

2014

ASKEY

Corporate Social Responsibility Report



Customer Success · Partner Collaboration · Leadership Excellence · Environment Friendly

About Askey's CSR Report

This is the second CSR report published by Askey Computer. By reporting key aspects reported through this report, we hope that stakeholders can better understand our achievements in sustainable development. In the future, we will improve our operating strategy and policy with reference to the topics of stakeholder concern and report them in the report. We plan to publish the CSR report on an annual basis. The next report will be published in Q2 2016.

Scope

This report covers the CSR performance of Askey Computer during January to December 2014. The content of indicators covers Askey Computer Taiwan (Zhonghe), Askey Electronics China (Suzhou). Figures in the financial reports provided in this report are expressed in New Taiwan Dollars. Environmental, safety and health (ESH) performances are measured with international general indicators.

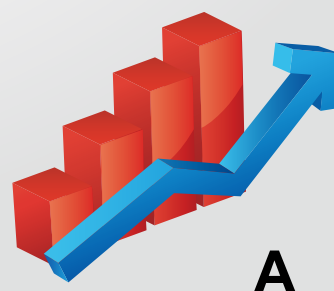
Guidelines

This report contains core disclosures from the Global Reporting Initiative (GRI)-G4 Sustainability Reporting Guidelines to select and analyze the contents, so as to report the sustainable topics, relevant strategies, targets and measures of this company. The current status of disclosures of various performance indicators is listed in detail in the GRI Indicator Correspondence at the end of this report.

Contact Information

Should you have any comments about this CSR report, please feel free to share with us your valuable comments and opinions through the following channels:

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Contents

Business Philosophy 01

To friends who care about Askey 01



Askey Profile 02

Introduction	02
Corporate organization and governance	03
Product introduction	05
Askey honor	07
CSR committee	08
Corporate finance	09
Business risk and management	10

Askey & Environment 34

Environmental policy and goal	34
Environmental management and implement	35
Supplier environmental management	36
Energy and resource management and announce	37

Stakeholder Communication 12

Stakeholder identification and communication	12
Materiality analysis	13
The boundary of aspects	16

Product Responsibility 46

Product responsibility policy and goal	46
Supply chain management	48
Protect the interests of customers	49
Supplier CSR	50

Friendly Work Place 17

Friendly work place policy and goal	17
Employee welfare and concern	17
Friendly angel project	18
Parental / maternity leave	19
Professional training	20
Human right education and training	22
Competition	23
Club activities	25
Festival activities	26
Employee structure and retention	27
Work place safety and health	31
Occupational accident	33

Community Involvement 51

GRI G4 Index 53

1 Business Philosophy

To friends who care about Askey

This is Askey's second Corporate Social Responsibility Report. Thanks to all parties' advice for Askey CSR, Askey steps forward towards sustainable development. We understand that the core of corporate social responsibility is not only to contribute to the society, but also to have a clear conscience for all Askey stakeholders. Hope with efforts of all stakeholders, such concepts will be carried out more thoroughly.



The year 2014 was turbulent both in Taiwanese society and environment. Food security, post-disaster, air crash hit the headlines. The public's concern for enterprises also increases year by year. Corporations have learned sustainable development is more worth striving for in the future besides corporate operational level. That is, the company can expect a stable profit and also have a positive influence on employees and social environment.

The positive influence spurs Askey to step forward towards friendly environment. We implement the water, electricity, and gas and energy conservation policy; hold seminars and activities benefiting for colleagues' health and meet customer demand for green products, such as: RoHS, REACH, WEEE, ErP and conflict minerals.

In 2015, we plan to meet international certification ISO 22301 business continuity management requirements, promote Eco-design, implement ISO 9001 and other management systems of the updated response measures and hold couplets charity. We hope our efforts can make positive energy to the society.

"Benevolence", as the central idea of ancient Confucian statements, meaning "Reciprocity", also representing "self-restraint and restoration of rites are benevolence" is the best representative of corporate social responsibility. In modern times, it means care for surrounding environment, colleagues and compliance with national laws and regulations. This echoes Askey's management idea, "customer satisfaction, associate contentment and business attainment".

Finally, Askey will uphold the original intention of contributing to society and continue to make contribution to harmonious society.

General Manager of Askey Computer

Robert Lin



2 Askey Profile

Introduction

Founded in 1989, Askey Computer Corporation is a subsidiary of the internationally renowned brand ASUS. At present, we are a world-leading network communication and electronics developer with more than 8,000 employees across the world and an annual sales turnover over NTD 34 billion. Headquartered in Taipei, Taiwan, we are currently focus on ODM and OEM services. In terms of division of labor, Taipei is our R&D center while Suzhou, China, is our production base. Our complex, comprising three advanced processing plants in Suzhou, occupies a total area of 300,000m². Pursuing sustainable operation through continuous development of core business and maintaining incessant innovation through dedicated R&D, we are committed to providing worldwide customers with the most innovative, best-quality and most competitive products, and a reliable and satisfactory after-sales service.

As a member of the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), we can make suggestions for industrial policies to the government at appropriate times to build a sound environment for industrial development, provide products and services that meet supplier requirements, and assume our basic responsibility as a TEEMA member. Since the company was established, consumer benefits have since been our emphasis. Upholding the principle of fair trade and fair market competition, we strongly request employees and officers of all levels to strictly follow the code of conduct against anti-competitive practices. We also follow antitrust laws and regulations. In 2014, therefore, no involvement in any anti-competitive act was reported at Askey, nor were we involved in antitrust litigation of any kind. In maintaining business neutrality, we participate in no activities of any political party. Instead, we aggressively enforce government policies, participate in government activities, and continuously involve ourselves with various public welfare services.





2 Askey Profile

Corporate Organization and governance

To expand global deployment and improve corporate structure, Askey Computer became a wholly-owned subsidiary of Asus Computer in 2006. Following the continuous growth and development of the network communications industry, Askey passed certification by different laboratories and was awarded the certificate for different management systems.

Asus is the only shareholder of Askey. An audit office is established under the chairman to audit and validate various operational activities within the organization, so as to assist the company in logically achieving operational effectiveness and efficiency and ensuring the reliability and regulatory compliance of financial reports. The board of directors is formed by two directors with professional background and technical experience and one CEO to operate and supervise the organization. The staffing of the board is as follows:

Title	Name
Chairman	Robert Lin
Director	Jonney Shih
Director	Jerry Shen

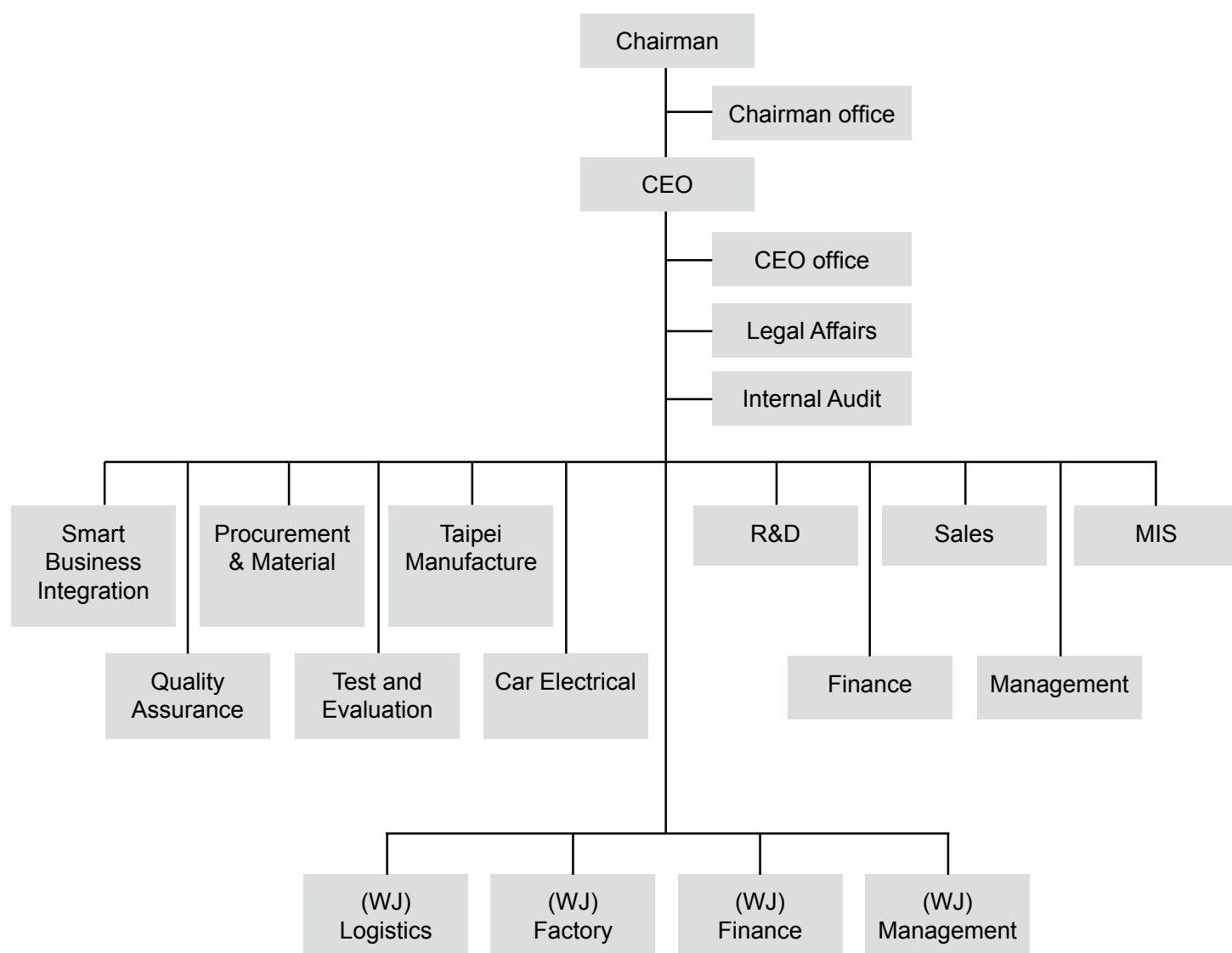
Milestone	Highlights
1989	Askey Computer Corporation is founded in Taipei, Taiwan.
1995	ISO 9001 Certification in Taipei
1997	Initial Public Offering in Taipei
1998	ISO 14001 Certification in Taipei
1999	Askey is the first Taiwanese company to be certified by CableLabs for its cable modems
2001	TL 9000 Certification in Taipei. WiFi Certification Establish China manufacture plant in Suzhou.
2002	OHSAS18001 certified in Taipei. TL9000 certified in Suzhou
2006	Askey becomes a member of ASUSTek. TS16949 Certification. ISO 14001, OHSAS18001 Certification in Suzhou.
2007	QC080000 Certification. ESD S20.20 Certification in Suzhou
2009	ISO/IEC17025 Accreditation in Suzhou
2010	ISO 14064-1 Verification
2012	ISO 13485 Certification
2013	Produce the first edition of CSR report.
2014	Certified by medical equipment GMP.



2 Askey Profile

Corporate organization and governance

Askey Organizational Chart



WJ: Wujiang, Suzhou



2 Askey Profile

Corporate organization and governance

Askey vision and 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 one in the areas of quality, speed service, innovation and cost-efficiency.
- ❖ Strive to be among the world-class high-tech leaders and to provide valuable contributions to humanity.

Askey sustainability spirit

- ❖ Customer Success · Partner Collaboration · Leadship Excellence · Environment Friendly

Product Introduction

To cope with the trend of market diversification, Askey continues to develop faster and more stable communication technologies in major communication technologies such as xDSL, Cable Modem, FTTX, GPON, and PDT with its rich broadband product know-how, and its products are distributed to worldwide major operating networks. In wireless communication, Askey devotes itself to develop products for the new-generation communication technologies, such as the 802.11ac, the 4G LTE mobile communication, and FemtoCell.

With the rise of home digitization, besides the continuous innovation and R&D of set top box multimedia products, we further turn toward the integration of next-generation value-added service platforms such as home automation, green energy, and digital healthcare communication. In recent years, we have made aggressive deployment in smart telematics to extend the breadth and depth of product variety. With an insistence on core business, we focus on technology R&D and innovation to diversify product lineups to market demand.

At Askey, we have a wide variety of broadband products, wireless transmission products, and network application products meeting the need for quick change and diversified development to meet the needs of modern network development. Through quick and high-efficient integration of product technology, we provide customers with Askey profile complete, solid, and high-quality total solutions, so as to fulfill the demand of the expanding customization market.



2 Askey Profile

Askey Product Portfolio





2 Askey Profile

Askey honor

Award Name	Description
2014 Clean, Energy-Saving and Emission Reduction Production Guidance Plan	Participated in the clean production technology assessment and recommended improvement plans for industries in New Taipei City
2014 Top 10 Import-Export Enterprises in Wujiang District, Suzhou	This award can encourage enterprises in Wujiang District to purposively and systematically "trial and pilot" bonded trade and intermediary trade functions in the integrated area, so as to lay a foundation for future industry transformation and upgrade.
2014 Class AA Enterprise in Customs Management	The Chinese Customs classifies enterprises by operational scale, integrity and regulatory compliance into five classes: AA, A, B, C, and D; the higher the class is, the more conveniences and preferences an enterprise enjoys.
2014 China's exports of leading indicators and the sample companies	"China's exports of leading indicators" survey is to collect the sample companies with Askey questionnaire via the Internet, for export trend of 2-3 months of monitoring and early warning in the future. Askey representative wrapped representative companies in the industry, but also reflects the overall business Askey profound strength, while reflecting the government department of the Division I overall degree of attention.
2014 School-enterprise cooperation units outstanding medals	Wujiang Economic and Technological Development Zone business excellence award, reward Askey and campus university-industry cooperation.
2014 Advanced collective blood donation	Askey 2013-2014 year in recognition of Wujiang Economic and Technological Development Zone (with the town) active participation of blood donation.



