent assurance of the Corporate Sustainability Report of 2012. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in ASUS's operational sites in Taiwan, China, Germany, France, Italy and Czech Republic of this report.

The information in the ASUS's Corporate Sustainability Report of 2012 and its presentation are the responsibility of the superintendents, CSR committee and the management of ASUS. SGS has not been involved in the preparation of any of the material included in the ASUS's Corporate Sustainability Report of 2012.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification set out below with the intention to inform all ASUS's stakeholders.

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

This report has been assured using our protocols for:
evaluation of content veracity at a high level of scrutiny;
evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008);
evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines (2011); and

The assurance comprised a combination of pre-assurance research, interviews with relevant employees at headquarter of ASUS in Taipei City in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

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

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with QMS, EMS, SMS, EnMS, GPMS, SA 8000, GHG Verification Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data

contained within ASUS's Corporate Sustainability Report of 2012 verified is accurate, reliable and provides a fair and balanced representation of ASUS's sustainability activities in 01/01/2012 to 12/31/2012

The assurance team is of the opinion that the report can be used by the Reporting Organization's Stakeholders. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting. The report is the third to be assured by an independent assurance team and ASUS has taken a bold step by offering the report to evaluation against both Global Reporting Initiative's G3.1 guidelines and the AA1000 Assurance standard. This shows a deserved confidence in their reporting process.

In our opinion, the contents of the report meet the requirements of Global Reporting Initiative G3.1 Application Level A+ and AA1000 Assurance Standard type 2, high level.

AA1000 ACCOUNTABILITY PRINCIPLES (2000) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
ASUS has demonstrated a strong commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, consumers, investors, local communities, suppliers, media, NGOs and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. It is recommended to have more direct involvement of stakeholders during future engagement.

Materiality
ASUS has established and implemented appropriate process for determining issues that are material to the organization. The report has addressed the great majority of ASUS's material issues at an appropriate level to reflect their importance and priority to the stakeholders. It is recommended that the process and criteria applied to assess materiality to be formalized and documented to ensure better consistent result in future reporting.

Responsiveness
The report includes adequate coverage given to stakeholder engagement and channels for stakeholder feedback. The challenge now is for ASUS to show how it has taken account of the feedback received, difficulties and dilemmas it has encountered and the difference made. Future reporting would benefit from more reporting on the results of stakeholder feedback from this report.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Principles, Standard Disclosures and Indicators

The report, ASUS's Corporate Sustainability Report 2012, is adequately in line with the Global Reporting Initiative G3.1 application level A+. Contents of Disclosure on Management Approach may have more clearly defined policies and goals for each aspect. The performance indicators (EC4, EC6, HR1 and SO2) may be further enhanced in accordance with indicator protocol. It is also recommended to have more disclosure on the performance of supplier chain management and organizational governance required in GRI G4.

Signed,

For and on behalf of SGS Taiwan Ltd.

Dennis Yang, Chief Operating Officer
Taipei, Taiwan
19 June, 2013
WWW.SGS.COM



AA1000
Licensed Assurance Provider
000-8

Profile Disclosure

	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.	Annual Report 67-76
Organizational Profile	
2.1 Name of the Organization.	4
2.2 Primary brands, products, and/or services.	4
2.3 Operational structure of the organization.	4, Annual Report 100-107
2.4 Location of organization's headquarters.	4
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.	4
2.6 Nature of ownership and legal form.	4
2.7 Markets served.	4, Annual Report 71-72
2.8 Scale of the reporting organization.	4, Annual Report 100-107
2.9 Significant changes during the reporting period regarding size, structure, or ownership.	NONE
2.10 Awards received in the reporting period.	66
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.	11-12
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.	Based on GRI Protocol. If different we will explain in the report.
3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	NONE
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	NONE
GRI CONTENT INDEX	
3.12 Table identifying the location of the Standard Disclosures in the report.	68-72
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).	1, 67
Governance, Commitments, and Engagement	
GOVERNANCE	
4.1 Governance structure of the organization.	6-7
4.2 Indicate whether the Chair of the highest governance body is also an executive officer.	6
4.3 For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	6
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	6, 36-37
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).	6-10
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	7
4.7 Process for determining the compositions, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	6, 9, Annual Report 18-22
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.	5, 7-8, 13, 33-34, 37-39

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.	6-8
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	6, 8-9

COMMITMENTS TO EXTERNAL INITIATIVES

4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	7-8, 9, 13, 38, 43-44
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	5, 13, 23-24, 33-34, 37, 43-44
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>	5

