

NO. 07 / 2020.06

Communicate with Love

Love to Communicate

2019

CSR Report

Corporate Social
Responsibility

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2019
CSR Report

企業社會責任
報告書



About this Report

This report is the 7th Corporate Social Responsibility Report issued by ASKEY. It provides detailed information on the practices and achievements by ASKEY in 2019 for the economic, environmental and social indicators. The objective of this report is aimed at demonstrating ASKEY's determination to be socially responsible and an advocate of sustainable development to the general public.

Report Scope and Boundary

This report presents major environmental, social and governance (ESG) topics and corresponding management policies and performances of ASKEY Corporation between January 1 and December 31 of 2019. Main areas affected by the ESG according to the disclosure include the ASKEY at Taiwan and the manufacturing location in Suzhou, China (ASKEY Technology (Jiangsu) Limited).

Issue Period

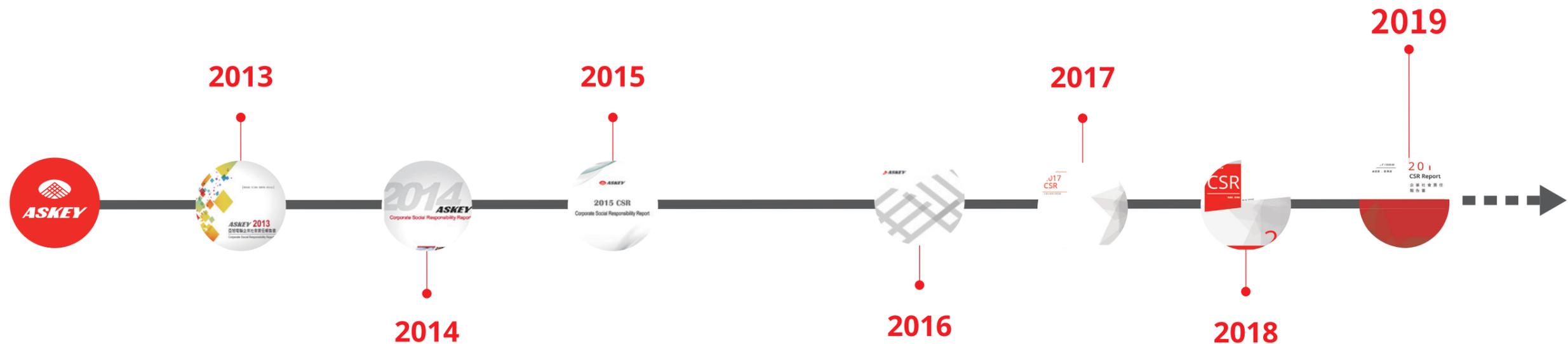
ASKEY has issued CSR reports on an annual basis since 2014 and has posted them on the company website. Previous version was released in Jun. 2019 and electronic files available for query or download.

Editorial Principles

This report was written in accordance to the GRI Standards "Core Option" which was released in 2016 by the Global Sustainability Standard Board.

Report Assurance

The report was verified by SGS Taiwan Ltd. according to middle assurance standards, such as the principles of GRI Standards "Core Option" and the AA1000 Assurance Standard TYPE I. The Independent Assurance Opinion Statement is attached to the appendix of this report.



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Robert Lin, CEO,
ASKEY Computer Corp.

From the CEO

Since its establishment in 1989, ASKEY has adhered to its business philosophy and value of "Honesty, Diligence, Fundamental, Practicality." While pursuing opportunities to maximize its profits, the company has not forgotten to fulfill environmental and social responsibilities, striving to use its in-house core technologies, capabilities, products and services to exert positive influence and momentum for a responsible corporate citizenship.

In order to achieve a symbiotic economy, we continue to work hard in the industry and in recent years, we have used our decades of research and development experience in telecommunication on the strategic planning for 5G technology. We look forward to co-creating service innovations with our clients around the world with our cross-industry solutions to welcome the era of ultra-high-speed, big connectivity and low latency 5G applications. At the same time, our high-quality and competitive products, coupling with comprehensive and satisfactory after-sales service, we can realize the vision of a digital life together with clients in the public sector, global telecommunication service providers and system operators.

Facing the crisis of increasingly scarce global resources and the impact of climate change and being a corporate citizen, ASKEY is committed to the idea of coexistence and providing environmentally friendly products and services from the perspective of product life cycle and reducing environmental burden. At the same time, the company has implemented and maintained the IECQ QC080000 Hazardous Substance Process Management to systematically control hazardous substances, reduce and eliminate negative environmental impacts and improve effects on the environment.

At the same time, we continue to adhere to the principle of common good. We organize blood drive events, nursing home visits and assistance to the disadvantaged to communicate love and care for our community. We have gradually moved some of our production lines from China to Taiwan to create employment opportunities. Step by step, we are communicating with love to give back to the society and strengthen the connection between ASKEY, the communities and society, bringing more positive cycles and development to the cities where we are located at and ultimately to the country.

"Looking forward to the future and chasing our dream and building connections between networks to venture into new peaks" ASKEY will continue to reinforce the corporate governance and risk management capabilities, provide clients with quality service, optimize supply chain management, practice environmental protection and fulfill the responsibilities of employee care and giving back to the society. We will take practical approaches and put in hard work to achieve the goals and visions of symbiotic economy, coexistence and common good in our sustainable growth.



永續治理

Sustainable Governance

01



About ASKEY

Corporate governance is the basis of sustainable business operation. Integrity and transparency are the core values of sustainable business operation. ASKEY continually and gradually enhances the board functions and increases internal operation and risk management abilities while using integrity as the business philosophy to comply with laws and regulations in order to guarantee the maintenance of maximum equity for interested parties and fulfill corporate social responsibilities.

Founded in 1989, ASKEY is a leading network communication equipment manufacturer. It is a subsidiary of ASUS, a world-renowned company. The headquarters of ASKEY are located in Taipei, Taiwan and its development, manufacturing and service locations are spread across Taiwan, China, Brazil, Japan, United States. There are approximately 5800 employees worldwide. With the advent of the 5G era, ASKEY has been actively involved in the innovation, research and development of smart home, smart vehicle device and smart city products and the deployment of turnkey solutions, demonstrating the company's integration and innovation capabilities in diverse smart products.



Key Points of the Chapter

- About ASKEY
- Sustainable Performance
- Governance Structure
- Stakeholder Engagement
- Risk Management

Company Name	ASKEY Computer Corporation
Date of Establishment	1989/08/23
Capital	NT\$ 4.8 billion
Employees	5,874 (end of 2019)
CEO	Robert Lin
Headquarter	10F, No.119, Jiankang RD., Zhonghe DIST., New Taipei City, Taiwan, R.O.C.
Industry	Computers and Peripheral Equipment Manufacturing
Products	Wireless, xDSL

▲ Company background

MILESTONES

1989

ASKEY Computer Corp. established.

1997

Initial public offering in Taipei.

1999

The first Taiwanese company to be certified by Cable Labs.

2001

Transferred to ASKEY Technology.

2006

Wholly owned subsidiary of ASUS.

2017

Collaboration with Taipei City Government.

2018

Established Taoyuan plant in Farglory Free Trade Zone.

2019

30th anniversary.

Integrity	Commit to integrity and diligence, focus on fundamentals and results.
Human Oriented	Inspire, motivate and nurture our employees to explore their highest potential.
Innovation	Endlessly pursue to excellence in the areas of quality, service, innovation and cost-efficiency.
Social Responsibility	Strive to be among the world-class high-tech leaders and to provide valuable contributions to humanity.

▲ Business philosophy

 <p>Suzhou, China Wujiang Economic Development Zone Outstanding Unit for School-Enterprise Cooperation</p>	 <p>Suzhou, China Top 10 Enterprise in Foreign Trade, Wujiang District</p>
 <p>Suzhou, China Wujiang Economic Development Zone Outstanding Enterprise for Labor Dispute Mediation Committee</p>	 <p>Suzhou, China Top 10 Enterprise in Foreign Trade, Development Zone</p>
 <p>Suzhou, China Wujiang Economic Development Zone Outstanding Enterprise for Human Resources Management</p>	 <p>Suzhou, China Top 10 Enterprise in Marketing, Development Zone</p>

▲ Awards

Associations Participation

Although ASKEY currently hasn't officially stipulated any regulations or initiatives in industry associations, however, it has actively participated in various industry associations to facilitate exchanges and learning across various industries to create greater mutual assistance and collaborations. By doing so, ASKEY has furthered in understanding of industrial trends, market information and government laws and regulations to improve competitive advantages and accelerate innovation and development.

 <p>Member</p>	Industry Associations
	Taiwan Electrical and Electronic Manufacturers' Association
	New Taipei City Green Industry Association
	Taipei Computer Association
	Taiwan Transportation Vehicle Manufacturers Association
Taiwan Telematics Industry Association	
 <p>Vice president</p>	Other Associations
	Suzhou Wujiang District Foreign Investment Enterprise Association
	Suzhou Wujiang District Taiwan Compatriot Investment

▲ Participation in associations

Sustainable Performance



Economic Growth

- NT\$27.89 billion dollars of the consolidate group revenue.
- 0 case of clients' information leakage.
- 41 on-site CSR audit of suppliers.



Social Sustainability

- Donated a cumulative total of 3,500 bags of blood.
- Provided 500 hotspot devices for athletes at the National Games in Taoyuan.



Environmental Symbiosis

- 0 violation of environmental regulations.
- 2.7% decrease in energy consumption per NT\$100 million in revenue.
- 3.5% decrease in waste generated per NT\$100 million in revenue.
- Established a reclaimed water system to save 1,482 tons of water.

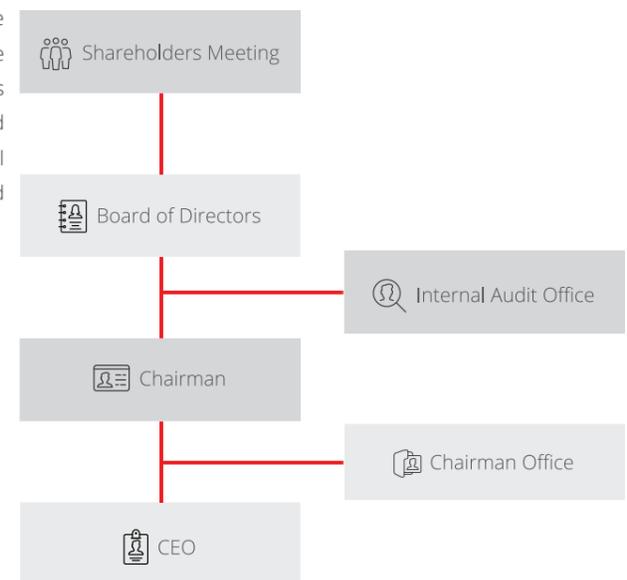
Governance Structure



Management Approach: Principles

Item	Descriptions of Key Points
Boundary	<ul style="list-style-type: none"> · ASKEY · Customer, Supplier
Policy	<ul style="list-style-type: none"> · Labor and Ethics Policy. · Business Ethics Code of Practice.
Commitment	Insist the highest integrity standards should be followed among all business interactions.
How	New hires signing ethics, integrity and self-discipline declaration on the first day of work.
Evaluating Mechanisms	<ul style="list-style-type: none"> · Internal control and self-evaluation mechanisms. · Report mailbox.
2019 Target	0 corruption events.
2019 Performance	Achieved.

ASKEY has designed and constructed a complete organizational structure and system according to the company's business strategies and goals. The intention is to perform various businesses, to promote activities and to make adjustments according to internal and external changes, in order to enhance operation efficiency and increase the organization's operational performance.

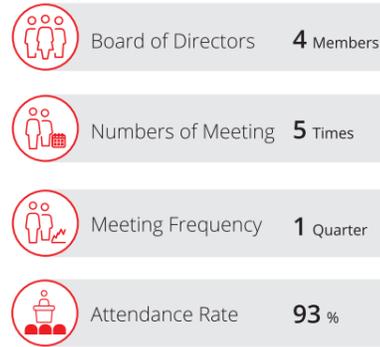


▲ Governance framework of ASKEY

Board of Directors

The Board of Directors is the highest governing unit of ASKEY and the center for major business decisions. Its main task is to appoint and direct the company's operations team and to be responsible for supervising the overall operation, in order to maintain maximum equity for shareholders. The chairman of ASKEY's board of directors is Robert Lin, who is also ASKEY's CEO. There are also two other directors and a supervisor – each term of service is 3 years. A "Board of Directors Management and Operation Procedures" has been created to improve the supervision function and strengthen the management mechanisms.

There was a total of 5 Board of Directors meetings held in 2019 and the attendance rate of the members of the Board of Directors was 100%. All members fulfilled their supervising and management responsibilities for important company affairs, including strategic direction, business performance and major investments, among other matters. Effective implementation of various operating activities were also executed to create maximum benefits for the shareholders.



▲ 2019 Operation of the Board

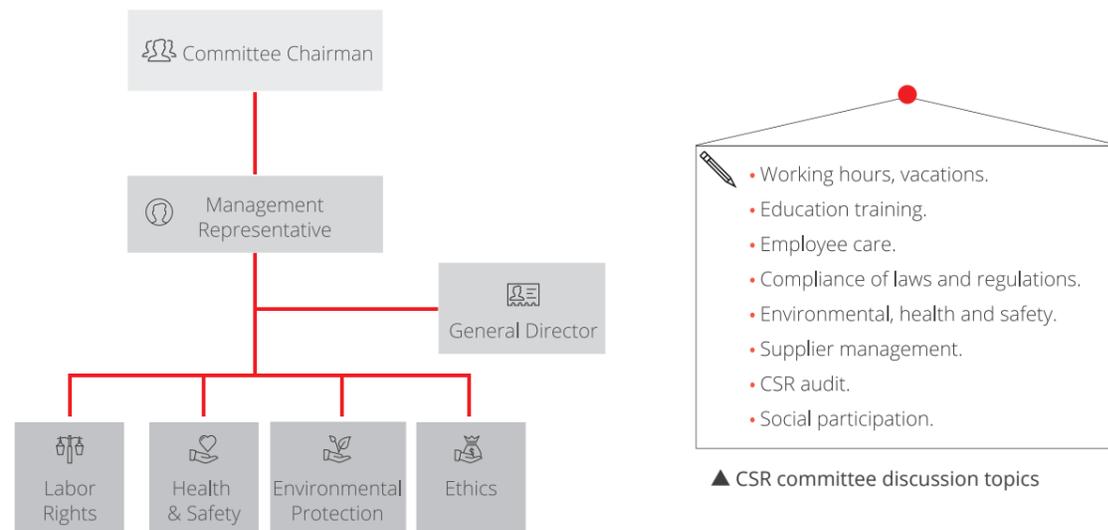
Title	Name	Gender	Academic Background and Resume
Chairman	Robert Lin	Male	· MBA, Tulane University, US · CEO, ASKEY
Director	Jonney Shih	Male	· Institute of Business and Management, National Chiao Tung University · General Manager, Computer Business Group, Acer · Chairman, ASUSTek
Director	Samson Hu	Male	· M.S. in Computer Science, National Chiao Tung University · Assistant General Manager, Acer
Supervisor	Chin-chih Wu	Male	· Chief Technology Officer, ASUSTek

· Starting from Feb. 21, 2019, Mr. Jerry Shen was replaced by Mr. Samson Hu as a board director of the company.

▲ Members of the Board

Corporate Social Responsibility Committee

In order to uphold a forward-looking and diligent attitude and fulfill corporate social responsibility, ASKEY established a cross-department corporate social responsibility committee in 2013. It was organized with the CEO, Robert Lin, as director, the Deputy General Manager Steven Chang as management representative, and various responsible unit supervisors as committee members. The intention was to use collaboration between different departments in combination with internal management mechanisms to plan and promote CSR related activities together and display ASKEY's perseverance and determination for implementing sustainable development.



▲ Structure of ASKEY CSR committee

Governance/Economy

- We manage with integrity, prohibit bribery and any other forms or sources of illegal profit.
- We have an absolutely no bribery, no extortion and no embezzlement policy.
- We respect and protect intellectual property rights.
- We establish whistle-blowing system to report dishonest, unethical or improper behaviors and provide protection for the whistleblower from unfair and disrespectful treatment.

