
# SUSTAINABILITY REPORT 2022

SUSTAINING AN
INCREDIBLE FUTURE

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# About This Report

The ASUS Sustainability Report for year 2022 details strategies, management structures and achievements made by ASUS, in relation to various sustainability initiatives. It also demonstrates how we have addressed the expectations of our stakeholders in regard to sustainability initiatives that have been established to protect the environment and to benefit society. This year, ASUS invoked the Sustainability Disclosure Standards (IFRS S1/S2) published by the International Sustainability Standards Board (ISSB) to reveal the core competences: governance, strategy, risk management, and metrics and targets, explaining the potential impact of ASUS' sustainability four key focuses on its business, as well as the financial risk , opportunities and management objectives that sustainability impacts bring to the business. Financial data and other related information, including financial summaries and annual reports of 2022, are available on the ASUS investor Relations website. For other sustainability-related information, please visit the ASUS Sustainability website.

## Report Structure

The 2022 ASUS Sustainability Report complies with the requirements of new GRI Standards (2021), as well as to the United Nations (UN) Global Compact, and the Sustainability Accounting Standards Board (SASB) Index.

## Report Quality

ASUS entrusts SGS Taiwan Ltd. (SGS) to review the materiality of the report and data against the AccountAbility AA1000 Assurance Standard (2008) Type II High Level, GRI Standards, and SASB, to ensure ASUS meets the principles for defining report quality of GRI Standards - Accuracy, Balance, Clarity, Comparability, Reliability, and Timeliness.

## Information Boundaries

The scope of the data is the same as the ASUS Group specified in the Annual Report, excluding subsidiary companies that publish their own Sustainability Reports (AAEON, Askey, and ASMedia Technology), subsidiaries established for investment or finance and taxation purposes, and subsidiaries in which ASUS does not have management and controlling rights. The scope of data and information disclosed is consistent with the Annual Report (January 1 to December 31, 2022).

Publication Date : July 2022 (annual issuance)

Contact Information : To provide feedback or to contact us with questions, please email us at : stakeholder@asus.com

Investor Relations website

ASUS Sustainability website

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# Message from the Chairman

In recent years, external environmental factors have significantly impacted the global economy, causing numerous challenges to both the internal and external operations of enterprises around the world. ASUS has adapted in response to these challenges by examining internal operations and confronting industry adversity, viewing this process as an opportunity for the company to truly embrace reality and achieve evolution.

In response to the diversification of global risk trends, ASUS has expanded our Risk Management Platform into the Business Continuity Management Committee. The majority of the committee's members, including the chairperson, are independent directors to ensure a balanced representation of interests from both internal and external stakeholders as well as enhanced resilience against risk. We take a structured and holistic approach to risk management, which includes building a foundation of corporate resilience, identifying possible future risks, and establishing good prevention mechanisms that enable us to respond to potential risks in advance. Through this approach, we can better control general risks and determine strategic directions for the company.

ASUS continues to drive sustainability transformation and evolution, and incorporates ESG as an integral part of our branding and marketing strategies. In the spirit of One ASUS, the company has developed a sustainable brand initiative called "Sustaining an Incredible Future" with consistent messaging related to our four key sustainability focuses of climate action, circular economy, responsible manufacturing, and value creation, which we have been cultivating for many years. We have implemented this initiative to convey the company's sustainable impact and vital commitment to the environment and society.

We are seeing an international trend in non-financial reporting frameworks, as many existing mainstream frameworks are reorganizing, converging, and gradually moving toward targeted communication. The International Financial Reporting Standards (IFRS) Foundation established the International Sustainability Standards Board (ISSB) in 2021 to facilitate the development of an integrated and unified international sustainability disclosure framework. In addition, enterprises publish independent reports on various material topics on sustainability to provide stakeholders, including investors, with valuable information on sustainability.

The 2022 ASUS Sustainability Report refers to the Sustainability Disclosure Standards (IFRS S1/S2) issued by the ISSB and communicates its core elements: governance, strategies, risk management, and metrics and targets. Additionally, it sets out to align with international standards, disclosing the risks and opportunities of potential operational impacts and management actions of the company in accordance with our four key sustainability focuses. This year, we continue to communicate with different segments of the general public and publish independent reports, including a report compiled in line with the Task Force on Climate-Related Financial Disclosures (TCFD) and an environmental profit and loss (EP&L) report. These reports systematically disclose information fully demonstrating our operational resilience and the management outcomes of targeted actions.

ASUS has been awarded numerous international awards for our sustainable management practices and has continued to adapt and evolve in the spirit of our "In Search of Incredible" brand promise. In 2022, Interbrand named ASUS as the Best Global Taiwan Brand for the ninth time in a survey commissioned by the Taiwan Ministry of Economic Affairs. In addition to being the most valuable international brand from Taiwan, ASUS was named by Fortune magazine as one of the World's Most Admired Companies for the eighth time, standing out in areas such as innovation, social responsibility, and product service quality. ASUS was also named one of the Clean 200 companies by Corporate Knights in 2023 and, for two consecutive years, ASUS ranked first in the "Annual Report on the Implementation of Extended Producer Responsibility for Electronic and Electrical Products in China," jointly released by The China Household Electric Appliance Research Institute (CHEARI) and Peking University.

Although we anticipate a more unpredictable global economy full of uncertainties and challenges in 2023, the ASUS team is equipped to respond with our strong corporate culture that leverages collective wisdom and pursues practical actions to address industry adversity and turbulence. At the same time, we balance long-term value and short-term performance with considerations of growth opportunities and risks to prosper in more sustainable and inclusive directions.