- ◆ 2014 Top 10 Import-Export Enterprises in Wujiang District, Suzhou



- ◆ 2014 School-enterprise cooperation units outstanding medals



- ◆ 2014 China's exports of leading indicators and the sample companies



- ◆ 2014 Class AA Enterprise in Customs Management



- ◆ 2014 Advanced collective blood donation



- ◆ 2014 Clean, Energy-Saving and Emission Reduction Production Guidance Plan

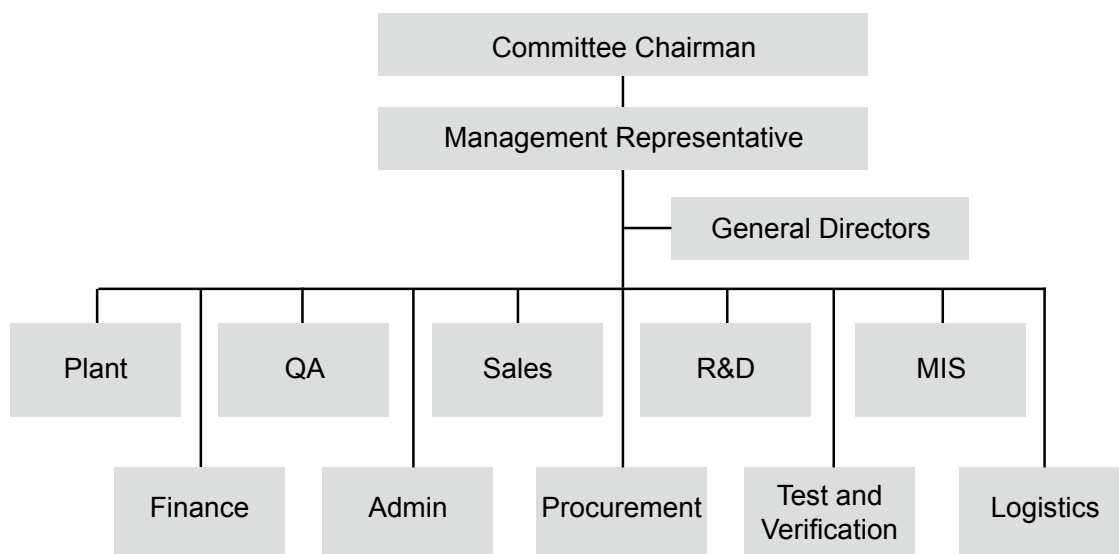


2 Askey Profile

CSR committee

According to the WBCSD, “Corporate Social Responsibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large”. When establishing the CSR Committee, therefore, Askey shall register, assess and identify the impact caused to CSR by its activities, product production processes, infrastructure, change, and workplace, including activities of administrative departments. Askey shall assess the impact on CSR and ESH of environmental aspect, safety and health risk, employee welfares, and business ethics. Askey shall also quantify the potential risks produced by activities to identify their significance and risk. The committee chief shall hold a meeting every 60 days and unscheduled meetings as necessary.

CSR Committee Organizational Chart



Various units	Job Description
Committee Chief	Draft the objectives and policies for sustainable development
Management Representative	Establish the CSR system
Executive Secretary (General Affairs Department, Administration Division)	Environmental protection, health and safety.
Executive Secretary (Administration Division, Management Headquarters)	Business ethics and labor rights
Executive Secretary (Customer Quality Assurance Division)	Customer communication and feedback
Other related departments	Policies supporting sustainable development



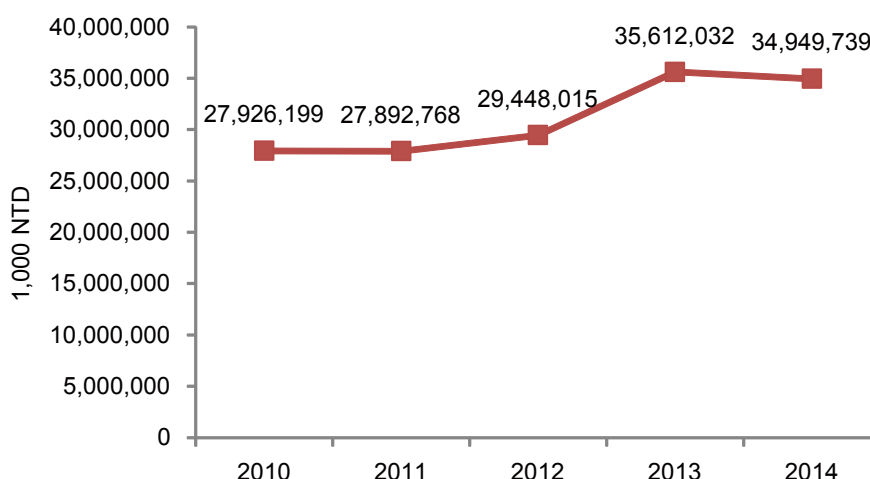
2 Askey Profile

Corporate finance

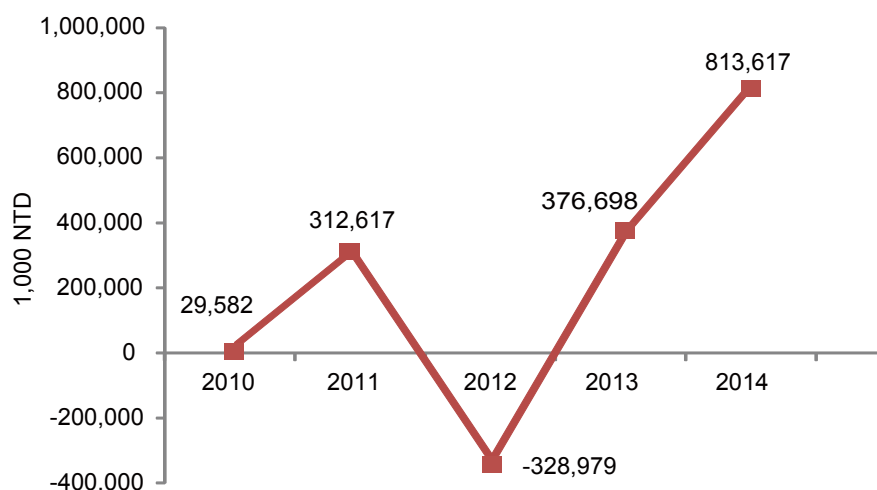
Askey spares no effort in the field of research and development 2014 revenues reached NTD 34.949 billion,NTD 813 million after-tax earnings; In 2014 we invested in an R&D fund amounting to NTD 1.409 billion, which accounted for 4.03% of the operating revenue. Our Suzhou Plant continuously benefits from the “deductible tax for investments in technology development”, a tax incentive from the local government.

The overall revenue in 2014 is not as well as 2013,but the 2014 after-tax earnings increase of about 2.15 times compared with 2013, an increase of NTD 437 million. This suggests that the company is growing steadily after the strategic re-adjustments of products and organization.

Net operating revenues



Consolidated net(loss) income





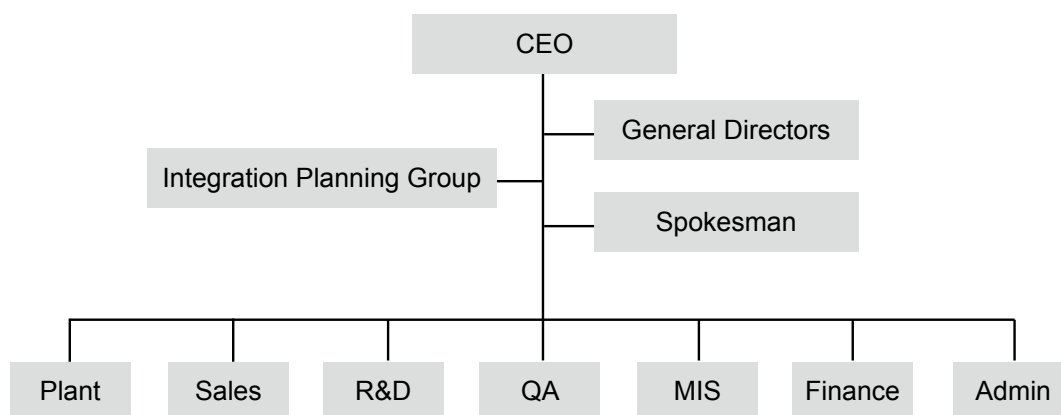
2 Askey Profile

Business risk and management

Global warming is one of the most concerning environmental aspects in recent years. Anomalies due to annual temperature rises result in glaciers melting, rainstorms and droughts which impact upon water resources and the environment and even threaten human lives. In 2010 the grand flood of the century in southern China caused severe casualties and economic damage to local areas, even transportation was interrupted. An unexpected crisis can bankrupt enterprises or cause tremendous damage to them. Should enterprises need to quickly find an alternative production location, the impact on the entire supply chain of the industry can be minimized. For this reason, to ensure business continuity by protecting key operating processes against the impact of disasters, we implemented Business Continuity Management (BCM) to combine prevention with recovery and control measures. In addition to reducing business discontinuation due to major failures, accidents or disasters to an acceptable level, BCM endures employee safety and business continuity. Lastly, by identifying potential impacts threatening the organization and establishing a flexible responsive framework, we not only enhance business continuity capability and competitiveness, but also protect the benefits of customers, shareholders and the company. Based on the emergency events inside and outside of the plant, such as fires, explosions, earthquakes, floods and communicable diseases, we organize at least one emergency response exercise each year to improve the emergency response ability of personnel and enable them to get familiar with the evacuation plan.

In 2014, Askey hold fire drill's in Taiwan and Suzhou, trained 36 and 932 employee respectively. In the same time, Askey also hold BCM trainees, and 107 managements join the class. Make sure we can handle the situation when emergency happened.

BCM Committee Organizational Chart



2 Askey Profile

Business risk and management



◆ 2014 Fire drills (Suzhou)



◆ 2014 CPR drills (Suzhou)



◆ 2014 BCM drills (Suzhou)



◆ 2014 ISO22301 training course



◆ 2014 Fire drills (Taiwan)





3 Stakeholder Communication

Stakeholder identification and communication

Stakeholders are individuals or groups affecting or affected by the business activities. Stakeholder interaction is an important part of business operation. As it is necessary for Askey to assume its responsibilities and perform its obligations for stakeholders, we establish comprehensive communication channels to understand the topics of customer's stakeholder's concern regarding the company. These topics may change and even be difficult to execute, but they all provide a reference for our preventive and corrective action and even our development strategies after further planning. Stakeholders identification is to identify the various departments frequent contact with Stakeholders, and asked various departments and Stakeholders substantive analysis.

Askey stakeholders

Stakeholders	Askey responsibilities	Communication channels
Customer	Product design Customer satisfaction Quality service Environment and social responsibility	<ul style="list-style-type: none"> ★ Customer satisfaction survey ★ Product information on Askey official website ★ Maintain customer contacts through periodic meetings and correspondence ★ Periodic customer audits
Employee	Employee development Respect for human rights Health, safety and the environment Wages and welfares	<ul style="list-style-type: none"> ★ Employee suggestion box ★ Employee welfare committee ★ Internal and external training ★ Labor-management meetings ★ Labor safety committee
Shareholder	Operational performance Operational strategy	<ul style="list-style-type: none"> ★ Periodic financial reports ★ Askey board of directors
Supplier	Fair trade Green procurement Supplier social responsibility	<ul style="list-style-type: none"> ★ Supplier conference ★ Supplier audit ★ Askey B2B platform ★ Supplier CSR Commitment ★ Supplier complaint box
Contractor	Safe work environment	<ul style="list-style-type: none"> ★ Assessment and evaluation ★ OSH Committee
Community	Community care Protection of surroundings	<ul style="list-style-type: none"> ★ Community owner meetings ★ Charitable activities
Government	Regulatory compliance Cooperation with related publicity activities	<ul style="list-style-type: none"> ★ Maintaining good interaction with competent authorities and participating in related seminars. ★ Regulatory compliance



3 Stakeholder Communication

Materiality analysis

The method of materiality analysis

Askey applied GRI G4 sustainable guideline which is including 3 categories & 46 aspects to divide the main topics.

We made 236 questionnaires and the method of materiality analysis is as follow:

Defined the questionnaires and do survey to stakeholders.

- ❖ Major aspects of sustainable use GRI G4 Reporting Guidelines 46 aspects, as the basis for stakeholders to identify the source and made questionnaire, requested convey to all stakeholders of various departments.



To define the stakeholders and the weight of the aspects

- ❖ Finishing major aspects questionnaire.
- ❖ Askey be operating shock level to identify and determine the weight of stakeholders.



Make a crosstabs to the main aspects

- ❖ Cross-analysis of the impact of the extent of the operation and the degree of social concerns and aspects.



TOP 20
main aspects

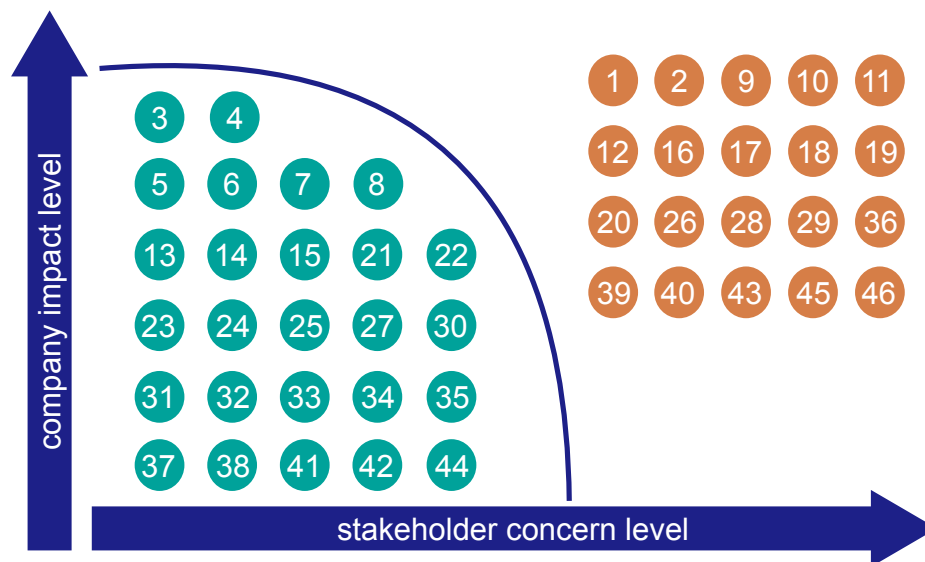


3 Stakeholder Communication

Materiality analysis

Determine materiality

According to the matrix, we use the company impact level & stakeholder concern level to divide the top 20 aspects. The first three are most concerned with environmental compliance, waste water and waste, occupational health and safety. It shows that the Stakeholders concern for the tendency of social, environmental which is connected with the current social environment apparently. The details will be revealed in this report.