Environment

- Comply with related environmental laws and provisions.
- Prevent pollutions, and be proactive in areas of energy-saving and resource-recycling.
- Facilitate communication inside and outside the factory, and to promote environmental safety management system and policies.
- Enhance pollution source control, process waste reduction, and reduce the impact on the environment during manufacturing.
- Implement environment safety management training and increase staff's concept of safety and environmental protection.

Society

- We forbid engaging in or supporting the use of child labor, prison labor or forced labor.
- Our employees' working hours must follow the standards of local laws.
- We ensure that every employee has one day off every seven days.
- We forbid racial or gender discrimination, slavery, human trafficking, exploitation and inhumane treatment of our employees.
- We comply to the standards of local legal minimum wage.
- We provide overtime working payment and social insurances according to the applicable laws.
- Our junior workers shall not perform any overtime work, night shift or hazardous work.
- Introduce the best process to improve the operation environment to protect the safety and health of our staff.
- We encourage worker consultation and participation.

▲ ASKEY CSR policies

Ethics and Integrity

"Integrity" is the core value of ASKEY. We believe and insist that highest integrity standards should be followed among all business interactions and any form of corruption, extortion, misappropriation of public funds and any other similar behaviors are strictly prohibited. In order to integrate the concepts of ethics and integrity into the corporate culture, ASKEY created the "code of business conduct", "anti-corruption standards" and "employee gift and social guidelines" and organizes trainings that has to be followed by managers and employees. When any doubts on ethics and integrity occur, they can be reported to the company's management, Human Resources department, or through a report mailbox.

Confronting the potential risk of corruption, ASKEY has created internal control and self-evaluation mechanisms that are aimed at making each department responsible for executing internal control and self-evaluation operations. The audit room is in charge of reviewing the self-evaluation reports to reduce the possibility of corruption behaviors and to prevent problems from occurring. Regular internal audit and irregular audit by customers are done simultaneously in order to ensure that no dishonest behaviors occurred.

Business Ethics Code of Practice

- Business Integrity
- Conflict of Interest
- Gift Giving
- Information Disclosure
- Fair Competition
- Report Mechanism

Ethics Integrity

Self-Discipline Document

- Employee and manufacturer business transaction items.
- Business ethics commitment.
- Service and confidentiality agreement.

Training & Promotion

- Education training.
- E-mail promotion.

Report Mechanism

- Anti-corruption report mailbox.

Stakeholder Engagement

In pursuing sustainable growth, companies must understand and respond to important corporate social responsibility issues that are of concern to stakeholders. Diverse, transparent and effective communication channels can serve as important references for the formulation of strategies and implementation of plans of sustainability.

Stakeholder Communication

To pave way for solid communication within ASKEY's CSR committee, the team referenced the experiences of department leaders and employees, as well as the five major principles of responsibility, influence, dependence, diverse perspectives and tension recommended by the AA1000 Stakeholder Engagement Standard (SES), and identified with 8 major interest parties, including "Customer", "Employee", "Shareholder", "Supplier", "Contractor", "Local Community", "Government Agency" and "Trade Association". In addition, various communication methods and channels were also created and to facilitate active exchange, absorption and response of diverse opinions and recommendations.

AA1000 SES
Responsibility, Influence, Dependence, Diverse Perspectives, Tension

Major Interest Parties



Communication channels and concerned issues for stakeholders

Customer	Employee	Shareholder	Supplier
<p>Main source of income. Key to achieving sustainable business and service.</p> <p>Concerned Issues</p> <ul style="list-style-type: none"> Principles Compliance Products and Services 	<p>Important asset. Driver for continual growth of the company.</p> <p>Concerned Issues</p> <ul style="list-style-type: none"> Employment and Labor / Management Relations Occupational Health and Safety Labor Rights 	<p>Force to support stable operation.</p> <p>Concerned Issues</p> <ul style="list-style-type: none"> Economic Performance Compliance Products and Services 	<p>Business partner that pursues sustainable business and growth together.</p> <p>Concerned Issues</p> <ul style="list-style-type: none"> Responsibility for Products Principles Information Security Governance
<p>Communication Channels and Frequency</p> <ul style="list-style-type: none"> Customer Satisfaction Survey: Semiyearly Customer On-Site Audit: Irregularly Customer Questionnaire: Irregularly Contact Window: Irregularly Call / Email: Irregularly 	<p>Communication Channels and Frequency</p> <ul style="list-style-type: none"> E-paper: Monthly Welfare Committee Meeting: Monthly Employee Management Meeting: Quarterly Occupational Safety and Hygiene Committee: Quarterly Employee Opinion Box: Irregularly Training: Irregularly 	<p>Communication Channels and Frequency</p> <ul style="list-style-type: none"> Board of Directors: Quarterly Financial Report: Annually 	<p>Communication Channels and Frequency</p> <ul style="list-style-type: none"> Supplier Assessment: Monthly Supplier Conference: Annually Supplier Audit: Irregularly B2B Platform: Irregularly Call / Email: Irregularly
<p>Engagement Results</p> <ul style="list-style-type: none"> Overall satisfaction level was 88.6%. 6 RBA on-site audits. 45 CSR / BCM / HSF questionnaires. 	<p>Engagement Results</p> <ul style="list-style-type: none"> 12 ASKEY journals. 12 welfare committee meetings. 4 employer-employee meetings in Taiwan and Suzhou, China. 127 cases of employee consultation. 21.4 average training hours per person. 	<p>Engagement Results</p> <ul style="list-style-type: none"> 5 Board of Directors' meetings. 	<p>Engagement Results</p> <ul style="list-style-type: none"> 1 annual supplier conference. 14 on-site CSR audit of new suppliers. 27 on-site CSR audit of existing suppliers.

Contractor	Local Community	Government Agency	Trade Association
<p>Business partner that pursues sustainable business and growth together.</p> <p>Concerned Issues</p> <ul style="list-style-type: none"> Occupational Health and Safety Operation and Pollution Prevention Compliance 	<p>Natural foundation for company existence and development.</p> <p>Concerned Issues</p> <ul style="list-style-type: none"> Compliance Market Presence Principles 	<p>Supervisor of business activities, products and service providers.</p> <p>Concerned Issues</p> <ul style="list-style-type: none"> Responsibility for Products Compliance Principles 	<p>Bridge for coordination. Communication and recommendation proposals with the government.</p> <p>Concerned Issues</p> <ul style="list-style-type: none"> Market Presence Economic Performance Compliance
<p>Communication Channels and Frequency</p> <ul style="list-style-type: none"> Contractor Assessment: Annually Contractor Evaluation: Irregularly Contractor Conferences: Irregularly 	<p>Communication Channels and Frequency</p> <ul style="list-style-type: none"> Company Website: Irregularly Charitable Activities: Irregularly News: Irregularly 	<p>Communication Channels and Frequency</p> <ul style="list-style-type: none"> Check: Irregularly Official Document: Irregularly Conferences: Irregularly 	<p>Communication Channels and Frequency</p> <ul style="list-style-type: none"> Organizational Member Conference: Annually Conferences: Irregularly
<p>Engagement Results</p> <ul style="list-style-type: none"> 4 consultative organization meetings. 	<p>Engagement Results</p> <ul style="list-style-type: none"> 4 blood donation activities. 	<p>Engagement Results</p> <ul style="list-style-type: none"> Taipei Main Station project. 	<p>Engagement Results</p> <ul style="list-style-type: none"> Participation in seminars.

Material Topics Management

In addition to learning stakeholder needs and opinions through routine communication channels, ASKEY also has procedures in place to effectively identify and organize material issues in matters concerning sustainability. The result is a more focused report for effective stakeholder communications and respond truthfully to stakeholders' expected information.

Stakeholder Inclusiveness



Identify Communication Counterparty

- Identify and prioritize stakeholders based on five main attributes, responsibility, influence, dependency, diverse perspectives and tension, for stakeholders of the AA1000 SES.
- Identify 8 key stakeholders that are closely related to operations as the main communication counterparties of the year and collect their concerned issues.

8 Major Stakeholders

Sustainability Context



Issues Collection and Analysis

- GRI Sustainability Reporting, major issues of the parent company, ASUS, and other industry peers and internal CSR policies are all references to the collection of sustainability issues.
- After collection, compilation and analysis, identify 23 sustainability issues that are of concern to stakeholders.

23 Sustainability Issues

Materiality



Material Topics Identification

- Collect economy, environment, society and the related dimensions that are of concern to 223 stakeholders through questionnaires.
- Invite 8 senior executives to assess the economic, environmental and social impacts of the related issues.
- Conduct matrix analysis and rank materiality of issues based on the attention they receive and impacts, and then the CSR committee confirms and determines 7 material sustainability topics.

7 Material Topics

Completeness



Material Topics Management

- Disclose management measures for the 7 material topics and determine their impact and the boundary of influence.
- Reinforce the management of material topics that have been identified and disclose the implementation results in the annual corporate social responsibility report.

7th CSR Report

▲ Process of material topics management



▼ Disclosure of material topics in chapters and setting boundaries

Major Issues	Compared with 2018	Topic-Specific GRI Standards (2016)	Impact Boundary	Importance	Corresponding Chapter	SDGs
 Economy / Governance						
Economic Performance	Remained	GRI 201		<ul style="list-style-type: none"> Creating steadily growing business performance and maintaining maximum equity for shareholders are the foundations for an organization to pursue sustainable business. 	• Business Overview	
Compliance	Dropped	GRI 307 / GRI 419	  	<ul style="list-style-type: none"> Following and urging suppliers and contractors to follow related laws and regulations is a management responsibility of an enterprise in order to avoid causing negative impact to the image and reputation due to violations. 	• Green Operation • Recruitment and Training	
Information Security Governance	Raised	GRI 418	 	<ul style="list-style-type: none"> Cyber-attacks change with each passing day, therefore, it is important to effectively maintain and manage important information of the company, clients and employees to reduce the possibility of impact to operations caused by security risks. 	• Customer Relation	
Principles	Remained	GRI 205	  	<ul style="list-style-type: none"> "Ethical integrity" is the core value of ASKEY's operation. It is also the key element that won the trust and support of interested parties including customers and suppliers. 	• Governance Structure	
 Environment						
Responsibility for Products	Raised	GRI 416	 	<ul style="list-style-type: none"> Reduce impact caused to the environment during the life cycle from material procurement to final disposal and enhance organization environmental management performance. Make standard procedures for and systematically manage chemical substances that are harmful to human health and have high risk to ensure the health and safety of end users. 	• Green Service	
 Society						
Employment and Labor / Management Relations	Raised	GRI 401 / GRI 402		<ul style="list-style-type: none"> Guarantee labor benefits and maintain good labor relations in order for employees to enjoy work, exert their talents and grow with the company. 	• Recruitment and Training	
 Supply Chain Management						
Principles	Dropped	GRI 205	 	<ul style="list-style-type: none"> Gradually implement and reinforce sustainability measures of supply chain to concretely fulfill ASKEY's commitment and responsibility for supplier management. 	• Supplier Management	

Risk Management

In recent years, severe changes in the global capital market and corporate governance environment, or disastrous impacts brought by climate changes have increased the risks enterprises may confront. Therefore, in order to develop sustainable operations, companies have to reflect on the effective identification and evaluation of potential internal and external risks during operation. Thus, they may propose corresponding strategies and control mechanisms to deal with these issues.

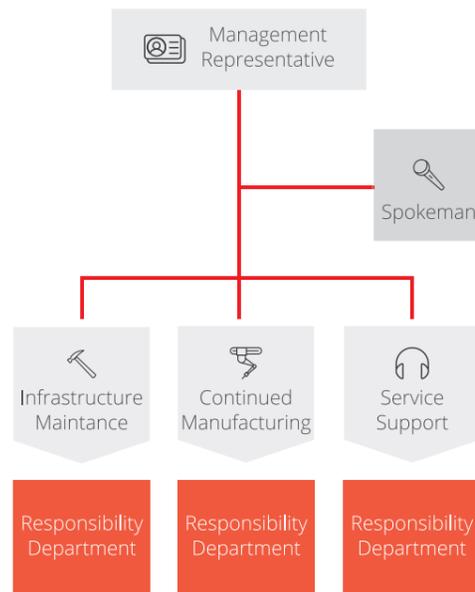
ASKEY annually pays attention to changes in global environments through various kinds of management systems and understands the trends in risk change. This gives, therefore, the ability to ASKEY to predict possible risks its various businesses might encounter and to control them within bearable level and range. This will ensure personnel and asset safety, increase product service quality and equity value for shareholders, while continually improving existing risk management mechanisms and transforming risks into opportunities.

Aspect	Risk	Impact	Strategy / Practice
 Economy / Governance	IT Security Risk	Leakage of sensitive information causing damage to reputation and loss of customers.	<ul style="list-style-type: none"> • Set data security related operation specifications. • Data security promotion. • Important data backup mechanism. • Disaster recovery operation procedures. • Data security event notification mechanism.
	Exchange Rate Risk	Affect revenue and expense and impact financial leverage.	<ul style="list-style-type: none"> • Functional currency exchange rate risk management. • Use derivative financial instruments to avoid risks.
	Credit Risk	High proportion of overdue outstanding receivables affecting the company's production and operation.	<ul style="list-style-type: none"> • Establish credit policy. • New customer credit risk analysis and management.
	Liquidity Risk	Reduce working capital efficiency and loss of opportunities in profit investments.	<ul style="list-style-type: none"> • Group liquidity demand forecast monitoring. • Improve the efficiency of capital usage.
	Materials Interruption Risk	Production interruptions causing delays in supply.	<ul style="list-style-type: none"> • Develop second source. • Raw material inventory control.
 Environment	Climate Change Risk	Increasing impact from extreme climate conditions which add operating costs.	<ul style="list-style-type: none"> • Greenhouse gas voluntary inventory. • Promote energy saving solutions, reduce greenhouse gas emission. • Green design, reduce product energy consumption. • Improve salary and welfare system.
 Society	Manpower Shortage	Talent loss which increases burden on management cost of human resources.	<ul style="list-style-type: none"> • Enhance communication channel and participation mechanism. • Regular review of labor situation.
	Occupational Safety and Health Risk	May cause personal injury or death, resulting in production loss.	<ul style="list-style-type: none"> • Establish occupational safety and health system. • Establish various job safety and health standards. • Hazardous operations control. • Education and training. • Contractor management.

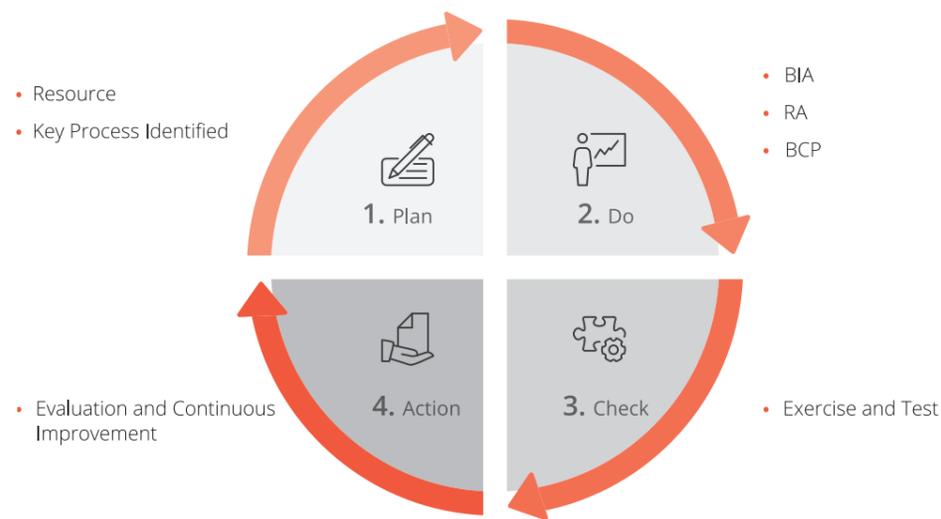
Business Continuity Management

As the variability and unpredictability of the operating environment gradually increase, ASKEY realized that in order for an enterprise to pursue sustainable operation, it must rely on a continuous and effective management mode. Therefore, it followed the ISO 22301 Business Continuity Management System (BCM) architecture and spirit and established the BCM implementation committee to promote related operation activities. ASKEY also gradually constructs various business continuity plans (BCP) according to the business impact analysis (BIA) and risk assessment (RA) results and arrange conditional simulations regularly to review their effectiveness. Thanks to this, ASKEY hopes to effectively increase the organization's emergency handling and recovery flexibility, to strengthen the overall competitiveness and maintain the equity of interested parties as well as the reputation of the company.