STAKEHOLDER ENGAGEMENT

4.14	List of stakeholder groups engaged by the organization.	12
4.15	Basis for identification and selection of stakeholders with whom to engage.	11-12
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	11-12
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.	11-12



7

GRI INDEX

Performance Indicators

Page Number		
Economic		
Economic Management Approach		6
ECONOMIC PERFORMANCE		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	5, Annual Report 122-126
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	28-29
EC3	Coverage of the organization's defined benefit plan obligations.	52
EC4	Significant financial assistance received from government.	52
MARKET PRESENCE		
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	34
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	52
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	52
INDIRECT ECONOMIC IMPACTS		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	44
Environmental		
Environmental Management Approach		13-16, 23-28
MATERIAL		
EN1	Materials used by weight or volume.	52
EN2	Percentage of materials used that are recycled input materials..	53
ENERGY		
EN3	Direct energy consumption by primary energy source.	25-26
EN4	Indirect energy consumption by primary source.	25-26
EN5	Energy saved due to conservation and efficiency improvements.	27
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	17, 28-29
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	27

WATER		
EN8	Total water withdrawal by source.	53
EN9	Water sources significantly affected by withdrawal of water.	53
EN10	Percentage and total volume of water recycled and reused.	53
BIODIVERSITY		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	53
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	53
EN13	Habitats protected or restored.	NA
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	NA
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	NA
EMISSION, EFFLUENTS, AND WASTE		
EN16	Total direct and indirect greenhouse gas emissions by weight.	25-26
EN17	Other relevant indirect greenhouse gas emissions by weight.	26
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	26-27
EN19	Emissions of ozone-depleting substances by weight.	53
EN20	NO, SO, and other significant air emissions by type and weight.	53
EN21	Total water discharge by quality and destination.	53-54
EN22	Total weight of waste by type and disposal method.	54
EN23	Total number and volume of significant spills.	54
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	NA
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	54
PRODUCTS AND SERVICES		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	17-19, 29
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	54
COMPLIANCE		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	54
TRANSPORT		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	NA
OVERALL		
EN30	Total environmental protection expenditures and investments by type.	54

Labor Practices and Decent Work		
Labor Practices and Decent Work Management Approach		30-34
EMPLOYMENT		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	55-56
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	56-58
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	34-35
LA15	Return to work and retention rates after parental leave, by gender.	58-60
LABOR/MANAGEMENT RELATIONS		
LA4	Percentage of employees covered by collective bargaining agreements.	60
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	60
OCCUPATIONAL HEALTH AND SAFETY		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	60
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender.	60-61
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	61
LA9	Health and safety topics covered in formal agreements with trade unions.	
TRAINING AND EDUCATION		
LA10	Average hours of training per year per employee by gender, and by employee category.	61-62
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	30-33
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	62
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.	62-63
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	34

Human Rights		
Human Rights Management Approach		33-34,37
INVESTMENT AND PROCUREMENT PRACTICES		
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	63
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone screening on human rights and actions taken.	38
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	63
NON-DISCRIMINATION		
HR4	Total number of incidents of discrimination and corrective actions taken.	NONE
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	63
CHILD LABOR		
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	64
FORCED AND COMPULSORY LABOR		
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	64
SECURITY PRACTICES		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	64
INDIGENOUS RIGHTS		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	NONE
ASSESSMENT		
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	64
REMEDICATION		
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	64

Society		
Society Management Approach		7,44
COMMUNITY		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	64
SO9	Operations with significant potential or actual negative impacts on local communities.	65
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	NA
CORRUPTION		
SO2	Percentage and total number of business units analyzed for risks related to corruption.	65
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	65
SO4	Actions taken in response to incidents of corruption.	7
PUBLIC POLICY		
SO5	Public policy positions and participation in public policy development and lobbying.	65
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	NONE
ANTI-COMPETITIVE BEHAVIOR		
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	NA
COMPLIANCE		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	NONE

Product Responsibility		
Product Responsibility Management Approach		13-14
CUSTOMER HEALTH AND SAFETY		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedure.	65
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	NONE
PRODUCT AND SERVICE LABELING		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	66
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	NONE
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	40
MARKETING COMMUNICATIONS		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	66
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	NONE
CUSTOMER PRIVACY		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	66
COMPLIANCE		
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	66



www.asus.com

© Copyright July 2013 ASUSTeK Computer Inc. All rights reserved. Information may change without notice.



This report is printed on recycled paper.