Major considerations aspects

- 01.Economic performance
- 02.Market presence
- 09.Emission
- 10.Wastewater and waste
- 11.Product and service labeling
- 12.Compliance
- 16.Environmental Grievance Mechanisms
- 17.Employment
- 18.Labor/Management Relations
- 19.Occupational Health and Safety
- 20.Training and Education
- 26.Non-discrimination
- 28.Child Labor
- 29.Forced or Compulsory Labor
- 36.Anti-corruption
- 39.Compliance
- 40.Supplier Assessment for Impacts on Society
- 43.Products and services
- 45.Customer privacy
- 46.Compliance

Minor considerations aspects

- 03.Indirect economic impacts
- 04.Procurement practices
- 05.Material
- 06.Energy
- 07.Water
- 08.Biodiversity
- 13.Transport
- 14.Overall
- 15.Supplier Environmental Assessment
- 21.Diversity and Equal Opportunity
- 22.Equal Remuneration for Women and Men
- 23.Supplier Assessment for Labor Practices
- 24.Labor Practices Grievance Mechanisms
- 25.Investment
- 27.Freedom of Association and Collective Bargaining
- 30.Security Practices
- 31.Indigenous Rights
- 32.Assessment
- 33.Supplier Human Rights Assessment
- 34.Human Rights Grievance Mechanisms
- 35.Local Communities
- 37.Public policy
- 38.Anti-competitive Behavior
- 41.Grievance Mechanisms for Impacts on Society
- 42.Customer Health and Safety
- 44.Marketing communication



3 Stakeholder Communication

Materiality analysis

Major considerations aspects

Category		Aspects	
Economic		01	Economic performance
		02	Market presence
Environment		09	Emission
		10	Wastewater and waste
		11	Product and service labeling
		12	Compliance
		16	Environmental grievance mechanisms
society	Labor Practices	17	Employment
		18	Labor/management relations
		19	Occupational health and safety
		20	Training and education
	Human rights	26	Non-discrimination
		28	Child labor
		29	Forced or compulsory labor
	society	36	Anti-corruption
		39	Compliance
		40	Supplier assessment for impacts on society
	Product Liability	43	Products and services
		45	Customer privacy
		46	Compliance





3 Stakeholder Communication

The boundary of aspects

The inner boundary of the report are Taiwan plant and Suzhou plant and external boundary are suppliers and agents.

Category	Aspects	Inner		Outer
		Taiwan	Suzhou	Supplier/Agent
Economic	Economic performance	v	v	
	Market presence	v	v	
Environment	Emission	v	v	
	Wastewater and waste	v	v	
	Product and service labeling	v	v	
	Compliance	v	v	
	Environmental grievance mechanisms	v	v	
Society	Employment	v	v	
	Labor/management relations	v	v	
	Occupational health and safety	v	v	
	Training and education	v	v	v
	Non-discrimination	v	v	v
	Child labor	v	v	v
	Forced or compulsory labor	v	v	v
	Anti-corruption	v	v	
	Compliance	v	v	
	Supplier assessment for impacts on society	v	v	
	Products and services	v	v	
	Customer privacy	v	v	
	Compliance	v	v	





4 Friendly Work Place

Friendly work place policy and goal

At Askey, we never let employees expose to and work in a hazardous environment. We provide employees with a healthy and safe working environment through mutual trust and respect. We strictly observe regulatory requirements and are not involved in forced labor or child labor of any kind and in any form. We have even established the “Child Labor Remediation and Juvenile Worker and Penal Labor Management Regulations” and the “Labor and Ethics Review Procedure” to realize child labor remediation and protect the rights of juvenile labor and penal labor and strictly enforce labor moral hazard assessment.

Upon the foundation of regulatory compliance, we support the freedom of association of employees. At Askey Suzhou, we have established a labor union and selected employee representatives to promote workplace consultation and discuss related labor aspects, with 100% workplace consultation having been achieved. Although no labor union has been established in Taipei headquarter, employees can report workplace problems through the employee welfare committee or employee suggestion box (hr@askey.com.tw/ wj_hr@askey.com.tw).

Employee welfare and concern

At Askey, we do not pay employees differently because of their gender. With reference to the Act of Gender Equality in Employment: Employers shall not discriminate against applicants or employees because of their gender or sexual orientation in the course of recruitment, screening test, hiring, placement, assignment, evaluation and promotion. With reference to local labor laws and regulations, the amount of wages shall be the same for both genders. The company holds no discrimination between local employees and indigenous employees. In 2014 no discrimination of any kind was reported. In addition to following the requirements of labor laws and regulations, we aggressively participate in the wage survey organized by a well-known consulting company to ensure the overall compensation system is competitive in the recruitment market. The company provides employees with releases of different kinds of bonuses based on local customs, a performance bonus based on operational status, and a patent bonus and recommendation bonus. Besides wages, we have planned different benefits for employees. According to the laws and regulations of Taiwan, the company



arranges National Health Insurance, labor insurance, group employees, new labor pensions, and illness and disability insurance for employees on the date of reporting. In addition to the wedding and funeral allowances, there are gift certificates on the employee's birthday and three major festivals. The company also gives discounts for employees to purchase Askey products.

4 Friendly Work Place

Friendly angel project

There are 7,000 employees in Suzhou plant. In order to make new employees understand the company better and faster, integrate into the existing team and appreciate the humane care. In 2014 Askey began to promote angel project: big angels give tutoring to adult new employees and little angels give tutoring to juvenile new employees.

Angels should be familiar with the company's rule, get along well with colleagues and friendly help new employees to handle the new life in Askey. If any suggestion, angels can deliver it more directly and effectively.



◆ The angels name list



◆ The bright and warm resting area

4 Friendly Work Place

Parental / maternity leave

In Taiwan, in order to make employees take care of and breastfeed their children, before their children reach three years old, they may apply for unpaid parental leave of not longer than two years after working at Askey for one full year in accordance with the “Regulations for Implementing Unpaid Parental Leave for Raising Children” specified in paragraph 4 of Article 16 of the Act of Gender Equality in Employment. In Suzhou, the parental / maternity leave for female employees is subject to the Jiangsu Province Female Worker Labor Protection Regulations: female employees with a baby under one year old may enjoy two “breastfeeding” sessions during each shift, each shall be 30 minutes.

During the parental leave, the company will make proper arrangement of the employee’s work. After the leave, the employee will reinstate the same job in the same department.



◆ Askey nursing room

Employee reinstatement rate and retention rate after parental leave in Taiwan

Year	2011		2012		2013		2014	
Gender	male	female	male	female	male	female	male	female
Parental Leave applicant opulation	0	3	0	1	2	4	1	6
Reinstatement applicant population	0	3	0	1	1	1	1	1
Percentage	100%		100%		33.33%		28.57%	

Employee reinstatement rate and retention rate after maternity leave in Suzhou

Year	2011	2012	2013	2014
Maternity leave applicant population	188	205	355	225
Reinstatement applicant population	152	159	210	171
Percentage	80.85%	77.56%	59.05%	76%



4 Friendly Work Place

Professional training

New talent is always an important corporate asset of Askey. In talent cultivation, we start with taking care of employees and caring about their long-term development. With reference to the occupational requirements of their job and the need for corporate decision, we arrange comprehensive learning opportunities and resources to help employees improve professional competencies. In the talent cultivation plan, therefore, we reinforce skill development in newcomer training and provide employees with a flexible and convenient learning platform, and develop the management competency of managers to improve leadership and management quality. Related practices are as follows:

1 Pre-service training for newcomers

For new comers to quickly and comprehensively understand Askey's corporate vision, mission, operational philosophy, corporate culture, and systems, new employees will receive pre-service training immediately on the reporting day. In the training we also arrange education about labor safety and health, prevention of sexual harassment and sexual discrimination, and the code of conduct and code of ethics for employees.

2 Professional training for newcomers

For new employees to adapt to and infuse with their job as early as possible, newcomer training is implemented by means of e-learning for employees to plan a personal learning schedule more appropriately and with greater flexibility. On the e-learning platform we also arrange a wide variety general education courses and professional courses to provide employees with a more convenient self-learning environment.

3 Developing the management competency of managers to improve leadership and management quality

Based on the training target of management personnel, we plan the management competency training program. Through training activities we develop the goal development, organization, decision-making, supervision and cultivation abilities of management personnel, so as to improve their leadership and management quality for the management job.

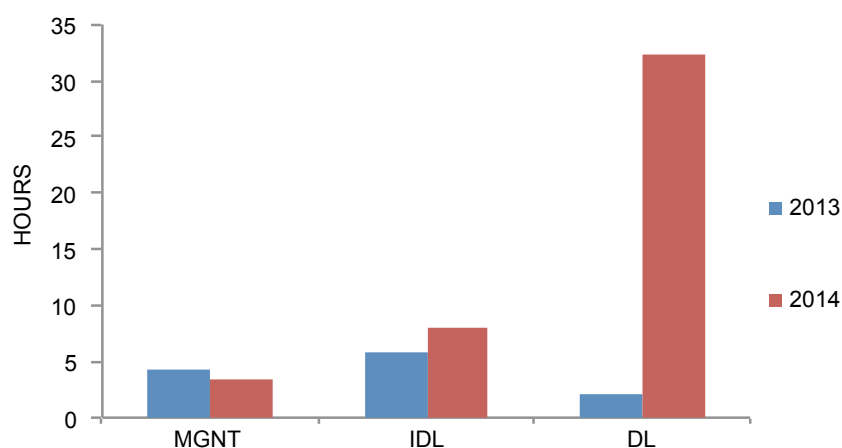
2014				
Average Training Hours/ Person	Taiwan		Suzhou	
Gender	Male	Female	Male	Female
MGNT	3.35	3.29	11.65	9.67
IDL	8.03	7.78	9.61	9.06
DL	34.67	29.84	2.94	1.26

4 Friendly Work Place

Professional training

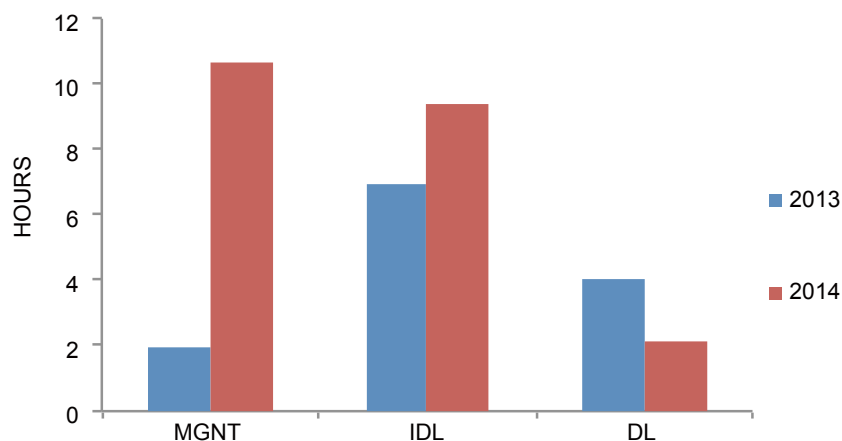
To provide employees with a more convenient self-learning environment, we arrange a wide variety general education courses and professional courses on the e-learning platform . In 2014, for the purpose of improving the quality of the production line, Askey Taiwan increases the hour of DL training courses. Due to the various of department's need and flexible time arrangement, Askey turns part of the training into online learning programs (e-learning) to help colleagues arrange learning time at ease.

Average Training Hours/Person (Taiwan)



In Suzhou, human resource increased in 2014 compared to 2013. Owing to the number of each department's employee has increased, the significant of managers are getting more importance. The hours of manager's training are slightly increased. To achieve effective training results, Askey put more emphasis on efficiencies that handle the plurality DL&IDL . However, the training content is almost the same as before and e-learning is the main training media.

Average Training Hours/Person (Suzhou)





4 Friendly Work Place

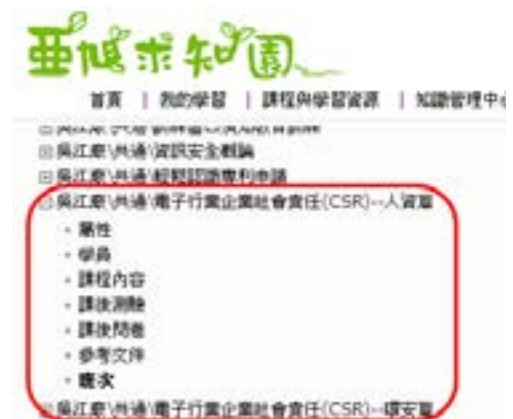
Human right education and training

At Askey Taiwan, as sexual harassment and sexual discrimination topics have been included in the pre-service training for newcomers, newcomers will receive related education immediately when they report to the company. Ethics and conduct are also very important in Askey. Both topics are also arranged in the pre-service training for newcomers. In addition, we distribute the Askey Work Rules to newcomers and remind them to follow these rules. Therefore, no violation of false accounting, workplace discrimination, or bribery was reported this year. To help employees solve problems, we have set up a suggestion box, both physical and virtual, in the plant for employees to file their complaints or share their opinions with management by specifying the reasons, facts, and contents in writing. Externally, stakeholders can report any problems through our external communication channels (such as the Askey official website and report email askey-110@askey.com.tw).

In E-learning, the training on human resources and environmental protection and safety in CSR are reinforced for employees working at Askey for one full year, hoping to let employees understand the code of ethics they need to follow and the OHS and occupational injuries and diseases they need to prevent. Each course is about one hour. To protect the rights and welfares of employees and to provide them with a work environment with equality, we have established the "Employee Complaint Handling Procedure" for employees to file their complaints about inequalities in human rights or unfair treatment at work. In 2014 we received a total of 109 complaints, and the resolution rate was 100%.

Askey offers a variety of complaint ways, as follows:

- ❖ Report to the complaint hotlines: 1505-0391-885 or 615885
- ❖ Report to the Employee Care Support Group
- ❖ Report to the management representative and counselors
- ❖ Report to the department head
- ❖ Directly report to the HR or General Affairs office
- ❖ Directly report to the employee suggestion box
- ❖ Email to wj_hr@askey.com.tw
- ❖ Directly report to the friendly angels.



◆ ASKEY E-learning

Trainee Taiwan			
Year	Category	Total Number of Trainees	Percentage
2012	Human right	396	100%
2013	Human right	397	100%
2014	Human right	374	100%

Trainee Suzhou			
Year	Category	Total Number of Trainees	Percentage
2012	Human right	27555	100%
2013	Human right	25566	100%
2014	Human right	21855	100%

4 Friendly Work Place

Competition

Toyota Production System (TPS) competition

At Askey, we organize the Toyota Production System (TPS) competition regularly to improve and integrate engineering processes and build the preliminary system framework, so as to shorten lead-time and enhance productivity. With the results of the TPS and mutual encouragement, we aim to pursue continual improvement and growth together.