**ASUS Chairman**
**Jonney Shih**

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# Message from the Co-CEOs

The past two and a half years have been a very difficult period for the world. In 2022, the overall economic and industrial environment was subject to drastic changes, including geopolitical conflicts, aggressive adjustments in monetary policy driven by high inflation, and significant reversals in market demand. All of this posed multiple challenges to both the internal and external operations of ASUS, as well as serving as a litmus test of our resilience and ongoing corporate transformation.

The corporate transformation journey we embarked on in 2018 pushes us to continuously transform and evolve not only our products and services, but also our corporate culture. To achieve this, we bravely embrace reality and adhere to the principles of radical truth and transparency.  At the same time, we are actively cultivating an idea meritocracy and leveraging our collective wisdom to pursue excellence in innovation among our teams. These behavioral patterns have been integrated into our daily operations – making ASUS a stronger and more resilient organization.

It is our belief that technology has the transformative power to make the world a better place. That's why we are committed to strategic sustainability with a focus on fundamentals and results. We have four main focus-areas: climate action, circular economy, responsible manufacturing, and value creation. And we have initiated a three-phase roadmap for our net zero vision: improving energy efficiency, expanding the use of renewable energy, and investing in innovative carbon reduction technologies.

In 2022, ASUS established a corporate accelerator program in cooperation with National Taiwan University's Taidah Entrepreneurship Center (TEC), which is committed to building new innovation ecosystems for startups. The accelerator targets three major areas: electric vehicle applications, green technology, and gamification experience. The goal is to work with startup teams to develop new technologies and business models – leveraging sustainable, low-carbon, smart technology to drive the green transformation of the industry.

At the same time, ASUS has remained committed to the research and development of low-carbon products. Our first carbon footprint certification for commercial laptops was completed in 2022. And, this year, as part of our ambitious carbon reduction program, we have launched carbon neutral certified laptops for commercial and home use.

Starting from the product design stage, ASUS continuously strives to reduce carbon emissions by introducing low-carbon manufacturing processes, improving energy efficiency, and selecting environmentally friendly materials. We have achieved full carbon neutrality by using high-quality nature-based carbon credits, setting a new milestone in ASUS's sustainability journey. Additionally, the launch this year of the ASUS Carbon Partner Service – a one-stop, flexible and highly credible carbon neutral service – will further enlarge the impact of our sustainability actions.

Leveraging our technology and innovation, we use scientific, data-driven evaluation to constantly evolve and strive for excellence, helping to lead the world to a more incredible future. Our efforts have been repeatedly validated. For example, ASUS has been included in many international ESG rating indexes and was recently recognized by the Financial Times and Statista as one of the Climate Leaders Asia-Pacific (2022-2023) for the second consecutive year. We also received 2022 Asia Sustainability Reporting Awards (ASRA) in the categories of Asia's Best Materiality Reporting - Gold Award, Asia's Best Stakeholder Reporting - Bronze Award, and Asia's Best Supply Chain Reporting - Bronze Award.

As ASUS enters its 35th year as a company, we will continue to face the challenges that come our way with a positive, proactive, and open attitude. And we will further leverage our technological strengths and innovative thinking to grow and develop with our partners in pursuit of mutual prosperity, and to further advance our goal of Sustaining an Incredible Future.

ASUS Co-CEO
S.Y. Hsu

ASUS Co-CEO
Samson Hu

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# 2022 Award and Recognition

CLEAN200
Corporate Knight

Select as Carbon Clean 200
(2023)

**Climate Leaders**
Asia-Pacific

Select as Climate Leaders
Asia-Pacific
(2022-2023)

Asia Sustainability Reporting Awards, ASRA

Gold Award for Best Materiality Reporting
Bronze Award for Best Stakeholder Reporting
Bronze Award for Asia's Best Supply Chain Reporting

Ranked first in Annual
Report on EPR for EEE
Industry in China
(2021-2022)

FTSE4Good

Selected as a constituent
stock of the Financial Times
FTSE4Good Emerging Index
(2016-2022)

FTSE4Good
TIP Taiwan ESG Index

Selected as a constituent
stock of the FTSE4Good
Emerging Index and TIP
Taiwan ESG Index
(2017-2022)

**Sustainability YearBook Member**
S&P Global

Member of the S&P Global
Sustainability Yearbook
(2021-2023)

Corporate Responsibility
RATED BY ISS ESG Prime

Received Prime Level rating
in the ESG Corporate
Ratings from Institutional
Shareholder Services (ISS)
(2021-2022)

MSCI
ESG RATINGS

Selected as a constituent
stock of the MSCI Top ESG
select index
(2021-2022)

FORTUNE
WORLD'S MOST ADMIRED COMPANIES 2023

Selected as World's Most
Admired Companies by
Fortune Magazine for the
8th year

Named by Interbrand as
Best Taiwan Global Brand

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# 01 Sustainability Management

ASUS is a global technology leader delivering incredible experiences that enhance the lives of people everywhere. World renowned for continuously reimagining today's technologies for tomorrow, ASUS puts users first In Search of Incredible to provide the world's most innovative and intuitive devices, components, and solutions. Today's ASUS is more ambitious than ever, unleashing remarkable gaming, content-creation, AIoT, and cloud solutions that solve user needs and infuse delight.

ASUS had about 70 operation offices located worldwide with a total of around 16,300 employees that included around 5,000 R&D professionals, and we are driven to become the world's most admired innovative leading technology enterprise. ASUS is world-renowned for continuously reimagining today's technologies for tomorrow, and is ranked among Fortune's World's Most Admired Companies. ASUS Group consolidated revenue for 2022 was NT$537.2 billion, and net profit after tax was NT$16.8 billion.

