



ASUS[®]
IN SEARCH OF INCREDIBLE

2013 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 1 to December 31, 2013, Fiscal Year 2013. The previous report was published in July, 2013.

Principle

The report is compiled based on GRI G4 (Global Report Initiative Sustainability Reporting Guidelines Version 4), the latest version released in May, 2013, and in accordance to Core, to disclose issues, strategies, goals and approaches regarding sustainability, and the GRI G4 table is attached at the end of the report for reference. The process of defining the boundary and scope is complied with the requirements set forth in AccountAbility AA1000(2008) Assurance Standard.

Scope and Boundary

The contents contain information and performance indicators of ASUSTeK (including ASUS Technology Incorporation, here after UTC) and ASUS Cloud in Taiwan, as well as of ASUSTeK key suppliers for Fiscal Year 2013. 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 Principle Type II High Level and the GRI G4 Core. SGS' Report Assurance Statement can be found at the end of the report. The financial data is referred from the Financial Statement certified by a qualified accountant.

Contact Information

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

Email: GreenASUS@asus.com

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

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

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

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Message from Chairman

From "Rock-Solid Quality", ASUSTeK has been on a journey filled with inspiring innovations. Over the past 25 years, ASUSTeK has continuously evolved, leading the world IT industry into a new digital era and searching for incredible with infinite possibilities. We stream the links of our users' digital imaginations into a whole new lifestyle of smart living.

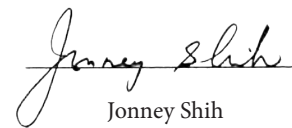
In our pursuit of high growth, we have never forgotten our fundamental value of "people-oriented" and our commitment to corporate social responsibility. In the past, ASUSTeK established a robust Hazardous Substance Process Management (HSPM) system to ensure that our products are free of hazardous substances, strived to maximize software and hardware energy efficiency to help our users reduce consumption of power, and developed innovative design with the environment in mind to make sure that the products are compliant with the latest global standards on environmental issues. We have been the forerunner of green products, and today we take a step further to expand ASUSTeK's corporate social responsibility into the supply chain. Our actions include demanding our suppliers to provide a good environment for their employees and avoid the use of metals and minerals from conflict zones.

At the same time, we take innovative digital cloud application into a whole new level. With ASUSTeK's advantage in IT industry, we transplanted the successful project of ASUSTeK-Show Chwan Healthcare System in 2012 to one of our friendly nation, offering the people of

Palau a high-quality, comprehensive and cloud-based medical care system. This system has effectively improved the health of the people of Palau, and has set a new and innovative model of international medical service "over the cloud".

We believe that the true sustainability comes from commitments to corporate social responsibility, and we will continuously strive hard into the future.





Jonney Shih
Chairman



ABOUT ASUSTeK COMPUTER INC.

2.1 Company Overview

2.1 Company Profile

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

ASUSTeK announced spinoff of OEM (Original Equipment Manufacturer) to become a pure brand company in January 2008. In 2011, ASUSTeK divided the product lines into two groups – System and Open Platform. Product lines in System includes notebook computer, tablet PC, and mobile phones, such as PadFone™ and ZenFone; Open Platform includes motherboard, VGA card, desktop PC, LCD (liquid crystal display), wireless, ODD (optical disk drive), and digital home equipment.

ASUS Product Portfolio



Figure 2.1 ASUSTeK Product Groups

Name of the Organization	ASUS Cloud Corporation(ASUS Cloud)
Year of Establishment	2008
Address of Headquarter	8F., No.53, Minquan Rd., Yonghe, New Taipei City 23453, Taiwan
Synopsis	Dedicated to the R&D, operations, and marketing of cloud computer service, ASUS Cloud promotes data-cored integrated innovation and business deployment in the global consumer market and commercial market, so as to provide individuals, families, enterprises, industries, and governments with comprehensive creative applications.

ASUS Cloud began providing global individual cloud computing service in 2008 and preloaded the service on all ASUS' products and devices to provide users with hardware and software solutions. As cloud computing, big data, and mobilization matured in 2011, ASUS Cloud launched the world's first enterprise cloud service to help customers realize a new type of IT architecture to fulfill their application demands in the cloud computing era. Assuming the responsibility for industrial resources integration and continuous launch of innovative applications for users, ASUS Cloud adopted the open platform strategy, invested in fundamental structure and integration solutions through inter-platform, so as to reduce the technical entry cost and threshold of cloud computing for service developers and partners; enable industries to speed up transformation, innovation and integration and thereby form a complete ecological chain with ASUS Cloud solutions; provide complete application scenarios and service experiences for people; and realize ubiquitous cloud computing. ASUS Cloud firmly believes that data will bring application innovation, and comprehensive new data values will be discovered continuously through intercommunication, accumulation, sharing, and analysis.

By the end of 2013, there were 50 subsidiaries and over 1,000 service centers worldwide located in Asia Pacific, Europe, America and Africa. There were 14,189 employees worldwide, with 6,057 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>

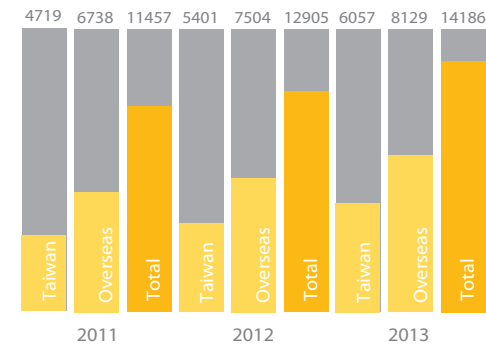


Figure 2.2 Historical Data of ASUS Employees for Past 3 Years

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



ABOUT ASUSTeK COMPUTER INC.



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

In Search of Incredible

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

2.1.3 Associations

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

Associations	Member	Position in governance body	Projects or committees involvement	Substantive funding
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Taipei Computer Association (TCA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Council for Sustainable Development (BCSD) of Taiwan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

= Yes = No

Table 2.1 ASUSTeK Memberships in Associations and Advocacy Organizations

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

2.2 Financial Information

The consolidated revenue of ASUSTeK Computer Group for 2013 was \$NT463.3 billion, representing a 3 percent increase over the fiscal year. Net income attributable to shareholders of the parent company was NT\$21.449 billion, representing a 5 percent decrease over the fiscal year. For 2013, our consolidated brand revenue (unaudited) was NT\$421.4 billion, representing a 2 percent increase over the fiscal year. Brand operating profit (unaudited) was NT\$19.676 billion, representing an 11 percent decrease over the fiscal year.

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	61	Director	Male
Jonathan Tsang	61	Director	Male
Jerry Shen	53	Director	Male
Eric Chen	50	Director	Male
S.Y. Shian	48	Director	Male
Joe Hsieh	49	Director	Male
Samson Hu	50	Director	Male
Tze-Kaing Yang	59	Supervisor	Male
Chung-Jen Cheng	65	Supervisor	Male
L.H. Yang	57	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
- Directors are elected by the shareholders in the shareholders' meeting
- Jonney Shih, the Chairman of ASUSTeK, is not an executive officer of ASUSTeK.

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

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





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

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

- 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 2013.

Besides, ASUSTeK requests our partners to sign the "Consent of ASUSTeK Code of Conduct". ASUSTeK will take necessary legal actions in accordance with the provisions of the conduct to partners who violate anti-bribery and anti-corruption policy and thus cause damages to the business. There is no violation in anti-corruption with our business partners in 2013.

2.3.3 Audit Office

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

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

Internal Audit Operation provides Asus Group the following services:

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

For above duties, Audit Office shall submit reports and working papers including evaluation





of internal control systems and business operations. In order to determine the appropriateness of current regulations and control procedures, and the rationality of the implementation of internal control and of the advantage for managerial and operational units, Audit Office shall provide improvement proposals adequately.

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

2.3.4 Compensation Committee

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

In 2013, the Compensation Committee has held 2 meetings. The profit-distribution proposal of the Board and the regular review of the directors', supervisors' and executives' performance evaluations and compensations were approved during the meetings. The Compensation Committee is devoted to corporate governance and maintaining the competitiveness of the company.

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

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

2.3.5 Personal Information Protection and Information Asset Security Committee

Although Taiwan announced and implemented the new version of its Personal Information Protection Act on 1 October 2012, ASUSTeK had already started evaluating and studying the regulatory compliance with this act in 2011. With instructions from top management team, the Personal Information Protection and Information Asset Security Committee (PIPIASC) was formed in April 2012 with the Chief Quality Officer as the management representative, and Quality Assurance Center, Regulatory Affairs Center, and IT System Center as members.

To strengthen personal information protection and information and asset security management at ASUSTeK, and to comply with regulatory requirements and industrial standards, the PIPIASC specially established the Global Policy of Personal Information Protection and Information Asset Security. The policy announced and implemented as of 6 June 2012 became the guidelines for the gathering, processing, and utilization of personal information and the building and implementation of information asset security protection.

Major Achievements of the System for Personal Information Protection and Information Asset Security

To implement the Global Policy of Personal Information Protection and Information Asset

Security, the PIPIASC implements and reviews annual tasks at weekly meetings, adjusts implementation methods, and handles personal information protection and information asset security events through provisional meetings. Major achievements of the PIPIASC in 2013 included:

- Establishing the Global Policy of Personal Information Protection and Information Asset Security and related management regulations
Levels 1 and 2 policies and management approaches were published in Chinese and English versions over ASUSTeK global intranet for the reference of implementing personal information protection and information asset security, so as to comply with regulations.
Strengthening the security control of departmental operating processes
Guidance was arranged for departments to strengthen operating procedures involving the gathering, processing, and using personal information.
- Establishing the advance reporting procedure for "gathering, processing, and using" personal information of consumers
An advance reporting procedure was established to ensure personal information of a consumer is gathered, processed, and used in compliance with regulatory requirements, the Global Policy of Personal Information Protection and Information Asset Security, and related management approaches.
- Establishing the "Global Reporting Network for Personal Information Protection and Information Asset Security Events"
The "Global Reporting Network for Personal Information Protection and Information Asset Security Events" was established to provide a responsible designated window for real-time receiving, reporting, and handling personal information protection and

information asset security events.

- Internal Audit
The management procedures of related units are audited regularly during the internal audit to ensure the Global Policy of Personal Information Protection and Information Asset Security and related management approaches are implemented.
- Education/training
 - Newcomer education/training: Provide newcomers with cognitive education on personal information protection and information asset security. We had completed 9 shifts of training courses.
 - Periodic physical courses: Arrange at least one training course on personal information protection and information asset security each year for all employees.
 - Irregular courses: Arrange courses on key issues in personal information protection and information asset security based on the need of individual units.
- Case Study
Analyze the cases on personal information protection and information asset security of competitors for improvement references

2.3.6 GreenASUS Steering Committee and SERASUS Steering Committee

The Chairman of ASUSTeK established GreenASUS Steering Committee in July 2004 and SERASUS (Social and Environmental Responsibility, SER) Steering Committee in July 2006. The Chief Quality Officer (CQO) is the Management Representative authorized by CEO to audit and supervise ASUSTeK Quality Management System, ensuring the quality management and hazardous substances management function properly and effectively, as well as to communicate



ABOUT ASUSTeK COMPUTER INC.



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 239 times by the end of 2013.

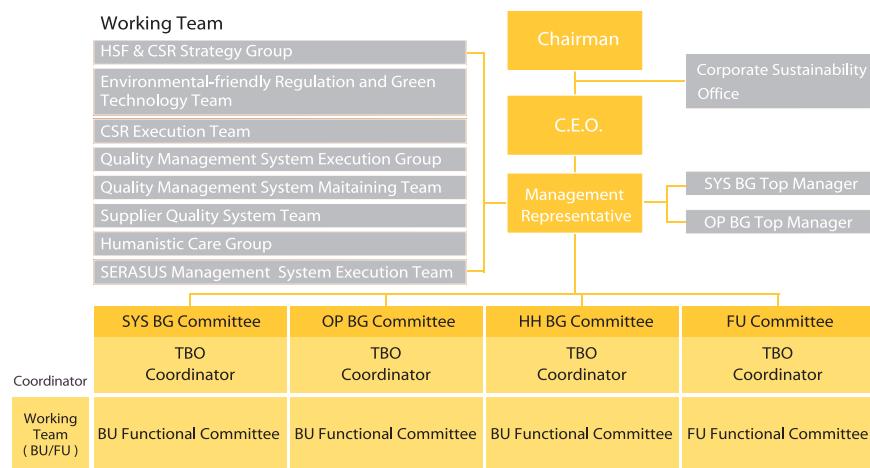


Figure 2.4 GreenASUS Steering Committee

and CSR accordingly. It operates, plans, and executes measurements, and regularly reports to the Chairman and top management team.

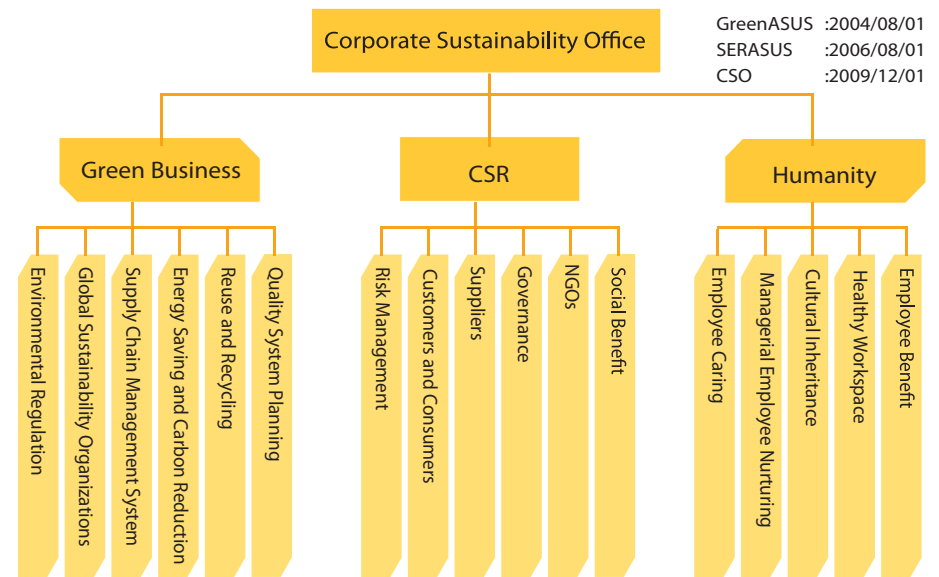


Figure 2.5 Organization Chart of Corporate Sustainability Office

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

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

and to establish good communication platforms for all of them.