◆ TPS competition



◆ TPS competition

Individual Improvement Proposal (IIP)

Askey held IIP personal improvement proposal (Individual Improvement Proposal), in order to encourage all employees, in a positive spirit, innovation and teamwork involved in the work to improve, to improve quality, reduce costs, improve efficiency, safety, improved equipment, upgrade customer satisfaction, thereby enhancing the competitiveness of enterprises.

◆ Individual Improvement Proposal form

◆ Individual Improvement Proposal form

4 Friendly Work Place

Competition

QIT & QCC Training courses

Quality Improvement Team (QIT) is the group of people charged with carrying out the quality improvements. They will endeavor to improve the quality of the production by cutting any losses and improving methods of the manufacture.

Quality Control Circle(QCC) is a group of direct employees solving problems they met in the production line. It make people to solve the questions which they met everyday and be aggressive.

Askey dedicated in quality improvement and QIT is useful to push question-solving skills, the competition will make employee stay closely engaged with partners and remain vital.

Taiwan plant QIT competition held for the first time, a total of 19 groups of participants; Suzhou plant has been held ten QIT competition, a total of 34 groups involved in tenth.



◆ QIT competition poster



◆ QIT competition poster



◆ QIT competition – Taiwan



◆ QIT competition – Suzhou

4 Friendly Work Place

Club activities

Softball club



Each week players will convene to practice basic training, the team from time to time with the major companies hold friendlies activity aims to promote colleagues legitimate leisure activities, to develop mutual cooperation colleagues team spirit, promote good health colleagues. 2014 Shuanghe summer league Group D, won the championship.

Basketball club

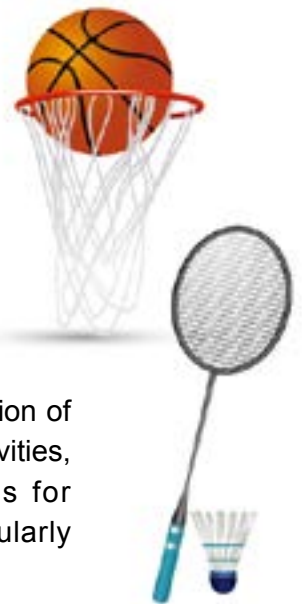


Promotion of basketball, teamwork, and to meet the love of basketball enthusiasts, and advocacy staff in recreational sports, basketball is a common hobby, learn and regular activities, exercise and healthy life concept in everyday life. ASUS Group actively participated in the annual competition organized basketball has to get a good ranking: 2013 silver medal, 2014 quarterfinals.

Badminton club



Provide opportunities for the exchange of friendship badminton sports-loving colleagues through activities arranged to allow everyone to participate in games, enhance friendship.



Calligraphy club



To study the art of calligraphy, the promotion of Chinese culture, emphasis on leisure activities, promote friendship among colleagues for the purpose of charity events held regularly couplets.

Floriculture club



The art and life into one, in addition to developing a second skill, the more everyday combination of art, and to the Friends of the Fair, purification of the mind and cultivate aesthetic concept. Stage programs: Bread flowers and paper clay art & furniture to create unique works.

4 Friendly Work Place

Festival activities

Askey to enrich their leisure life and enhance the spiritual and cultural pursuit, to achieve better performance in the workplace, creating a warm atmosphere of the work, in addition to organizing the monthly staff birthday party, more in particular, such as the Mid-Autumn Festival and the end of the year-end banquet, held to celebrate party, in order to enrich the content and fun competitions performances of teamwork, enhance employee friendship, because Askey is a family.



◆ Hold employee birthday party every month



◆ Mid-autumn Festival and the year-end party

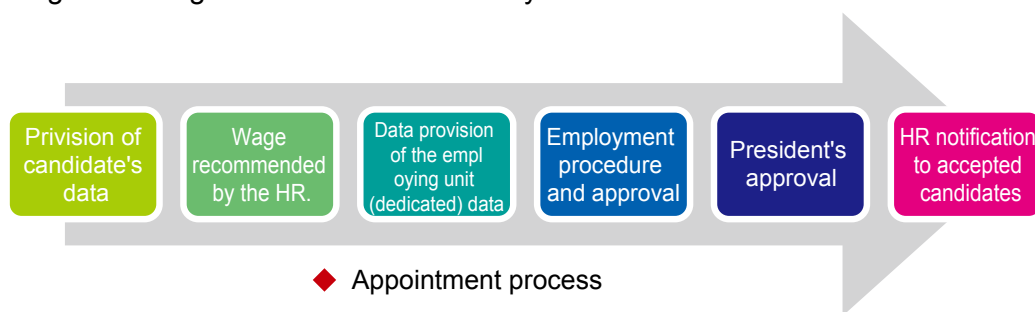


4 Friendly Work Place

Employee structure and retention

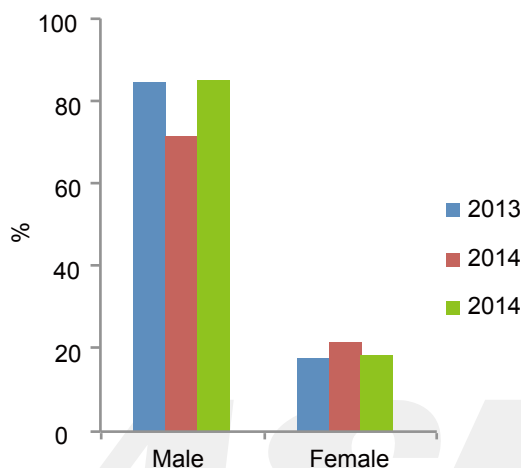
When recruiting new talent externally, we will consider local personnel to be high-level officers and aggressively recruit excellent talent in different fields to join Askey in accordance with the Askey personnel selection process. All candidates must pass the interview, examination, test, and health examination before employment. When there is an employment change, Askey will proceed in accordance with Article 16 of the Labor Standard Law, which shall be observed by both the employees and employer.

- ❖ Notification shall be made at least ten days in advance to employees who have been working for the organization for more than three months but less than one year.
- ❖ Notification shall be made at least twenty days in advance to employees who have been working for the organization for more one year but less than three years.
- ❖ Notification shall be made at least thirty days in advance to employees who have been working for the organization for more three years.

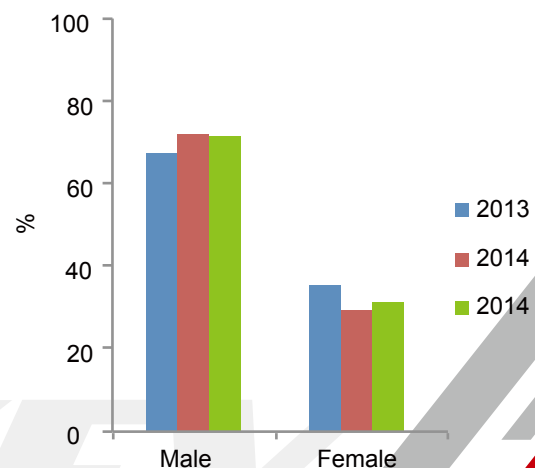


By the end of 2014 there were in total 1,309 employees at Askey Taiwan, including 304 management personnel, 216 professional personnel, 780 engineering personnel, and 9 professional staffing personnel. Among 304 management personnel, 18.95% were female. In the same time period at Askey Suzhou, there were totally 7072 employees, including 397 management personnel, 314 professional personnel and 6361 engineering personnel. Among 397 management personnel, 31% were female.

Gender distribution in the management (Taiwan)



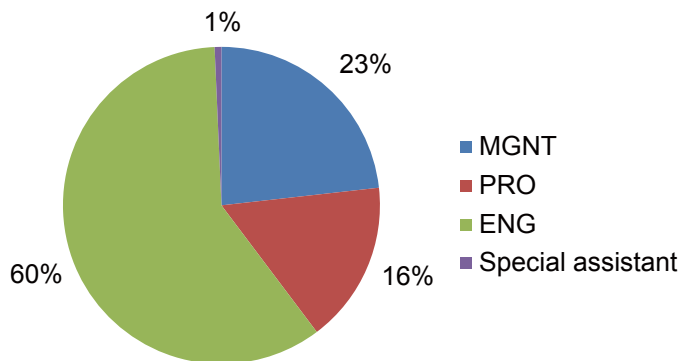
Gender distribution in the management (Suzhou)



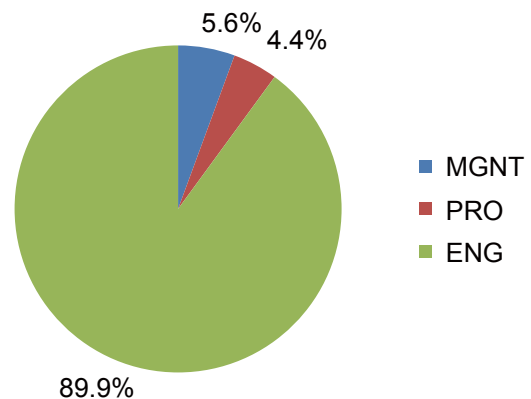
4 Friendly Work Place

Employee structure and retention

2014 Workforce structure and location (Taiwan)



2014 Workforce structure and location (Suzhou)



2014 Askey location employee categories

Taiwan			
Category	DL	IDL	Total
MGNT	2	302	304
PRO	—	216	216
ENG	152	628	780
Special assistant	—	9	9
Total	154	1155	1309

Suzhou			
Category	DL	IDL	Total
MGNT	—	397	397
PRO	—	314	314
ENG	5546	815	6361
Total	5546	1526	7072

2014 Gender & Age
dismissal rate distribution

	Taiwan		Suzhou	
	Male	Female	Male	Female
Under 30	8.23%	10.82%	64.55%	27.63%
30-50	50.65%	29.00%	4.54%	3.23%
Above 50	0.87%	0.43%	0.01%	0.01%

2014 Gender & Age
accession rate distribution

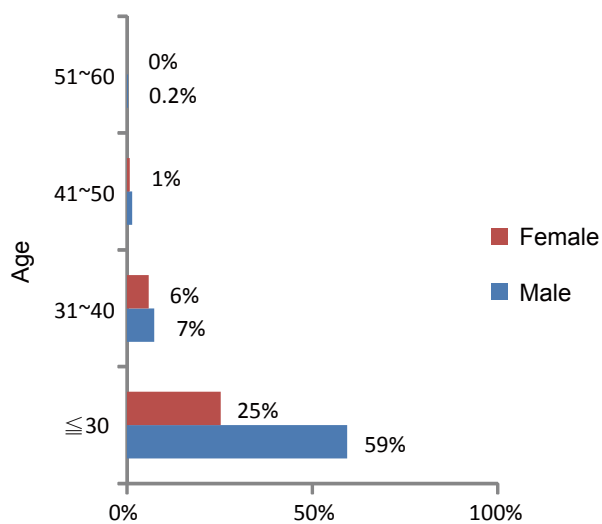
	Taiwan		Suzhou	
	Male	Female	Male	Female
Under 30	8.33%	21.35%	65.86%	26.97%
30-50	36.98%	32.55%	3.9%	3.23%
Above 50	0.52%	0.26%	0.01%	0%



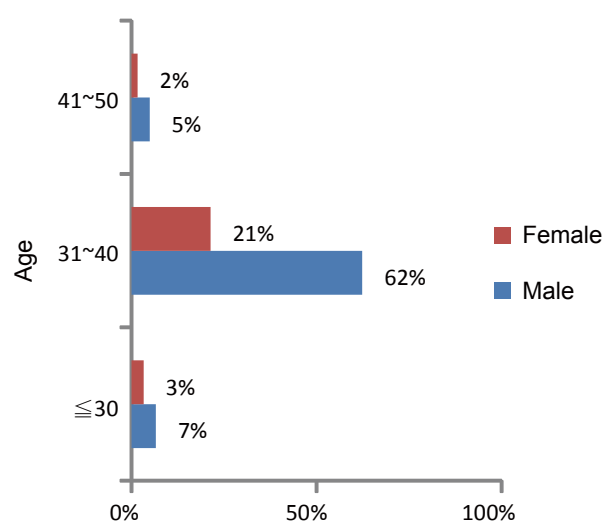
4 Friendly Work Place

Employee structure and retention

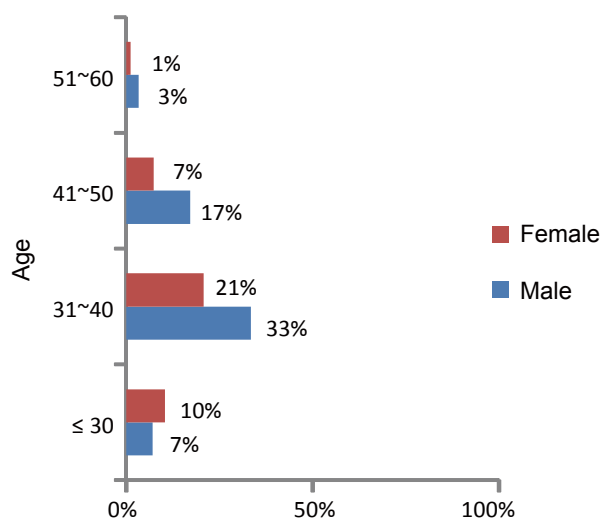
2014 Gender & age distribution
in the employee (Suzhou)



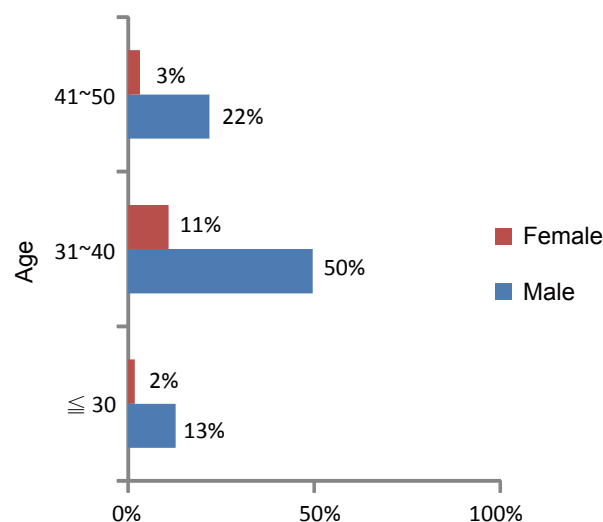
2014 Gender & age distribution
above the manager (Suzhou)