## Business philosophy

Inspire, motivate, and nurture our employees to explore their highest potential.

Commit to integrity and diligence ; Focus on Fundamentals & Results.

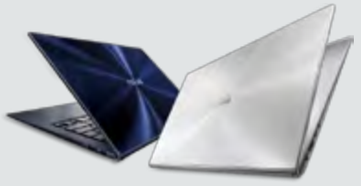
Endlessly pursue the No. 1 position in quality, speed, service, innovation and cost-efficiency.

Strive to be among the world-class green high-tech leaders and to provide valuable contributions to humanity.

**World's best motherboards, PCs, monitors, graphics cards and router**

DISPLAYS

NETWORKING



LAPTOPS

MOTHERBOARDS

GRAPHIC CARD

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# Sustainability Strategy

With the concept of sustainability, investment institutions consider the performance in corporate governance, environment and social as one of the prioritized evaluation items when selecting investment targets. In 2020, a report issued by the McKinsey group pointed out that 83% of corporate executives and investors believe that environmental, social and governance programs will create higher value for shareholders.

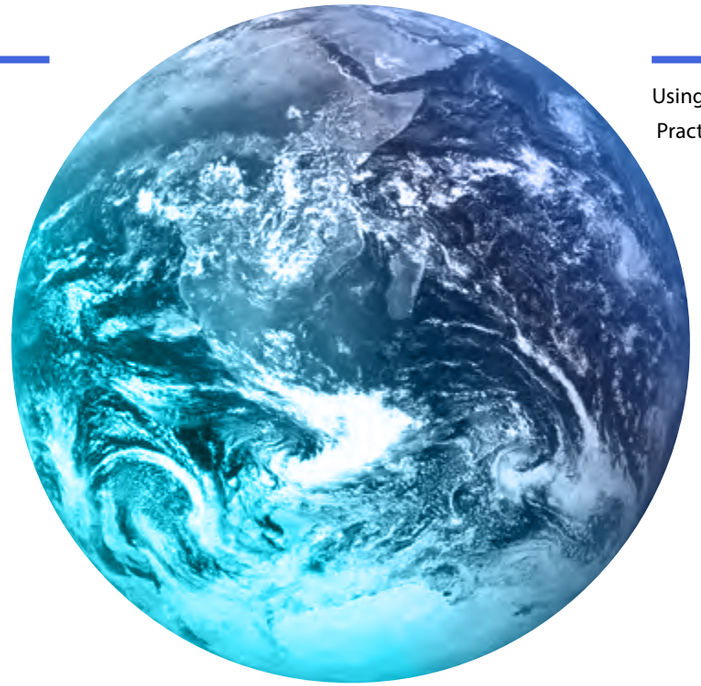
ASUS has a designated sustainability unit that has been responsible for related efforts since 2000. At ASUS, we strive to be among the world-class green high-tech leaders and to provide valuable contributions to humanity. In order to fulfill the ASUS vision of becoming the world's most admired innovative leading technology enterprise, we advocate that sustainability performance should involve strategic indicators that can be objectively measured. By adopting the sustainability strategy of "digitize data, adopt scientific management practices and optimize core competencies," every decision-making process incorporates environmental and social factors to help keep our competitive advantages focused on sustainability.

## Our Philosophy

Strive to be among the world-class green high-tech leaders and to provide valuable contributions to humanity.

## Our Strategy

Using Digitized Data and Scientific Management Practices to Support Sustainable Value Creation through Core Competencies.



## Our Vision

To become the world’s most admired innovative leading technology enterprise.

## Our Priority

Align material topics with latest trends in global sustainability and take proactive action.

## Our Support for SDGs

Through cooperation with partners in scientific technology and value chains, work toward positive impacts.

## Our Goals

Integrating core competencies, focusing on the sustainability goals of Circular Economy, Responsible Manufacturing, Climate Action and Value Creation.

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# Using Digitized Data and Scientific Management Practices to Support Sustainable Value Creation through Core Competencies

ASUS has long been thinking about the sustainable value of the new digital generation. In terms of sustainable transformation, ASUS progressively evolved from being passively "compliant" to fusing sustainability into the core strategy of operation and a part of value creation. ASUS promotes grounded sustainability strategies, claiming the belief that a corporate's core competencies is embodied in corporate sustainability and that just like economic performance, sustainability performance should be measured and managed. We are following our sustainability strategy of "digitize data, adopt scientific management practices and optimize core competencies to create sustainable value creation" in order to implement long-term environmental and social projects. In this way, we are gradually improving the quality of decision-making and are able to estimate the true value of corporate activities.