The function of each sector is as followed:

Employee Benefit

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

Healthy Workplace

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

Cultural Inheritance

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

Managerial Employee Nurturing

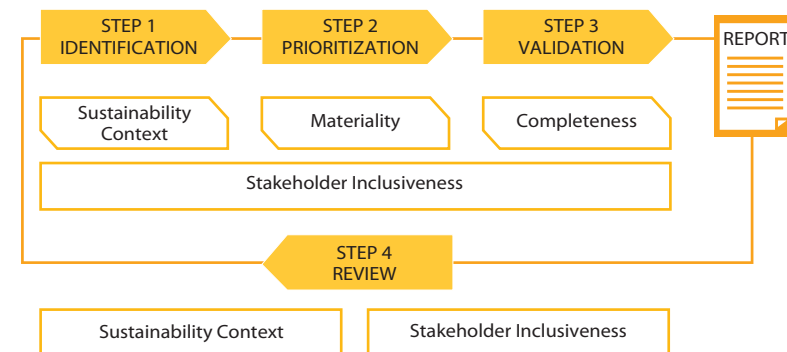
Improve the competitiveness of and develop the international view of the employees, as well as to cultivate successors at all levels to avoid the risk for not having future leaders.

Employee Caring

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

2.4 Stakeholder Engagement and Aspect Identification

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



ASUSTeK collects the voices of our stakeholders through various communication channels such as websites/emails, platforms and online survey. We integrates their interests,



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and concerns with performance indicators to select and prioritize the topics, and then to respond 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 issues 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 them may be responded through our CSR website or other communication methods when necessary.

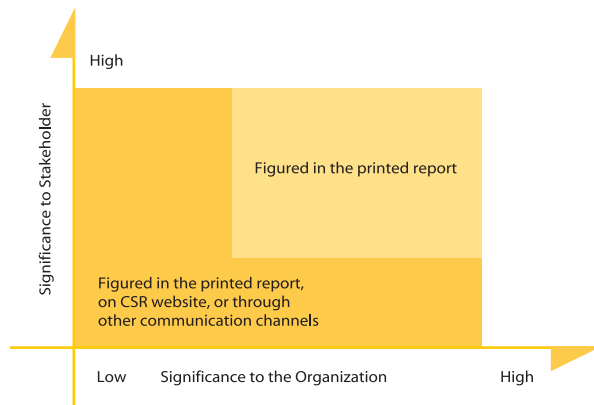


Figure 2.6 Materiality Matrix of Stakeholder Concerns

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 2013, as well as the responding methods and frequency of engagement, will be further explained in the report:



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 respond 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"> ■ Conflict Minerals ■ 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 Management (SRM)/Supply Chain Management (SCM) platform, Supplier workshop, Supplier Questionnaire	<ul style="list-style-type: none"> ■ Environmental Regulation Compliance ■ CSR Screening in Suppliers and Outsourcers 	<ul style="list-style-type: none"> ■ Announce and release the latest notice and technical standard through SRM/SCM platform
Employees	Enterprise Information Portal (EIP), E-paper, Email, Forum, Hotline, Online survey	<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 ■ Customer Service 	<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"> ■ Conflict Minerals ■ Eco Products /Eco Labels ■ Community Involvements ■ Climate Change and Greenhouse Gases 	<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





ABOUT ASUSTeK COMPUTER INC.



After going through prioritization of issues, the boundaries within the organization of this report are ASUSTeK (including ASUS Technology Incorporation, UTC), ASUSTeK overseas subsidiaries, and ASUS Cloud. ASUSTeK covers Taiwan Headquarter; overseas subsidiaries cover 3 in China and 4 in main European. The boundaries outside the organization are component suppliers and EMS (Electronic Manufacturing Services). The determination for outside the organization is based on where there is an impact.

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

Category	Aspect/Boundary	Within the Organization				Outside the Organization	
		ASUSTeK	UTC	Overseas	ASUS Cloud	Component Supplier	EMS
Economic	Economic Performance	Yellow	Yellow	Yellow	Yellow	Light Blue	Light Blue
	Market Presence	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
	Indirect Economic Impacts	Yellow	Pink	Pink	Pink	Light Blue	Light Blue
	Procurement Practices	Yellow	Pink	Pink	Pink	Light Blue	Light Blue
Environmental	Energy	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
	Emissions	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
	Effluents and Waste	Yellow	Yellow	Pink	Pink	Light Blue	Light Blue
	Products and Services	Yellow	Pink	Pink	Pink	Light Blue	Light Blue
	Compliance	Yellow	Pink	Pink	Pink	Yellow	Yellow
	Overall	Yellow	Pink	Pink	Pink	Light Blue	Light Blue
	Supplier Environmental Assessment	Yellow	Pink	Pink	Pink	Light Blue	Light Blue
	Environmental Grievance Mechanisms	Yellow	Pink	Pink	Pink	Light Blue	Light Blue
Social	Employment	Yellow	Yellow	Yellow	Yellow	Light Blue	Light Blue
	Labor/Management Relations	Yellow	Yellow	Yellow	Yellow	Light Blue	Light Blue
	Occupational Health and Safety	Yellow	Yellow	Pink	Pink	Light Blue	Light Blue
	Training and Education	Yellow	Yellow	Pink	Yellow	Yellow	Yellow
	Diversity and Equal Opportunity	Yellow	Yellow	Yellow	Yellow	Light Blue	Light Blue
	Equal Remuneration for Women and Men	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow

Social	Supplier Assessment for Labor Practices	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Labor Practices Grievance Mechanisms	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Non-discrimination	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Child Labor	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Forced or Compulsory Labor	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Supplier Human Rights Assessment	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Human Rights Grievance Mechanisms	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Anti-corruption	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Anti-competitive Behavior	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Compliance on Society	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Supplier Assessment for Impacts on Society	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Grievance Mechanisms for Impacts on Society	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Customer Health and Safety	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Product and Service Labeling	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Marketing Communications	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Customer Privacy	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Compliance on Product Responsibility	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
Others	Conflict Minerals	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality
	Community Involvements	Materiality	Materiality	Materiality	Materiality	Materiality	Materiality

 =Materiality





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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. 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.

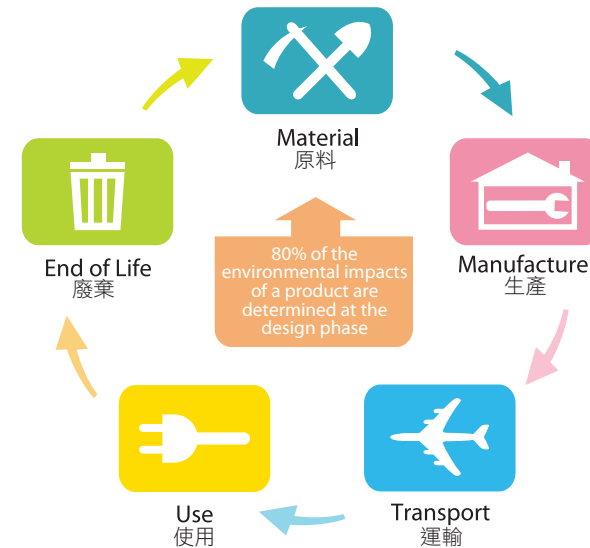


Figure 3.1 Concept of Product Life Cycle

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.



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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.

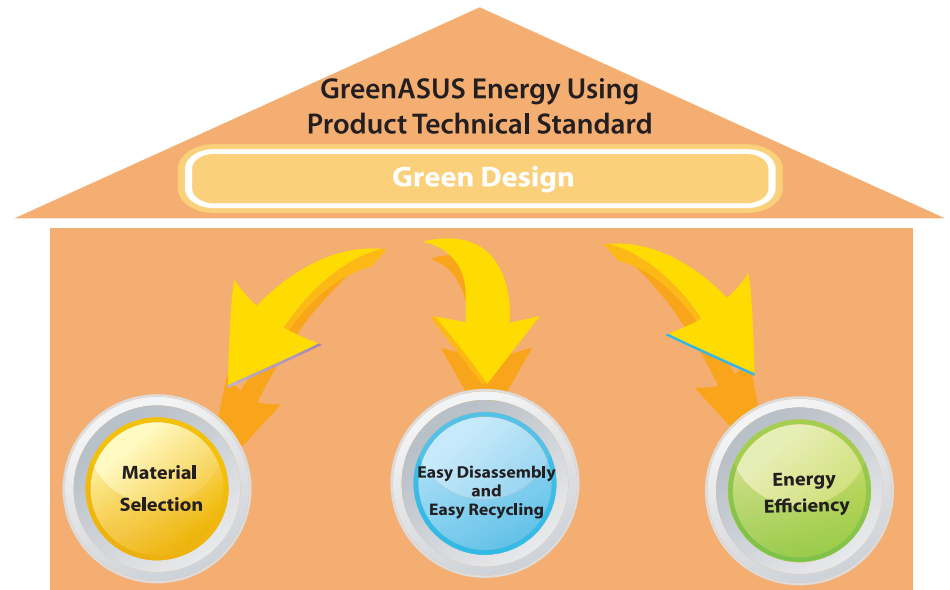


Figure 3.3 Three Key Areas of Ecodesign

3.1.1 Material Selection

Chemical Management

To safeguard human health and environmental safety, we pay detailed attentions to the use of chemicals. In addition to following all relevant international standards and regulations for restricted or specific chemical substances, ASUSTeK also integrates eco label requirements, voluntary environmental management standards and other relevant environmental documents



to identify and manage any environmental sensitive or hazardous chemical substances, strictly requiring our suppliers to limit or avoid the used of any of those substances.

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. 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).

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 2013, we included the latest hazardous substances and candidates of Substances of Very High Concern (SVHC) defined in EU REACH, as well as halogenated compounds such as flame retardants (BFRs and CFRs) into the revision of "ASUSTeK GreenASUS HSF Technical Standard". ASUSTeK controls 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:



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<p>Easy Recycling Design</p>	<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
<p>Easy-Disassembly Design</p>	<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
<p>Life Cycle Extension</p>	<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

ObjectiveK	Key Performance	
<p>100% notebook computers comply with the energy efficiency requirement in Energy Star V5.2</p>	<p>All notebook computers manufactured in 2013 comply with the energy efficiency requirement in Energy Star V5.2</p>	<p>●</p>
<p>The energy efficiency of the notebook computers is 40% better than that set forth in Energy Star</p>	<p>The average energy efficiency of the notebook computers manufactured in 2013 is at least 60% better than that set forth in Energy Star</p>	<p>●</p>

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.

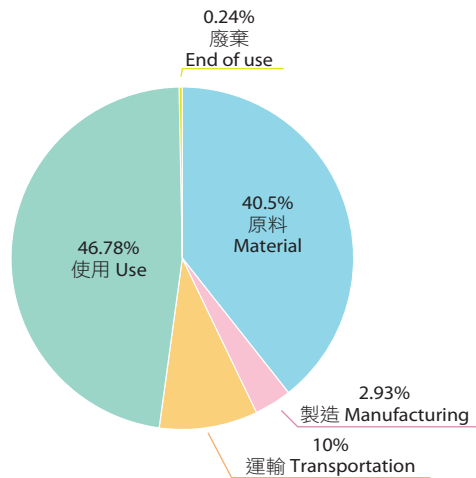


Figure 3.4 Allocation of The Carbon Footprint Ratio of ASUSTeK' Notebook Computer N51V in Its Product Lifecycle

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 2013, ASUSTeK's notebook computers performed at least 60% better than those followed the latest requirement of Energy Star.

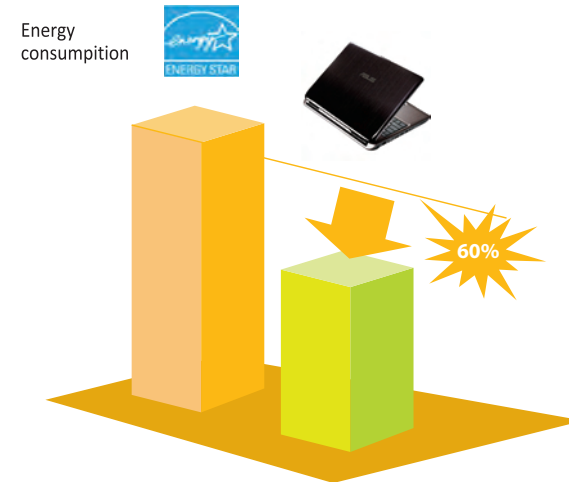


Figure 3.5 Energy Efficiency between ASUSTeK Notebook Computer and Energy Star Standard

3.1.4 Packaging Design

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

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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

ObjectiveP	Performance in 2012
The packaging of the demonstration model of notebook computer reach 20% volume reduction	Reduction in volume reached 26% ●
The paper packaging design for demo tablets increased stacking space up to 30%	Increased stacking space up to 30% ●

Reduction in The Packaging

In 2013, the packaging design department of ASUSTeK challenged weight reduction again by improving the folding method of product packagings. The method also obtained related patents. As a result, this method reduced the packaging weight of 14" notebooks by 26.3%. Calculating the sales volume of the demonstration model in 2013, we decrease 27.6 flights of Boeing 747 in transport by using the new method.



Figure 3.6 Old and New Packaging for Notebooks

For 7" tablets, by changing the position of items of different height in the packaging, an angle of inclination was created in the appearance for staggered stacking to reduce stacking volume for transportation (increased stacking capacity up to 30%). Calculating the sales volume of the demonstration model in 2013, we decrease 1.1 flights of Boeing 747 in transport by using the new method.



Figure 3.7 Old and New Packaging for Tablets



Figure 3.8 Demonstration of the New Tablet Packaging Design

Design for packaging material reuse

To secure the product and its accessories so as to minimize the risk of impact and damage during transportation is the main function of packaging. After receiving the product, consumers usually throw away the packaging, which pollutes the environment. The packaging design team of ASUSTeK thinks that if other values can be created for packaging materials in addition to protecting products in transportation, this will extend the life-cycle of packaging materials and reduce their environmental impacts.

Following the 3R (reduce/reuse/recycle) design direction, the packaging design team considers increasing the added value of packaging materials by turning them into a tablet holder to achieve the "reuse" aim, so as to bring a new life to packaging materials.

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.



3.2 Supply Chain Management

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

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 2013:

Objective	Key Performance
100% of new suppliers and EMS in 2013 received ASUSTeK onsite audits	Performed onsite audits in 3 dimensions to all 104 new suppliers and EMS

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

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

Table 3.2 ASUSTeK Audit Dimensions

In 2013, all of the 104 new suppliers and EMS received the onsite audits conducted by ASUSTeK. Suppliers that pass the onsite audits on the 3 dimensions will have to sign "Declaration of Compliance on ASUSTeK Code of Conduct for Suppliers and EMS" to assure their management approaches comply with labor requirements, human rights and social requirements. And then, they will be included in our Approval Maker List (AML).