2014 Gender & age distribution
in the employee (Taiwan)



2014 Gender & age distribution
above the manager (Taiwan)

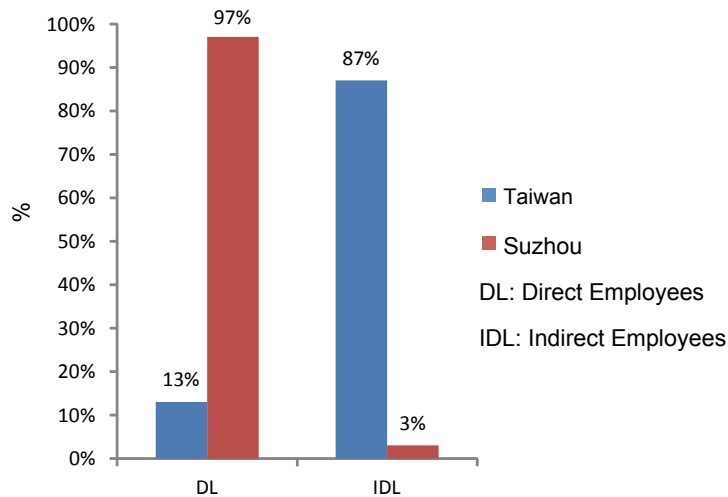




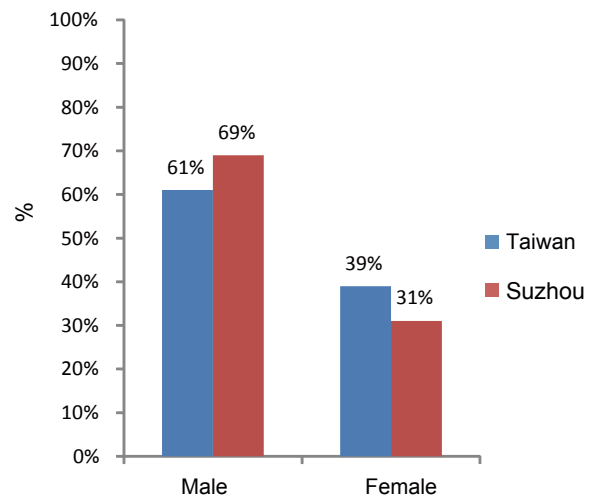
4 Friendly Work Place

Employee structure and retention

2014 Turnover rate by DL&IDL



2014 Turnover rate by gender



4 Friendly Work Place

Work place safety and health

Besides planning employee insurance and welfares in accordance with the local laws of Taiwan and mainland China, Askey specifically specifies in the “Disaster and Illness Compensation and Relief” clause in the “Newcomer Manual and Work Rules”. Employees who are killed in the line of duty (including deaths as a result of occupational diseases) will be given a funeral/burial allowance at a multiple of their average wage, and their dependents will be given death compensation. In addition to helping the family to claim insurance, the company will release a death relief fund to the family of employees who die not in the line of duty. The company will also plan a fund for the death relief fund in the annual budget.

Health and Safety

To provide employees with a safe and comfortable work environment, we have implemented respectively the ISO14001 Environmental Management System and the OHSAS18001 Occupational Health and Safety Management System. We have also formed the OHS Committee. At Askey Taiwan, there are seven members in the committee, including the chairman as the committee chief and three members are elected by employees, commanding 43% of total members. At Askey Suzhou, employee representatives share 53% of the committee members. The committee holds a committee meeting every three months for employees to effectively participate in workplace health and safety.

Askey put great emphasis on staff health and provide a series of health check program. We also arrange regular physical checkup for employees and follow up the abnormal condition of employees. Employees can understand their health condition and take early intervention of their health problems, so as to build a healthy and happy work environment.



◆ 2014 Health Checkup (Taiwan)



Category \ Area	Taiwan	Suzhou
Regular Physical Checkup	899	1,135
Occupational Care Checkup (Ionizing Radiation)	12	415

Unit: People



4 Friendly Work Place

Work place safety and health

In order to make their leisure time employees can stay healthy and increase employees' friendship, Askey hosted many health talks and health activities, and plot points and sweepstakes, etc., to create a work atmosphere of pleasure.



◆ 2014 Taipei fitness training & Health Talk



◆ 2014 mental health lectures - to find inner happiness



Health Talks	Participation
Stay away from pressure	95.2%
Introduce neuralgia	92.2%
Turn your mind - Different World	93.7%
Preventive Medicine	80%
Foot Massage	89.7%
Qi-gong	95.8%
Find your happiness	73.6%

* base on all employee in the Askey Taiwan.

Health Activity	Participation
Flu Vaccine Immunization	96.8%
Monthly Lucky Draw for Taking Stairs	23.5%*
Health Passport Point Collection	45.6%*
Free Physical Fitness Test	99.4%
Blood Donation	19.5%*
Free Papanicolaou Test	95.6%
Pap smear	98.2%
Bone Mass Measurement	99.2%
Weight Loss Class	100%

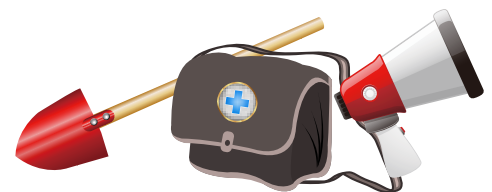
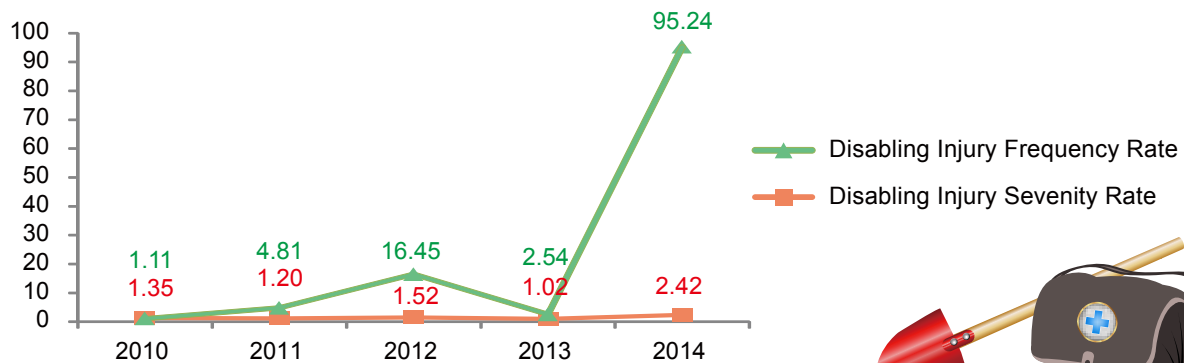


4 Friendly Work Place

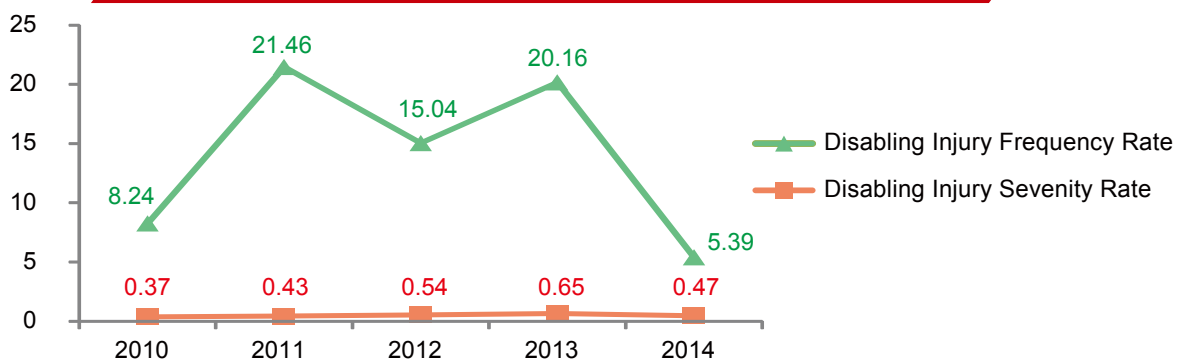
Occupational accident

In 2014, Askey Suzhou happened 7 occupational events and caused 7 employees injuries. Askey Taiwan occupational injuries occurred to 5 employees because of traffic accidents. Furthermore, one employee who is severe fracture was unable to work in the following 6 months. Thus, the 2014 disabling injury severity rate (SR) was much higher than before. After each event, askey investigated the cause and took immediate corrective and preventative action as soon as possible, to correct the situation and eliminate the causes to prevent recurrence. According to industrial safety events throughout the year, can be classified sprains, bruises and other injuries and some typical traffic accidents, accidents require heads of departments to strengthen advocacy, to avoid similar accidents in future.

Occupational injury and illness statistics (Taiwan)



Occupational injury and illness statistics (Suzhou)



Note: Disabling Injury Severity Rate (DISR, SR): Total number of injured days off work in every 1,000,000 man hours worked
 $SR = (\text{Total Disabling Injury Days} \times 106) / \text{Total Work Hours}$
 Disabling Injury Frequency Rate (DIFR, FR): Total number of disabling injuries in every 1,000,000 of man hours worked
 $FR = (\text{Disabling Injuries} \times 106) / \text{Total Work Hours}$



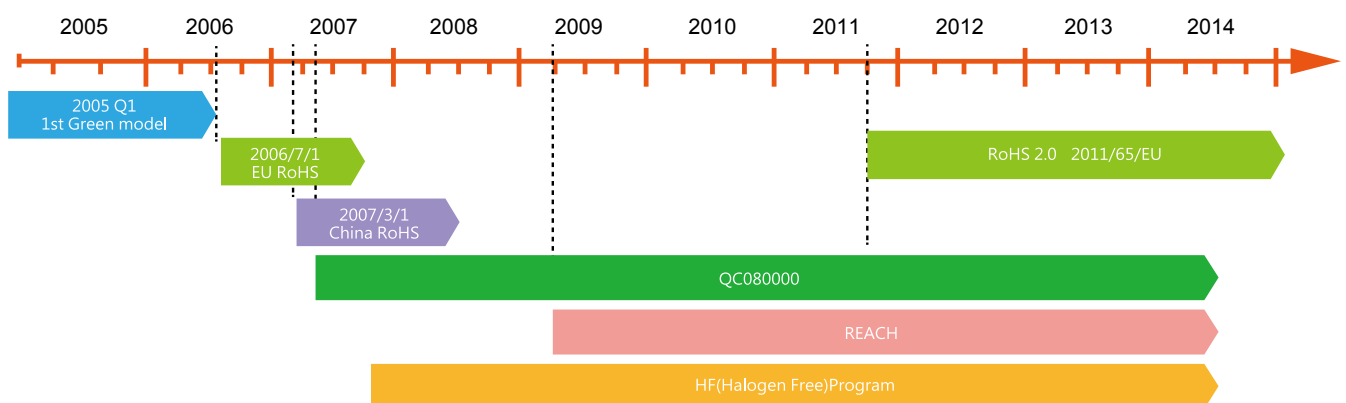
5 Askey & Environment

Environmental policy and goal

The products of Askey comply with international regulations, such as Restriction of Hazardous Substance(RoHS), Waste Electrical and Electronic Equipment(WEEE) and Energy-related Products(ErP). The purpose of complying with international regulations is satisfied with customer and assure our products meet the requirements of environmental quality. Askey can not only implements the Corporate Social Responsibility depending on regulations above but also complies with local regulations of customer's country. Askey did not violate any environmental regulations in 2014 and was not issued monetary value of significant fines or non-monetary sanctions.

After Askey introduced RoHS in 2006 and international companies were increasingly concerned with the control of hazardous substance, we continued to focus on environmental regulations updates and filled the requirement of customers. In addition , Askey also introduced IECQ QC080000 Hazardous Substance Process Management (HSPM) to improve the internal management and concerned about China RoHS, Halogen Free and Registration, Evaluation and Authorization of Chemicals(REACH) at the same time. As mentioned above, these process ensure that products do not contain banned substance or substance of very high concern, in order to prevent the risk of cancer, teratogenesis and bioaccumulation. In the same way that ozone depleting substances were banned in order to protect the ozone layer and reduce the impact on the ecosystem.