In 2019, ASKEY conducted scenario planning for four types of emergency incidents that may cause operational interruption, which are utility interruptions, infrastructure disruptions, key equipment failure and infectious, hoping that the related personnel would be familiar with contingency processes and specific measures to reinforce the effective performance of business continuity.



▲ Structure of the BCM committee



BCP simulation for the year 2019

- Utility Interruptions
- Infrastructure Disruptions
- Infectious
- Key Equipment Failure



Suzhou, China	Taiwan
	2015
• Infectious	• Earthquake
	2016
• Fire	• Fire
	2017
• Supplier Failure	• Infectious
	2018
• Manpower Shortages	• Manpower Shortages
	• Key Equipment Failure
	• Supplier Failure
	• Earthquake
	• Cyber Attacks
	2019
• Infectious	• Utility Interruptions
• Key Equipment Failure	• Infrastructure Disruption

▲ BCP drill theme of pass years

經濟共榮

Economic Growth

02



Business Overview

Adhering to the principle of corporate governance, ASKEY is continuously committed to the research, development and innovation of technology, providing clients with the most competitive products and protecting their privacy, rights and interests. At the same time, the company exerts its positive influence on the supply chain and continues to improve the supplier management system, hoping to co-create sustainable growth and value with all stakeholders.

Key Points of the Chapter

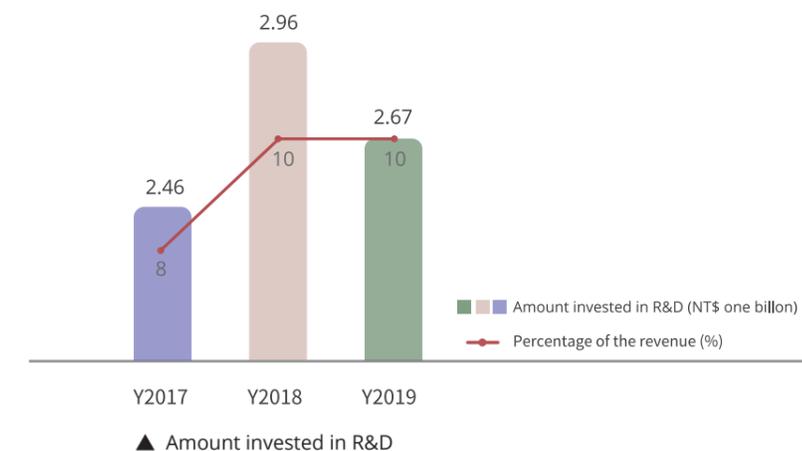
- Business Overview
- Customer Relation
- Supplier Management



Management Approach: Economic Performance

Item	Descriptions of Key Points
Boundary	• ASKEY
Policy	• Innovative services and improve competitiveness.
Commitment	Actively manage operating performance to meet the expectations of shareholders and stakeholders.
How	<ul style="list-style-type: none"> • Improve corporate governance structure to effectively control operating costs and strategic directions. For details, please refer to the chapter "Governance Structure". • Improve quality management process and system to win customer satisfaction and trust. For details, please refer to the chapter "Customer Relationship".
Evaluating Mechanisms	Periodic review of operating performance.
2019 Target	Steady growth of net income after tax.
2019 Performance	Gradual improvement of business performance.

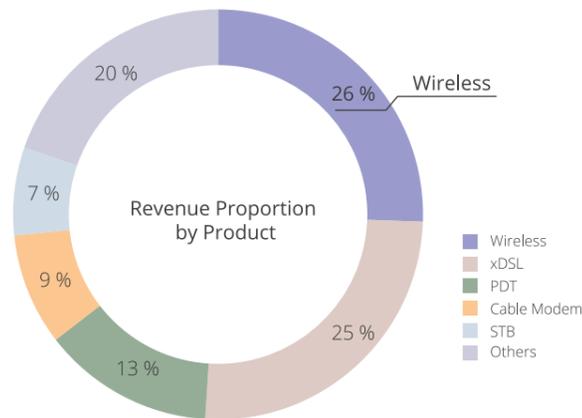
The consolidated group revenue of ASKEY is NT\$27.9 billion, net loss after taxation attributable to shareholders of the parent company is NT\$ 0.026 billion in 2019. The financial information described above was verified by an independent third-party accounting firm. In order to reinforce research and development capabilities, enhance product competitiveness and create more value, ASKEY committed NT\$2.673 billion in R&D in 2019, accounting for about 10% of the revenue. It is hoped that the continuous improvement of research and development can provide more momentum to the industry innovation and strengthen the competitive advantages in the market.



According to the relevant tax laws of Taiwan and China, companies may use a certain amount of R&D expenditures to offset part of the tax payable for the current year. In 2019 ASKEY applied for a tax deductible of NT\$172 million which is still pending approval, and the company has not received other government subsidies.

Revenue Proportion

ASKEY focuses on the manufacturing of network communication equipment and electronic products. Its product line features a complete range of devices from broadband network products such as 4G Routers, WiFi 6 routers, personal data terminals (PDT), to fiber optic products, including the development of high-performance XGS-PON and highly integrated devices. Sales span across Europe, Asia, North and South America, and numerous countries around the world. The revenue proportion for the year 2019 is divided between products – wireless has the highest ratio and accounts for approximately 26% of the total revenue, followed by xDSL at 25% and PDT at 13%.



Customer Relation

Customer



Management Approach: Information Security Governance

Item	Descriptions of Key Points
Boundary	<ul style="list-style-type: none"> ASKEY Customer
Policy	Information Security Policy.
Commitment	Ensure that customer privacy is respected and protected.
How	The formulation of regulations and supporting measures to protect information security.
Evaluating Mechanisms	Feedback from customer.
2019 Target	0 case of clients' information leakage.
2019 Performance	Achieved.

ASKEY believes that providing customers with competitive products and quality services play an important role in maintaining business profits. We, therefore, aggressively develop new products to meet the diverse needs of our customers. We have also established a rigorous quality management system to provide customers with guaranteed quality. The protection of our customers' privacy and confidential data and assets is taken very seriously by ASKEY. We work actively to understand and respond to customers' needs in a timely manner in order to win their trust and satisfaction through sound service quality.

Quality Management

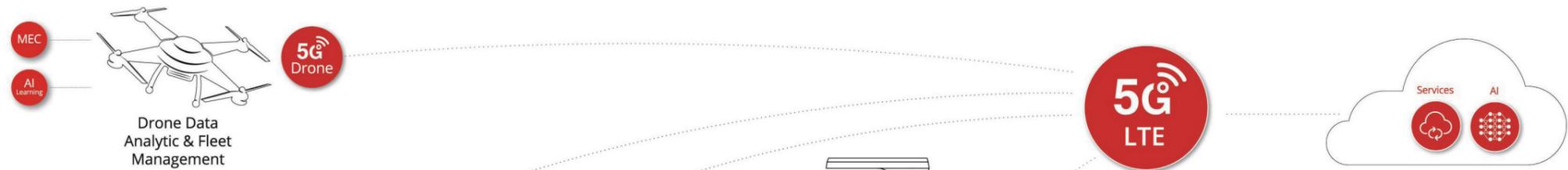
ASKEY pays close attention to the quality requirements of its customers and considers quality management as an essential part of its operation. We expect every employee to understand the importance of quality as well as the consequences of quality defects and to take joint ownership of product quality.

Quality management systems such as ISO 9001, TL 9000, IATF 16949 and ISO 13485 have been introduced, implemented and effectively maintained by ASKEY to build sound quality management processes and systems. The PDCA management cycle (Plan, Do, Check, Action) has also been implemented for the continuous improvement of the production cycle to ensure customer satisfaction and exceed their expectation through better product quality.



R&D and Innovation

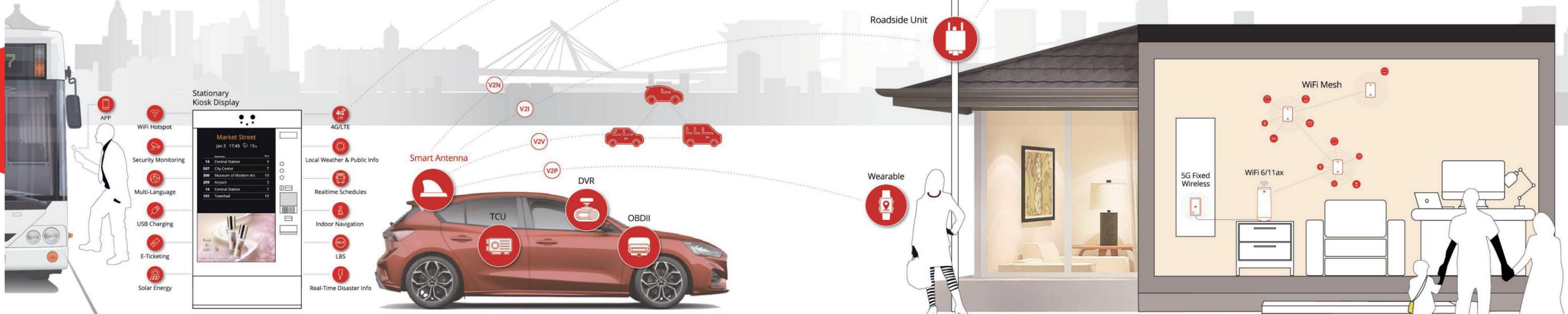
As a professional manufacturer of communication equipment, we have continued to work hard in the industry and in recent years, we have used our decades of research and development experience in telecommunication on the strategic planning for 5G technology. We look forward to co-creating service innovations with our clients around the world with our cross-industry solutions to welcome the era of ultra-high-speed, big connectivity and low latency 5G applications. At the same time, our high-quality and competitive products and comprehensive and satisfactory after-sales service can realize the vision of a digital life together with clients in the public sector, global telecommunication service providers and system operators.



Smart Transportation Connecting Smart City Environments

Connected Automotive A True V2X Ecosystem

Complement Your Ecosystem With Tailor-Made Solutions for All Your Needs.



Taiwan Railway Station Navigation App

The Taiwan Railway Station Navigation is an AR navigation App jointly developed with the Industrial Development Bureau using the computation technology of the Industrial Technology Research Institute for a more accurate and precise positioning. The App also helps travelers to access accurate bus or flight schedules at the major terminals in Taiwan and they will be able to know where to ask for information and not get lost.

Solar-Powered Smart Bus Booth

Powered by sunlight and with an e-paper display, the solar-powered smart bus booth can achieve energy conservation and carbon reduction, and they can be installed in rural areas or places where the supply of power is not easy.

Building a Car-Centered Smart Traffic Ecosystem

The smart vehicle-to-vehicle and vehicle-to-roads coordination can form an integrated network of smart traffic management and dynamic service. Automobile DVR cameras and TCU/V2X OBU modules with built-in 5G antennas can improve the reliability of vehicles at high speeds, which make up for the shortcomings of the existing ADAS technology and enhance vehicles' awareness and detection range of the surrounding environment. The approach can improve road traffic safety and reduce casualties, realizing the vision of a global Internet of vehicles.

5G Household Solutions

Introduce a new generation of 5G household solutions, so that users who go online at home will no longer experience network delays.

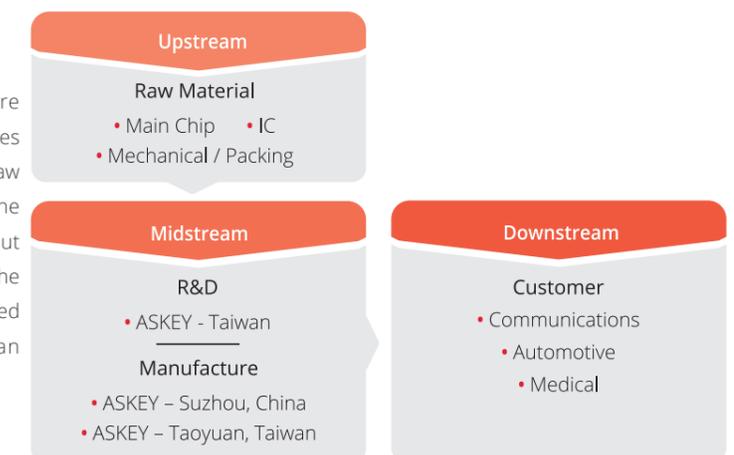
Supplier Management



Management Approach: Principles

Item	Descriptions of Key Points
Boundary	• ASKEY • Supplier
Policy	Suppliers Assessment and Evaluation Procedure.
Commitment	Joint improvements with collaborating partners to reduce potential ESG risks and bring positive influence on social development.
How	CSR is included in the assessment when selecting new suppliers.
Evaluating Mechanisms	• Second party audit. • Third party audit.
2019 Target	Completed on-site CSR audit of 10 new suppliers.
2019 Performance	Achieved.

In addition to being committed to establishing long-term and stable trust relationships with back-end customers, ASKEY is also actively developing mutually beneficial trust relationships with front-end suppliers. These approaches create win-win situations for clients, the company and suppliers to jointly pursue sustainable operations and grow together.



▲ ASKEY supply chain

Purchasing Overview

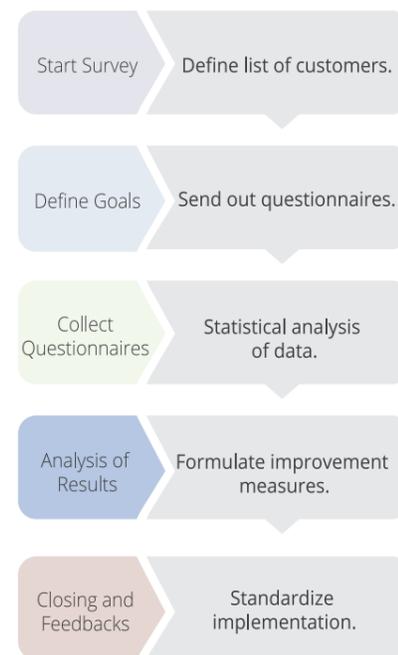
As ASKEY's product and service combinations are fairly wide and flexible, therefore its supply sources are very diverse. The main purchased items are raw materials. In 2019, main chipsets were ranked the highest in the total purchase, accounting for about 30% of the overall purchase. Analyzing based on the regions of transactions, Suzhou of China accounted for 76% of the overall transaction, and Taiwan accounted for the remaining 24%.

Customer Satisfaction

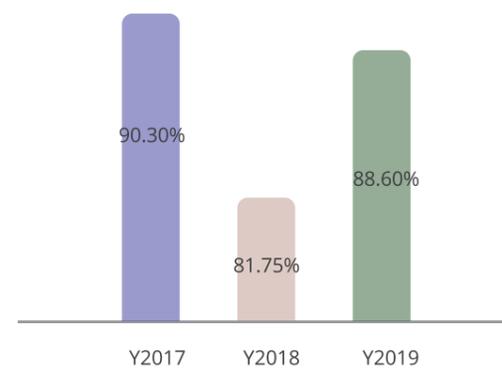
In addition to being committed to the production of high-quality products and innovation of research and development in technology, ASKEY provides clients with comprehensive services, hoping to build robust business collaboration relationships and become a trustworthy partner they can rely on.

ASKEY values customers' voices and takes improving customer satisfaction as the top priority. In order to efficiently serve customers and become their best business partner, ASKEY conducts satisfaction survey every half a year to ensure that customer needs are fully understood and met. The feedbacks are communicated with the relevant department to find effective improvement solutions and improve the quality of products and services.