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

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. Since then 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. Our products also received Eco Labels in Asia, such as: Japan Eco Mark, Korea Eco-Label, China Environmental Labeling, and China Management Methods on Pollution Prevention and Control for Electronic Information Products. We continue to devote our effort by having products registered various global eco labels to promote green products.



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.

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

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 2013, ASUSTeK had registered 116 products with Gold level. For detailed list of registered models, please visit "Eco Products" at ASUS CSR website or visit EPEAT Official Website.

ASUS CSR Eco Products/EPEAT: <http://csr.asus.com/english/index.aspx#41>

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

3.3.2 Taiwan Green Mark

"Green Design, Manufacture, Marketing and Procurement" becomes the trend in 21st century. In order to not only tie in with the green consumption concept to make consumers clearly



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choose environmentally friendly products but also promote the sale and manufacture of production and thus encouraging the development of environmental friendly products, Environmental Protection Agency (EPA) of Taiwan designed the Eco Label system and presented the "Green Mark" to the selected products that went through rigorous review and ranked the first 20%~30% products in each product category in March 19th, 1992.

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

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

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

GreenLiving Information Platform of EPA of Taiwan:
<http://greenliving.epa.gov.tw/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. In 2013, we expand to consumer market for desktop computers.

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

ASUS CSR Eco Products/ China Environmental Labeling:

<http://csr.asus.com/english/index.aspx#1551>

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. In November, 2013, we expanded the product category to display as well as all-in-one computer, and was awarded 6 certifications.



3.3.5 Eco-Audit

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

In 2012, we established the ASUSTeK Eco-Audit Assessment Form as the evaluation tool in accordance with ISO9001, ISO14001, QC080000, and GreenASUS technical standards. The contents of the assessment form includes three aspects: management system, eco-design requirements, and process control. Each year, ASUSTeK implements an eco-audit on EMSs manufacturing eco-labeled products, and ASUSTeK requests them to propose the "Audit Defect Report" within two weeks after detecting a non-conformance during the audit. ASUSTeK also follows up on the improvement until non-conformances are eliminated.

In 2013, ASUSTeK completed eco-audits for six EMSs. In these audits, non of the non-conformance regarding nonconformance to the latest international environmental protection regulations and GreenASUS eco-label technical standards was discovered for product and packaging labelings.

3.4 Product Takeback Service

Computers, notebook computers, and other electronic equipment contain hazardous chemicals that can be harmful to the environment when disposed in a landfill with trash.



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

Since 2006, ASUSTeK has worked with qualified local recycling vendors to establish the free recycling system in Europe, North America, Taiwan, China and Australia to ensure that the end of life computers are treated properly in order to reduce the impact on the environment.

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

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

3.5 Greenhouse Gases and Climate Change

In the Fifth Assessment Report (AR5) announced in 2013 by the Intergovernmental Panel on Climate Change (IPCC) in Stockholm, Sweden, the IPCC believes that the likelihood of human activities as the cause of the observed increase in global average temperature has risen from

very likely (>90%) in the AR4 to extremely likely (>95%), and the increase in global average temperature will significantly change global climate.

3.5.1 Greenhouse Gases 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 reduction potential of each stage in a product life cycle, thus developing innovative technology to help reduce the carbon footprint.
- For supplier management, ASUSTeK reduces product carbon footprint through supply chain management. In 2013, we continued to promote supply chain GHG inventory by following

"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. In 2013, we add the following inventories in response to client requests:

- Increase of the number and type of suppliers for inventory: 22 new and 8 more types of suppliers were added to a total of 37 suppliers and 13 types.
 - Disclosure of GHG emissions specified in the Kyoto Protocol: The assigned amount of emissions in the Scope 1 will be the basis for disclosure of the six controlled substances (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆) specified in the Kyoto Protocol, so as to acknowledge the status of F-GHG and NO_x emissions of suppliers.
 - New GHG reduction program and survey: Suppliers were surveyed to ensure if GHG reduction programs and targets were established, so as to capture the progress and depth of implementation of suppliers.
- 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

ObjectiveK	Key Performance
Disclose Scope 3 supply chain GHGs in accordance with "Corporate Value Chain (Scope 3) Accounting and Reporting Standard"	Perform inventory on Scope 3 GHG inventory data for key suppliers in accordance with "Corporate Value Chain (Scope 3) Accounting and Reporting Standard", and also increased the number of suppliers as well as expanded the type

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 Scope2

In 2013, 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 45,395 m3, producing 85 metric tonnes CO₂-e
- Diesel: consuming 228 liters, producing 1 metric tonnes CO₂-e
- Gasoline: consuming 10,139 liters, producing 24 metric tonnes CO₂-e
- Others: producing 66 metric tonnes CO₂-e

Sources of Scope 2 emissions

- Electricity: consuming 20,206 MWh, producing 10,750 metric tonnes CO₂-e

Sources of Scope 3 emissions

- Employee business travel: 31,074 passenger mile, producing 95,212 metric tonnes CO₂-e.

Energy/Source of Emission	Volume Used	GHG Emissions Equivalent (metric tonne CO ₂ -e)
Natural gas	45,395 m ³	85
Diesel	228 liters	1
Gasoline	10,139 liters	24
Others	-	66

Table 3.4 The Breakdown of ASUSTeK Source of Emissions in Taiwan in 2013

Scope	GHG Emissions Equivalent (metric tonne CO ₂ -e)	Ratio
Scope 1	176	2 %
Scope 2	10,750	98 %

Table 3.5 The Ratio of Each Scope of ASUSTeK GHG Emission in Taiwan in 2013

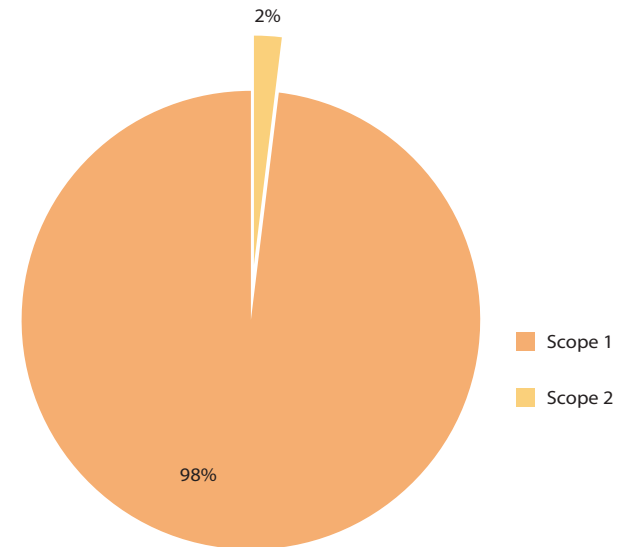


Figure 3.9 The Ratio of ASUSTeK GHG Emission in Taiwan in 2013

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 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.

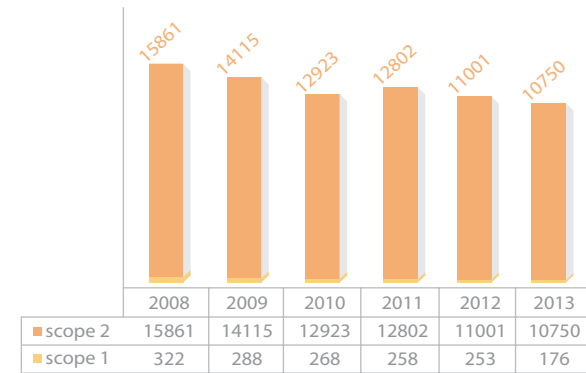


Figure 3.10 ASUSTeK Historical GHG Emission Data in Taiwan

The electricity uses in 2013 was 563 MWH less than that used in 2012. The total emissions of Scope 1 and Scope 2 were 3% less than that of 2012, and it was 32% less than that of the baseline year.

	2008	2010	2011	2012	2013
Scope 1	321	267	258	253	176
Scope 2	15,861	12,922	12,802	11,084	10,750
Total Emissions	16,183	13,190	13,059	11,337	10,926
Reduction Proportion (compared with 2008 baseline)	0.00%	18.49%	19.3%	30.0%	32.5%

Table 3.6 ASUSTeK Historical Emission Data for Past 4 Years and Baseline Year and Reduction Proportion in Taiwan



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In order to promote the idea of energy saving in daily life to the subsidiaries, ASUSTeK expanded the boundary of GHG Inventory and thus including the emission data of some of our oversea subsidiaries and ASUS Cloud in 2013:

- China: ACC, ACS and ASZ. The Total emission of these three subsidiaries was 5,334 metric tonnes CO₂-e.
- Europe: ACG, ACF, ACIT, and ACZS. The Total emission of these four subsidiaries was 1,640 metric tonnes CO₂-e.
- ASUS Cloud: The total emission of Taiwan Headquarter and China operation was 126 metric tonnes CO₂-e, and the total emission of datacenters in Taiwan, China and USA was 459 metric tonnes CO₂-e.

In 2013, ASUSTeK conducted a Scope 3 GHG inventory of key suppliers. In accordance with the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" as well as the previously mentioned distribution of carbon footprint in the product lifecycle, we selected Category 1 Purchased Goods and Services out of the 15 types from Scope 3 GHG inventory due to its higher weighting, and we also increased the number of suppliers as well as expanded the type. The types of suppliers increased to 13 to cooperate with the GHG inventory in 2013:

- | | |
|---|--|
| <ul style="list-style-type: none"> ■ Final product assembly factory ■ Motherboard manufacture factory ■ Panel manufacture factory ■ Monitor assembly factory ■ Power supply manufacture factory ■ Battery pack manufacture factory ■ Headphone manufacture factory | <ul style="list-style-type: none"> ■ Memory manufacture factory ■ Projector manufacture factory ■ Wireless networking manufacture factory ■ Power code manufacture factory ■ Hard disk manufacture factory ■ Plastic Injection/forming factory |
|---|--|

The inventory parameters were as follow:

- Data period: January, 2013 to December, 2013
- 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 2 emission from electricity was larger than the total emission of six controlled substances of Scope 1. The emission ratio of Scope 2:Scope 1 was approximately 91%:9%.

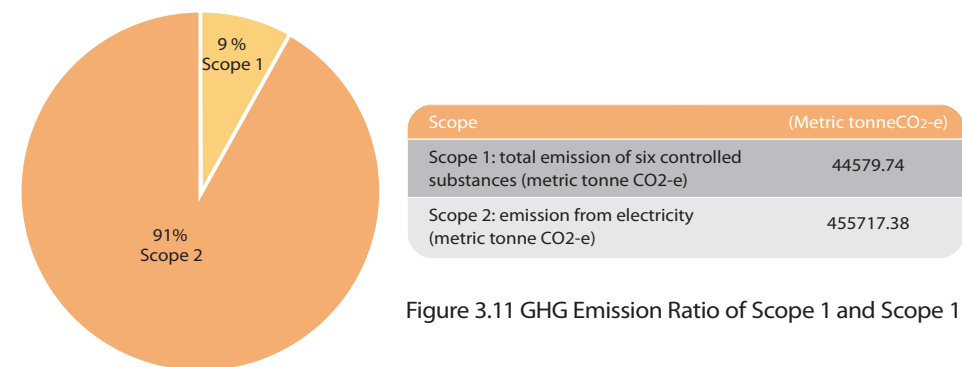


Figure 3.11 GHG Emission Ratio of Scope 1 and Scope 1

- Supplier GHG management: 51% of suppliers implemented external verification of GHGs; 43% of suppliers have established GHG reduction programs and targets. These suggested that GHG inventory and reduction have become the focus of ICT industries, with medium- and long-term reduction targets.

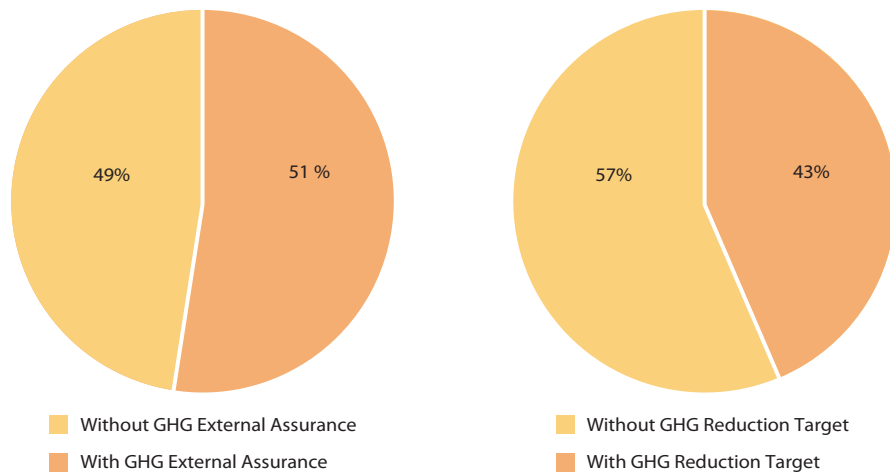


Figure 3.12 Supplier GHG Management Analysis

■ F-GHG emissions: Among the GHGs specified in the Kyoto Protocol, the fluorinated gases have higher global warming potential (GWP). The HFCs and PFCs contained in fire extinguishers are the most common sources of F-GHG. SF₆ which is the highest GWP is the second source of F-GHG, mostly coming from panel suppliers. The inventory result showed that F-GHG emissions made up of 44% of major GHG emission and thus they were one of the main emission sources.

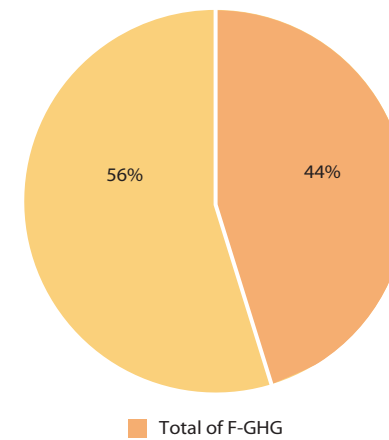


Figure 3.13 Emission Ratio of F-GHG emissions in Scope 1

■ N₂O emissions: Based on the supplier inventory, the main N₂O emission source is result from burning fossil fuel, such as natural gas, petroleum, and diesel, and N₂O emissions were made up of only 1% of the total GHG emission, thus they were not the main emission sources.