Askey hazardous substance free management

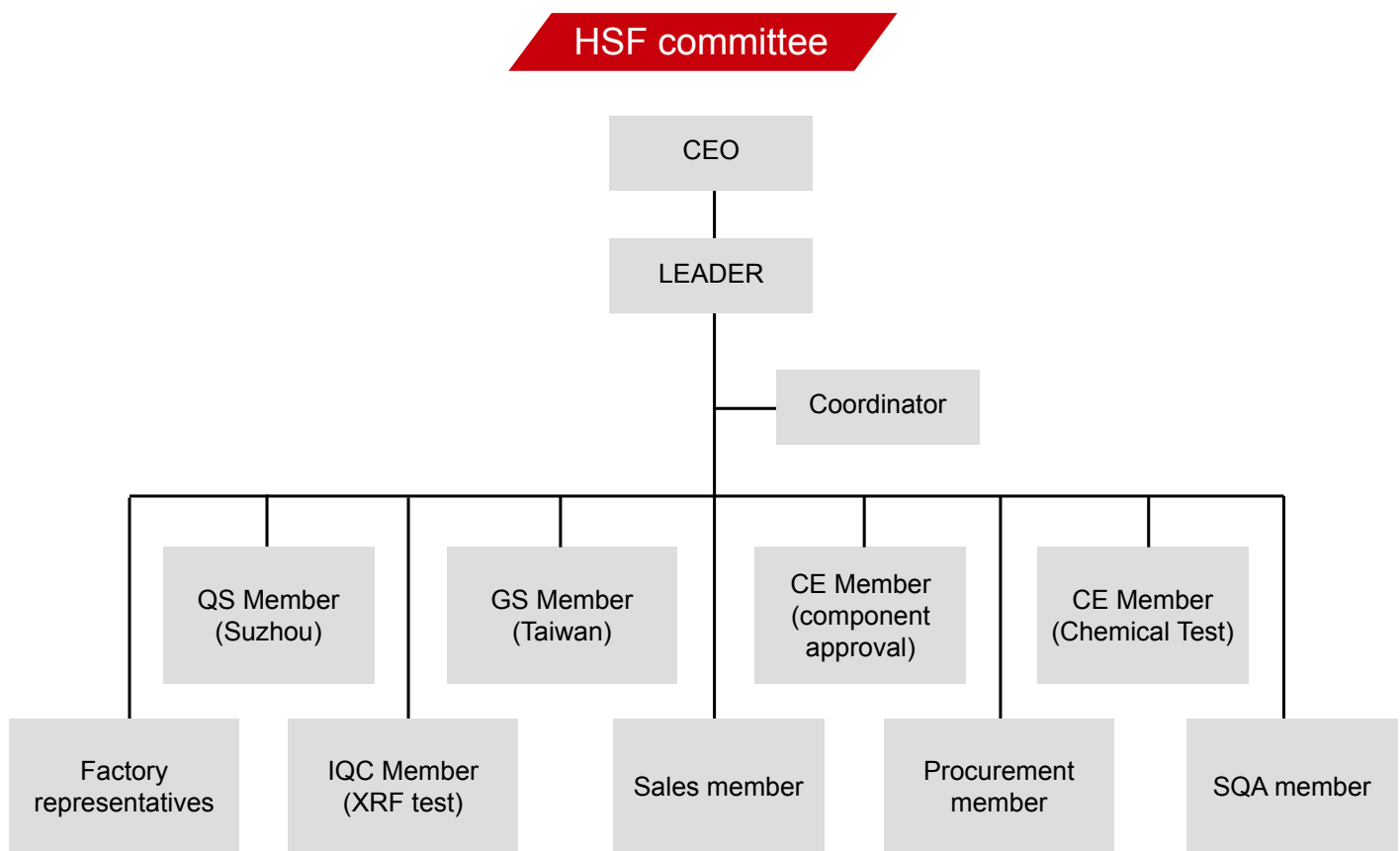




5 Askey & Environment

Environmental management and implement

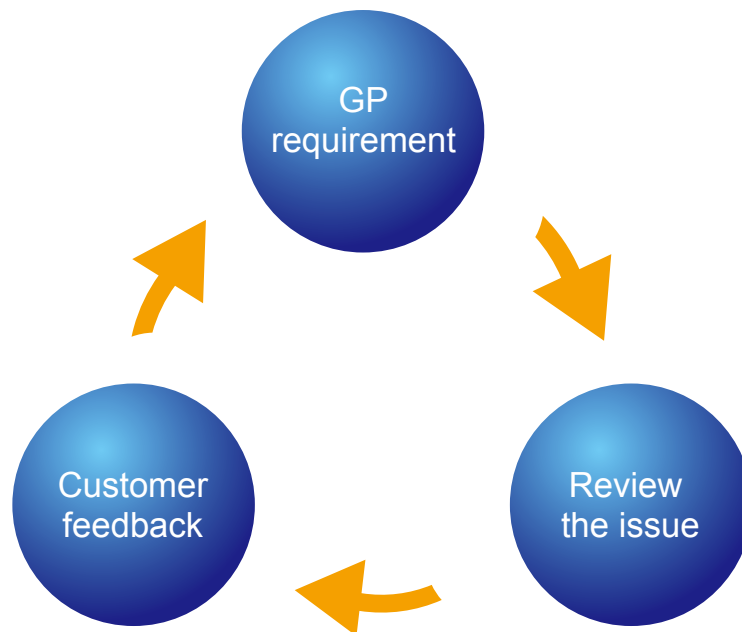
Askey's quality system follows the International Organization for Standardization(ISO) and IEC Quality Assessment System for Electronic Components of International Electrotechnical Commission(IEC) in order to ensure products comply with requirements of customers and environmental regulations of customer's country. Askey obtained all kinds of certificates included QC080000, ISO 9001, ISO 14001 and OHSAS 18001. In addition, Askey also organized the committee of Hazardous Substance Free(HSF) that holds meetings regularly and sets environmental goals of short-term and long-term. If products can't comply with Askey and environment requirement of HSF, the next step in the HSF committee will make further discussion and improve the situation immediately.



5 Askey & Environment

Supplier environmental management

Suppliers can obtain the latest document of management standard of controlled substances for Askey green products through they visit the web platform of B2B e-Supply Chain System at the first time. 2014 Askey import E-Green system, in the phase of approving components, Component Engineering(CE) reviews the relative aspects in accordance with suppliers submit the information of Green Products(GP) to Askey, and then Askey can implement projects of GP requirement. If customers require special customizations of GP, Askey will deal with special requirements by projects to ensure compliance with customers. In the early promotion phase, Askey also organized a supplier education and training workshops, called Askey suppliers to ensure that the system operates smoothly.



◆ E-green supplier trainee



◆ E-green supplier trainee



5 Askey & Environment

Energy and resource management and announce

Because Suzhou plant is Askey main manufacturing center, Taiwan is the sample manufacturing center. The CSR report's resource management and waste reduction is as follow:

Owing to the production line's characteristic, there is no water used for industrial but for life. There are no used natural gas and no independent water meter in Taiwan. Therefore, both of them wouldn't be announced.

Askey Suzhou plant provided employee dormitories, so natural gas and life water used there. No fine for violation of laws and regulations related to environment protection and disturb in 2014.

	Noise	Electric power	Water	Natural gas	Waste	GHG emission
Taiwan	√	√	-	-	√	√
Suzhou	√	√	√	√	√	√

Environment noise control

Askey on the perception of the environment and surrounding communities care about, hope that is not just useful in the business on the environment and on the surrounding communities are more able-friendly. Askey standards established under the Noise Control regulations, regular monitoring of outsourcing in the plant in the region, according to the Noise Control regulation zoning operations, and plant located in the industrial area, is a fourth class regulatory standards: 80 dB during the day, evening 70 dB, 65 dB at night, Suzhou plant in accordance with local regulations for day 65 dB, 55 dB at night, 2014 monitoring results are in compliance with standards.

Taiwan

Regulation standard	Daytime 80dB	Evening 70dB	Midnight 65dB
Monitoring data (average noise level)	73.2	62.7	64.0
Comply with policy?	Yes	Yes	Yes

Suzhou

Regulation standard	Daytime 65dB	Nighttime 55dB
Monitoring data (average noise level)	57.6	51.7
Comply with policy?	Yes	Yes



5 Askey & Environment

Energy and resource management and announce

Electric power used in Taiwan

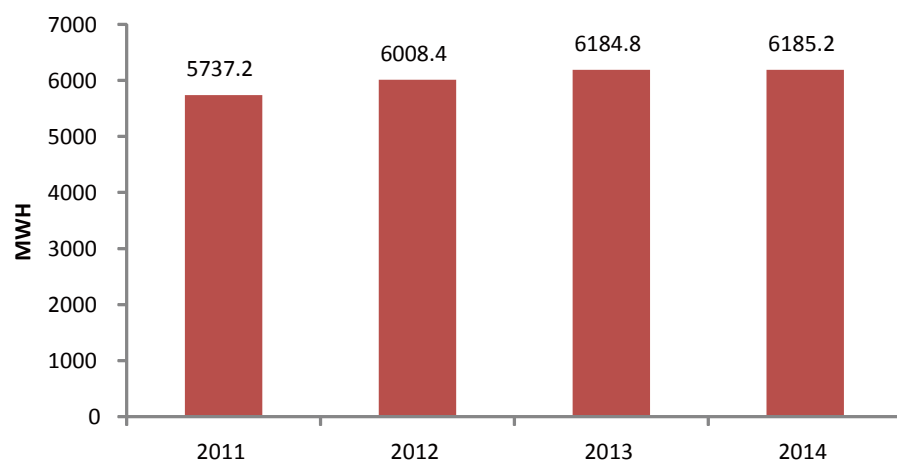
Taiwan plant started the sample manufacturing center in 2012. With the new production lines established, the electric power consumption increasing more fast.

Therefore, Askey started a series of new power saving plans, strived to control the energy and resource.

Taiwan power saving plan in 2014

Askey practiced many kind of power saving plans in recent years, like chiller control, change the coolant.,etc. Askey will keep making efforts to save energy and reduce environmental impact.

Power consumption in recent years





5 Askey & Environment

Energy and resource management and announce

2014 Energy-saving plan in Taiwan

Plan1	Action	Description	Result
Content	Warehouse District cooling water pump to reduce energy consumption and increase the backup machine.	Change the malfunctioned 25HP pump to 10HP.	Saving 10.56 kW/hr, cost down NTD 6,188~10,272 /month.
Concept	Choosing the most appropriate equipment		

Plan2	Action	Description	Result
Content	Preservation circuit utilizing the exhaust fan turned off and night lighting power	Use preservation signal control nightlights loop	Saving 2,913.7 kWh/month, cost down NTD 5,827.4~6,465.2 /month.
Concept	Night security control security systems		

Plan3	Action	Description	Result
Content	Reduce contract capacity, the ice pump and compressor run time sharing	Sharing operation	In the summer months (6/1 to 9/30) can save NTD 11,627 /month. Non-summer NTD 8,679 /month, the annual savings of NTD 115,942.
Concept	Batch operation power		

Plan4	Action	Description	Result
Content	Strengthen management parking lot lighting to reduce electricity	Strengthen management parking lot lighting to reduce electricity	Saving 1,612 kWh/Y. Cost down NTD 3,224 /Y .
Concept	Adjust with the weather situation		



◆ Security company



◆ Brightness impression switch lights

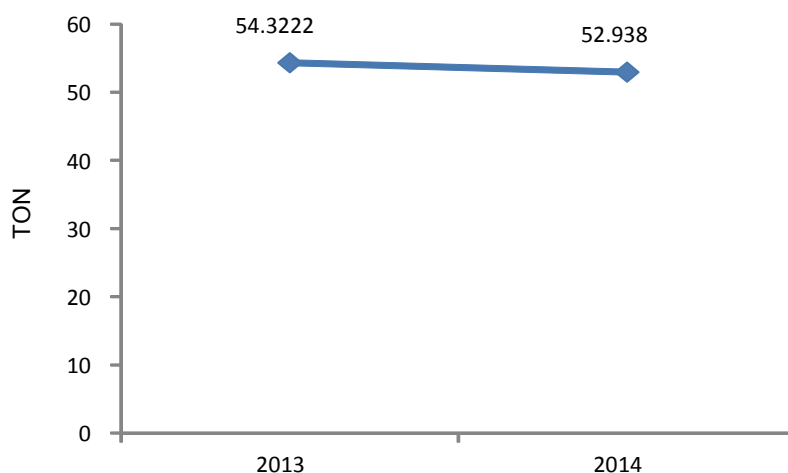
5 Askey & Environment

Energy and resource management and announce

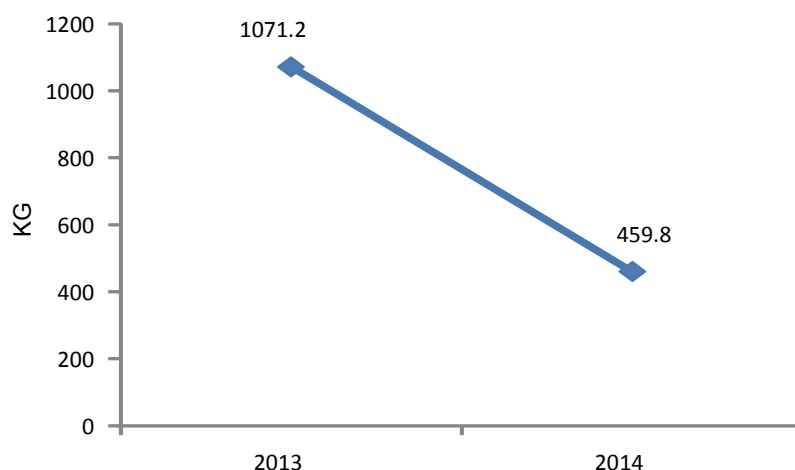
Plant waste treatment in Taiwan

In the waste management, Askey see recycling and reuse as a major waste treatment methods. Exception for some domestic waste which can't recycle, most of waste would be subject to the most appropriate application. The plant specialized temporary storage area is provided, the declaration made in accordance with environmental regulations related to output and store status, and monthly checks sanitation situation in the temporary storage area, until the store to a certain stock, will be commissioned by the signing of the B legitimate domestic manufacturers to waste removal.

General industrial waste



Hazardous industrial waste



P.S: Definition of hazardous industrial waste in accordance with the provisions of the local law.



5 Askey & Environment

Energy and resource management and announce

The greenhouse gas emissions in Taiwan

Askey in 2013 and plant operational boundaries have changed, consider the establishment in 2013 of the emissions data and obtain more incomplete, so we chose 2014 as the base year for GHG. Inventory covers direct GHG emissions category 1 and category 2 qualitative and quantitative inventory of energy indirect greenhouse gas emissions. Inventory results, major sources are purchased electricity, energy saving is the most important issue.

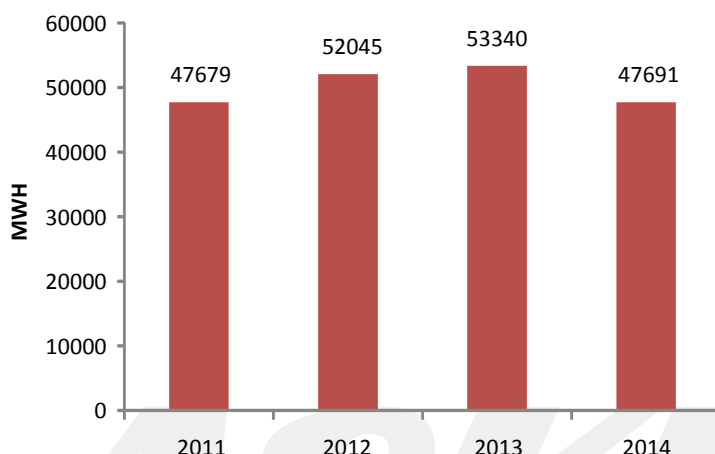
	Resources	GHG emission CO ₂ e
Emission sources (Direct)	Diesel fuel	1.35
	Refrigerant	547.86
	Septic tank	3.53
Emission sources (Indirect)	Electricity (MWH)	3228.66

- (1) energy and refrigerant emission factor: Reference IPCC 2007 and other publicly available data.
- (2) Purchased Power: Using Energy Ministry of Economic Affairs Bureau in 2013 electricity emission factor
- (3) the value of the greenhouse gas potential GWP: using a GWP ISO 14064-1 Annex C of the announcement, and the announcement in 2007 the value of IPCC

Electric power used in Suzhou

As Askey main production center, but also frequent activities staff, electricity certainly is an integral part. Electricity use operational and life. With the recent reduction in electricity consumption and the implementation of policy advocacy, in 2014 electricity saving program goal is to reduce electricity consumption by 10%, has reached 9.74%, compared with the average monthly electricity consumption in 2013 to reduce the average monthly electricity consumption, has demonstrated its results..

Power consumption in recent years



◆ Propaganda - energy conservation plan



5 Askey & Environment

Energy and resource management and announce

2014 Energy-saving plan in Suzhou

Askey Suzhou plant is the main manufacturing centers of plant, without compromising the normal production and operation, energy policy is mainly oriented for daily use equipment, and improve multi-lighting equipment.