In 2019, the targets of customer satisfaction survey were those who accounted for the top 80% of the transaction amount. Notification letters of questionnaires were delivered to the point of contact at customers through our B2B system or responsible personnel. In the first half and second half of the year, a total of 26 questionnaires were sent and 24 were collected for a return rate of 92%. The overall satisfaction was 88.6%, which did not reach the set annual target of 92%. We have conducted a cause analysis and improvement measures review for the indicators that have not met the expectations. In the future, we will ensure the effective operation and maintenance of the quality management system and continue to improve various processes to make the overall product quality robust and achieve better customer satisfaction.



▲ Process of customer satisfaction survey



▲ Historical customer satisfaction



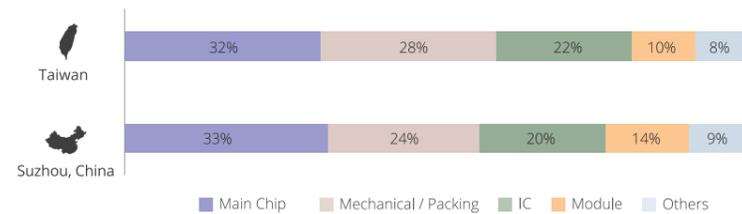
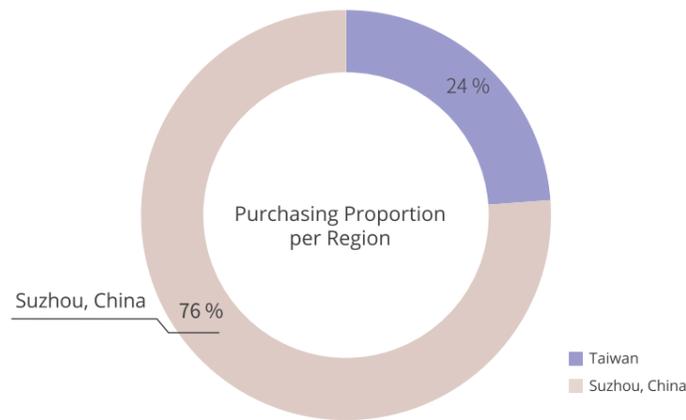
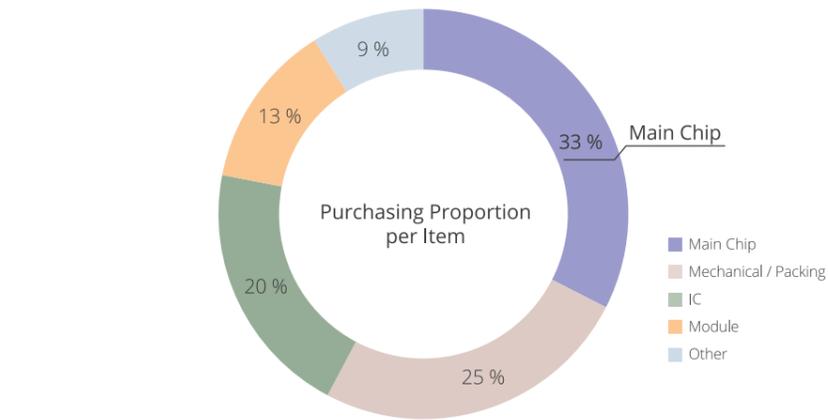
Customer Privacy

While improving product quality and professional service offerings, ASKEY values the protection of customer privacy. All employees are required to safeguard the tangible and intangible information, data or property of every customer. In 2019, there were no customer complaints regarding the violation of privacy rights or incidents of data loss and leakage.

In order to ensure that customer privacy is respected and protected, ASKEY signs confidentiality agreements and contracts to protect customers' confidential information at their request. In order to prevent employees from leaking secrets due to personal reasons, new hires are required to sign a "Service and Confidentiality Agreement" on the first day of employment. The formulation of relevant regulations, internal announcements, access control of data and other measures are implemented to protect customer privacy and the company's assets.



▲ Management for customer privacy



▲ Proportion of purchasing items per region

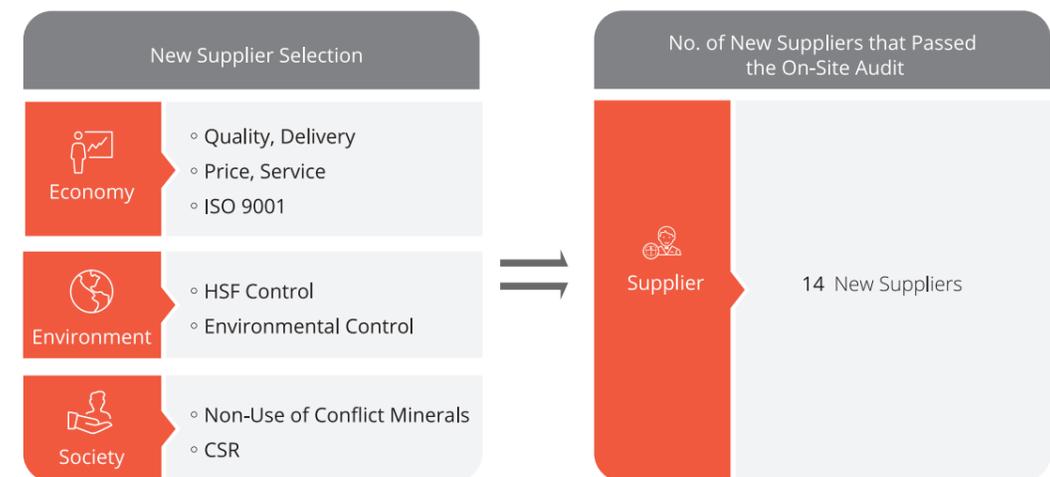
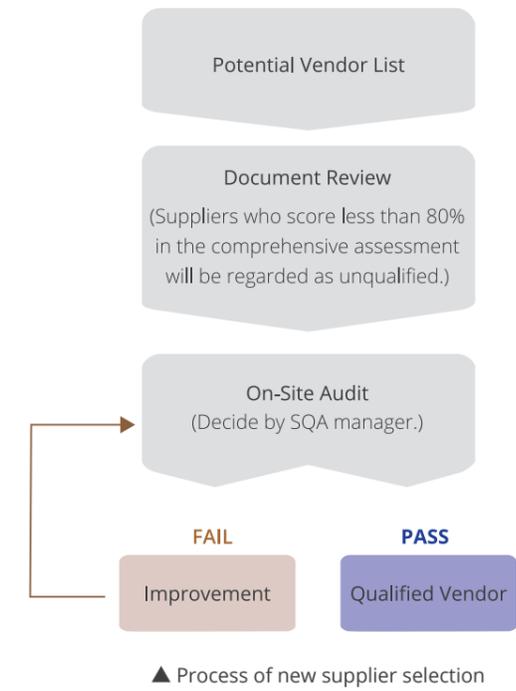
Management Strategy

ASKEY believes that the sustainable growth and success of a company relies on a complete and robust supply chain system. Therefore, suppliers are considered as long-term and important business partners. It is hoped that tight collaborating relationships will provide stable and excellent service quality and earn the customers' and the market's recognition to jointly build an industry value chain and move towards the goals of sustainability.

Supplier Selection

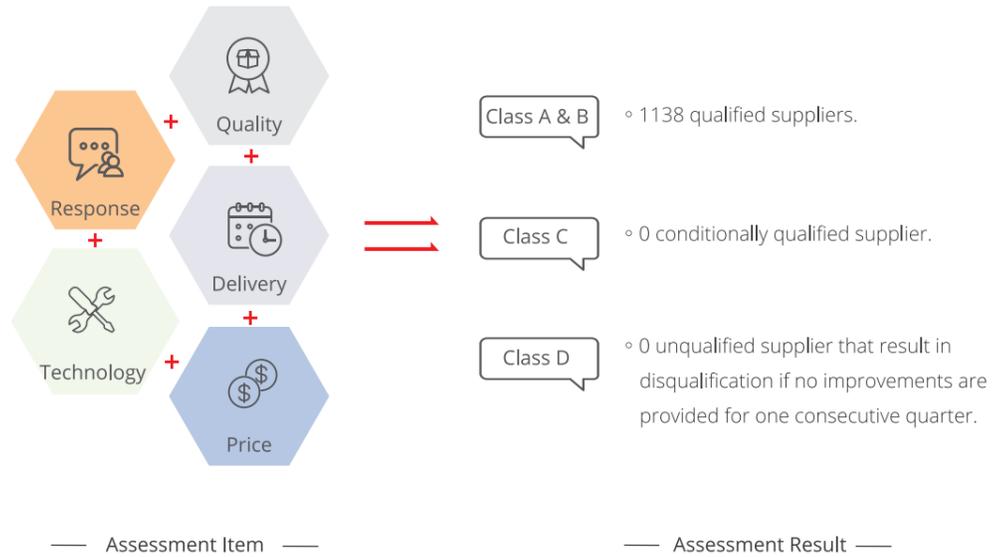
ASKEY adopts prudent and rigorous operating procedures to assess and select new suppliers. In addition to product quality, price, delivery schedule, service and technology capabilities being used as the basis for selection, hazardous substances management and other environmental standards, labor rights and other social aspects are taken into the consideration and assessment. It is hoped that suppliers can include sustainability into their company management policies and work together with ASKEY to make great contributions to society.

In order to ensure business continuity and reduce risks, ASKEY conducts full inspection of key raw materials and surveys for alternative sources to improve competitive advantages and ensure service quality. To facilitate a closer collaboration with suppliers, ASKEY strives to practice local sourcing. Besides considering supply efficiency and promotion of local economic development, the reduction in logistics, energy and resources and carbon emissions can lower the environmental impact. Currently, the proportion of local sourcing is not high yet. However, the company will actively develop local suppliers, while meeting the requirements of target cost, and increase the amount of local sourcing to develop a localized supply chain.



Qualified Suppliers Assessment

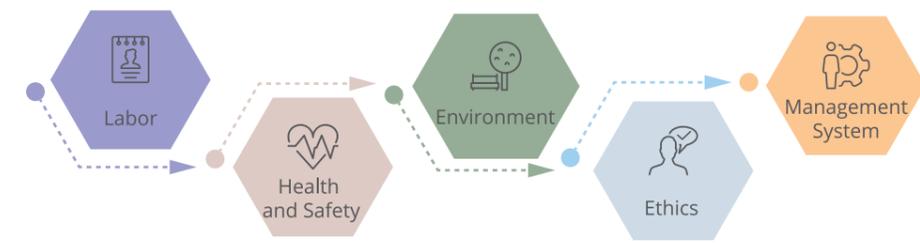
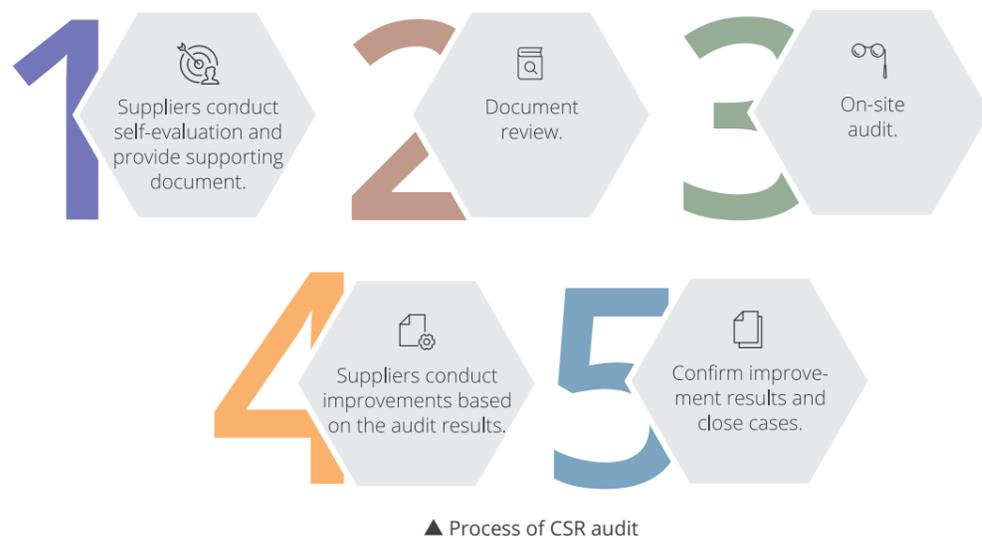
The R&D, procurement, suppliers' quality assurance and other relevant departments of ASKEY continuously evaluate the qualified suppliers on technologies, delivery schedule, quality and other evaluation criteria. Results are sent to the suppliers through the B2B system. For the suppliers who are rated C or D in the monthly audits, the proportion of purchase is adjusted and alternatives are sought as control measures. It is hoped that the routine and periodic monitoring and the audit practice can maintain positive working relationships and improve the operating efficiency and collaboration performance for every entity. In 2019, 66% of the suppliers were rated A class, 34% were B and there were no C-rated or D-rated suppliers.



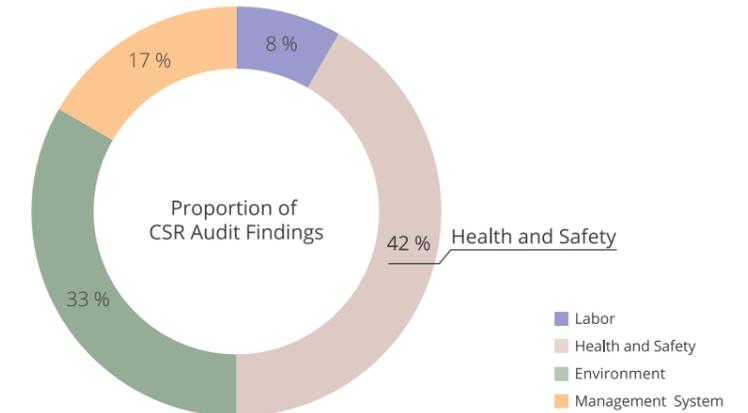
Sustainable Supply Chain

In order to effectively improve the self-directed risk management capabilities and overall competitiveness of the supply chain, ASKEY periodically arranges annual audits of suppliers. In addition to product quality, manufacturing capabilities and others, corporate social responsibility is also included in the audit. The goal is to understand suppliers' management in the economy, environment and society dimensions and their progress of implementation through self-evaluation, document review and on-site audits. It is hoped that joint improvements with the collaborating partners can reduce potential ESG risks and bring positive influence on social development.

In 2019, ASKEY completed the on-site CSR audits of 27 existing suppliers and found no significant or potential negative impact on the environmental and labor rights issues. As for the other non-compliance issues found in the audits, suppliers have provided effective and feasible solutions, and all outstanding cases have been closed. In the future, the company will continue to use the ESG second party audit, client audit, annual suppliers conference and various methods to encourage suppliers to value and protect workers' right and improve and optimize their work environment to fulfill corporate social responsibility.



▲ Dimensions of ASKEY CSR audit



Management of Conflict Minerals

As a corporate citizen, ASKEY declares and promises not to support or use conflict minerals from the Democratic Republic of the Congo and its neighboring countries and seeks to extend the influence on the supply chain through responsible procurement to request suppliers and partners to refuse the use of conflict minerals. When selecting new raw materials suppliers, investigation on their use of conflict minerals is conducted. If the supplier clearly understands the issues and does not use conflict minerals, it is requested to sign a "Non-Use of Conflict Minerals Agreement". It is hoped that the self-discipline of the supply chain and the restraining measures will have a positive impact on the issues of conflict minerals.

In response to the investigation of conflict minerals by each client, ASKEY continues to survey the existing supply chain every year. In 2019, the company completed 10 investigation cases at clients' requests, and the results met the company's and the clients' requirements on conflict minerals.



▲ Management of conflict minerals

環境共存

Environmental Symbiosis

03



Green Operation

Operation

Valuing resources and being friendly to the Earth are ASKEY's mission and responsibility and its commitment to a sustainable environment. Therefore, while pursuing the stable growth of business, we adhere to the principles of "Compliance with law. Reduce pollution and waste. Conserve resources. Participation of all employees" and launch environmental management and performance improvement activities with a rigorous and prudent attitude. We expect to achieve the goal of coexistence with the environment through the control of raw materials purchase, product design, manufacturing, packaging and transportation, and waste disposal from the perspective of product life cycle.