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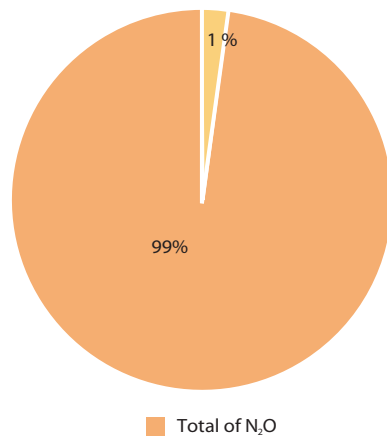


Figure 3.14 Emission Ratio of N₂O emissions in Scope 1

Concluding the above analysis:

- Scope 2 GHG emission is more significant than that of Scope 1. It would be more efficient to set reduction strategy on Scope 2 as priority.
- In terms of GWP, the control of SF₆ commonly used in the semiconductor and panel industries would be more effective in Scope 1 emission reduction.
- Over 40% of suppliers had implemented external verification and set GHG reduction targets. As GHG reduction has become a concern of industry, this will benefit GHG reduction issues.
- ASUSTeK had included GHG inventory, energy saving, and emission reduction into supplier CSR audit, education, and training. These approaches will help convey ASUSTeK' concern and requirements regarding this issue.

3.5.3 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 2013, all of our notebooks were in compliance with Energy Star, and the average energy efficiency of the notebooks was 60% 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 experience 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 2013 will be available at the CDP official website after September 2014.

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



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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.

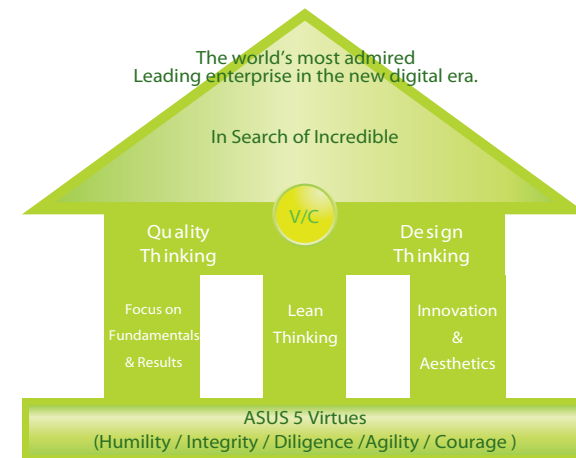


Figure 4.1 ASUS DNA

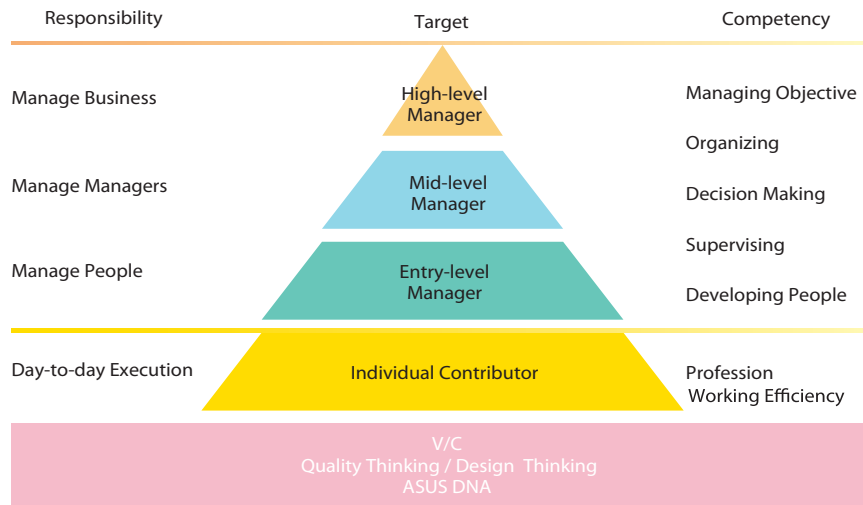


Figure 4.2 Competency Model

Categories	Content	Objective
Core Value	<ul style="list-style-type: none"> Corporate culture training Core-value training Work Efficiency training 	To have employees share the same values, recognize and adapt to the organizational culture. To enhance employees' work ability to achieve success.
Management	<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.
Profession	<ul style="list-style-type: none"> Professional training 	To enhance employees' professional capabilities for success.

Table 4.3 Internal Training Course

We continued polishing the learning structure in 2013. Our training goal in 2014 is to enforce the effect of transfer of training. The achievements in 2013 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.

In 2013, ASUSTeK devoted to polishing the training roadmap, developing training material and nurturing our internal trainers. The management and core value training materials are designed and delivered by our internal trainers. In addition, in order to make the professional courses delivered more efficiently, the Human Resources Division integrated the cross-department professional courses and established the shared mechanism that every employee could join the course if needed.

In Taiwan, ASUSTeK held a total of 274 internal courses, including 215 classroom trainings and 59 online courses with overall 15,000 trainees in 2013. In terms of training quality, the overall

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satisfaction was scored 4.38 (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 implemented the "Learning & Growth Plan" for all employees to assist managers in developing the competences of our employees and provide training plans. Based on ASUS DNA and the competences required for employees in each level, a manager would evaluate individual performance and personal developmental needs, and then discuss with every employee to plan out a tailor-made development plan.

In Taiwan, about 49.37% of the employees in ASUSTeK participated in the Learning & Growth Plan, and their completion rate of the assigned learning actions was 56.35% in 2013. 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:

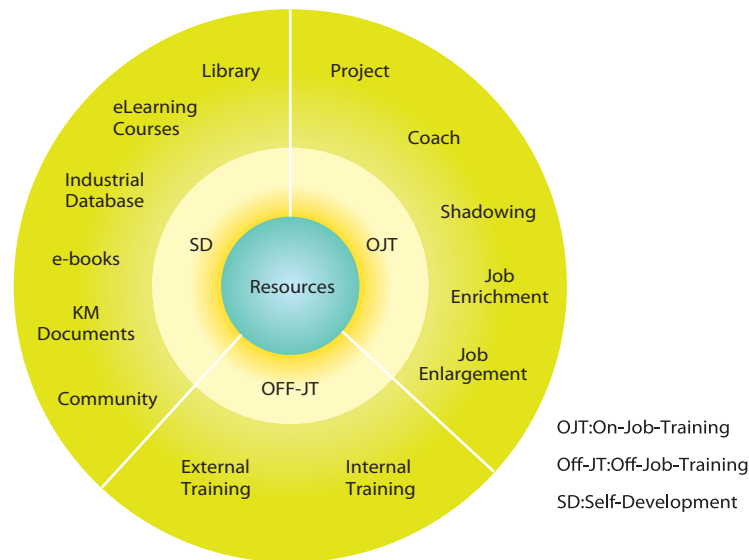


Figure 4.5 Multiple Learning Resources

■ 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 2013, ASUSTeK's employees joined overall 260 external training courses, and 3 ASUS Cloud employees joined 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.

- 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, religion, disability, union membership or political affiliation. All are entitled to equal protection against any discrimination.

- No harsh or inhumane treatment

Prohibit physical abuse, harassment or the threat of either.

- Freely-chosen employment

Ensure no forced, bonded or involuntary prison labor is used in the production of ASUS

products or services. Ensure that the overall terms of employment are voluntary.

- Health and Safety

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

- Employee training and development

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

Recruitment and Retention

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

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

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

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

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

certain level, Human Resources Division will hold the meeting to discuss with high-level management about solutions to control the turnover rate.

4.1.3 Compensation and Benefits

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

Remuneration Policy

ASUSTeK combines the corporate performance with payment structure closely, as well as individual responsibility, to strengthen the competitive advantages of enterprises. The candidates with identical background will have identical starting salaries regardless of gender. The ratio of basic salary and remuneration of women to men with same job level is about 1:1. 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

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

the Labor Standards Act and ASUSTeK will deposit 2% of employees' monthly wages to the Pension Deposits Trust in the Bank of Taiwan. Such trust mentioned will be calculated by actuaries each year and ASUSTeK will prepare labor pension in case of foreign employees' retirement.

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





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4.1.4 Safety and Health

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

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

- **Humility:** review and plan workplace health and safety enhancement project with humility to achieve better and more comprehensive health and safety services.
- **Integrity:** confront imperfection with integrity to make improvements.
- **Diligence:** walk the floor and check with diligence to expose imperfections
- **Agility:** stay alert and act promptly to prevent the disasters to spread.
- **Courage:** have the courage to speak out to let the organization know the importance of workplace safety.

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

- **Diverse training materials:** workplace health and safety training courses are no longer dull and boring. We present the training materials through comics, picture books and films. The content is easy to understand and closely related to the everyday living scenarios. We make it easy and fun to read and learn to increase learning interests.
 - E-Training packages tailored for the suppliers: prepare digital training packages developed for suppliers of different services:

General operators: general operations, gondola operations, hanging operations, hot work, overhead operations, restricted space...

Meal preparation workers: labor safety and hygiene, food safety and hygiene

Cleaning workers: labor safety and hygiene, cleaning operation guidelines (Mandarin/Taiwanese)

- Easy-reading workplace health and safety education materials: fire safety comics, emergency response animation (Adventure of a Mouse)
- **Fun workplace safety educational events:** to encourage participation, we planned various events and games to deliver learning content and workplace safety information through fun activities.
 - **Diverse traffic safety education:** the event includes traffic safety film viewing and regular publication of brochures, as well as motorcycle health checkup activities. We not only offer our employees useful information on traffic safety but also take care of them.
 - **Emergency evacuation simulation and fire drill:** to give our employees the experience of an actual fire scene, we simulated the emergency evacuation with real smoke during the fire drill. This was an event planned in coordination with government drills. We attempted to make the drill as real as possible to give our employee a true to life education.



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,



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

Employee Assistance Programs (EAP)

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

Employee Caring Website

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

Various Two-Way Communication Channels

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

Spiritual Events

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

Volunteer Service

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

Emergency Relief Care

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

4.2 Corporate Social Responsibility Management in Supply Chain

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 2013:

Objective	Performance
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 104 new vendors in 2013 signed the consent, committing to be compliance with any law and regulation.

4.2.2 CSR Audit Plan

Other than conveying 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.

Hoping to extend the CSR spirit to all suppliers, ASUSTeK sends its personnel to conduct onsite audits of suppliers instead of implementing standardized third-party audits. Through face-to-face communication and guidance, ASUSTeK educates suppliers the core CSR

concept and could immediately respond to questions from suppliers. In 2013, ASUSTeK completed the onsite CSR audits of all 23 key OEMs and component suppliers planned for the year. In 2013, the mean score of all 5 aspects was higher than that of 2012, suggesting that suppliers were concerned more about CSR issues and improved CSR management.

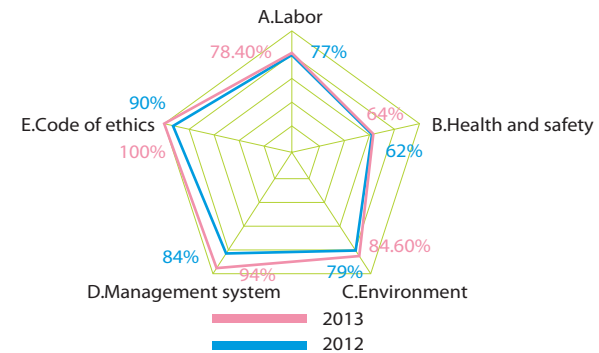


Figure 4.6 ASUSTeK 2012/2013 CSR Audit Analysis on Suppliers

ASUSTeK implements the supplier onsite CSR audit in accordance with the following five aspects: labor, health and safety, environment, management system, and code of ethics. In the labor audit, compensation is the focus to ensure if compensation and benefits for workers comply with local regulatory requirements and the minimum pay for male and female workers is consistent, as well as whether there are labor discrimination events and the settlements if any, and whether labor complaint channels are established to solve related issues. In health and safety, whether or not personal protective equipment is provided in accordance with local regulatory requirements is the focus. In environment, whether or not

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local legal environmental requirements are fulfilled and energy-saving programs are established is the focus. In management system, whether or not related worker training programs and supplier CSR management are established, implemented, and maintained is the focus. In code of ethics, whether or not anti-corruption policies are established, implemented, and maintained and anti-corruption training is arranged; community involvement is practiced; and the indirect economic influence on local communities is the focus.

Realizing that most CSR violations are associated with component suppliers, ASUSTeK will reinforce component supplier audit in 2014 by increasing the percentage up to 70% in the annual onsite CSR audit plan and strengthening CSR education/training for component suppliers, so as to ensure their compliance with ASUSTeK's CSR requirements. In violation of local overtime work regulatory requirements, the main defect detected, we will reinforce education to ensure suppliers to follow local work time requirements through GSM (Global Supplier Management). We will also include the audit results in the QBR (Quarterly Business Review) of ASUSTeK suppliers to improve CSR enforcement, so as to fulfill social expectations.

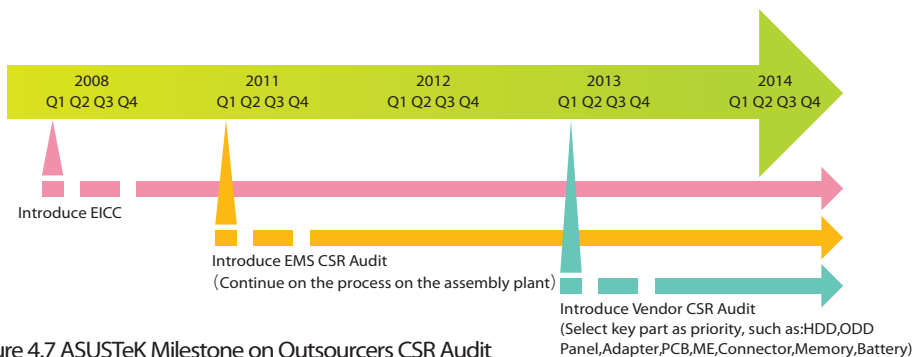


Figure 4.7 ASUSTeK Milestone on Outsourcers CSR Audit

4.2.3 Conflict Minerals Investigation and Management

Conflict minerals are metals from minerals mined through armed threat and illegal means by local warlords to raise funds to buy weapons for armed struggles and conflicts with the government. These metals include tantalum (Ta), tin (Sn), gold (Au), and tungsten (W). At present, the conflict zone covers ten countries surrounding the Democratic Republic of Congo (DRC) in central Africa.