Lighting:

Before	After
Warehouse District ordinary T8 lamps, power 36W	T5 lamp explosion, power 28W
7 700W floodlight the plant gate, opened 10 hours a day	Several LED lights, power 380W, saving about 2,000 kWh of electricity per month
150W plant garden lights	50W LED lights, saving approximately 1430 kWh per month
Indoor 36W lamp	18W of LED lights
22W quarters circular tube	3W LED lights instead of gradually
Manually open the street	Automatically senses the external environment illuminance open street lights
Manually turn on the power	Installation time controller, the power is turned on working hours, work full time automatically turn off the power

Air-condition:

Before	After
24-hour operation of the ice machine, ice water pumps, cooling tower about 482W	Manually open 14 hours a day, at night outside the box is open, extract cold outdoor air to cool the interior, this device can be shut down for 10 hours a month can save 144,300 kWh



◆ Halogen searchlight



◆ Night ventilation cooling



◆ LED



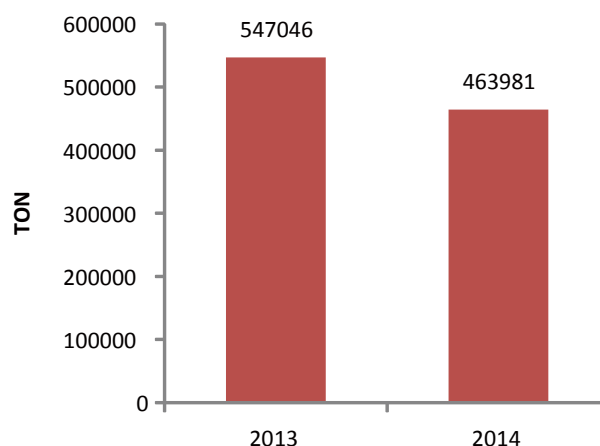
◆ Installation time controller

5 Askey & Environment

Energy and resource management and announce

Water consumption in Suzhou

Suzhou plant is currently no wastewater production line design. Domestic water is the main water use. In order to continue to reduce manufacturing costs and enhance the competitiveness of companies, as well as support the awareness of energy conservation. In 2014 Askey promote water saving plan, the target reduction of 20% water, by vigorously promoted, has reached 22.02 %.



2014 water saving plan in Suzhou

Mainly from the strengthening of inspections and improving equipment to proceed through the calculation of the average annual per capita water consumption, respectively, for 2013 of 75.11 tons and 69.01 tons in 2014, can already see results.

Strengthen inspections:

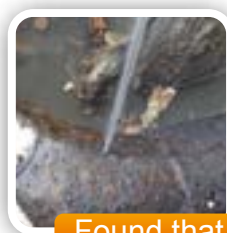
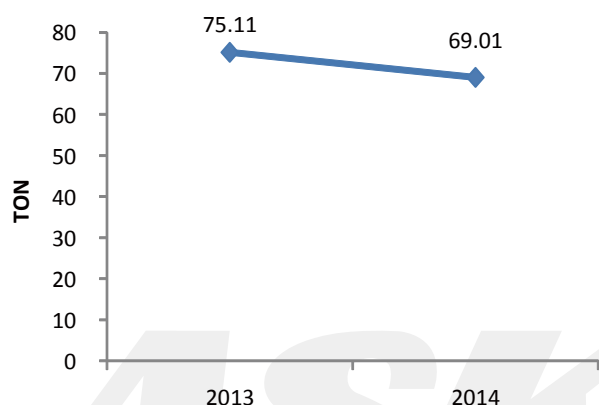
Installation of water meters and the strengthening of plant inspections to identify abnormal data, visits to find out the reasons for and repair leaks or damage.

Found damaged valves and piping, timely its maintenance.

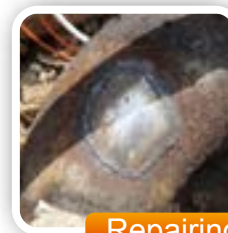
Improve equipment:

Before	After
The poor water-saving taps	Replace inductive and water-saving taps
The dormitory toilet flush valve	Adjustable flash valve.

The average annual per capita water consumption



Found that pipeline leaks



Repairing

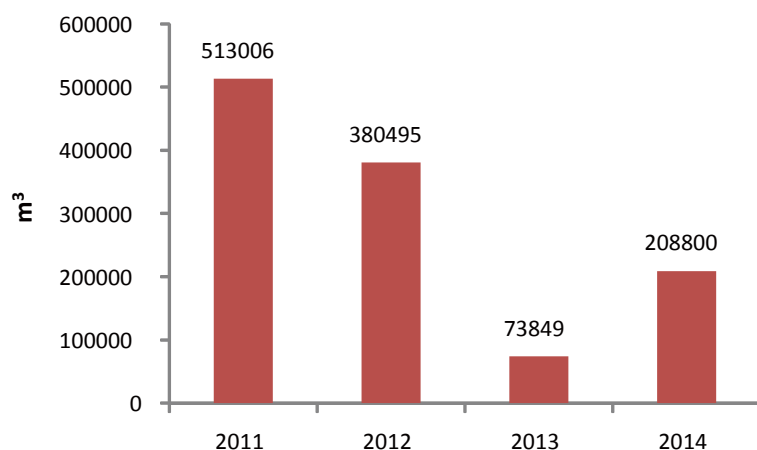
◆ Repairing the leaking pipe and timely inspections

5 Askey & Environment

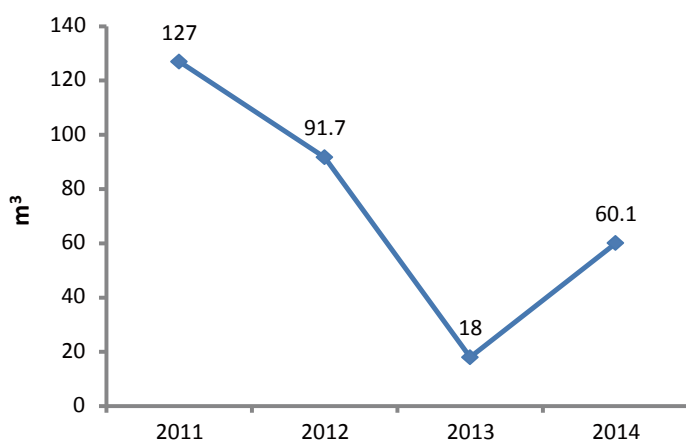
Energy and resource management and announce

Natural gas usage in Suzhou

Askey provide company welfares, set up staff dormitory. The main natural gas plant in the region is staff living. The plant will produce air compressor waste heat, hot water storage tank set up in autumn 2012 and the waste heat recovery equipment, to improve the quality of life of good employees, and reduce the impact of environmental impact. Since hot water storage tank set up in autumn 2012, the use of natural gas in 2011 has been reduced in 2013 because at that time the use of energy-saving policy, drastically reducing the amount of natural gas. 2014 Suzhou increase staff accommodation, as well as adjust the energy saving policy, and therefore a slight increase in the use of natural gas, but for the staff caring side is a positive impact.



The average person use of natural gas per year



◆ Waste Heat Recovery Host



◆ Hot water storage tank





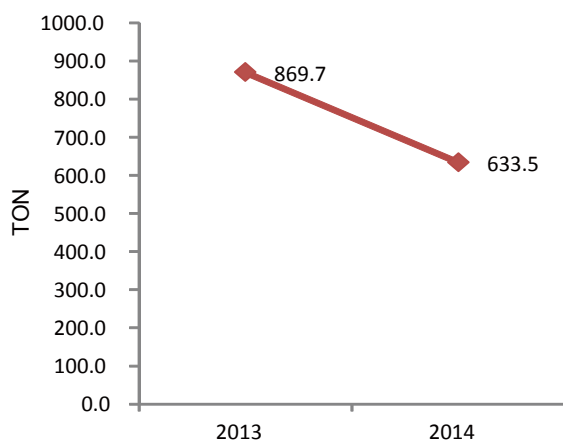
5 Askey & Environment

Energy and resource management and announce

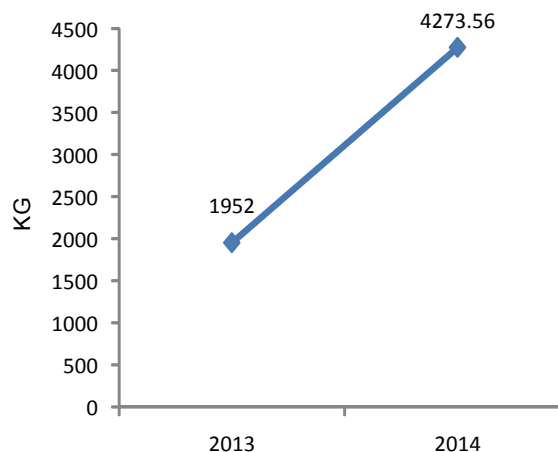
Plant waste treatment in Suzhou

Currently, Suzhou domestic waste is assess the amount of waste disposal industry outsourcing deal, it is not included in the calculation of general industrial waste. Askey 2014 totaled 633 tons of waste materials for the waste bin, waste plastics, waste pallets, waste is sorted and recycled, paper and leather, and soft plastics for the bulk. In 2014 the amount of hazardous industrial waste increasing trend is in response to increased production, waste paste the required processes, resulting in waste volume also increased. With an annual production of manufactured goods and the slightly different wastes arising there will be differences.

General industrial waste



Hazardous industrial waste



The greenhouse gas emission in Suzhou

The main use of Askey GHG emission is electricity. Suzhou industrial area electrical supply is getting steadily in 2014, so Askey don't need to work diesel generator anymore. Gasline was mostly consumed by company cars. GHG emissions reduction of 4956 tons compared with last year, for a reduction of 11%. Later on, the company planned and promoted a series of energy saving activities and enhanced the energy efficiency of equipment to reduce electricity consumption and energy depletion, hoping to do our part for environmental protection.

	Resources	GHG emission CO ₂ e
Emission sources (Direct)	Natural gas	392.51
	Gasoline	106.07
	Other	507.61
Emission sources (Indirect)	Electricity (MWH)	38,629.88

Other: Includes septic tank, refrigerant and solvent evaporation of these greenhouse gases.

6 Product Responsibility

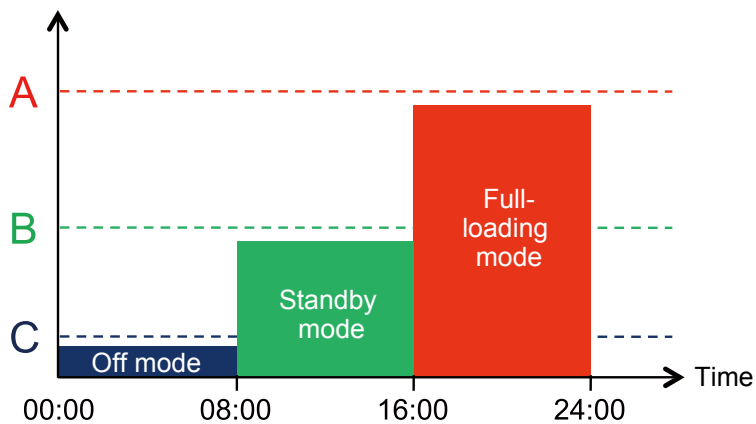
Product liability policy and objectives

Eco-design

As Askey products are distributed worldwide, based on different regions, we can adjust our products to comply with local environmental requirements and customer requirements. At Askey, we also significantly reduce the use of hazardous chemical substances in packaging materials and products and have established the “Askey Restricted Substances Management Instructions” for suppliers to supply compliant parts and components. In addition, based on design for energy-saving (ErP) and design for disassembly (WEEE) requirements of products sold to the EU, we can reduce energy and resource consumption, CO₂ emissions, and environmental load for users to protect the earth while surfing over the Internet at extreme speed with Askey products.

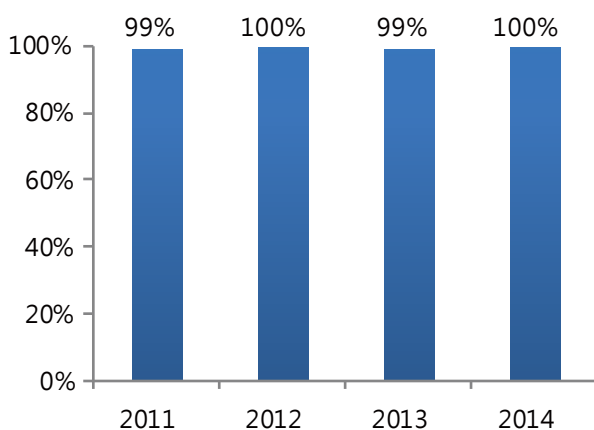
Power saving mode

Power consumption



- A: The highest power consumption in full-loading mode
- B: The highest power consumption in standby mode
- C: The highest power consumption in off mode

The proportion of RoHS parts



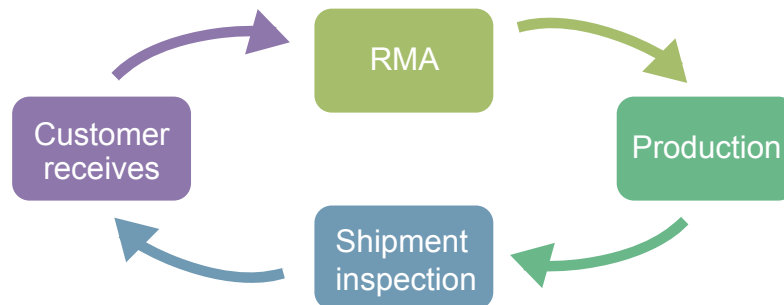
In 2014 the number of RoHS-approved parts reached 100% of all parts approved in that year. Suggesting that RoHS is the prime concern of part procurement at Askey. This suggests that most customers are aware of the importance of environmental requirements. Some customers have established their own green product requirements and specifications which are superior to international standards.

6 Product Responsibility

Product liability policy and objectives

Product responsibility policy and goal

To ensure product quality and service, we provide customers with related product inspection reports and shipping information after shipping, for customers to understand the quality standard and shipping situation of products. When product defects are reported from the market after delivery and during warranty is valid, we are responsible for the RMA (return material authorization) to repair the defects and re-ship products. We also provide customers with a repair report. In addition, we analyze major RMA defects every week and feed back to the production line to make improvement of the subsequent lots in accordance with the following process.



To ensure product quality and service, right at the design phase we take into account the safety regulations and requirements of different countries, such as the UL/FCC of the USA, the CE Mark of the EU, and the 3C certification of mainland China. Most importantly, all products must meet relevant requirements and past related certifications before mass production. Therefore, no fine for violation of laws and regulations related to product/service provision and use in 2014.