**2009**
**World's 1st laptop**
to achieve carbon neutrality, with carbon emissions quantified in the product life cycle

**2016**
**World's 1st consumer IT headquarters**
to receive Zero Waste to Landfill validation, quantifying waste recycling ratio

**2017**
**1st consumer technology company in Asia**
to publish a Social Return on Investment (SROI) report, quantifying social impacts

**2018**
**1st technology company**
to publish Environmental Profit and Loss (EP&L) report, quantifying environmental impacts

**2019**
**1st technology company**
to publish sustainable value integration report with Total Impact Measurement & Management (TIMM), quantifying the true value of the company

**2019**
**World's 1st company**
in electronics industry to receive ISO 20400 Sustainable Procurement certification, implementing sustainable supply chain management

**2022**
**World's first**
carbon footprint and carbon-neutral verified commercial laptop

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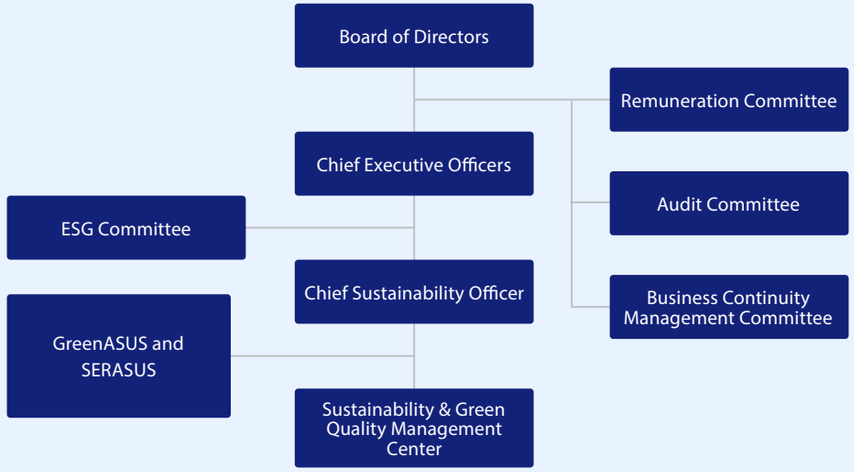
# Management Organization

The foundation of an enterprise's sustainable management is built on a robust governance system, which we believe coming from ASUS DNA - humility, integrity, diligence, agility, and courage. ASUS value governance and safeguard the rights and interests of various stakeholders in the environmental and social dimensions. In order to strengthen the corporate governance, ASUS formulated its own "Best Practice Principles of Corporate Governance" according to "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies" and corporate governance principles by OECD[1]. Besides the provision and regulation regarding the governance, it also covers the contents such as protecting the rights of shareholders, strengthening the functions of the board of directors, exercising the functions of a supervisor, respecting the rights and interests of stakeholders, and enhancing information transparency.




[1] OECD : Organization for Economic Cooperation and Development
[2] Please refer to P.32-41 in the 2022 Annual Report for the name and education of each Board member, as well as the holding positions of other companies.



## Corporate Governance

### Board of Directors

The Board of Directors of ASUS takes high efficiency, transparency, diversity, and professionalism as key measures for strengthening corporate governance. Our Board of Directors consider professional skills such as business judgments, accounting and financial analysis, operation and management, crisis response, knowledge of the industry, international market perspectives, leadership, and decision-making, avoid blind spots in decision making.

All members of the Company's Board of Directors are elected based on a candidate nomination system. In the shareholders' meeting held in June 2022, according to the "Rules for Election of Directors", the 13th Board of Directors were elected, which was formed by 15 Directors[2](includes 13 male and 2 female), and among which 5 were Independent Directors. We aim to leverage the professional knowledge of outstanding members of the industry to introduce the viewpoints of external stakeholders, and to improve the quality of business operations. All board members are male. The Chairman Jonney Shih does not serve as the President. ASUS requires an average attendance rate of 85% of board members, based on the Corporate Governance Evaluation Indicators. A total of 7 board meetings were held in 2022, with an average attendance rate of 95.96%.

The board members uphold high levels of self-discipline and avoids conflicts of interest as specified in the "ASUS Rules and Procedures of Board of Directors Meetings". In case the Directors or Managers of ASUS undertake the business operation within the scope of business run by ASUS for themselves or in favor of a third party, they are required by law to obtain the approval of the shareholders' meeting in advance.

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## Remuneration Policy for Directors and Managers

For the Directors' compensation, Article 17 of the Company's Articles of Incorporation states that"The Company shall pay remuneration to the directors of the Company for the performance of the duties of the Company regardless of profit or loss of the Company. The Board of Directors is authorized to determine the amount of such remuneration based upon the extent of his/her participation and contribution to the Company." and the compensation is provided accordingly. In accordance with Article 20 of the Company's Articles of Incorporation, which states that "The current year's profit, if any, should be used first to cover accumulated deficit, and then the remaining balance shall be distributed : no more than 1% as directors' remuneration.", the actual ratio allocated in 2022 is 0.3%. Article 18 of the Company's Articles of Incorporation states that "The Company may establish managers whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act, and whose compensation shall be paid in accordance with the provisions of the Company's personnel management regulations. In accordance with Article 20 of the Company's Articles of Incorporation, which states that "The current year's profit, if any, should be used first to cover accumulated deficit, and then the remaining balance shall be distributed: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration.", the actual ratio allocated in 2022 is 5.7%. Each manager's remuneration is evaluated on the common standards of remuneration and benefits in the industry, the Company's operating conditions, the profit contribution of each business unit, and the achievement of targets.

### (1) Procedures for remuneration establishment

The Company conducts performance evaluation of the Board of Directors and functional committees on an annual basis in accordance with the Rules for "Self-Evaluation Evaluation of the Board of Directors" and reports the evaluation results to the Board of Directors. Directors' remuneration is considered in the context of their overall participation in the Company and performance evaluation.

The managers' compensation is determined by evaluating the manager's responsibilities, position level, professional competency and making reference to the salary level of their peers. The managers' bonus is evaluated and reviewed based on the Company's overall operational performance, departmental management effectiveness and profitability contribution, target achievement rate and individual performance. Each manager's reasonable compensation shall be proposed by the Human Resources Center, reviewed by the Compensation Committee and submitted to the Board of Directors for approval.