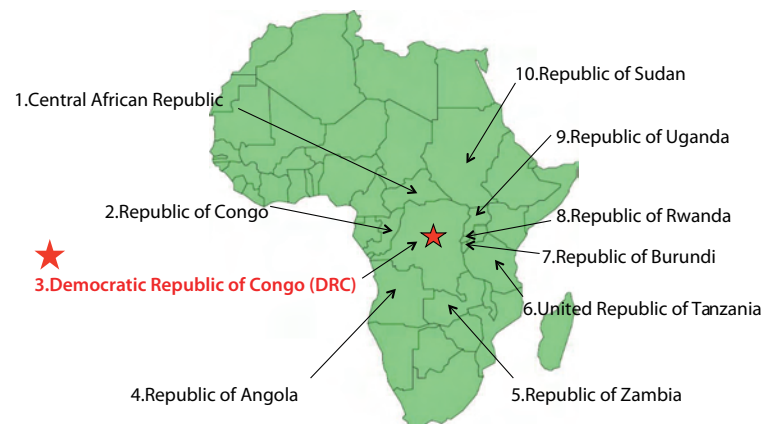


Figure 4.8 Countries in the Current Conflict Zone

The humanitarian, human rights, and fair trade issues arising from or in connection with conflict minerals are the focus of international issues. For example, NGOs such as the EICC and GeSI have established the Conflict Free Smelter Program (CFSP*) to help smelters to pass conflict-free smelter certification by third-party agencies; the US Congress passed the Dodd-

Frank Wall Street Reform and Consumer Protection Act (Section 1502) to request US listed companies to investigate and disclose conflict metal information as of May 2014.

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

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

Objective	Performance
Implementation of ASUSTeK Supply Chain Conflict Mineral Investigation	Completed the conflict metal investigation on all qualified vendors of ASUSTeK

■ Scope of Investigation

All qualified vendors of ASUSTeK, including component suppliers to system assemblers.

■ Investigation and Analysis

Based on the supplier chain investigation results:

- 20% of gold refineries
- 12% of tin smelters
- 33% of tantalum refineries
- 23% of tungsten refineries

passed CFSP certification



Figure 4.9 Ratio of CFSP-Certified Smelters in ASUSTeK Supply Chain

ASUSTeK declares that it will not accept metals from illegally mined minerals or minerals mined in poor work condition. In addition to the annual supply chain investigation, ASUSTeK requests suppliers to sign "Consent of ASUSTeK Code of Conduct", so as to assume corporate social and environmental responsibility together. We also communicate the no conflict metal use policy in the annual CSR audit and CSR training.



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4.3 Customer Service

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

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

4.3.1 Diverse Service Channels

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

Physical Service Centers

Since 2001, ASUSTeK began opening "ASUS Royal Club" direct service centers throughout Taiwan , and later China, Asia Pacific, and United States. The purpose is to help customers avoid the inconvenience of going through distributors retailers to have products returned to the manufacturer for repairs. By the end of 2013, there were 60 Royal Club service centers throughout the world and were staffed by engineers trained by the original manufacturer. The engineers provide customers with on-site consultation, quick product testing and troubleshooting as well as product firmware recovery/update services. This opens up a face-

to-face communication channel with customers they also provide professional, efficient consulting and technical support services.

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

Online Resources

Realizing the effect of Web2.0 and coping with the online search habit of users, ASUSTeK sets up the ASUS Support Site and develops app MyASUS for mobile devices to provide users with technical documents and videos to immediately solve related problems, so as to fulfill the demands of customers who are unable to visit ASUSTeK service centers.

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

The ASUS Support Site provides the download of the latest drivers or firmware, product registration, warranty information check, warranty extension, product repair progress check, and FAQ. In 2013, the FAQ content was upgraded and visualized for users to better understand the steps described in the technical documents. After providing instant messenger (IM) service in North America and China in 2012, we initiated the online forum service in Taipei in 2013. Both the IM and forum services are equipped with technical consultants to provide users with two-way communication. In addition to seeking technical assistance over the phone, users can visualize their problems and send them to our technical

consultants over the IM and forum so help them solve these problems more efficiently. In addition to discussions and suggestions, the technical unit of ASUSTeK specified in early 2014 the official reply schedule, so as to provide another channel for customers to express their complaints.



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

As mobile devices have become the mainstream of our times, the above service is also provided for mobile devices. After downloading and installing MyASUS for Android or Windows, besides receiving technical support, users can enjoy various value-added product, including purchasing ASUS products, receiving sale information and official Facebook information, searching for the nearest service locations, and scanning barcodes for membership and product registration. In 2014, ASUSTeK will add the ZenTalk and ZenCare apps to provide ZenFone users with quick and quality service contents.

Technical Support Hotline

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

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

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

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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:

- e-Survey
- Interactive Voice Response
- Interview

The customer satisfaction survey that follows after the service allows us to understand each customer's perception of our current service quality. ASUSTeK global satisfaction rate in 2013 was 78.5%. 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.

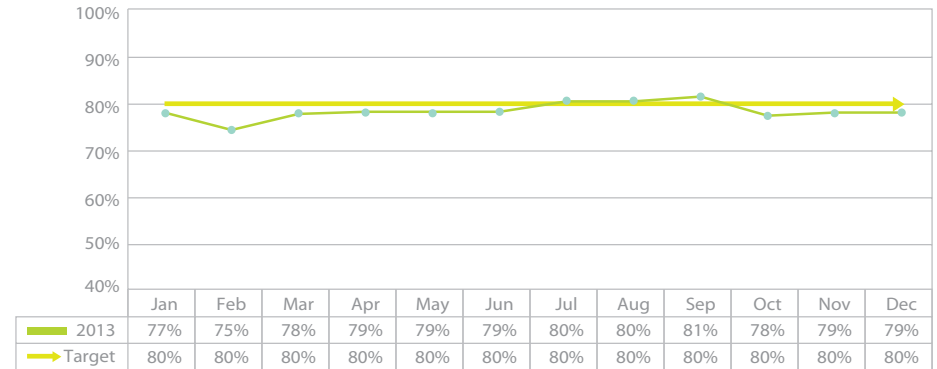


Figure 4.10 Global Repair Service Satisfaction Rate

After the case is closed, ASUS Cloud will use the survey to analyze the question and remark on how it was solved. About 70% of the customers were satisfied with our service.

To fulfill customer demands more closely and listen to their opinions, the satisfaction survey will begin to focus on unsatisfied customers, and we also established stricter customer satisfaction standards. We value the feedback and opinions of each customer and initiate a complete process improvement to demonstrate the preventive effect.

4.3.3 Customer Privacy and Security

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

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

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

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

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

ASUS Cloud had 60 employees completed relevant information security training in 2013, and each training lasted 2 hours.

In 2013, there was no complaint regarding data loss due to negligence by ASUSTeK and ASUS Cloud, and no lawsuit involving the Personal Information Protection Act.

4.3.4 Handling major customer complaints

To provide convenient post-delivery service meeting customer demands more closely, ASUSTeK is glad to listen to customer suggestions and opinions. After receiving a customer complaint, our customer service team wins customer trust by upholding the principle of immediate solution for customers, investigate the root cause, and continual improvement, so as to create greater value for customers.

Each week our service team registers, updates, and publishes the major customer complaint monitoring dashboard to achieve the following:

- Reach a consensus with customers within five days, customers must be satisfied with the results, and the case must be closed
- Analyze the root cause of each case and propose corrective action.
- Continuously follow up and verify the effectiveness of improvement programs
- Prevent the recurrence of the same customer complaint

4.3.5 Related Services of Taiwan Asus Royal Club

Besides continuing the "Advance Booking and Pick-up" implemented to shorten the waiting



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time for product repair and product pick-up in 2012, we introduced new quality services in 2013 to provide customers with thoughtful, dedicated, and innovate service and fulfill corporate social responsibility, so as to enhance overall customer satisfaction and service value.

Pick up from a Different Site

To provide more convenient and more flexible services for comprehensive ASUS product users, such as businesspersons and students studying in another city, we introduced the "pick up from a different site" service in March 2013 to save travel expense and travel time for customers when they need to pick up a repaired ASUS product from a different site.

ASUS
精采創新·完美品質

送修取件好方便 從南到北任您選

親愛的客戶您好：
為提供消費者更方便的送修及取件服務!!
即日起~再推出"甲地送修,乙地取件"之免費貼心服務，
華碩全系列產品送修至皇家服務中心，都能享有此服務，
讓不論是在外求學或商務出差的您皆無後顧之憂~

產品送修方式：
親臨全國各地服務中心

全家便利商店 24H 為您服務

皇家服務 貼心呵護

Pick up and Go

As most Asus Royal Clubs in Taiwan are located in city centers, if only over the counter pick up is accepted, consumers who drive to an Asus Royal Club will need to spend a lot of time to find parking for the pick-up. This may cause inconvenience to customers and customer complaints. Therefore, we launched the "pick up and go" service in Q2 of 2013 to save more time for customers.

**預約取件
免下車**

ASUS
皇家服務 貼心呵護

皇家服務中心提供貼心免下車取件服務，只需先行預約，並於您抵達服務中心指定停車服務地點時來電告知，隨即由專人將機台交付至您手上，避免因停車不便所造成的困擾，以節省您寶貴的時間~

★預約方式★請於30分鐘前完成預約(下列擇一)
電話預約 0800-093-456 / 網路預約

★服務時段★平日: 一~五 10:30~20:00
假日: 六、日 10:30~17:00 (遇日依各皇家服務時間為準)

★服務產品★全產品 (Server、LCD TV不適用)

~注意事項~
1.若有服務費用，只提供現金付款方式。
2.為保障客戶權益，若未攜帶取件單，請親洽臨櫃辦理。
3.產品送修與技術諮詢等其它服務項目，請親洽臨櫃辦理。
4.如遇國定假日或天然災害事項，依官網或各皇家公告為準。

ASUSTeK e-Learning Center

For ASUS fans to experience ASUS products better, we began organizing free, ad-hoc product training courses since Q4 of 2013. To attract more consumers to participate in our activities, coupons were distributed after the course for them to receive health examinations of their devices or buy other ASUS products.

The "ASUS e-Learning Center" provides the following courses:

- Notebook: New product tryout and software application instruction.
- ASUS tablet: New user guide and software application instruction.
- Padfone: New user guide and daily life application courses.
- HomeCIO focus seminar: New product in-depth tryout.
- ASUS Digiland: DIY or digital technology sharing.



Free Home Pick-up and Delivery

We launched the free home pick-up and delivery service for products within the warranty period. This way, consumers will not need to worry about the accessibility of repair service of their ASUS products even when there is no ASUS service center in their vicinity. When their ASUS products are covered by warranty, they can simply phone the ASUS call center to enjoy the free home pick-up and delivery service of their ASUS products needed repair, so as to make our post-delivery service more convenient.



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Free Device Health Examinations

In 2013, the free device health examination service was launched during the summer break to provide ASUS notebook owners with 10 hardware and 4 software maintenance services. The ASUS PadFone was also covered for owners to enjoy the same free health examination.



Optimization and Continual Improvement of Royal Service

From the viewpoint of customers and operational management, the service center has established a set of shop standards and a mechanism for inspection item management, so as to provide customers with absolutely necessary onsite service and environmental

management of royal service centers across the country.

In November 2013, ASUSTeK began to audit the onsite service and environmental management of royal service centers across Taiwan to ensure they provide consumers with a more comfortable and clean environment and quality service.

4.4 ASUSTeK Cloud Service Application: Palau Healthcare Cloud Promotion Project

In 2012, ASUSTeK launched cooperation with Show Chwan Health Care System to make perfect cooperation between healthcare and IT. Based on the cloud computing technology verified by 15 million users worldwide, ASUSTeK combined with Show Chwan's abundant medical energy in the healthcare field to innovate the application of cloud computing technology. The project continued in 2013 to focus on integrating personal health records and various care resources with cloud computing to link up health data, so as to provide and induce more innovative health services that improve the quality and efficiency of health services for the public.

To help diplomatic countries establish a sound health care system, with the push of the government's health diplomacy policy, ASUSTeK teamed up with Show Chwan and Chunghwa Telecom (CHT) in 2013 to develop total solutions by integrating interdisciplinary resources based on the experience in the Taiwan Health Cloud Project and exported these solutions internationally.

Based on Taiwan's 40 years of healthcare diplomacy, the cost of "medical personnel" centered healthcare diplomacy is very high. As resources are limited, only short-term, focus tour healthcare service can be developed, and it is difficult to establish long-term and intensive physician-patient interaction in local areas. In the future, therefore, with Taiwan's solid healthcare operational mechanisms and ICT integration capability, we need to establish sustainable, more efficient and more flexible health care mechanisms with an innovative way of thinking, so as to create a new blue ocean for international healthcare cooperation.

Project benefits

- (1) Promote healthcare diplomacy to further develop the Palau-Taiwan relations and thereby elevate Taiwan international position.
- (2) Revolutionize Palau's current healthcare service model; provide high quality, comprehensive, and cloud-based healthcare service; assist Palau in improving local health index, so as to raise Taiwan's contribution in the World Trade Organization (WTO).
- (3) Share Taiwan's experience in healthcare industry development; integrate healthcare competitive strengths; train local caregivers to promote local health, and establish a healthcare model for Palau.
- (4) Introduce cloud computing technology to Palau, construct the personal health information platform for Palau, integrate healthcare resources with the medical evacuation system, and set a new example for international healthcare cloud service.
- (5) Export Taiwan's high-quality healthcare services to diplomatic countries with limited resources, and help them develop a self-sufficient, sustainable, innovative healthcare diplomacy model.