Country	EMC	Safety	RF/Telecom
Argentina		IRAM	CNC
Australia/New Zealand	ACMA	ERAC	ACMA
Brazil	ANATEL	INMETRO	ANATEL
Canada	IC	CSA	IC
Chile			SUBTEL
China	CCC	CCC	SRRC, MII
Europe	CE	CE	CE
Hong Kong		ITC	OFCA
Japan	VCCI	JATE	Telec
Korea	KC(RRA)	KC(RRA)	KC(RRA)
Mexico		NOM	IFETEL
Russia	CU	CU	FAC
Singapore		SPRING	IDA
Taiwan	BSMI	BSMI	NCC
USA	FCC	UL	FCC



6 Product Responsibility

Supply chain management

Conflict minerals

When opening a new supplier file, we will attach the Commitment to Integrity of Supplier and ask this supplier to sign the commitment before starting trade with this supplier. Most parts and components are supplied by world-leading suppliers. Most shells and packaging materials are supplied by local suppliers, accounting for about 6% of the procurement amount.



According to the U.S. Securities and Exchange Commission, all companies publicly offered in the USA must disclose information regarding the use of conflict minerals in their products. The enterprise's supervisory responsibility of their upstream supply chain is raised to investigate conflict minerals with reference to customer requirements. The EICC/ GeSI Conflict Minerals Reporting Template drafted by two private organizations: Electronic Industry Citizenship Coalition (EICC) and Global e-Sustainability Initiative (GeSI) is applied for manufacturers to validate if suppliers use tantalum (Ta), tin (Sn), wolfram (W), and gold (Au) in their parts and if these elements come from the mines in Democratic Republic of the Congo or nearby conflict regions.

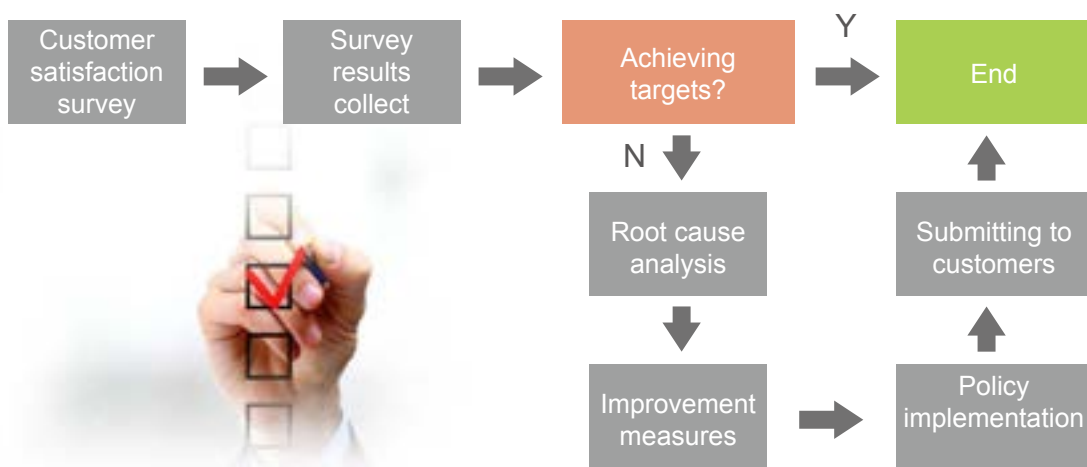
Askey keep the track of the latest USA EICC decree, In 2014 ,715 suppliers conducted Conflict Minerals Reporting Template Version 3.02 to Askey and now in progress.



6 Product Responsibility

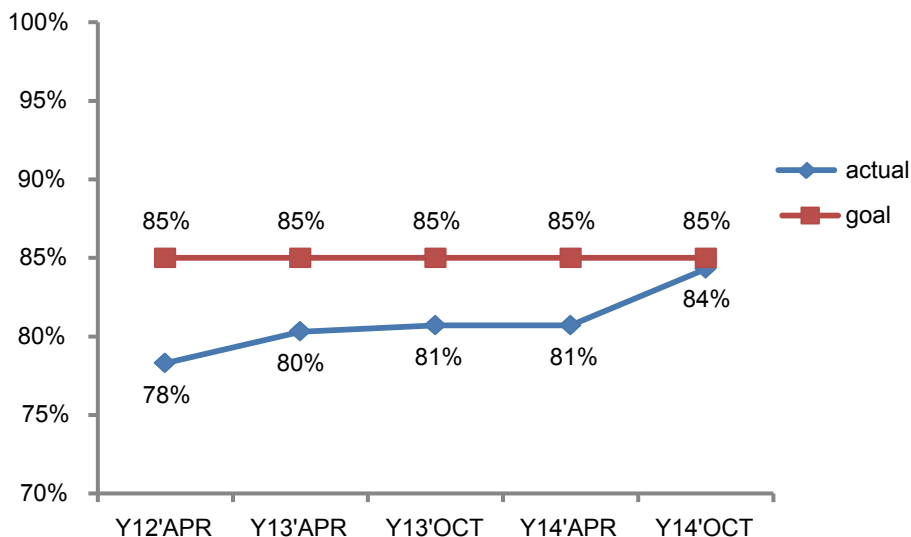
Protect the interests of customers

After receiving customer feedback or complaints, we must respond to customers within 24 hours for product quality aspects. The actual time of release of the official report will depend on the cause analysis. Based on the problems raised by customers, we will discuss with customers to take corrective action to make improvements to products that have been delivered to customers or products waiting to be shipped. This year we do not have any complaints related to breaches of customer privacy.



Two customer satisfaction surveys were conducted in 2014 on customers within the top 80% sales bracket of the company. After each survey, we discussed items with a lower score and the suggestion of customers and reported the improvement plan to customers. Customer satisfaction in surveys conducted in the first and second half of 2014 was 80.7% and 84.3% respectively, which was below the 2014 target at 85%.

Customer satisfaction



Scoring: Customer satisfaction = Satisfaction questionnaire + Quality status + Customer score card

6 Product Responsibility

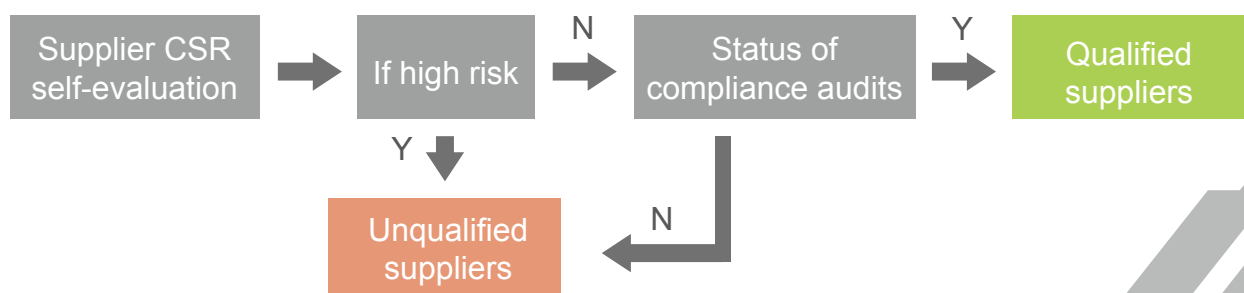
Supplier CSR

Askey hopes to pursue sustainable development with suppliers. Besides requesting suppliers to sign the “CSR Agreement” with Askey, we will conduct unscheduled audits on suppliers based on their shipping volume and risks. In addition to production and technology, CSR will become a key audit item in new supplier evaluation. In practice, we will ask suppliers to conduct a self-evaluation based on the different CSR dimensions. Then, we will rate suppliers in terms of their work environment, ethics, working time, and occupational health and safety. High-risk suppliers in the self-evaluation will be rated as unqualified vendors. Onsite audits will be conducted on low-risk suppliers to validate if they meet the Askey requirements. In 2014 ,776 suppliers conducted self-evaluation and submitted supporting documents to Askey.

CSR auditing aspects



Supplier CSR survey and assessment



7 Community Involvement

Blood donation

“A Gift that Saves Lives” is the greatest expectation of those who donate blood.

At Askey we regularly donate blood every three months. In practice, we invite the Taipei Blood Center to send a bloodmobile to Askey Taiwan for employees to donate blood. This activity provides employees with a channel to make a social contribution more easily.

Employees can donate their blood during a break from work. In addition to condensing the fraternity of employees, this demonstrates the philanthropy of Askey.

Out of care for others and pay-back to society, Askey Suzhou actively recruits healthy employees to donate blood at Wu-jiang Blood Center on 10th of each month. It is important to contribute to society, the company also reminds employees of the cautions before and after blood donation.

For example, employees must sleep adequately before blood donation and take nutritional supplements after blood donation, so as to prevent any adverse effects.



◆ Participate in blood donation

◆ Participate in blood donation

7 Community Involvement

Nursing home gifts

The elderly represent the accumulation of wisdom and time. However, they are also the one suffered from overlooked by the public. With the love and respects, Askey practice the faith of concerning underprivileged minority and elder population. In the winter's eve, Askey arranged a group of energetic people who carry food and comforters, came to visit nursing home. Although this is only a few simple greetings, it greatly warms the hearts of each other and Askey happiness is spreading across the community.



◆ Visiting the elderly



◆ Askey employees and the elderly



◆ Songling town nursing home



8 GRI Content Index

Item	GRI Index	Extent of Reporting	Related Sections	Page(s)
Strategy and Analysis				
*G4-1	Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	•	Business philosophy	01
G4-2	Provide a description of key impacts, risks, and opportunities.	•	Business risk and management	10
Organizational Profile				
*G4-3	Report the name of the organization.	•	Askey profile	02
*G4-4	Report the primary brands, products, and services.	•	Product Introduction	03
*G4-5	Report the location of the organization's headquarters.	•	Askey profile	02
*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.	•	Askey profile	02
*G4-7	Report the nature of ownership and legal form.	•	Askey profile	02
*G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	•	Askey profile	02
*G4-9	Report the scale of the organization.	•	Askey profile	02
*G4-10	d. Report the total workforce by region and gender.	•	Employee structure and retention	28
*G4-11	Report the percentage of total employees covered by collective bargaining agreements	•	Askey profile	02
*G4-12	Describe the organization's supply chain.	•	Askey profile	02
*G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	•	Corporate organization and governance	03
*G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	•	Business risk and management	10
*G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	•	Askey profile	02
*G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: Holds a position on the governance body Participates in projects or committees Provides substantive funding beyond routine membership dues Views membership as strategic	•	Askey profile	02
Identified material aspects and boundaries				
*G4-17	A. List all entities included in the organization's consolidated financial statements or equivalent documents. B. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	•	Corporate finance	09
*G4-18	A. Explain the process for defining the report content and the aspect boundaries. B. Explain how the organization has implemented the reporting principles for defining report content.	•	Stakeholder communication	13
*G4-19	List all the material aspects identified in the process for defining report content.	•	Materiality analysis	14
*G4-20	For each material aspect, report the aspect boundary within the organization.	•	Stakeholder communication	16

* Required General Standard Disclosures for both 'in accordance' criteria options



8 GRI Content Index

Item	GRI Index	Extent of Reporting	Related Sections	Page(s)
Identified material aspects and boundaries				
*G4-21	For each material aspect, report the aspect boundary outside the organization.	•	Stakeholder communication	16
*G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	•	Editing principles	A
*G4-23	Report significant changes from previous reporting periods in the scope and aspect boundaries.	•	Editing principles	A
Stakeholder engagement				
*G4-24	Provide a list of stakeholder groups engaged by the organization.	•	Stakeholder communication	12
*G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	•	Stakeholder communication	12
*G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	•	Stakeholder communication	12
*G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	•	Stakeholder communication	12
Report profile				
*G4-28	Reporting period (such as fiscal or calendar year) for information provided.	•	Editing principles	A
*G4-29	Date of most recent previous report (if any).	•	Editing principles	A
*G4-30	Reporting cycle (such as annual, biennial).	•	Editing principles	A
*G4-31	Provide the contact point for questions regarding the report or its contents.	•	Editing principles	A
*G4-32	A. Report the 'in accordance' option the organization has chosen. B. Report the gri content index for the chosen option (see tables below). C. Report the reference to the external assurance report, if the report has been externally assured. Gri recommends the use of external assurance but it is not a requirement to be 'in accordance' with the guidelines.	•	Editing principles	A
*G4-33	A. Report the organization's policy and current practice with regard to seeking external assurance for the report. B. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. C. Report the relationship between the organization and the assurance providers. D. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	•	Editing principles	A
Governance				
*G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	•	Corporate organization and governance	03
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.	•	Corporate organization and governance	05

* Required General Standard Disclosures for both 'in accordance' criteria options



8 GRI Content Index

Category		Aspects	Index	Instruction	Valued Partners	Related Sections	Page(s)
Economic		Economic performance	G4-EC1 G4-EC4	Direct economic value generated and distributed Financial assistance received from government	Employee Investor	Corporate finance	09
		Market presence	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Employee	Employee welfare and concern	17
Environment		Emission	G4-EN16	Energy indirect greenhouse gas (ghg) emissions (scope 2)	Government	Energy and Resource management and announce	41/45
		Wastewater and waste	G4-EN23	Total weight of waste by type and disposal method	Community Government	Energy and Resource management and announce	37-45
		Products and services	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Community	Product liability policy and objectives	46
		Compliance	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Community Government	Energy and Resource management and announce	37
		Environmental Grievance Mechanisms	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Community Government	Energy and resource management and announce	37
Society	Labor Practices and Decent Work	Employment	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Employee	Employee structure and retention	28
		Labor/ Management Relations	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Employee	Employee structure and retention	27
		Occupational Health and Safety	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Employee	Work place safety and health	31
		Training and Education	G4-LA9	Average hours of training per year per employee by gender, and by employee category	Employee	Professional training	21





8 GRI Content Index

Category		Aspects	Index	Instruction	Valued Partners	Related Sections	Page(s)
Society	Human Rights	Child Labor	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	Employee	Friendly work place policy and goal	17
		Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	Employee	Employee welfare and concern	17
		Forced or Compulsory Labor	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	Employee	Friendly work place policy and goal	17
		Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Employee Supplier	Supplier CSR	50
	Society	Local Communities	G4-SO2	Operations with significant actual and potential negative impacts on local communities	Community	Environment noise control	37
		Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Community	Introduction	2
	Product Responsibility	Product and service labeling	G4-PR5	Results of surveys measuring customer satisfaction	Client	Protect the interests of customers	49
		Customer privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Client	Protect the interests of customers	49
		Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Client	Product liability policy and objectives	47