### (2) Linkage between the compensation and business performance and future risk exposure

The Company's remuneration policy and related payment standards and system are reviewed based on the Company's overall operating conditions, future risks and development trends of the industry, and sustainable operation of the enterprise, and the payment standards are approved based on the performance achievement rate and contribution, in order to enhance the effectiveness of the Board of Directors and the Company's overall organizational team.

The Company's managers' performance objectives are integrated with risk management to ensure that possible risks within their responsibilities are managed and prevented. Important decisions at the management level are made after weighing various risk factors, and the performance of the related risk management is reflected in the company's profitability, which leads to correlation. The Company's Remuneration Committee also regularly reviews and evaluates the remuneration system of directors and managers and submits relevant proposals to the Board of Directors for deliberation in order to maintain a balance between operational performance and risk management of the Company.

## Board Evaluation

ASUS formulates the "Self-Evaluation of the Board of Directors" and requires the Board of Directors to organize the performance evaluation among itself, board members, and functional committees at least once each year, to implement corporate governance and improve its operation efficiency. The evaluation includes: the participation level in the operation of the Company, election and continuing education of the Directors, and internal control. The evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. The results of the 2022 board performance evaluation presented to the Board of Directors in Jan. 2023, were as follows :

- Board of Directors : The Board of Directors as a whole functioned smoothly and met the spirit of corporate governance.
- Individual Directors : The Board members received positive evaluations on each evaluation indicator.
- Functional Committees : The Functional Committees operated smoothly and met the spirit of corporate governance.

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**We commissioned Taiwan Corporate Governance Association for the external evaluation of board performance in 2022 with a report prepared and submitted to the Board of Directors in January 2023. The results are as follows:**

01 The Chairman of the Board of Directors has an open leadership style that allows Board members to fully express their opinions. The Chairman fully respects and adopts the opinions and suggestions made by Board members, which demonstrates the corporate culture of the Company that values collective wisdom. The five independent directors are active and responsible, interacting frequently with the management team outside of the board and committee meetings, communicating well and providing adequate consultation and guidance.

02 The Audit Committee communicates with the internal audit unit and the certified public accountant without any issue. The Company takes responsibility for supervision and provides timely and helpful professional advice, and actively responds to such suggestions with a serious attitude so that the function of guidance and supervision can be effectively performed.

03 The Remuneration Committee and the Board of Directors regularly review the policies, systems and standards for performance evaluation and compensation of directors and managers, and connect the Company's performance, individual performance and future risks to fulfill their functions.

04 The Company has expanded the Corporate Risk Management Platform into the Business Continuity Management Committee to identify possible future risks, establish a good protection mechanism, and report regularly on risk management operations, facilitating board members to control the Company's overall risk and strategic direction.

## Audit Committee

To promote quality and integrity in the supervision of accounting, auditing, the financial reporting process, and the financial control of board members, ASUS established the Audit Committee composed of five independent Boards of Directors.

▶ There were a total of 4 Audit Committee meetings in 2022, with an attendance rate of 100%

## Remuneration Committee

ASUS established the Remuneration Committee composed of three independent Boards of Directors. The Remuneration Committee aims to assist the Board of Directors in the implementation and evaluation of the company's overall remuneration, benefits policies, and remunerations of Directors and Managers and to ensure that the company's remuneration arrangements comply with the relevant laws and are sufficient for attracting talented people.

▶ There were a total of 4 Remuneration Committee meetings in 2022, with an attendance rate of 100%

## Business Continuity Management Committee

Business Continuity Management Committee (BCM) is designed to identify and manage the various risks that we may encounter and could lead to business interruption. In 2022, ASUS strengthened its risk governance structure by having more than half of the independent directors as committee members and an independent director as chairmen, and also establishes a BCM office to assist each unit in risk control. In 2022, the Business Continuity Management Committee conducted regular reviews on a quarterly basis and identified a total of 21 risk registration management and controls.

For the organizational structure and management effectiveness of the BCM Committee, please refer to CH11 Governance

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# Sustainability Governance

### Sustainability and Green Quality Management Center

ASUS established a unit dedicated to sustainable development in 2009 to monitor global sustainable development trends, analyze sustainability issues in governance, environment, and society. It integrated the core of operation with our innovation in product and service to form strategic sustainable direction to execute relevant programs. The unit is led by the Chief Sustainability Officer (CSO) who is responsible for analyzing the trend of global sustainability, managing sustainability policy, objectives, and actions. The CSO regularly reports to the Board of Directors each year and submits the policies and targets, key sustainability projects and the performances for review.

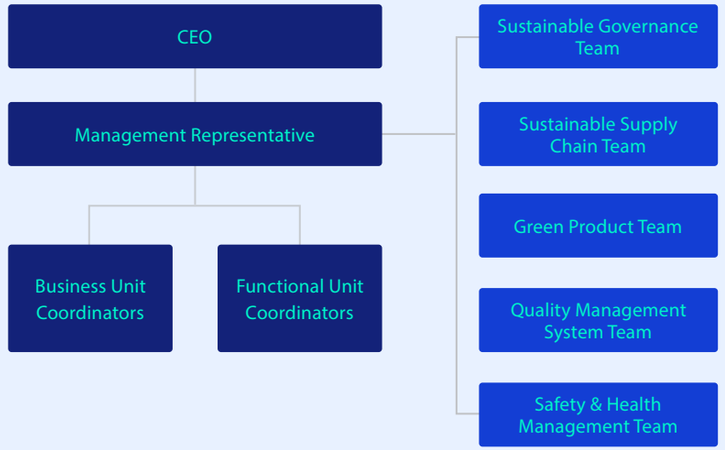
It is reported in the 2022 Q3 Board Meeting that We identify material issues and respond to the United Nations Sustainable Development Goals (SDGs) through stakeholders engagement, as well as reporting the performances of sustainability goals of sustainable innovation projects, with the Board of Directors supervising the promotion direction and suggestions.