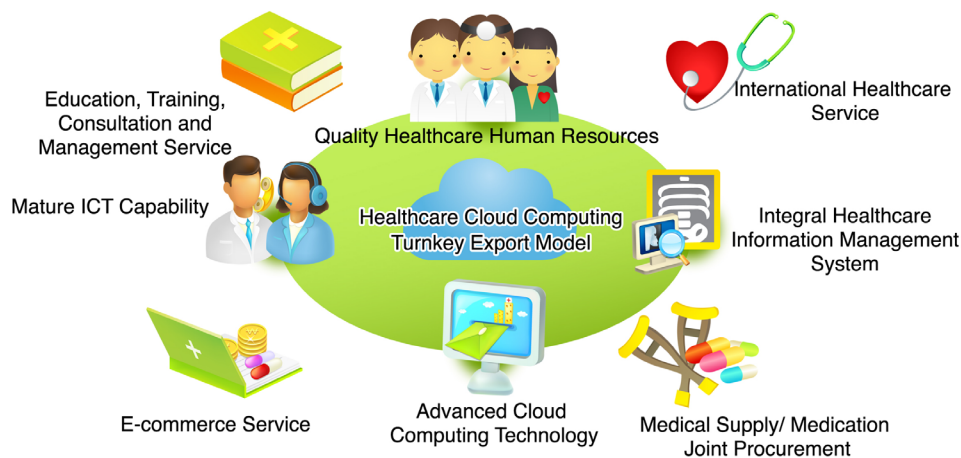


Figure 4.11 Illustration of innovative cloud healthcare diplomacy model

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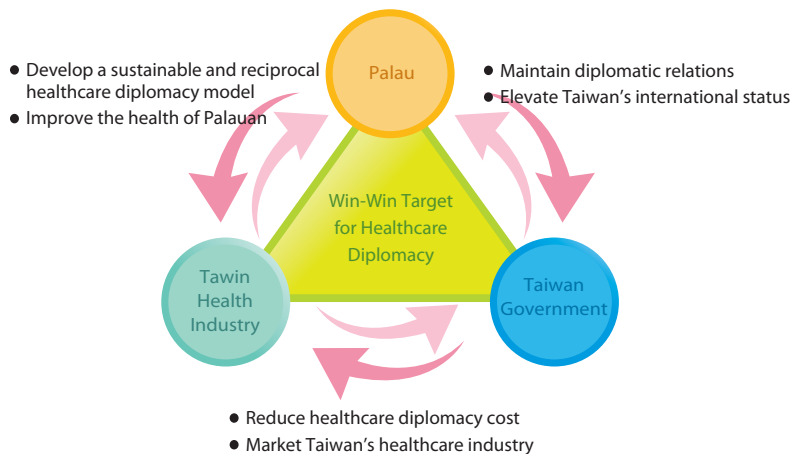


Figure 4.12 Illustration of project development visions

4.5 Community Involvements

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

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

4.5.1 Reducing the Digital Divide

Reverse Logistics: Refurbished Computer Donations Love Earth Project

The "PC Recycling for a Brighter Future" program launched by ASUSTeK in 2008 recovers discarded computers and refurbishes them for reuse over the past 5 years. The program not only recovered discarded computers through reverse logistics to promote the concept of loving our planet but also helped to promote e-learning. 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.

In 2013, we donated a total of 1,900 sets of refurbished computers to 11 countries, including India and countries in African and in Latin American, as well as 37 NPOs in Taiwan through cooperation with the Ministry of Foreign Affairs, Ministry of Education, and the international volunteer group of Tzuchi, National Tsing Hua University and National Chiaotung University.

In 2014, we will have the "ASUS Digital Empowerment Program" to provide computer equipment and warranty, as well as free e-learning materials and e-learning programs for seed instructors, in order to help NPOs in Taiwan enhance or develop their e-teaching capability or the application.

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

Donations of 2,000 Tablets

In 2013, to promote tablets to the public in Taiwan and abroad and to help diligent students living in poverty, ASUSTeK donated tablets to the museums, libraries, and family education centers in 22 counties and cities, to 20 domestic NPOs, and to 12 diplomatic countries (Guatemala, Paraguay, Ecuador, Dominica, Peru, El Salvador, Belize, Nicaragua, Mexico, Philippine, Indonesia, and Malaysia) through cooperation with the Ministry of Foreign Affairs, Ministry of Education, and 19 domestic NGOs. Following the donation of refurbished and brand new computers through the Ministry of Foreign Affairs and Ministry of Education to support the computer learning programs for young students, the disadvantaged, and the elderly organized in Taiwan and diplomatic countries in 2012, the donation of tablets in 2013 would become an efficient instrument to promote mobile service, mobile reading, and happiness.

ADOC (APEC Digital Opportunity Center) Plan

Since 2008, ASUSTeK continues to participate in APEC's APEC Digital Opportunity Center 2.0 (ADOC) program with the support of the Ministry of Foreign Affairs over the past 5 years.

The program assists local non-profit organizations in ADOC member nations and Taiwan's foreign allies to set up digital opportunity centers, promoting digital learning and reduce the digital divide. We hope that the donation of equipment, volunteer training and education promotion will provide local people in remote, backward regions with equal access to learning opportunities. Reducing the digital divide between nations, rural and urban regions, and even between different age groups and genders will allow people to have more convenient and happier lives.

In addition to the computer donations, international volunteer program, and photography and composition contest in previous years, under the APEC Digital Opportunity Center (ADOC) Project, in 2013, ASUSTeK include the micro movie competition and the "I Can Fly" Internship qualification competition held in collaboration with ASUSTeK Philippines and ASUSTeK Vietnam to recruit talented youth living in poverty to work for ASUSTeK.

■ ADOC Photo & Micro Movie Competition

This is an ICT event organized in collaboration with the ADOC Secretariat for the fourth consecutive year to encourage the sharing of learning experience, technological exchange, and successful e-learning stories among ADOC members through such platform. The blog competition of 2010, photography competition of 2011, the photo and article composition as well as micro movie competition in 2012 and 2013 have become the favorites of ADOC members and thus won their support.



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This year, the 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 2014 desktop calendar was also produced to share the digital learning stories from each country and promote digital learning.



■ I Can Fly Internship Program

In 2013, this program was organized in collaboration with ADOC Secretariat to encourage disadvantaged youth to learn computer repair and maintenance skills through competitions and interviews, so as to equip them with a living skill. In the program, youth from 17 ADOCs in the Philippines and 19 ADOCs in Vietnam participated in the competition. In return, ASUSTeK selected outstanding participants to provide them with the intern opportunity to work at a local ASUSTeK service center.



■ Establishment of e-Learning Center

Since 2008, ASUSTeK has sponsored various countries each year, and we established one e-learning center in Peru, Indonesia, and Vietnam in 2013.

Country	Achievements in Recent Years
Peru	<ul style="list-style-type: none">4 e-learning centers have been established by 2013.In 2011, computers were donated to the Presidential Elementary School and World Vision to set up 2 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.In 2013, we and Comisión de Promoción del Perú para la Exportación y el Turismo (PROMPERÚ) participated in the ADOC Digital Guidance Deepening Program and established one center in Cusco to guide locals to form an alpaca textile and specialty food industrial cluster.

Indonesia

7 e-learning centers have been established by 2013.

- In 2009, ASUSTeK donated computers to the Kampus Diakonia Modern (KDM) Foundation in Jakarta, Indonesia, and established one computer classroom to accommodate and educate street children in Bekasi.
- In 2010, we established five e-learning centers with local NPOs. These include the e-learning center of Tzu Chi Daai Village in Kali Angke, the e-learning center of Pesantren, two e-learning centers at Syiah Kuala University in Banda Aceh, and the mobile vehicle of the Sumatra Orangutan Information Center in Banda Aceh.
- In 2013, we donated computers to Pesamuhan Bodhicitta Mandala in Medan and established one computer classroom to provide computer education to disadvantaged groups.

Vietnam

3 e-learning centers have been established by 2013.

- 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.
- In 2013, we donated computers to the association for the protection of the physically and mentally disabled and orphans in Quang Nam Province and established one computer classroom. This association is under the supervision of the central government with branches in 40 major cities and provinces and 124 administrative districts to protect physically and mentally disabled and orphaned children.

■ Projects with the Ministry of Foreign Affairs

Since 2009, ASUSTeK has donated refurbished and brand new notebooks to remote schools in various countries for over the past 4 years. In 2013, we established a total of 28 e-learning centers in as well as donated 126 new notebooks and 600 refurbished computers to Guatemala, Dominica, Nicaragua, Paraguay, and Ecuador through cooperation with local ROC embassies and Chinese Chambers of Commerce.

Country	Achievement
Guatemala	<ul style="list-style-type: none"> • A total of 32 e-learning centers had been established by 2013. As the ROC ambassador in Guatemala expressed exceptional concern about this project and the feedback from all sides were great, the project was the 5th year in 2013.
Dominica and Nicaragua	<ul style="list-style-type: none"> • The project was the 2nd year in 2013. Through cooperation with local ROC embassies and local schools, 3 or 4 computer classrooms are established each year to help local students with e-learning.
Paraguay and Ecuador	<ul style="list-style-type: none"> • The project began in 2013. The ROC ambassador in both countries wished to help local schools establish computer classrooms to increase e-learning opportunities with computers donated by ASUSTeK.



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■ ASUSTeK World Citizenship /Volunteer Traveler

Since 2011, ASUSTeK has coordinated with various domestic and international school committees or NGOs experienced with volunteer programs to plan the Volunteer service, pursuing the ideal of ASUSTeK World Citizenship. Through Facebook, the volunteer website and videos, volunteers were able to share the pictures and texts regarding what they have learned and heard by becoming volunteers to the world in real time.

The project launched in 2011 to provide e-learning and environmental protection education in remote areas in Vietnam and Indonesia through cooperation with National Chiao Tung University and National Tsing Hua University. It was welcomed and supported by universities and colleges. Besides accomplishing international volunteer service through industry-academy cooperation, this program had helped to develop talents. In 2012, 8 international volunteer service teams signed up to the program. In 2013, the number of international volunteer service teams increased to 11 to provide environmental protection, hygiene, and ICT education

for the remote areas in the following 6 countries: Indonesia, India, Vietnam, Thailand, Malaysia, and Tanzania. There were total of 140 volunteers providing 800 hours of service. Besides college and university students, ASUSTeK employees also participated in these international volunteer service teams to provide computer courses for people in these regions.



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

Since 2008, we continued to sponsor the Taipei Museum of Contemporary Art by providing free loans of ASUSTeK products to invited artists and show organizers. In 2013, we supported 9 domestic and international contemporary art shows that attracted more than 150,000 visitors.

Sponsorship of Zhongzheng High School Dance Class

We have continued to sponsor the Zhongzheng Dance Exhibition to provide students with experience of performing on stage and promote the school's dance & arts education for the past 5 years. 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.

Although cheerleading is about to be an event of the Asian Games and Olympic Games, the group needs adequate space and equipment for practicing many dangerous actions, such as stunting, flying, jumping, and tossing. Since 2011, ASUSTeK has continuously sponsored the venue fee to improve the training environment and equipment, so as to effectively reduce potential accidents occurred during practices so that this group of young students could focus on regular training to build up their skills and invite more excellent cheerleading athletes and other young students to promote this sport. With passion and enthusiasm for cheerleading, we hope that cheerleading athletes can create excellent and brilliant performances each year.



Sponsorship of Futsal Club in the Czech Republic

ACZS sponsored a futsal club including ASUSTeK employees, Pegatron employees, and non-employees, as well as donated to the local competition Golden League Tour that the members of the futsal club to join the competition, to encourage employees to participate in artistic, cultural, and sporting events.



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4.5.3 Caring for the Community

Cooperation with Radio Da-Ai

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

National 99 seconds Short Film Competition

The "Touching 99" organized by ASUS Foundation and the Taiwan Public Television Service was held since 2008, and the event in 2013 was the 4th year of the "National 99 Short Film Competition". We change the theme each year based on the topics of current events for makers to present positive and virtuous power through short films. In the 2013 event, we discovered the truth, virtue, and beauty present in all corners of Taiwan. We also hoped that this event could help people notice the omnipresent compassion around us.

■ 4th Touching 99: Discovering Taiwan's Truth, Virtue, and Beauty

The event began on 30th October, 2012. By the end of February 2013, a total of 249 films were received. There were 688 participants, the highest number of participant in the event's history, suggesting that participants know better on how to integrate different sources to combine unforgettable memories and experience in daily life into touching stories through team work. As stories were from different parts of Taiwan, this indicated that Touching 99 has penetrated across Taiwan and there are touching stories everywhere in Taiwan. We will publish the award-winning films in DVDs and invite teachers to prepare lesson plans on

these stories for the life and character education for 5th and 6th grade students, so as to exert bigger influence of these stories.



5th ASUSTeK Indigenous Peoples Science Education Award

We had held this award since 2008. The 5th Award began in April, 2013 and the application closed in December. A total of 36 elementary and junior high school teams participated in the event, including 9 interschool teams. Altogether, there were 210 participants from 47 schools, including 87 tribal elders and teachers and 123 students.

With the strong support from the Council of Indigenous Peoples (CIP) and Taiwan Indigenous TV (TITV), this event has become one of the science education events that teachers and student of elementary and junior high schools in remote area would attend each year. Over the years, the event has provided opportunities for more than 500 indigenous children to participate in science fairs. Through the research projects for science fairs, students learned traditional cultural contents from tribal elders. Under the supervision of instructors, they analyzed with science theories, wrote research reports, shot the 3-minute documentary on

the research process, and participated in e-learning through the upload process.



Dashe Village Livelihood Reconstruction 5-Year Plan: 4th Year Project (Sandimen, Pingtung)

■ Gradual restoration of the tribal interaction and job exchange mechanisms

Two to three gatherings are held each month in the form of communal kitchens for clansmen to understand one another; share livelihood and agricultural experiences, and enhance tribal cohesion and understanding.

■ Natural farming and ecotourism

- The total sale of the hedge bamboo shoot was about 150kg for 120 packs. The sales income of NT\$18,750 was all invested in the communal learning of children.
- In 2013, 15 "reception experiences" were held with total of 149 people.
- The 2014 mission would be to maintain the sales of food crops from re-cultivation, traditional plants, hedge bamboo shoots, and millet dumplings to stabilize productions and sales.

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. ASUSTeK provided 9 job opportunities to the children, and the turnover was about NT\$23 million in 2013. Furthermore, ASUSTeK includes their headcounts as permanent employees.

■ Concerns for Indigenous Farmers Millet Project

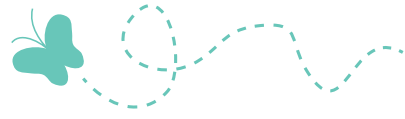
A total of 551 millet packs, each weighted 400g priced NT\$170, were harvested by the end of 2013. On each pack the label read "Asus Foundation Supports Concerns for Indigenous Farmers" with the story of peasants in Dawu and plantation description attached. The millet subscribed under this project was sold to our employees at the charity sales held in ASUSTeK. The profits from the charity sales were donated to the charity organizations located in the nearby communities of ASUSTeK Headquarters.

4

SOCIAL

Labuwan Community (Dawu Community) is located on the hillside at 600m above sea level in Wutai Township, Pingtung County. After the attack of typhoon Morakot, some Labuwan people decided to return to their hometown and grow traditional crops such as millet, taro, sweet potato, and peanuts with natural farming methods for a living. They had carefully restored a wide variety of breeds and hoped to keep the cultivation environment good for food diversity one season after another. They also practiced botanic conservation to maintain the environment and ecology, as well as biodiversity. As peasants lack channels to distribute the yields, by supporting local peasants practicing natural farming, we hope to develop a new way of communal living and promote sustainable development in these communities, so as to attract more clansmen to return to their hometown..





5.1 GENERAL STANDARD DISCLOSURES

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

The following tables show the data for ASUSTeK, ASUS Cloud, and overseas subsidiaries by region and gender in 2013:

Greater China

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	2030	47	289	100	620
Female	3962	18	420	183	572

Europe

Gender	ACG	ACF	ACIT	ACZS
Male	99	44	55	248
Female	21	34	29	243

Note: ASUSTeK includes UTC

Note 2: Data of ASUSTeK and ASUS Cloud were focused in Taiwan

G4-11 Report the percentage of total employees covered by collective bargaining agreements.