Key Points of the Chapter

- Green Operation
- Green Service



Management Approach:
Compliance

Item	Descriptions of Key Points
Boundary	<ul style="list-style-type: none"> • ASKEY • Supplier, Contractor
Policy	Environmental Policy.
Commitment	Effectively enhance environmental management and improve environmental quality.
How	Implement ISO 14001 management system. Specify dedicated responsible units and staff to monitor changes and compliances of laws and regulations regularly.
Evaluating Mechanisms	<ul style="list-style-type: none"> • Government check. • Customer audit. • Third party audit.
2019 Target	0 violations of environmental protection laws and regulations that resulted in huge fines.
2019 Performance	Achieved.

The bigger the scale of a company's operations, the greater the environmental impact and responsibility. ASKEY is committed to the environmentally friendly manufacturing process and making great efforts in prevention of pollution and waste reduction. At the same time, the company makes reasonable use of limited resources and demonstrates its determination to protect the environment through the full participation of all employees.

In order to achieve pollution prevention and effectively reduce the company's negative impact on the environment from its activities and provision of products and services, ASKEY periodically monitors environmental regulations and compliance and establishes an environmental management system based on the ISO 14001 international standards. The implementation of standardized procedures, establishment of continuous improvements, periodic review on environmental performance and PDCA cycle effectively reinforce the environmental management and improve environmental quality. In 2019, there were no violations of environmental regulations or large fines for such violations.



Energy and GHG Management

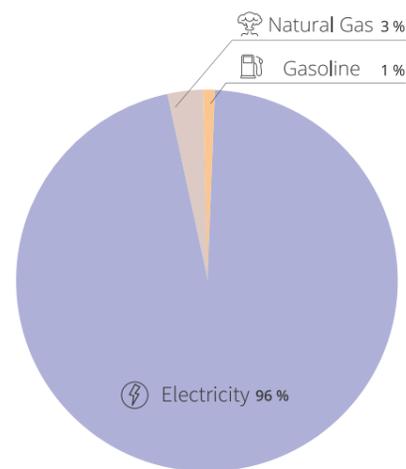
ASKEY internally uses energy resources such as fuel (gasoline, diesel and natural gas) and electricity at factory plants and offices. In 2019, a total of 164,055.4 GJ were used, of which electricity was the main source of energy, accounting for 96% of the overall consumption. The energy intensity was 588 GJ per NT\$100 million of revenue, a slight decrease of 2.7% over 2018.



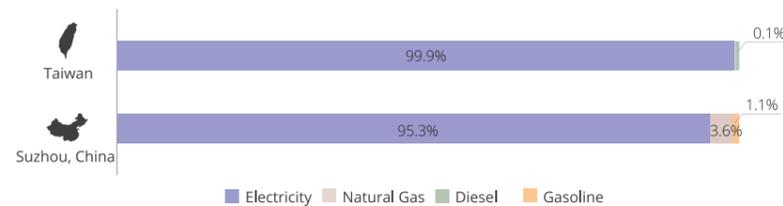
▲ 2019 Energy consumption

Energy Intensity	Y2017	Y2018	Y2019
Energy Consumption (GJ)	184,236.1	177,078.9	164,055.4
Group Revenue (NT\$100 million)	319	293	279
Energy Intensity (GJ / per NT\$100 million revenue)	578	604	588

Conversion:
 • 1kWh = 3.6 MJ
 • 1L Gasolin = 34.6 MJ
 • 1L Diesel = 38.7 MJ
 • 1M³ Natural Gas = 8,700 Kcal ; 1Kcal = 4,186 J
 • Gasoline consumption in Taiwan is estimated by expenses and the average oil price.



▲ Energy consumption distribution



▲ Energy consumption per region

GHG Management

ASKEY referred to ISO14064-1: 2016 and other foreign and domestic inventory guidelines and created consequently a greenhouse gas inventory standard mechanism. Data on ASKEY's greenhouse gas inventory range is collected based on operational control, the total greenhouse gas emission of ASKEY in 2019, including the Taiwan and Suzhou site in China, was approximately 0.0303 million tons of CO₂e, which mainly came from category two indirect greenhouse gas emissions at approximately 96%. If categorized according to greenhouse gas type, the ratio of carbon dioxide emission was the greatest, and had an emission density 0.0001 million tons of CO₂e per NT\$ 100 million revenue, which had kept steady compared to 2018. Since 2010, the heavy production based in Suzhou China has passed third-party verification every year in order to ensure inventory data quality. At the Taiwan site, internal autonomy inventory is conducted. ASKEY wants to use the annual inventory results and data disclosure processes to fully understand the conditions of greenhouse gas emission within the organization and find key emission sources involved in the production process and then elaborate organized and continuous reduction measures.

GHG Emission Intensity	Y2017	Y2018	Y2019
GHG Emissions (Million tons CO ₂ e)	0.0349	0.0335	0.0303
Group Revenue (NT\$100 million)	319	293	279
Emission Intensity (Million tons CO ₂ e / per NT\$100 million revenue)	0.0001	0.0001	0.0001

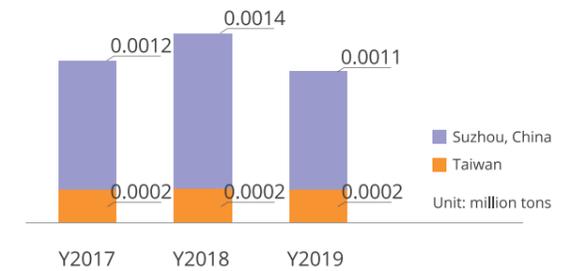
• GWP Value comes from the 4th IPCC Report.
 • GHG inventory baseline year & emissions in Taiwan - Y2017 / 4,822.2t CO₂e.
 • GHG inventory baseline year & emissions in Suzhou, China - Y2009 / 41,300.7t CO₂e.

① Scope 1: Direct GHG Emissions

Scope of inventory:

- Qualitative and quantitative inventory check of fuel combustion.
- Qualitative and quantitative inventory check equipment emissions.

Emissions in 2019: 0.0013 million tons CO₂e

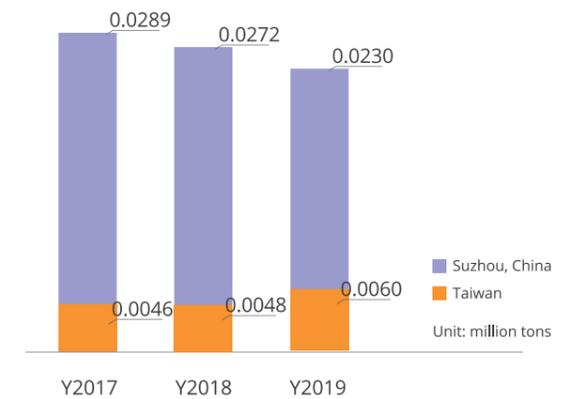


② Scope 2: Indirect GHG Emissions

Scope of inventory:

- Qualitative and quantitative inventory check of electricity.

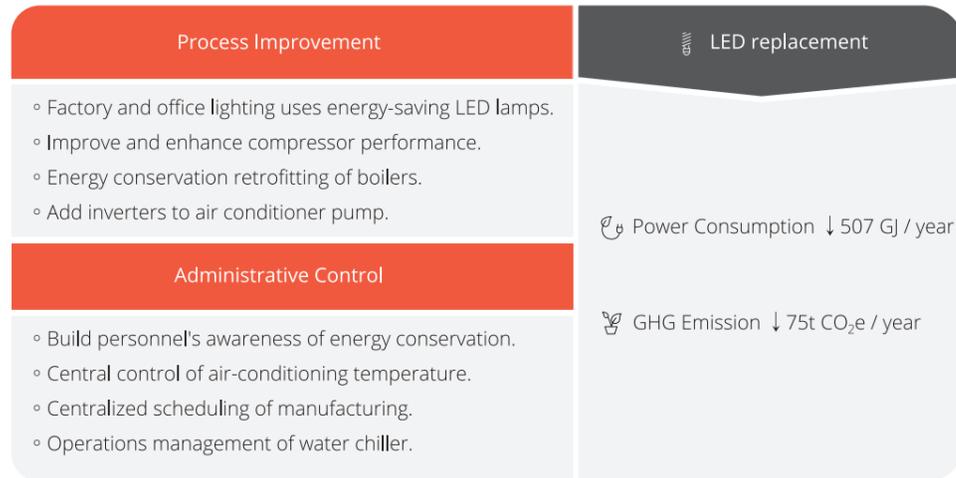
Emissions in 2019: 0.0290 million tons CO₂e



Carbon Disclosure and Reduction

ASKEY started to participate in the international Carbon Disclosure Project (CDP) from 2015 and conducted survey feedback and information disclosure with respect to the company's greenhouse gas emissions, investment risks associated with climate change and responsive strategy of opportunities, demonstrating our focus on and management of climate change and global warming issues. CDP is an independent non-profit organization jointly set up by leading institutional investors around the world. It sends out questionnaires every year asking businesses to disclose information, such as the risks and opportunities related to climate change and carbon management system. By participating in the CDP, ASKEY hopes to contribute to climate change mitigation and natural resource protection through self-review and self-management.

Facing the increasingly severe climate change and global warming, ASKEY is aware of the value and the issue with non-renewability of energy and resources. Therefore, the company conducts energy conservation through two management practices, process improvement and administrative control. They put the concept of environmental protection into actual practice to reduce consumption and greenhouse gas emissions and fulfill the duties of corporate citizenship.

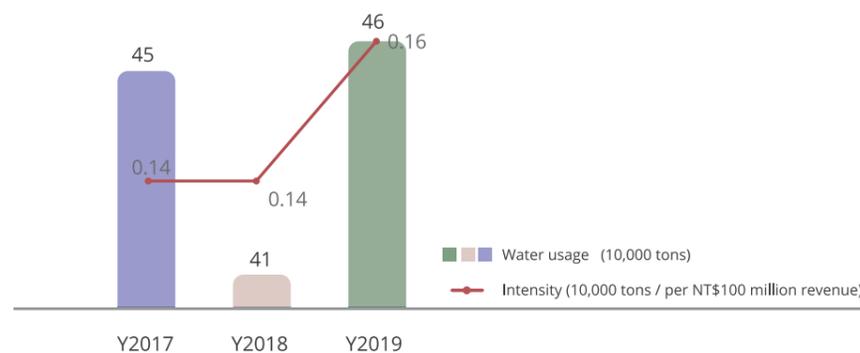


Water and Waste Management

ASKEY's total water consumption in 2019 was 460,000 tons, which was a slight increase over 2018. The water is mostly used for the domestic and air-conditioning purposes. The main source is surface water, and no groundwater is used for operation. No wastewater is generated during the manufacturing processes of all locations, and there is only domestic wastewater from the employees. Employees' domestic wastewater from operations is discharged into the designated sewage treatment system in accordance with the local laws and regulations. Every year, a legitimate inspection company is commissioned to conduct water quality testing to ensure that the operating activities will not affect or pollute the environment.

In recent years, extreme weather conditions have caused instability in water supply. Although the company's operation has low exposure to the risk of water resources, water-saving practices such as using water-saving accessories to water outlets and collection of condensate water are adopted to controlling the use of water resources.

Besides, ASKEY does not own, manage or lease any plants located in ecological protection zones or water conservation areas and is not engaged in any operating activities that will have a negative impact on biodiversity. The process of product manufacturing and service provision will have a negative impact on the environment and ecology.



▲ Historical water consumption

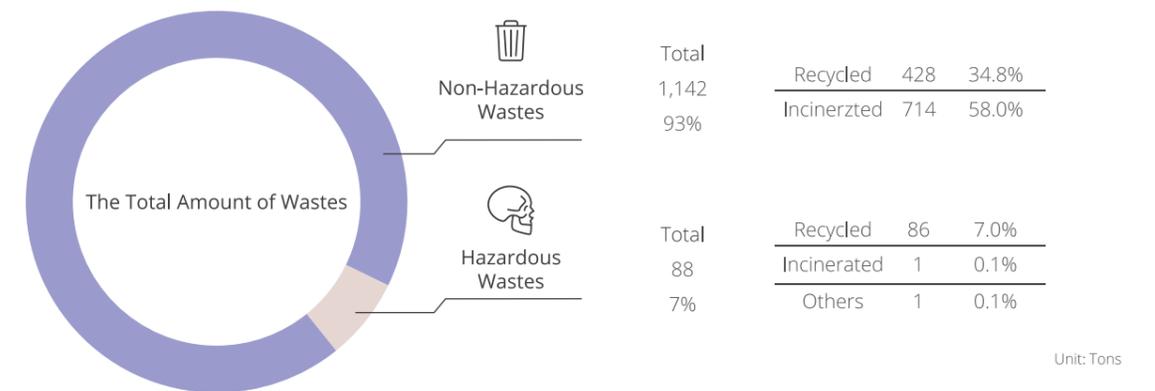
- Water consumption in Taiwan: Except for the independent water meters used at the parking lot at the headquarters in Zhonghe and the office in Hsinchu, other locations estimate the consumption by taking the proportion of total water utility expense based on the area measurement of each floor.
- Water consumption in Suzhou, China: Based on the water bill.



Waste Management

Waste management is an important environmental issue for companies, in general. Without good management practices, it will cause negative impacts on the environment. Therefore, ASKEY adopts strict control measures for wastes generated from the manufacturing and service processes to ensure that they can be properly and safely disposed of while meeting the regulatory requirements and reducing the environmental burden. Appropriate classification and management measures are taken to improve the reusability and value of resources.

The wastes produced by ASKEY are mainly divided into two categories, general business waste and hazardous business waste. The general business wastes include employees' domestic wastes and plastic shells. The hazardous business wastes include PCB, waste electronic components and others. In 2019, 4.41 tons of wastes were generated for every NT\$100 million in revenue, which was a slight decrease over the 4.57 tons in 2018. All wastes are managed by the responsible units of the sites. Qualified waste management companies are commissioned to conduct waste disposal in accordance with the regulatory requirements and submit proof of disposal. There were no illegal incidents in 2019.



- Domestic wastes in Taiwan are estimated based on the number of bags disposed of and weight of each bag, and the offices at Hsinchu and Yangmei were not included in the statistics.
- Domestic wastes in Suzhou, China, are estimated based on the weight disposed of every day.