## GreenASUS and SERASUS Committee

In order to communicate across the units on key issues such as products, supply chain and organization operations that are highly influential to corporate sustainable operation, ASUS establishes the "GreenASUS & SERASUS Steering Committee" with Chief Sustainability Officer (CSO) as the management representative is authorized by the CEO.

It holds periodic meetings and sends e-newsletters with contents including but not limited to company-wide sustainable development information, the recent activities of management system, and the latest legal announcements. The members of the Committee come from the business units, procurement department, customer service, administration, legal and other departments. The communication and coordination are carried out across the units, and the resources can be effectively allocated throughout the company. All ASUS people can work together in a consistent direction to combine the sustainability and core of operation to become one of the competitiveness advantage.

To strengthen horizontal cross-unit communication within the company, ESG Committee was established in 2022. Committee members were from each business unit as well as the design center, certification, marketing, sales and other support units. With regular communication mechanism, we can effectively focus on the overall product, marketing and design sustainability issues of the Company.



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# ESG Impact

In 2011, the term "creating shared value" proposed by Michael E. Porter, known as the father of modern management theory, redefined the role that "sustainability" should play in an enterprise. Enterprises must pay attention to all stakeholders in operations and their impact on the society and environment. Enterprises must use their core competencies to satisfy the real needs of the environment and society and create greater advantages.

ASUS integrated sustainability strategy into our operational plans and set mid- to long-term sustainability goals. We believe that managing sustainability performance should be the same as managing financial performance, using a quantified assessment tool to understand and measure the progress of the plan to provide guidelines to decision makers, as well as establishing a communication bridge among stakeholders from different fields to jointly create the sustainability of the enterprise and society. ASUS follows the sustainability strategy of "digitizing data, adopting scientific management practices, and optimizing core competencies", and builds up the basic evaluation capability for monetization by quantifying the impacts of our environmental and social projects over the years[3], together to construct the sustainable value management model based on the Triple Bottom Line (TBL) which consists of society, economic, and environmental factors. The true value of corporate activities surveyed by a systematic management makes the overall sustainable performance easy to track, manage, and seek for continuously improve.

In recent years, the major international global impact measurement organizations have been working to develop standardized methodologies to ensure and optimize the transparency and comparability of sustainability impact across companies. The core of impact evaluation is Impact Measurement and Management (IMM). Although there is no unified impact evaluation tool in the international community at this stage, there are certain academic bases for impact evaluation methods from authoritative institutions in the international community. We used comprehensive influence evaluation for create a corporate overview methodology framework that captures all positive and negative impacts of business activities. And by integrating the results, we can focus our daily operations on a specific and detachable strategy, and then broke through established practices to generate strategic actions in creative ways and paired with coordinated internal operations to break through the reality of the dilemma. We are thus able to maximize net sustainable value creation.

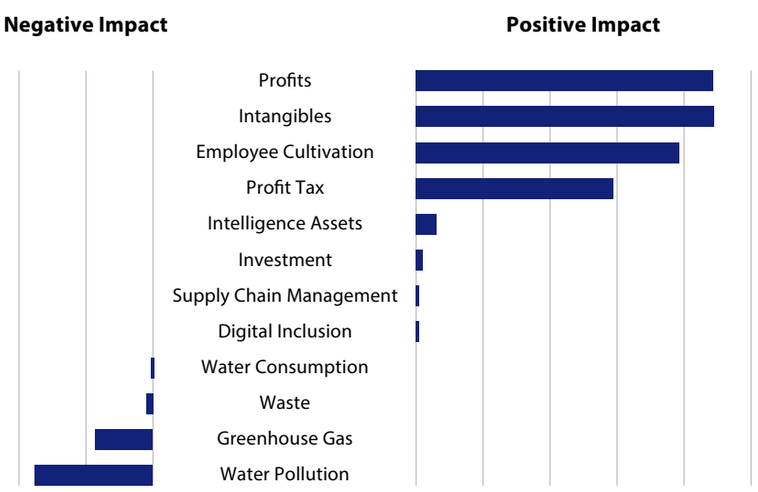
[3] In 2009, ASUS began to quantify the impact of products on the environment since we announced the type III environmental declaration and the world's first laptop to achieve carbon neutrality. In 2016, in accordance with the Social Return on Investment (SROI) guidelines published by the British government, we monetized the social impact of the digital inclusive program, and in 2017 published the SROI report which was the first in Asia and in Taiwan technology company certified by the Social Value International. In 2018, we referred to the Natural Capital Protocol to monetize the impact of the supply chain on the environment and society, and released the environmental profit and loss assessment (EP&L) report of laptop, leading the industry to monetize the natural environment. And finally we became the 1st in the information technology company to publish the Total Impact Measurement & Management (TIMM) report, which quantifying the true value of the company.

[4] ASUS' influence in sustainable development was converted into a monetary value to measure and express the performance from the perspective of stakeholders. It is very different from the preparation of financial statements and the measurement of financial performance used in the past, present, and future. Data related to sustainable value creation in 2022 are not applicable to analysis or forecast using the perspective of financial statements, nor as benchmarks for investment targets or stock measurement and judgment.