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

G4-12 Describe the organization's supply chain.

There were over 700 qualified suppliers/EMS in 2013, and most of them are Taiwan and China suppliers

G4-13 Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.

There was no significant change in the organization.

ASUSTeK annually selects new supplier/EMS and performs annual Quality Business Review (QBR) on our existing supplier/EMS to ensure they continuously comply to ASUSTeK' quality management and stay qualified, thus the supply chain change regularly.

5.2 Economic Indicators

G4-EC3 COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS

ASUSTeK, ASUS Cloud and overseas 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".

G4-EC4 FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

In Taiwan, ASUSTeK is applicable to apply for tax incentives, such as R&D tax credits for "Industrial Innovation Act". We also receives the funds to execute the "Innovative Technology



5 OTHER PERFORMANCE INDICATORS



Applications and Services Program" (ITAS) and thus receiving the funds from the Ministry of Economic Affairs, Department of Industrial Technology of Taiwan.

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

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.

Greater China

ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
99.54%	100%	37.5%	100%	36.67%

Europe

ACG	ACF	ACIT	ACZS
83.33%	0%	100%	75%

Note 1: ASUSTeK includes UTC

Note 2: Data of ASUSTeK and ASUS Cloud were focused in Taiwan

G4-EC9 PROPORTION OF SPENDING ON LOCAL 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.

5.3 Environmental Indicators

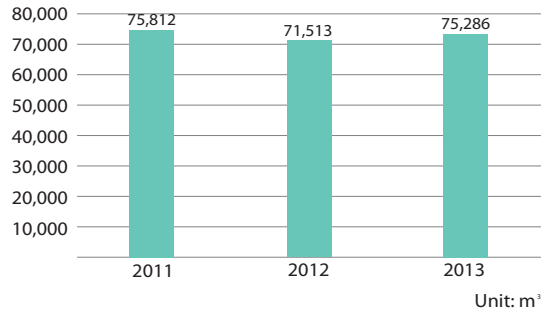
G4-EN20 EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)

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.

For suppliers please refer to Scope 3 GHG inventory of key suppliers in "3.5.2 Greenhouse Gases Management at Organizational Level".

G4-EN22 TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION

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



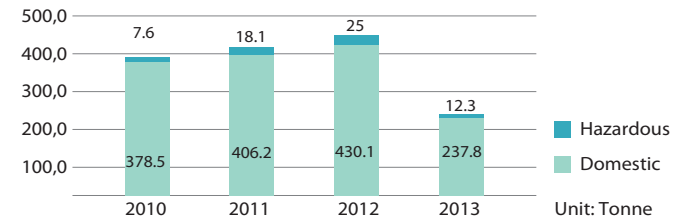
ASUSTeK Volume of Water Discharged in Taiwan for the Past Few Years

Test Item/Year	2011	2012	2013
Temperature (°C)	22	26	24
pH value	7	8	7
BOD (mg/L)	<1	4	3
COD (mg/L)	39	24	10
SS (mg/L)	<2.5	3	11
E-coli	<10	3.2*10 ³	3.2*10 ³
Test Result	Compliant		

Quality of Water Discharged for the Past Few Years

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

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



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

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

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

The percentage of end-of-life products reclaimed was 4.4% in 2013. 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>





5 OTHER PERFORMANCE INDICATORS



G4-EN31 TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE

ASUSTeK Total environmental protection expenditures in 2013 were listed as below:

Category	Expenditure (in New Taiwan Dollar)
Pollution Prevention	1,734,827
Energy and resource recycling	113,951,207
Environmental administrative costs	88,795
Total	115,774,829

5.4 Social Indicators

Labor Practices and Decent Work

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

The following tables show the rate of and number of new employee by age, by gender and by region for ASUSTeK, ASUS Cloud and overseas subsidiaries in 2013:

Greater China

Rate of New Employee

Age Group	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
<30	12.75%	7.69%	9.86%	20.14%	10.00%
30~50	6.84%	10.77%	1.25%	1.41%	2.06%
>50	0.07%	1.54%	0.12%	0.00%	0.00%
Total	19.66%	20.00%	11.24%	21.55%	12.06%

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	12.42%	15.38%	6.37%	4.95%	7.55%
Female	7.24%	4.62%	4.87%	16.25%	4.52%

Number of New Employee

Age Group	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
<30	764	5	79	57	155
30~50	410	7	10	4	32
>50	4	1	1	0	0
Total	1178	13	90	61	187

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	744	10	51	14	117
Female	434	3	39	46	70

Europe

Rate of New Employee

Age Group	ACG	ACF	ACIT	ACZS
<30	7.79%	12.99%	4.82%	21.38%
30~50	10.39%	2.60%	6.02%	7.03%
>50	0.00%	0.00%	0.00%	2.05%
Total	18.18%	15.58%	10.84%	30.45%

Gender	ACG	ACF	ACIT	ACZS
Male	13.85%	6.49%	7.23%	16.11%
Female	4.33%	9.09%	3.61%	14.35%

Number of New Employee

Age Group	ACG	ACF	ACIT	ACZS
<30	9	10	4	73
30~50	12	2	5	24
>50	0	0	0	7
Total	21	12	9	104

Gender	ACG	ACF	ACIT	ACZS
Male	16	5	6	55
Female	5	7	3	49

The following tables show the turnover rate and the number of employee turnover by age, by gender and by region for ASUSTeK, ASUS Cloud and overseas subsidiaries in 2013:

Greater China

Turnover Rate

Age Group	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
<30	8.34%	4.62%	9.86%	21.91%	7.94%
30~50	4.26%	4.62%	3.25%	5.30%	1.68%
>50	0.05%	0.00%	0.25%	0.00%	0.00%
Total	12.65%	9.23%	13.36%	27.21%	9.61%

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	7.73%	6.15%	8.11%	10.25%	5.42%
Female	4.92%	3.08%	5.24%	16.96%	4.19%

Number of Employee Turnover

Age Group	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
<30	500	3	79	62	123
30~50	255	3	26	15	26
>50	3	0	2	0	0
Total	758	6	107	77	149

Gender	ASUSTeK	ASUS Cloud	ACC	ACS	ASZ
Male	463	4	65	29	84
Female	295	2	42	48	65





5 OTHER PERFORMANCE INDICATORS



Europe

Turnover Rate

Age Group	ACG	ACF	ACIT	ACZS
<30	6.06%	9.09%	0.00%	8.20%
30~50	3.46%	15.58%	8.43%	3.81%
>50	0.87%	0.00%	0.00%	0.29%
Total	10.39%	24.68%	8.43%	12.30%

Gender	ACG	ACF	ACIT	ACZS
Male	6.93%	14.29%	4.82%	6.44%
Female	3.46%	10.39%	3.61%	5.86%

Number of Employee Turnover

Age Group	ACG	ACF	ACIT	ACZS
<30	7	7	0	28
30~50	4	12	7	13
>50	1	0	0	1
Total	12	19	7	42

Gender	ACG	ACF	ACIT	ACZS
Male	8	11	4	22
Female	4	8	3	20

Note 1: ASUSTeK includes UTC

Note 2: Data of ASUSTeK and ASUS Cloud were focused in Taiwan

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

Taiwan

ASUSTeK

Gender	Return to Work Rate in 2012	Return to Work Rate in 2013
Male	60%	54.55%
Female	66.67%	75%

Gender	Retention Rate in 2012	Retention Rate in 2013
Male	50%	100%
Female	100%	100%

ASUS Cloud

There were no application for parental leave in 2012 and 2013, thus both data were NA.

China

Parental leave is not applicable in this region.

Europe

ACG

Gender	Return to Work Rate in 2012	Return to Work Rate in 2013
Male	100%	100%
Female	100%	100%

Gender	Retention Rate in 2012	Retention Rate in 2013
Male	NA***	100%
Female	NA***	100%

ACF

Gender	Return to Work Rate in 2012	Return to Work Rate in 2013
Male	NA***	NA***
Female	NA***	100%

Gender	Retention Rate in 2012	Retention Rate in 2013
Male	NA***	NA***
Female	NA***	NA***

ACIT

Gender	Return to Work Rate in 2012	Return to Work Rate in 2013
Male	NA***	NA***
Female	100%	85.71%

Gender	Retention Rate in 2012	Retention Rate in 2013
Male	NA***	NA***
Female	100%	100%

ACZS

Gender	Return to Work Rate in 2012	Return to Work Rate in 2013
Male	NA***	NA***
Female	75%	100%

Gender	Retention Rate in 2012	Retention Rate in 2013
Male	NA***	NA***
Female	100%	75%

*Return to Work Rate in 2013 = number of employees took the parental leave and actually returned in 2013/number of employees took the parental leave and should return (resign+return) in 2013





5 OTHER PERFORMANCE INDICATORS



**Retention Rate in 2013 = number of employees took the parental leave in 2012 and actually returned to work for at least 12 months by 2013/number of employees took the parental leave in 2012 and should return (resign+return) to work for at least 12 months by 2013

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

G4-LA4 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS

ASUSTeK, ASUS Cloud and the overseas 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.

G4-LA6 TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER

Taiwan

ASUSTeK

	2013
Disabling Frequency Rate*	3.04
Disabling Severity Rate**	33.93

The absenteeism is 0.99%, and the lost days are 368.5 days for ASUSTeK.

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

	2013
Male Disabling Frequency Rate	2.40
Female Disabling Frequency Rate	0.64
Male Disabling Severity Rate	26.73
Female Disabling Severity Rate	7.20

Note 1: ASUSTeK includes UTC

ASUS Cloud

	2013
Disabling Frequency Rate*	4.52
Disabling Severity Rate**	40.66

The absenteeism is 1.44%, and the lost days are 9 days for ASUS Cloud.

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

	2013
Male Disabling Frequency Rate	3.27
Female Disabling Frequency Rate	1.25
Male Disabling Severity Rate	29.4
Female Disabling Severity Rate	11.26

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

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

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

The following table shows the average hours of training per year per employee by employee category for ASUSTeK, ASUS Cloud and overseas subsidiaries in 2013:

Greater China

Category	ASUSTeK	ASUS Cloud	ACC*	ACS	ASZ
General Employee	8.39	9.69	-	2	7
Managerial - Manager	6.77	3	-	2	7.4
Managerial - Senior Manager	4.80	8.25	-	2	14.1
Managerial - Top Executives	2.30	4.22	-	0	6.1

Gender	ASUSTeK	ASUS Cloud	ACC*	ACS	ASZ
Male	5.8	9.3	-	2	6.7
Female	5.72	4.06	-	2	8.1

Note 1: ASUSTeK includes UTC

Note 2: Data of ASUSTeK and ASUS Cloud were focused in Taiwan

Europe

Category	ACG*	ACF	ACIT	ACZS
General Employee	-	12.43	4	11.51
Managerial - Manager	-	-	12	-
Managerial - Senior Manager	-	-	12	-
Managerial - Top Executives	-	--	4	-

Gender	ACG*	ACF	ACIT	ACZS
Male	-	13.11	6.4	7.02
Female	-	11.12	5.1	4.49

* Those subsidiaries did not have the data.

Note 3: The hours reflected the hours from internal classroom courses and eLearning classes only; hours from other types of training such as on-job trainings and external courses were not included and thus not calculated into the average hour.

G4-LA11 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY

The following table shows the percentage of employees receiving regular performance and career development reviews by gender for ASUSTeK in Taiwan in 2013:





5 OTHER PERFORMANCE INDICATORS



Category	First Appraisal	Second Appraisal
Performance Appraisal for Male	97.64%	97.67%
Performance Appraisal for Female	99.23%	99.41%

Note 1: ASUSTeK includes UTC

The following table shows the percentage of employees receiving regular performance and career development reviews by gender for ASUS Cloud in Taiwan in 2013:

Category	2013
Performance Appraisal for Male	100%
Performance Appraisal for Female	100%

Note 2: ASUS Cloud only performs once a year at the end of each year.

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

The following tables show the composition of and breakdown of employees in 2013 in different sites:

Taiwan

ASUSTeK

All Employees by Age and Gender

Group Age	Male	Female
<30	31.95%	47.29%
30~50	66.53%	52.07%
>50	1.52%	0.65%
Total	100.00%	100.00%

Note 1: ASUSTeK includes UTC

ASUS Cloud

All Employees by Age and Gender

Group Age	Male	Female
<30	12.77%	61.11%
30~50	82.98%	38.89%
>50	4.25%	0.00%
Total	100.00%	100.00%

China

ACC

All Employees by Age and Gender

Group Age	Male	Female
<30	62.47%	69.76%
30~50	36.50%	30.00%
>50	1.03%	0.24%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	0.00%	0.00%
30~50	8.35%	2.71%
>50	1.24%	0.15%
Total	9.59%	2.86%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	0.00%	5.56%
30~50	27.66%	11.11%
>50	2.13%	0.00%
Total	29.79%	16.67%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	0.00%	0.00%
30~50	4.88%	0.95%
>50	0.26%	0.00%
Total	5.14%	0.95%

ACS

All Employees by Age and Gender

Group Age	Male	Female
<30	60.00%	74.86%
30~50	39.00%	22.95%
>50	1.00%	2.19%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	2.00%	1.09%
30~50	12.00%	1.64%
>50	0.00%	0.00%
Total	14.00%	2.73%

ACF

All Employees by Age and Gender

Group Age	Male	Female
<30	45.45%	55.88%
30~50	52.27%	41.18%
>50	2.27%	2.94%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	11.36%	0.00%
30~50	18.18%	14.71%
>50	0.00%	0.00%
Total	29.55%	14.71%

ASZ

All Employees by Age and Gender

Group Age	Male	Female
<30	53.66%	59.35%
30~50	46.02%	40.48%
>50	0.32%	0.16%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	0.00%	0.00%
30~50	2.80%	0.16%
>50	0.22%	0.16%
Total	3.01%	0.32%

ACIT

All Employees by Age and Gender

Group Age	Male	Female
<30	10.91%	10.34%
30~50	87.2%	86.21%
>50	1.82%	3.45%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	0.00%	0.00%
30~50	14.55%	6.90%
>50	1.82%	0.00%
Total	16.36%	6.90%

Europe

ACG

All Employees by Age and Gender

Group Age	Male	Female
<30	17.89%	20.00%
30~50	80.00%	64.00%
>50	2.11%	16.00%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	0.00%	0.00%
30~50	5.26%	0.00%
>50	0.00%	4.00%
Total	5.26%	4.00%

ACZS

All Employees by Age and Gender

Group Age	Male	Female
<30	60.89%	29.17%
30~50	37.62%	54.76%
>50	1.49%	16.07%
Total	100.00%	100.00%

Employees at least Manager Level by Age and Gender

Group Age	Male	Female
<30	2.48%	0.00%
30~50	4.46%	1.79%
>50	0.00%	0.00%
Total	6.93%	1.79%





5

OTHER PERFORMANCE INDICATORS



Human Rights

G4-HR3 TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN

There was no incident of discrimination.