▲ Wastes generated from operating units

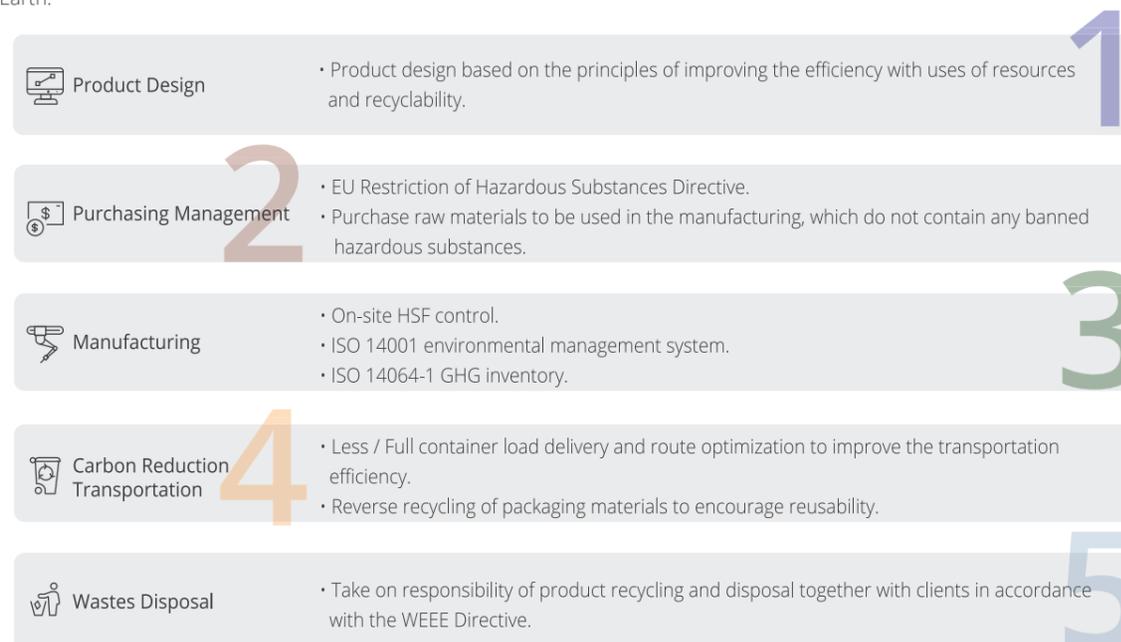
Green Service



Management Approach: Responsibility for Products

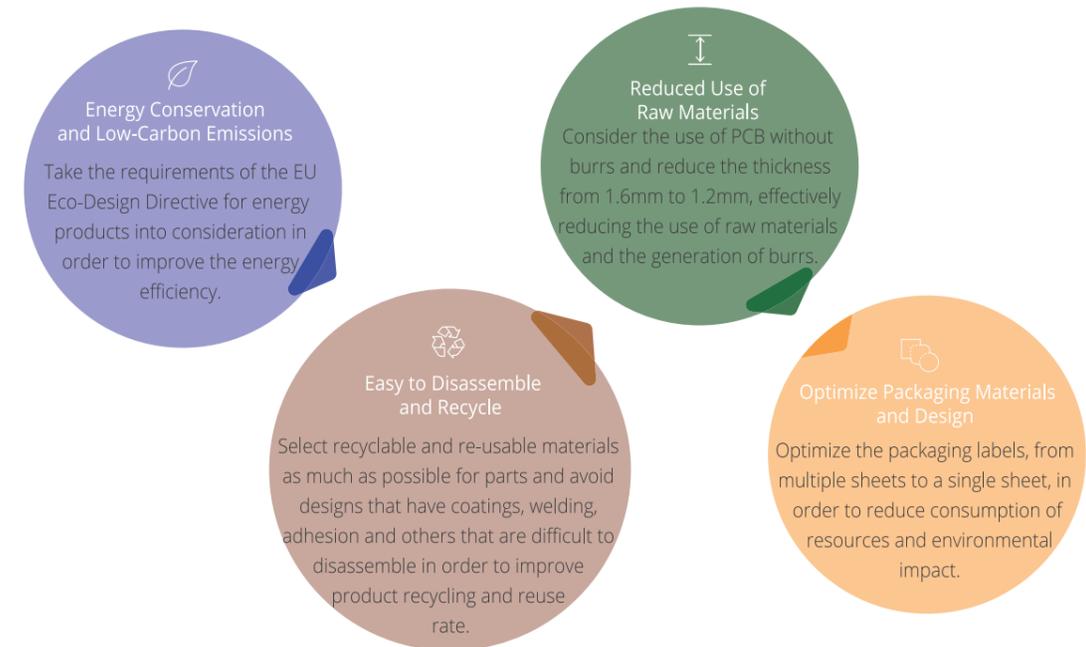
Item	Descriptions of Key Points
Boundary	<ul style="list-style-type: none"> ASKEY Supplier
Policy	HSF Policy.
Commitment	Provide environmentally friendly products and services, reduce and eliminate negative environmental impacts.
How	Introduce QC 080000 management system to improve hazardous substance management.
Evaluating Mechanisms	Customer feedback.
2019 Target	0 cases of violations against the HSF regulations.
2019 Performance	Achieved.

In addition to providing core products that meet customer needs and maintain competitiveness in the market, ASKEY is committed to the idea of coexistence and providing environmentally friendly products and services from the perspective of product life cycle and reducing environmental burden as it faces the crisis of increasingly scarce global resources and the impact of climate change and being a corporate citizen. These measures reduce and eliminate negative environmental impacts and improve effects on the environment while fulfilling the social responsibility of protecting the environment for the love of the Earth.



Green Design

ASKEY clearly knows that products manufactured by enterprises may cause great impacts to the environment, therefore, green designs are adopted as the main concept for product planning. In addition to satisfying customer needs, plans are also considered from the "how to reduce environmental burden" perspective. All in all, these actions result in providing products with low power consumption, while not trading off high efficiency, as well as easily dismantled resources that can be recycled or reused for the friendliest protection of the Earth's environment.



Green Purchasing and Production

In order to pursue green manufacturing, ASKEY has long invested in the management and control measures of hazardous substances in products. We also require our suppliers to understand ASKEY's latest announcements with respect to green specifications through the platform and conduct the certification of green materials to ensure that all raw materials are in compliance with ASKEY's internal regulations and both the domestic and overseas environmental directives and clients' requirements.

All suppliers of green materials need to provide their list of ingredients, third-party test reports, warranty statements, safety data sheets and other information to be verified by the department responsible for green verification prior to using the materials. The company's R&D, quality assurance and other relevant departments can also use the eGreen system to understand the composition and content of green products and take control measures as needed.



▲ The approval process of green materials



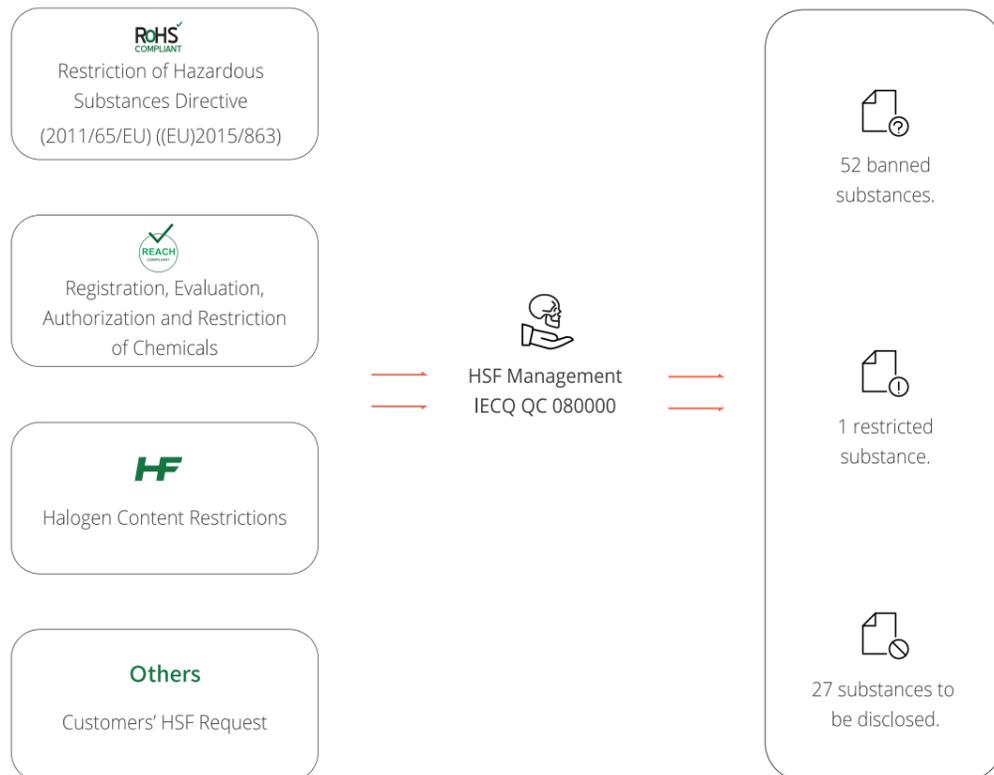
▲ The management process of green materials

Hazardous Substance Management

Governments around the world are now adopting increasingly stringent requirements for Hazardous Substance Free (HSF). ASKEY recognizes the impact of hazardous substances (HS) on the environment as well as the importance of their management; hence, we introduced in 2007 the "IECQ QC 080000 Hazardous Substance Process Management System for Electronic Components and Products" based around the existing quality management system. Hazardous substances are now managed in a procedural and systematic manner to ensure that all materials, parts, indirect materials and packaging materials used during production conform with international environmental regulations and customer requirements. Every effort is made to minimize the impact on the environment.

ASKEY has established HSF policies, goals, cross-functional committee, and defined the responsibilities and authority of departments to improve the control of hazardous materials through awareness building and participation of all employees. The company also has developed relevant operating procedures and control measures with respect to product design, procurement and delivery of raw materials, manufacturing and shipping and various processes. Periodic internal and external audits and management review meetings are conducted to ensure the effectiveness of hazardous substances management and demonstrate ASKEY's commitment to coexistence and systematic management of hazardous substances. In 2019, there were 28 cases of investigations with respect to clients' RoHS requirements and the results met the control requirements set by the company and clients for hazardous materials.

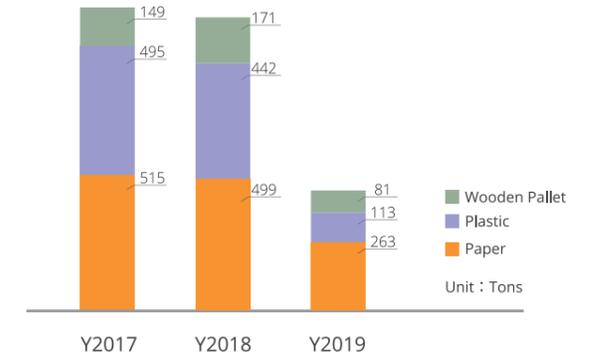
In order to reduce products' harmfulness on the environment or human health, ASKEY has developed the "Management Standards of Controlled Substances for ASKEY Green Products" to regularly review, compare, and update with accordance to the international laws and regulations on banned substances and clients' requirements on controlled substances. Currently, there are 80 controlled substances. We expect to provide environmentally friendly products and services through our green management and fulfill the social responsibilities of ecology protection and care for the planet. All of ASKEY's current products are RoHS-compliant.



Green Logistics

ASKEY adheres to the waste management principle of "waste reduction and resource recycling." On top of that, we try to minimize the waste output at manufacturing. In Suzhou, China, we also adopted reverse recycling of packaging for raw materials from the upstream suppliers to help them improve the repeated use of packaging materials and reduce the amount of one-time use. These measures achieved the goals of energy conservation, carbon reduction and protection of the Earth.

In order to reduce the energy consumption and carbon emissions during the transportation of products, ASKEY and its logistics partners work together to conduct less/full container load and optimal route planning, while not affecting the delivery to clients. The practices improve transportation efficiency and service quality and save transportation time and operating costs to achieve substantial economic benefits of green operations.



▲ Repeated use of packaging materials

社會共好

Social Sustainability

04



Recruitment and Training

As a corporate citizen, ASKEY firmly believes that it can shoulder the social responsibility for its employees and the society while creating profits and being responsible for the interests of shareholders. We protect the employees' reasonable rights, interests and benefits, value workplace safety and health, actively build community relations and pro-actively participate in local development and public welfare activities to reinforce the connection between the company, communities and society, hoping to exert the company's influence and bring positive influence and development to the society.

Key Points of the Chapter

- Recruitment and Training
- Safe and Healthy Workplace
- Social Participation and Contribution



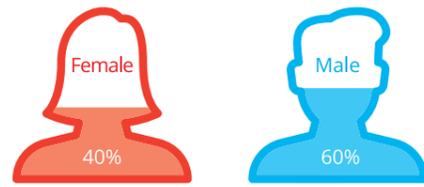
Management Approach:
**Employment and Labor /
 Management Relations, Compliance**

Item	Descriptions of Key Points
Boundary	ASKEY
Policy	Labor and Ethics Policy.
Commitment	Comply with relevant laws and regulations. Protect labor rights. Maintain friendly employer-employee relationships.
How	Communicate opinions through employer-employee meetings and other coordination channels to promote employer-employee collaboration and relationships.
Evaluating Mechanisms	Employee complaints.
2019 Target	0 cases of employer-employee disputes.
2019 Performance	Achieved

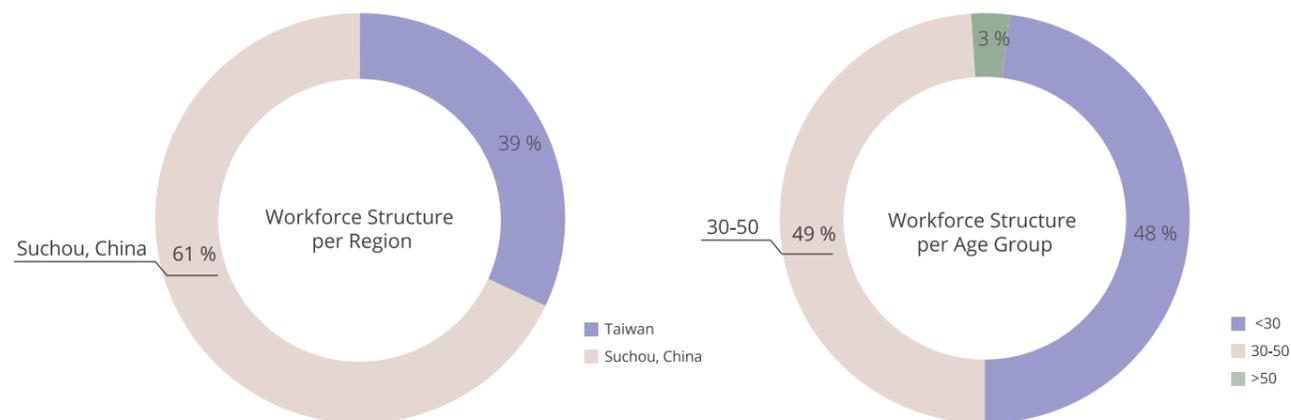
Manpower is the cornerstone of business operations and the key to sustaining growth and improvement momentum. We believe that having sound and harmonious environments and atmospheres can help employees to work safely, learn and grow. Coupling the aforementioned with complete and comprehensive salary benefits and training systems cohesiveness and corporate recognition can be created among the employees. With contented employees it'll help create long-term growth and competitiveness for the company. We think this dynamic will create and share sustainable and prosperous values for the company, employee and society.

Workforce Analysis

As of the end of December 2019, ASKEY has a total of 5,874 people, out of which 2,281 people (including 13 outsourced security and cleaning personnel) are based in Taiwan, and 3,593 people at the plant in Suzhou, China. Due to the gradual automation upgrade and the adjustment of production capacity, the overall manpower was decreased by 4% over the same period of 2018.



▲ Workforce structure per gender



▼ Workforce structure per gender and age group

Gender	Age	Taiwan	Suzhou, China	Total
Male	<30	117	1,613	1,730
	30-50	1,001	646	1,647
	>50	123	17	140
Female	<30	335	754	1,089
	30-50	654	563	1,217
	>50	51	0	51
Total		2,281	3,593	5,874

▼ Workforce structure per employment contract

Gender	Type	Contract	Employment	Taiwan	Suzhou, China	Total
Male	Full Time	Permanent	Temporary	1,222	176	1,398
			Work-Study / Intern	5	1,027	1,032
			Dispatch	4	18	22
			Contract	4	1,055	1,059
			Migrant Worker	0	0	0
Female	Full Time	Permanent	Temporary	6	0	6
			Work-Study / Intern	556	140	696
			Dispatch	0	408	408
			Contract	2	11	13
			Migrant Worker	1	758	759
Part Time	Permanent	Migrant Worker	462	0	462	
		Permanent	19	0	19	
Total				2,281	3,593	5,874

▼ Work diversity

Gender	Type	Taiwan	Suzhou, China	Total
Male	Disability	9	0	9
	Foreigners	8	0	8
	Minority	0	114	114
Female	Disability	5	0	5
	Foreigners	467	0	467
	Minority	0	54	54
Total		489	168	657

- Foreigners: Full-time workers who were hired locally but do not have local citizenship.
- Minority: Non-Han ethnic groups in the People's Republic of China.

• Fixed-term contract employees in Suzhou, China: According to the Labor Contract Law of the People's Republic of China, after the signing of fixed-term contracts, employees may choose to sign open-term labor contracts after two renewals or 10 years of service tenure of the fixed-term contracts.