In 2021, ASUS benefited from the epidemic, and the overall sustainable value creation hit a record high. In 2022, after the world has experienced many challenges such as the Russian-Ukrainian War, the terminal demand in the personal computer market is weak and coupled with the excessive conservative attitude of the distributors and distribution partners. Under the challenges of multiple pressures, although the overall sustainable value was lower than that of the previous year, it still created a performance of nearly NT$34.5 billion. The positive impact increase mainly comes from the continuous investment in the research and development of positive impact factors; In addition, because new suppliers are required to obtain the ISO 14001 environmental management system, the negative impact of water resources and waste have dropped significantly.

## 2022 Impact Creation

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# Shared Value

In the beginning, ASUS only focused on legal compliance and then gradually integrated sustainability goals and core competencies such as technologies, innovation, and data, which led to further transformation and will now continuously promote sustainability strategies. In the past, we included compliance with local laws and regulations as one source of the sustainable values of ASUS. After optimizing value identification, legal compliance has become the baseline for basic sustainable development of ASUS and we no longer assign positive value to legal compliance results in routine management and audits. However, this does not mean that we will exclude compliance from our management model. Instead, legal compliance in the value chain will be regarded as the most basic core management data. We continue to optimize and redefine the essence of shared value creation, assessing the sustainability of those created under ASUS' actions and management activities. We help stakeholders and ASUS management in observing and tracking the changes in corporate shared values.

In the social aspect, with the continuous development of supply chain integration, smart medical and refurbished computer recycling programs, the positive impact on the value chain from the supply chain, consumers to society continues to ferment, with a total impact value of NT$242,032thousand.

In the environmental aspect, ASUS continues to focus on the negative impact of greenhouse gases on the supply chain and consumers, and expand the establishment of impact methodology and strengthening the objectivity of data through sustainable actions such as circular economy, responsible manufacturing and climate action, with a total impact value of NT$201,141thousand.

In summary, ASUS has committed to one of its sustainability goals of creating value while driving revenue growth through the different dimensions of overall sustainable value and core shared value, and aims to achieve a 100% increase in sustainable value creation benefits by 2025.

In combination of a parallel approach of TIMM assessment and shared value, we portray the overall sustainable value and core shared value. We portray the performance and value of overall corporate operations with the TIMM assessment; and in addition, we portray each aspect of impact value creation and relevant stakeholder group in conjunction with ASUS's core business and sustainability goals. We are thus able to identify the results of ASUS' contributions to sustainable development and the impact on the economics, environment and society.

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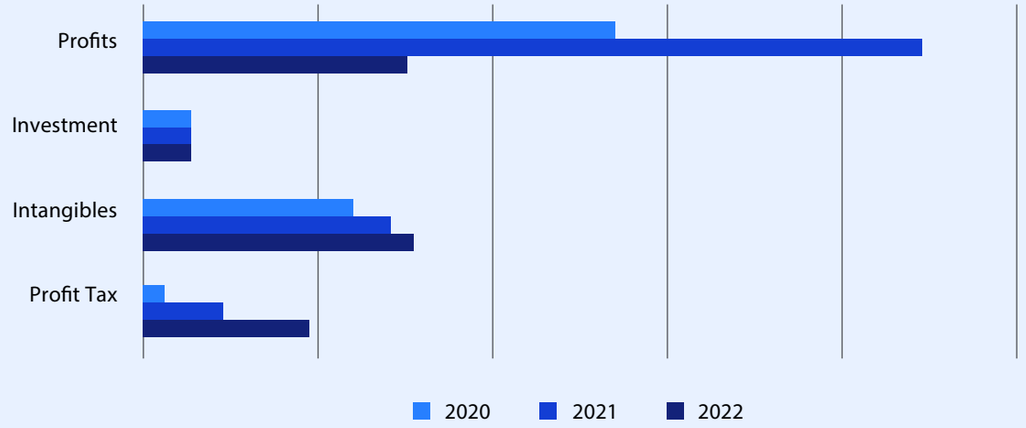
# Economy

In December 2021, ASUS and NTU College of Electrical Engineering and Computer Science jointly established the ASUS-NTU Joint R&D Center to encourage business units to actively lay out key technologies and expand new business fields through industrial-academic cooperation or strategic alliances. It is expected to focus on the fields of advanced electromagnetism, next-generation computers, Internet of Things and artificial intelligence. We hope to set a new example of industrial-academic cooperation in Taiwan, not only to lead Taiwan to enhance its R&D capabilities and establish its international technological status, but also to nurture new-generation technological R&D talents. We launched the phase 2 non-AIR research idea proposal event at ASUS-NTU Joint R&D Center in 2022 to extend core technologies and new innovative functions of products and services, strengthen the Company's capacity for independent R&D, and continue to support industry-academic cooperation and overall resources.