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

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

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

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

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

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

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

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

ASUSTeK did not receive any grievance regarding the human rights in 2013.

Society

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

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 of ASUSTeK Taiwan Headquarter for 2013 evaluation was distributed in January, 2014, with the results shown below:

Category	Distributed	Collected	Collection Rate
General Employee	1276	1058	82.9%
Managerial Employee	298	215	72.1%
Total	1574	1273	80.9%

Product Responsibility

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

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

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

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

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

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

Regarding to Taiwan Green Mark, please see below for further information:

In July, 2012, Environmental Protection Administration (EPA) of Taiwan had notified ASUSTeK to correct the application process for Taiwan Green Mark, and restrict the right to register for a year since Feb. 2013. ASUSTeK followed the comments by EPA to correct our application process and restore the certifications that was suspended for incorrect application process.





ASSURANCE STATEMENT

SGS TAIWAN LTD.'S INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASUSTeK COMPUTER INC. CORPORATION'S CORPORATE SUSTAINABILITY REPORT OF 2013

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 (hereinafter referred to as CS Report) of 2013. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables contained in this report.

The information in the ASUS' CS Report of 2013 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' CS Report of 2013. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance set out below with the intention to inform all ASUS' stakeholders.

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

This report has been assured using our protocols for:

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

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

STATEMENT OF INDEPENDENCE AND COMPETENCE

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

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, EICC, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SFA 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' CS Report of 2013 verified is accurate, reliable and provides a fair and balanced representation of ASUS sustainability activities in 01/01/2013 to 12/31/2013.

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 sixth to be assured by an independent assurance team and ASUS has taken a bold step by offering the report to evaluation against both GRI G4 guidelines and the AA1000 Assurance standard. This shows a deserved confidence in their reporting process.

In our opinion, the contents of the report meet the requirements of GRI G4 Core Option and AA1000 Assurance Standard (2008) Type 2, High level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

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

Materiality

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

Responsiveness

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

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, ASUS' CS Report of 2013, is adequately in line with the GRI G4 Core Option. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material aspects and boundaries, and stakeholder engagement, G4-17 to G4-27, are correctly located in content index and report. More disclosure on supply chain management and material aspects having boundaries outside of the organization are encouraged in future reporting.

Signed:

For and on behalf of SGS Taiwan Ltd.

Dennis Yang, Chief Operating Officer
Taipei, Taiwan
16 July, 2014
WWW.SGS.COM



AA1000
Licensed Assurance Provider
000-8

GENERAL STANDARD DISCLOSURES

Indicator	Title	Section	External Assurance
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	1	YES
ORGANIZATIONAL PROFILE			
G4-3	Report the name of the organization.	2.1	YES
G4-4	Report the primary brands, products, and services.	2.1	YES
G4-5	Report the location of the organization's headquarters.	2.1	YES
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	2.1	YES
G4-7	Report the nature of ownership and legal form.	2.1	YES
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	2.1, Annual Report 75-76	YES
G4-9	Report the scale of the organization.	2.1, Annual Report 119-127	YES
G4-10	d. Report the total workforce by region and gender.	05	YES
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	05	YES
G4-12	Describe the organization's supply chain.	05	YES
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	05	YES
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	2.3.2, 2.3.3, 2.3.6, 03 Regulation Monitoring, 4.2.2	YES
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	2.1.3, 3.1 Preface, 3.3.5, 3.4, 3.5.1, 4.1.2, 4.2.1, 4.5 Preface	YES

List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:

G4-16	<ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic 	2.1.3	YES
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IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	<p>a. List all entities included in the organization's consolidated financial statements or equivalent documents.</p> <p>b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</p>	1, Annual Report 119-127	YES
G4-18	<p>a. Explain the process for defining the report content and the Aspect Boundaries.</p> <p>b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.</p>	2.4	YES
G4-19	List all the material Aspects identified in the process for defining report content.	2.4	
G4-20	<p>For each material Aspect, report the Aspect Boundary within the organization, as follows:</p> <ul style="list-style-type: none"> • Report whether the Aspect is material within the organization • If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: <ul style="list-style-type: none"> --The list of entities or groups of entities included in G4-17 for which the Aspect is not material or --The list of entities or groups of entities included in G4-17 for which the Aspects is material • Report any specific limitation regarding the Aspect Boundary within the organization 	2.4	YES

For each material Aspect, report the Aspect Boundary outside the organization, as follows:

- Report whether the Aspect is material outside of the organization

G4-21	<ul style="list-style-type: none"> • If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified • Report any specific limitation regarding the Aspect Boundary outside the organization 	2.4	YES
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G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	No restatement	YES
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G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	ASUS Cloud is included in 2013 report.	YES
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STAKEHOLDER ENGAGEMENT

G4-24	Provide a list of stakeholder groups engaged by the organization.	2.4	YES
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G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	2.4	YES
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G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	2.4	YES
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G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	2.4	YES
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REPORT PROFILE

G4-28	Reporting period (such as fiscal or calendar year) for information provided.	P.1	YES
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G4-29	Date of most recent previous report (if any).	P.1	YES
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G4-30	Reporting cycle (such as annual, biennial).	P.1	YES
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G4-31	Provide the contact point for questions regarding the report or its contents.	P.1	YES
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G4-32	<p>a. Report the 'in accordance' option the organization has chosen.</p> <p>b. Report the GRI Content Index for the chosen option (see tables below).</p> <p>c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.</p>	P.1, GRI Index	YES
G4-33	<p>a. Report the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.</p> <p>c. Report the relationship between the organization and the assurance providers.</p> <p>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</p>	P.1, 06	YES
GOVERNANCE			
G4-34	<p>Report the governance structure of the</p> <p>Report the composition of the highest governance body and its committees by:</p> <ul style="list-style-type: none"> • Executive or non-executive • Independence • Tenure on the governance body 	2.3.1	YES
G4-38	<ul style="list-style-type: none"> • Number of each individual's other significant positions and commitments, and the nature of the commitments • Gender • Membership of under-represented social groups • Competences relating to economic, environmental and social impacts • Stakeholder representation 	2.3.1	YES

G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement). Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including:	2.3.1	YES
G4-40	<ul style="list-style-type: none"> • Whether and how diversity is considered • Whether and how independence is considered • Whether and how expertise and experience relating to economic, environmental and social topics are considered • Whether and how stakeholders (including shareholders) are involved 	2.3.1, Annual Report 21-25	YES
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"> • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder 	2.3.1, Annual Report 21-25	YES
G4-44	<p>a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.</p> <p>b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.</p>	2.3.1, 2.3.6, 2.3.7	YES
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.	2.3.1, 2.3.3, 2.3.4, 2.3.6	



7 GRI Index



b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.

G4-49	Report the process for communicating critical concerns to the highest governance body.	2.3.1, 4.1.5	YES
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ETHICS AND INTEGRITY

G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	2.1.3, 2.3.2, 03 Preface, 4.1.2, 4.2.1, 4.3 Preface	YES
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SPECIFIC STANDARD DISCLOSURES

Material Aspect	DMA and Indicator	Title	Section	Omission	External Assurance
Economic Performance		Disclosures on Management Approach		Annual Report 99-100, 102-103, 106	YES
	G4-EC1	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED		2.2, Annual Report 90-93, 110-111	YES
	G4-EC2	FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE		3.5.3, Annual Report 76-77	YES
	G4-EC3	COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS		4.1.3, 05	YES
	G4-EC4	FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT		05	YES
Market Presence		Disclosures on Management Approach		4.1.3	YES
	G4-EC5	RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION		4.1.3, 4.2.2	YES
	G4-EC6	PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION		05	YES
Procurement Practices		Disclosures on Management Approach		4.5 Preface	YES
	G4-EC7	DEVELOPMENT AND IMPACT OF INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED		4.5.1	YES
Procurement Practices		Disclosures on Management Approach		05	YES
	G4-EC9	PROPORTION OF SPENDING ON LOCAL SUPPLIERS AT SIGNIFICANT LOCATIONS OF OPERATION		05	YES
Energy		Disclosures on Management Approach		3.5.1 Preface	YES
	G4-EN3	ENERGY CONSUMPTION WITHIN THE ORGANIZATION		3.5.2	YES
	G4-EN6	REDUCTION OF ENERGY CONSUMPTION		3.5.2	YES





	G4-EN7	REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES	3.1.3, 3.5.3, 3.5.4	YES
Emissions	Disclosures on Management Approach		3.5.1 Preface	YES
	G4-EN15	DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)	3.5.2	YES
	G4-EN16	ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)	3.5.2	YES
	G4-EN17	OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3)	3.5.2	YES
	G4-EN19	REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS	3.5.2	YES
	G4-EN20	EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)	05	YES
Effluents and Waste	Disclosures on Management Approach		05	YES
	G4-EN22	TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION	05	YES
	G4-EN23	TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD	05	YES
	G4-EN24	TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS	NONE	YES
Products and Services	Disclosures on Management Approach		3.1 Preface	YES
	G4-EN27	EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES	3.1.3, 3.1.4, 3.5.4	YES
	G4-EN28	PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY	05	YES
Compliance	Disclosures on Management Approach		03 Preface	YES
	G4-EN29	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS	NONE	YES
Overall	Disclosures on Management Approach		03 Preface	YES
	G4-EN31	FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS	05	YES

Supplier	Disclosures on Management Approach		3.2	YES
Environmental Assessment	G4-EN32 PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA		3.2, 4.2.2	YES
Environmental Grievance Mechanisms	Disclosures on Management Approach		Through external Email GreenASUS@asus.com	YES
	G4-EN34 NUMBER OF GRIEVANCES ABOUT ENVIRONMENTAL IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS		NONE	YES
Employment	Disclosures on Management Approach		4.1.2	YES
	G4-LA1 TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION		05	YES
	G4-LA2 BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PARTTIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION		4.1.3	YES
	G4-LA3 RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER		05	YES
Labor/Management Relations	Disclosures on Management Approach		In accordance to local regulations	YES
	G4-LA4 MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS		05	YES
Occupational Health and Safety	Disclosures on Management Approach		Information and calculations regarding data in Taiwan are in accordance with local regulations.	YES

Occupational Health and Safety	G4-LA6	TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER	05	The information ASUSTeK and ASUS Cloud do not disclose for Taiwan is as follows: rate of occupational diseases, lost days by gender, and total number of work-related fatalities. ASUSTeK does not possess all information for overseas subsidiaries and suppliers.	YES
	Disclosures on Management Approach			4.1.1	YES
Training and Education	G4-LA9	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY	05		YES
	G4-LA10	PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS	4.1.1		YES
	G4-LA11	PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY	05		YES
Diversity and Equal Opportunity	Disclosures on Management Approach			4.1.2	YES
	G4-LA12	COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY	2.3.1, 05		YES

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





Forced or Compulsory Labor	Disclosures on Management Approach		05	YES
	G4-HR6	OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABOR	4.2.2, 05	YES
Supplier Human Rights Assessment	Disclosures on Management Approach		4.2.2	YES
	G4-HR10	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA	4.2.2	ASUSTeK does not perform assessments when selecting new suppliers but instead requires them to sign "Declaration of Compliance on ASUSTeK Code of Conduct for Suppliers and EMS". YES
	G4-HR11	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN	4.2.2, 4.2.3	YES
Human Rights Grievance Mechanisms	Disclosures on Management Approach		Through external Email GreenASUS@asus.com	YES
	G4-HR12	NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	05	YES
Anti-corruption	Disclosures on Management Approach		2.3.2, 4.2.2	YES
	G4-SO3	TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED	4.2.2, 05	YES
	G4-SO4	COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES	2.3.2	YES

Anti-competitive Behavior	G4-SO5	CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN	2.3.2	YES
		Disclosures on Management Approach	ASUSTeK complies with the laws and regulations set forth by relevant authorities	YES
	G4-SO7	TOTAL NUMBER OF LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES AND THEIR OUTCOMES	NONE	YES
Compliance		Disclosures on Management Approach	ASUSTeK complies with the laws and regulations set forth by relevant authorities	YES
	G4-SO8	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS	NONE	YES
Supplier Assessment for Impacts on Society		Disclosures on Management Approach	4.2.2	YES
	G4-SO9	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA FOR IMPACTS ON SOCIETY	4.2.2	YES
	G4-SO10	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON SOCIETY IN THE SUPPLY CHAIN AND ACTIONS TAKEN	4.2.2, 4.2.3	YES



Grievance Mechanisms for Impacts on Society	Disclosures on Management Approach		Through external Email GreenASUS@asus.com	YES
	G4-SO11	NUMBER OF GRIEVANCES ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	NONE	YES
Customer Health and Safety	Disclosures on Management Approach		05	YES
	G4-PR1	PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT	05	YES
	G4-PR2	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES	NONE	YES
Product and Service Labeling	Disclosures on Management Approach		05	YES
	G4-PR3	TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY THE ORGANIZATION'S PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELING, AND PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES SUBJECT TO SUCH INFORMATION REQUIREMENTS	05	YES
	G4-PR4	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES	NONE	YES
	G4-PR5	RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION	4.3.2	YES

Marketing Communications	Disclosures on Management Approach		ASUSTeK complies with the laws and regulations set forth by relevant authorities	YES
	G4-PR7	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING MARKETING COMMUNICATIONS, INCLUDING ADVERTISING, PROMOTION, AND SPONSORSHIP, BY TYPE OF OUTCOMES	05	NO
Customer Privacy	Disclosures on Management Approach		2.3.5, 4.3.3	YES
	G4-PR8	TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA	4.3.3	YES
Compliance	Disclosures on Management Approach		03 Preface	YES
	G4-PR9	MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES	NONE	YES
Conflict Minerals	Disclosures on Management Approach		4.2.3	YES
	IMPLEMENTATION OF ASUSTeK SUPPLY CHAIN CONFLICT MINERAL INVESTIGATION	RATIO OF CFSP-CERTIFIED SMELTERS IN ASUSTeK SUPPLY CHAIN	4.2.3	YES
Community Involvements	Disclosures on Management Approach		4.5 Preface	YES
	ACTIVITIES	PERFORMANCE OF THE ACTIVITIES	4.5	YES



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