• Due to recruitment, order arrangements, school-enterprise collaboration, short-term internships / work-study students account for a higher percentage of the overall workforce.

Compensation and Benefits

ASKEY believes that employees are the company's most valuable assets, the driving force for growth and success and important partners for sustainable operations. In order to attract and retain talents and improve the company's competitiveness, we are committed to providing full salary package, benefits and insurance policies based on the market standards, supply and demand of the labor market and talent competitiveness, so that employees can have a work-life balance, while making full commitment to their work and grow together with the company to create profits and share the operating results.

Recruitment and Retention

ASKEY recruits local and suitable talents based on its operating needs. For new hires, we offer salary and benefits that comply with the local regulatory requirements based on the positions, education background, professional knowledge and skills and past work experience. We do not mistreat or discriminate based on factors such as gender, age, race, nationality, religion, marital status, sexual orientation, political spectrum and others. Nor have we ever used child labor. Salary level and promotion after the hiring will depend on individual capabilities and performance.

Meanwhile, ASKEY performs regular mid-year and year-end performance evaluations for employees to properly understand their work performance during a work-year. Elements of evaluation include core capabilities and professional skills. The evaluations are used as the basis for promotions, salary adjustments and year-end bonuses. For employees with less satisfactory performances, supervisors will help them with improvement plans and provide work guidance to improve their capabilities and performances.

In terms of employee departure management, once an employee demands resignation, the human resources unit will arrange exit interviews for unit supervisors and the litigant to understand why the employee is leaving and provide care and support. If an employee's job contents need to be adjusted due to modifications in operational requirements or business changes, communication and coaching for the transferee will be performed. If internal assessments cannot find a suitable post or if the employee is unwilling to transfer, dismissal related matters will be executed according to company regulations.

▼ Ratios of standard entry level wage compared to local minimum wage

Gender	Type	Taiwan	Suzhou, China
Male	Direct Labor	1.04	1.07
	Indirect Labor	1.04	1.07
Female	Direct Labor	1.04	1.07
	Indirect Labor	1.04	1.07

- Entry level employee: Grade one worker such as operator, clerks...etc.
- Scope of salary statistics: Starting salary + fixed allowance.

→] Total Number of New Employee Hired					Ratios of New Employee Hired (%)	
Gender	Age	Taiwan	Suzhou, China	Total	Taiwan	Suzhou, China
Male	<30	80	4,978	5,058	4 %	139 %
	30-50	244	461	705	11 %	13 %
	>50	22	0	22	1 %	0 %
Female	<30	185	2,109	2,294	8 %	59 %
	30-50	193	336	529	8 %	9 %
	>50	7	0	7	0 %	0 %
Total		731	7,884	8,615		

← Total Number of Employee Turnover					Ratios of Employee Turnover (%)	
Gender	Age	Taiwan	Suzhou, China	Total	Taiwan	Suzhou, China
Male	<30	56	5,241	5,297	2 %	146 %
	30-50	238	649	887	10 %	18 %
	>50	21	5	26	1 %	0 %
Female	<30	42	2,111	2,153	2 %	59 %
	30-50	127	413	540	6 %	11 %
	>50	8	4	12	0 %	0 %
Total		492	8,423	8,915		

- New hire rate: Number of new hires for the specific age and gender in the area / Total number of employees of the year in that area.
- Turnover rate: Number of employees who leave for the specific age and gender in the area / Total number of employees of the year in that area.
- Subject in the statistics: Including all employees and workers (work-study / internship, temporary contract workers and others).

Employee Benefits

In order to ensure that every employee can commit to work with peace of mind, ASKEY actively plans a variety of welfare measures. In Taiwan, an employee welfare committee is established, with committee members coming from the company's various department, which convenes monthly meetings to decide on various welfare policies and activities.

Each official employee not only can enjoy benefits according to basic regulations such as labor insurance and pension, ASKEY also provides group insurance, health examinations, travel allowances and other diverse benefits. With considerations for employees' living and necessities, it helps to create a bonding between the company and its employees so that both sides will attain sustainable growth and create a win-win result.

Benefits According to Basic Regulations	
Taiwan	<ol style="list-style-type: none"> 1. National health insurance. Labor insurance. 2. Retirement reserve. 3. Career insurance. 4. Infirmary. Contract resident doctor at the site. 5. Parental leave. Paternity leave.
Suzhou, China	<ol style="list-style-type: none"> 1. Social insurance. 2. Housing provident fund. 3. Annual leave.

Special Benefits	
Taiwan	<ol style="list-style-type: none"> 1. Work bonus. Year-end bonus. 2. Group insurance. 3. Health examination. 4. Training. 5. Wedding and funeral subsidy. 6. Travel allowance. Association grants. 7. Education subsidy for children. 8. Holiday bonus. Birthday bonus.
Suzhou, China	<ol style="list-style-type: none"> 1. Work bonus. Year-end bonus. 2. Group insurance. 3. Health examination. 4. Training. 5. Wedding and funeral subsidy. 6. Travel allowance. 7. Birthday bonus. Birthday gift.

▲ Employee welfare measures

Retirement Insurance

ASKEY's retirement system is based on related laws and regulations stipulated by the local government. Every official employee participates in the retirement plan. For employees in the Taiwan region, retirement reserve is set aside regularly to the statutory retirement account or individual retirement accounts according to the pension rules stipulated in the "Labor Standards Act" and "Labor Pension Statutes". For employees where the "Labor Standards Act" applies, ASKEY verifies regularly whether the retirement reserve is sufficient. According to actual results of 2019, the retirement reserve account balance of the Bank of Taiwan is enough to pay employees who reached retirement conditions for within a year. For employees where the "Labor Pension Statutes" applies, the company will set aside 6% of the insured salary to employees' individual accounts created by the Bureau of Labor Insurance. As for the China plants, social insurance (pension, medical care, unemployment, work injury and childbirth) and provident funds are applied for employees according to local laws and regulations, providing safe guarantees for the employees' retirement lives.

In addition to enjoying the social insurance required by law, the company also applied, additionally, for group business insurance for employees. The insurance coverage includes accidental death, disability and medical treatment etc. Employees can also add their spouses and dependents into their insurance coverage at their own expenses, allowing ASKEY employees and their families to enjoy additional guarantees.

		Taiwan	Suzhou, China	Employee Involvement in Retirement Plan
Pension Provision as a Percentage of Salary	Employer	Old Pension System: 2% New Pension System: 6%	16%	100%
	Employee	Old Pension System: 0% New Pension System: 0-6%	8%	
Retirement Plan	Old Pension System: Statutory Retirement Accounts Old Pension System: Individual Retirement Accounts	Pension		

Parental Leave

ASKEY is committed to promoting work-life balance. For the childcare and breastfeeding issues faced by employees in Taiwan, the company grants rights to employees applying for unpaid parental leaves for childcare in accordance with the Act of Gender Equality in Employment and the Regulations for Implementing Unpaid Parental Leave for Raising Children. The leave can be applied for before the youngest child reaches 3 years old and the duration of leave can be for as long as 2 years. Upon the deadline of the period, the employees can apply for reinstatement and may be arranged to the original position or new positions, which takes into account both the personal and family needs. In 2019, 10 employees applied for maternity leave without pay, and all applicants were female employees. The overall return rate was 64% and the retention rate was 57%.

Item	Male	Female
No. of employees eligible for parental leave without pay in Y2019.	120	64
No. of employees applied for parental leave without pay in Y2019.	0	10
64% Return to Work Rate	Male	Female
No. of employees expected to return to work after parental leave without pay in Y2019 (A).	0	14
No. of employees actually returned to work after parental leave without pay in Y2019 (B).	0	9
57% Retention Rate	Male	Female
No. of employees returned to work after parental leave without pay in Y2018 (C).	0	7
No. of employees reinstated after parental leave in Y2018 and is still with the company after 1 year in Y2019 (D).	0	4

• Return to work rate: B / A.
• Retention rate: D / C.

Safe and Healthy Workplace

ASKEY views employees as sustainable partners who can grow together. The company strives on providing safe and healthy work environments as well as equal and friendly atmosphere so that every employee enjoys working at ASKEY.

Occupational Safety and Health Management

ASKEY strictly follows the safety and health related laws and specification requirements, and implements occupational safety and health management systems, using institutional and systematic management modes as well as annual reviews to implement safety and health management at the plants, continually improving safety and health performances. Not only are hazard identification and risk assessment executed at the operational locations, related control measures are also used for operations with higher risks of harm. Using enhanced safety and health risk control has effectively prevented the occurrence of any occupational disasters and protect the lives, safety and health of employees, contract workers and other related workers.

In order to ensure the effective operation and maintenance of the occupational safety and health system an office of labor safety is established in Taiwan, which is responsible for the company's occupational safety and health management. An "Occupational Safety and Health Committee" is established in accordance with the Occupational Safety and Health Act to facilitate discussion, coordination, planning and supervision of issues related to safety and health. The committee is chaired by the company's general manager. There are 4 labor representatives, accounting for 1/2 of the total number of the committee, and meetings are held regularly every quarter. Although the establishment of an occupational safety and health committee is not required in Suzhou, China, an environmental safety committee is formed (labor representatives account for 33% of all committee members) and regular meetings allow employees to communicate, discuss and voice opinions on issues related to safety and health.

In response to the announcements of the ISO 45001: 2018, ASKEY has begun to launch responsive measures, including the considerations for work arrangement, social factors, organizational leadership and culture as part of hazard identification, to establish counseling and participation measures for workers and review procurement, contracting, outsourcing, change management and other processes. It is expected that the modification of the occupational safety and health system will be completed and validated in the first half of 2020.



Smooth Communication Channels

In the efforts to create mutual trust, opinions and voices are gather; hence, regular labor conferences are being held to provide direct communication platforms, suggestion boxes and complaint hotlines are also available to allow employees to use diverse channels to express their thoughts. Response and handling are performed immediately so that there is no delay or distance in the interactions.

Talent Development

Outstanding talents are the cornerstone of organizational success and the key to companies' competitive advantages. We deeply understand that enterprises' sustainable operation depends not only on profits but also employees who push forward with enterprises. ASKEY is committed to talent cultivation and active promotion of diverse training courses to stimulate employees' potential, grow human capital and improve team performance and operations, further fulfilling the vision of sustainable operations and development.

ASKEY has planned learning maps for each job class based on core, professional, management function and organizational development needs, with hopes that professional knowledge can be effectively inherited, and to cultivate professional and management talents needed for the organization. All in all, allowing each employee who comes working at ASKEY to receive complete and solid trainings from the day he/she starts working. ASKEY uses systematic training, cultivation and guidance to gradually strengthen employees' professional knowledge and skills so that they can further exert their potentials on their job posts and effectively increase their work quality and efficiency.

In terms of training effectiveness, in 2019 the average training hours received by each employee was 21.4 hours, and the cumulative training hours for the year reached as high as 125,947 hours. When analyzed according to gender, the average training hours of male and female employees were 22.2 hours and 20.4 hours, respectively. The statistics according to employee job categories, the average training hours of management jobs and non-management jobs were 15.6 hours and 22.3 hours, respectively.

Type	Category	Taiwan			Suzhou, China		
		No. of Trainees	Total Training Hours	Average Training Hours	No. of Trainees	Total Training Hours	Average Training Hours
Gender	Male	1,241	8,716	7.0	2,276	69,231	30.4
	Female	1,040	9,082	8.7	1,317	38,918	29.6
Job	Management Positions	429	3,961	9.2	447	10,544	23.6
	Non-Management Positions	1,852	13,837	7.5	3,146	97,605	31.0

▲ Average training hours received per employee

Course Type	No. of Courses	No. of Trainees
Newcomer Training	1,102	14,391
Promotion Training	2	85
Quality Training	111	966
Professional Training	238	4,728
Management Training	12	149
Self-Improvement Training	17	246
System Training	2,462	22,825

▲ Training courses and number of trainees

Occupational Injuries

In 2019, ASKEY experienced 5 cases of occupational accidents. Classified based on the injury types, 4 cases of foot injuries were the majority, and there were no cases of fatal accidents or occupational diseases caused by work. In addition, there were also no work-related injuries or deaths for contractors at the site.

Gender	IR		LDR		AR	
	Taiwan	Suzhou, China	Taiwan	Suzhou, China	Taiwan	Suzhou, China
Male	0	0.11	0	0.18	0.005	0.0003
Female	0	0.12	0	6.79	0.011	0.0007

- IR = Number of lost workday case * 200,000 hours of work / Total hours of work.
(Those data doesn't contain "car accident" and "adhesive bandage accident" which can be treated by oneself.)
- LDR = Accumulated number of lost workdays due to accidental injuries * 200,000 hours of work / Total hours of work.
(Lost workdays: Taiwan - Counted by calendar days, accidental and return days aren't included.
Suzhou, China - Counted by working days, accidental days are included excluding holidays.)
- AR = Total days lost + hours of sick leave / Total hours of work.

Energetic Workplace

Equal and friendly workplace atmospheres can bring a sense of belonging and happiness for employees, whereas comfortable and excellent work environment can bring vitality and growth. ASKEY adheres to related laws and regulations to protect basic human rights and interests of employees. We also value employees' balance between work, living, and health, allowing employees to be content with ASKEY and their work.

Human Rights Protection

Human rights are inherent for all human beings, regardless of their race, ethnic origin, gender or social status, and no one shall be deprived or violated of such rights. ASKEY recognizes and supports international human rights conventions, complies with the local laws and regulations and respects and protects the rights to freedom of association, collective bargaining and others. The company also prohibits the employment of child labor under the legal minimum employment age and equally treats and respects every employee. The company is committed to eliminating all forms of inappropriate labor practices and rejecting any form of discrimination in employment. The plant in Suzhou, China is one of Askey's major manufacturing sites. There is a huge proportion of direct labor, therefore, CSR and clients' audits are considered as yardsticks for review and control methods. The annual external reviews have found no major risks such as the use of child labor, forced labor and others.

In order to increase employees' awareness on human rights, ASKEY holds regular internal educational programs every year. 9,632 participants attended the programs in 2019, accumulating 4,816 hours in program time. In addition, human rights related trainings are performed for security personnel and are listed as promotional item every year. The total number of security personnel in the Taiwan and China site was 77 in 2019, with 100% training rate.

Health Promotion

Physical and mental well-being of employees are some of the most important management issues to ASKEY. The company holds physical examinations for employees regularly every year regardless of their age. Examination programs are planned comprehensively based on employees' health issues, age and gender. Very often, the programs outperform the examination items required by law. Other physical examinations for the prevention of occupational hazards are arranged separately for employees with higher risk operations. Tracking management is performed by the medical team and individual health advisory care and guidance are also provided for employees who may have abnormal test results. ASKEY hopes employees can understand and attend to their health conditions at all times, based on the data collected from the physical examinations over time.

At the same time, ASKEY holds several seminars on health and medical topics every year, so that employees can learn more about the correct health management measures. They are also encouraged to organize clubs such as badminton, cycling, fitness and others, where they can interact and exchange experiences with others to attaining balance between work and life. Appropriate subsidies are provided to help the operation of these clubs. The planning and implementation of various health promotion activities help improve the physical and mental health of employees, further achieving the purposes of boosting morale and improving work quality.



Health Promotion Activities
Health Passport Loyalty Program



Medical Seminars
Knowing Lung Cancer



Medical Seminars
Care for the Gastrointestinal Health



Health Promotion Activities
Fitness Tests

Social Participation

As a major manufacturer of the Internet and telecommunication products, ASKEY adheres to the philosophy of giving back to the society. The company encourages its employees to actively participate in a variety of public welfare and volunteer activities and pay back to the society and contribute with actual efforts. The key is to cultivate the idea of "communicate with love, love to communicate", so that ASKEY can fulfill sound corporate social responsibility.

 Communicate with Love · Community Care



Blood Donation to Spread Love

To respond to the call for "donating a bag of blood to save lives", ASKEY holds regular blood donation activities in the Taiwan site with the Taipei Blood Center. Every three months, employees and neighboring entities are called upon to donate blood and spread the spirit. Since the start of holding this activity in 2013, ASKEY employees have donated approximately 3,500 bags of blood. ASKEY will continue to respond and hold this activity into the future, turning blood-donation into love.

- Y2017 463 bags of blood.
- Y2018 580 bags of blood.
- Y2019 520 bags of blood.



Caring for the Weak

In order to help more disadvantaged families to stay away from hunger, ASKEY has continued to participate in the subsidy program organized by the regional center for the "House full of love. Food and aids bank" initiative of the New Taipei City government, so that children no longer have to suffer from hunger and the disadvantaged group can receive the help they need.

- Y2018 Donation of NT\$50,000.
- Y2019 Donation of NT\$50,000.



Caring for the Elderly

ASKEY encourages employees to actively participate in various social welfare and volunteer activities. For 5 consecutive years, employees in Suzhou, China represented the company and visited homes for the elderly in Songling Town, Wujiang District of Suzhou City to visit and care for the elderly and donate needed supplies. In addition to the substantive assistance, it is hoped that care and efforts can make the elderlies feel the love, caring and warmth.



Deliver Friendliness

Continue to order gift boxes made by non-profit groups every year to be given as Mid-Autumn Festival gifts to communities and clients. This is the most direct support and encouragement to the disadvantaged groups, and it is hoped that the clients and communities can also feel the joy of being part of the public welfare efforts.

- Y2017 Syin-Lu Social Welfare Foundation.
- Y2018 ABRAZO Sheltered Workshop.
- Y2019 Syin-Lu Social Welfare Foundation.
Chensenmei Social Welfare Foundation.





Social Welfare

ASKEY's smart bus stop kiosks are installed at numerous busy bus stops in Taipei City. They can be seen in road sections with high flows of traffic and commuters. These large LCD screens not only display the bus routes and real-time information, but also allows the municipality and NPOs to show promotional announcements for the disadvantaged or public welfare groups.



Job Creation

Due to the impact from the US-China trade conflicts, ASKEY has moved part of China's Suzhou production to Taiwan's Taoyuan Free Trade Zone. This helps to create employment opportunities and drives value-added investment and development to the Taoyuan Aerotropolis.



Talent Cultivation

ASKEY has emphasized in cultivating talents in the domains of the information and telecommunication technologies. The company sponsors the Mobile Heroes Telecommunication Competition organized by the Industrial Development Bureau of the Ministry of Economic Affairs and finds talents who are full of creativity and design and application capabilities during the competition.



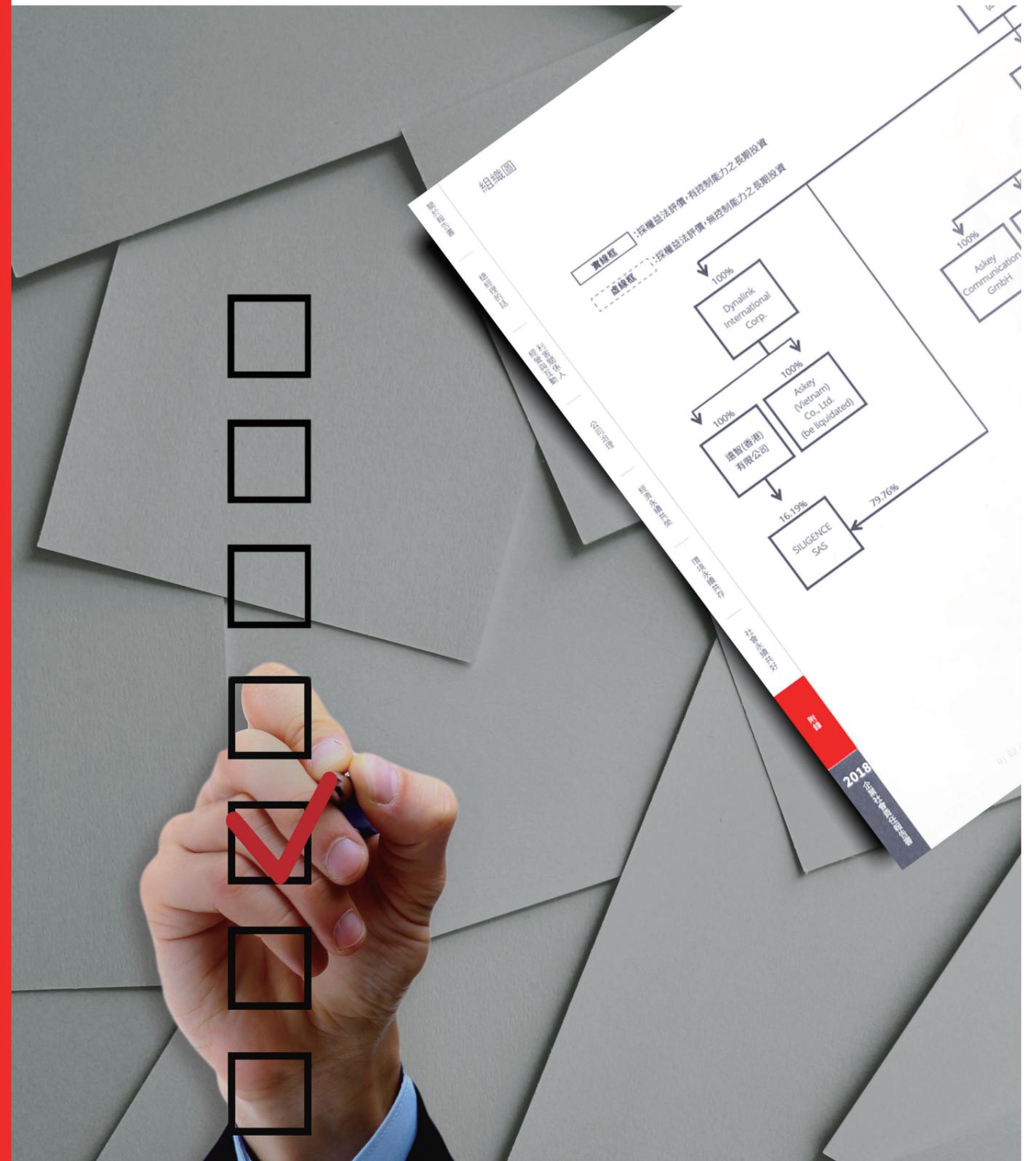
Social Participation

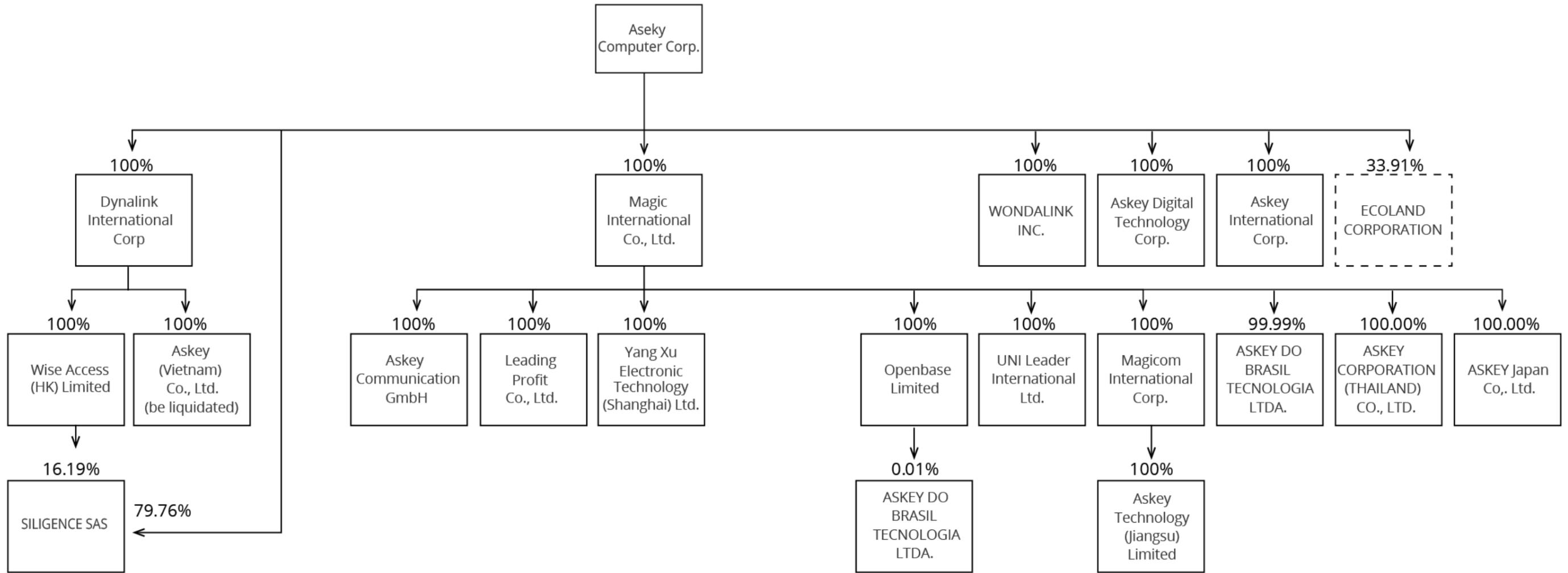
ASKEY continues to attend to sports and related events in Taiwan. The company was one of the main sponsors for the Taoyuan National Games. Askey offered 500 units of portable 4G WiFi hotspot devices, so that valued guests and contestants could enjoy live online services and view the beauty and excitement of live sports broadcasts. We hope the smooth and live online experience would leave good memories and impressions and help stimulate the public's love for sports.



APPENDICES

附錄







ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASKEY COMPUTER CORPORATION'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2019

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ASKEY COMPUTER CORPORATION (hereinafter referred to as ASKEY) to conduct an independent assurance of the Corporate Social Responsibility Report for 2019 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during on-site verification. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements

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

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all ASKEY's stakeholders.

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

This report has been assured using our protocols for:

- AA1000 Assurance Standard (2008) Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008) at a moderate level of scrutiny; and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

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

STATEMENT OF INDEPENDENCE AND COMPETENCE

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

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The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within ASKEY's CSR Report of 2019 verified is accurate, reliable and provides a fair and balanced representation of ASKEY sustainability activities in 01/01/2019 to 12/31/2019.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. In our opinion, the contents of the report meet the requirements of GRI Standards in accordance with Core Option and AA1000 Assurance Standard (2008) Type 1, Moderate level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

ASKEY has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, ASKEY may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

Materiality

ASKEY 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. The results of overall risks and opportunities analysis may be taken into account when evaluating materiality.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, ASKEY's CSR Report of 2019, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of ASKEY's involvement with the impacts for each material topic (103-1), and how efforts were given to mitigate the impacts. When reporting on goals and targets for each material topic, the expected results are suggested to be set, if applicable, with quantitative objectives

Signed:

For and on behalf of SGS Taiwan Ltd.

David Huang
Senior Director
Taipei, Taiwan
12 May, 2020
WWW.SGS.COM



AA1000
Licensed Assurance Provider
000-8

TWLPP5008 Issue 2001

GRI Standards Index Table

GRI 102: General Disclosures 2016

GRI Standard	Disclosure	Chapter	Page	Reason for Omissions
Organizational Profile				
102-1	Name of the organization	About ASKEY	13	
102-2	Activities, brands, products, and services	About ASKEY Business Overview	13 33	
102-3	Location of headquarters	About ASKEY	13	
102-4	Location of operations	About ASKEY	13	
102-5	Ownership and legal form	About ASKEY	13	
102-6	Markets served	Business Overview	33	
102-7	Scale of the organization	About ASKEY Business Overview	13 33	
102-8	Information on employees and other workers	Recruitment and Training	59	
102-9	Supply chain	Supplier Management	39	
102-10	Significant changes to the organization and its supply chain	No significant changes.	-	
102-11	Precautionary principle or approach	From the CEO Risk Management	08 26	
102-12	External initiatives	About ASKEY	13	
102-13	Membership of associations	About ASKEY	13	
Strategy				
102-14	Statement from senior decision-maker	From the CEO	08	
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behavior	Governance Structure	17	
Governance				
102-18	Governance structure	Governance Structure	17	
102-23	Chair of the highest governance body	Governance Structure	17	
Stakeholder Engagement				
102-40	List of stakeholder groups	Stakeholder Engagement	20	
102-41	Collective bargaining agreements	Not to sign collective agreement yet.	-	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	20	
102-43	Approach to stakeholder engagement	Stakeholder Engagement	20	
102-44	Key topics and concerns raised	Stakeholder Engagement	20	
Reporting Practice				
102-45	Entities included in the consolidated financial statements	About this Report Organization Chart	6 76	
102-46	Defining report content and topic boundaries	Stakeholder Engagement	20	
102-47	List of material topics	Stakeholder Engagement	20	
102-48	Restatements of information	In 2018, there was an error with the Investment tax credit of the expenditures for research and development due to the misstatement of data, and the number was corrected to become NT\$120 million.	-	
102-49	Changes in reporting	No significant changes.	-	
102-50	Reporting period	About this Report	6	
102-51	Date of most recent report	About this Report	6	
102-52	Reporting cycle	About this Report	6	
102-53	Contact point for questions regarding the report	About this Report	6	
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	6	
102-55	GRI content index	GRI Standards Index Table	80	
102-56	External assurance	Independent Assurance Opinion Statement	78	

GRI 200: Economics Topics

GRI Standard	Disclosure	Chapter	Page	Reason for Omissions
201: Economic Performance 2016				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Business Overview	33
	103-2	The management approach and its components	Business Overview	33
	103-3	Evaluation of the management approach	Business Overview	33
201-3	Defined benefit plan obligations and other retirement plans	Recruitment and Training	59	
201-4	Financial assistance received from the government	Business Overview	33	
205: Anti-Corruption 2016				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Governance Structure Supplier Management	17 39
	103-2	The management approach and its components	Governance Structure Supplier Management	17 39
	103-3	Defined benefit plan obligations and other retirement plans	Governance Structure Supplier Management	17 39
205-3	Confirmed incidents of corruption and actions taken	No violations.	-	

GRI 300: Environmental Topics

GRI Standard	Disclosure	Chapter	Page	Reason for Omissions
307: Environmental Compliance 2016				
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its boundary	Green Operation	47
	103-2	The management approach and its components	Green Operation	47
	103-3	Evaluation of the management approach	Green Operation	47
307-1	Non-compliance with environmental laws and regulations	No violations.	-	

GRI 400: Social Topics

GRI Standard	Disclosure	Chapter	Page	Reason for Omissions	
401: Employment 2016					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Recruitment and Training	59	
	103-2	The management approach and its components	Recruitment and Training	59	
	103-3	Evaluation of the management approach	Recruitment and Training	59	
401-1	New employee hires and employee turnover	Recruitment and Training	59		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Recruitment and Training	59		
401-3	Parental leave	Recruitment and Training	59		
402: Labor / Management Relations 2016					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Recruitment and Training	59	
	103-2	The management approach and its components	Recruitment and Training	59	
	103-3	Evaluation of the management approach	Recruitment and Training	59	
402-1	Minimum notice periods regarding operational changes	Follow the local laws and regulations.	-		
416: Customer Health and Safety					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Green Service	52	
	103-2	The management approach and its components	Green Service	52	
	103-3	Evaluation of the management approach	Green Service	52	
416-1	Assessment of the health and safety impacts of product and service categories	Green Service	52		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No violations.	-		
418: Customer Privacy 2016					
GRI 103 : Management Approach 2016	103-1	Explanation of the material topic and its boundary	Customer Relation	35	
	103-2	The management approach and its components	Customer Relation	35	
	103-3	Evaluation of the management approach	Customer Relation	35	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints.	-		
419: Socioeconomic Compliance 2016					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Recruitment and Training	59	
	103-2	The management approach and its components	Recruitment and Training	59	
	103-3	Evaluation of the management approach	Recruitment and Training	59	
419-1	Non-compliance with laws and regulations in the social and economic area	2 cases (prolonged working hours exceeding the regulatory restrictions and failure to take one day off after seven working days) with punishment. ASKEY has reinforced the advocacy efforts and asked supervisors to help monitor the implementation.	-		

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