## Positive Impact Over the Years




| Six Main Capitals | Input | Outcome/Output | Impact Factor | Impact Creation | Imapct Summary | Stakeholder | Reference |
|---|---|---|---|---|---|---|---|
| Finance | • Total assets : NTD $471,164,714 thousand<br>• Number of shares issued : 742,760,280 shares | • Taiwan's International Brand Value : USD $2.163 billion<br>• Consolidated revenue NTD $537.2 billion | Profits<br>Investment | NTD $39,174,566 thousand | The overall performance in 2022 is lower than last year due to changes in customer demand in the post-pandemic era and international political and economic changes. However, our employee payroll, capital expenditures, tax contributions and financial investment activities generate economic benefits for employees, government and industry, and still drive the overall economic development of the society. | Shareholders<br>Customers<br>Supply chain<br>Employees | Please refer to ASUS Annual Report |
| Intelligence | • 5,000 R&D talents<br>• Invest NTD $14.42 billion in R&D<br>• Established a joint R&D center with National Taiwan University | • Cash dividend per share NTD $15<br>• EPS NTD $19.78 | Intangibles<br>Profit Tax | | | Government | |

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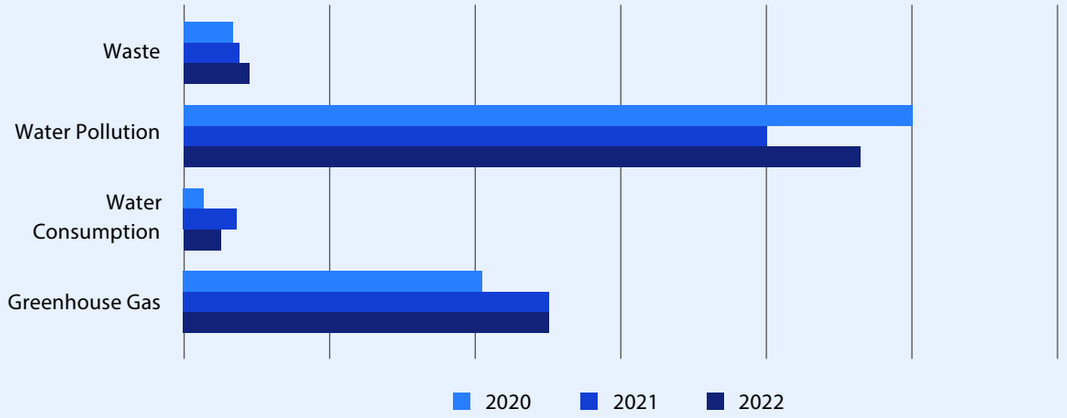
# Environment

Among ASUS products, mainstream products contain more than 30% plastic of total weight. Therefore, we cooperate with the suppliers to explore the opportunities that increase the use of post-consumer resin (PCR) as much as possible without compromising quality, function, and durability. The average PCR content of ASUS's business laptops is 5%. ASUS's advantages in innovative R&D are used to develop PCR with antibacterial functions. Since 2017, we have used more than 1,689 tonnes of PCR and reduced carbon emissions by 1,915 tonnes CO2e.

Starting from 2019, ASUS has replaced PE bags with PET non-woven fabric. We increased the use of recycled pulp for the paper packaging of certain products to 90%. Approximately 21,039 tonnes of recycled paper was used for main products in 2022, which was an increase of 2% from 2021. To become more active in resource protection and the ecology, ASUS has started to use paper materials certified by the Forest Stewardship Council (FSC) since 2020. We used 71.7 tonnes in 2022.

## Negative Impact Over the Years




| Six Main Capitals | Input | Outcome/Output | Impact Factor | Impact Creation | Imapct Summary | Stakeholder | Reference |
|---|---|---|---|---|---|---|---|
| Environment | • Since 2017, we have used more than 1,689 tonnes of PCR plastics<br>• Main products use 90% recycled paper, totaling more than 20,000 tonnes<br>• 41,242 MWh of electricity consumed in global operations | • Average energy efficiency of laptops exceeded ENERGY STAR® by 34.6%<br>• LEED Green Building certification at Corporate Headquarters<br>• The total weight of recycled products was 11.2% of the total weight of products sold worldwide<br>• Eco Friendly Product revenue exceeded 87.2% | Greenhouse Gas | - NTD $19,163,925 thousand | ASUS also invested in the development of energy-saving software and hardware to increase the energy efficiency of products. The laptops launched in 2021 have an average energy efficiency 34.6% better than laptops that followed the minimum ENERGY STAR® requirements. By adopting the ENERGY STAR® standard, we can reduce total carbon emissions in the use of products by 53,190 tonnes this year. | Supply chain<br>Employees<br>Consumers<br>Society | Please refer to 06 Climate Actions |
| Intelligence | • R&D on Green Eco-Design Products | | Water | | | | Please refer to 10 LOHAS Workplace |
| Manufacturing | • Implementation of green product management and low carbon manufacturing<br>• Implement sustainable value chain management | | Waste | | New suppliers need to obtain ISO 14001 environmental management system. | | Please refer to 10 LOHAS Workplace |

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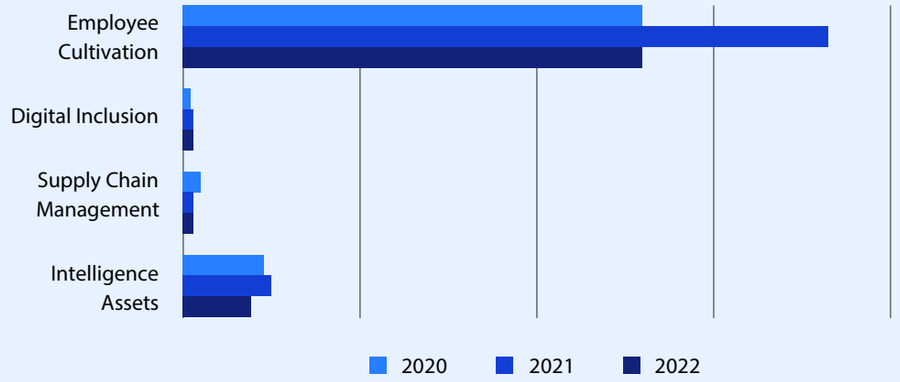
# Society

ASUS became a full member of Responsible Business Alliance (RBA) in 2018. We demonstrated our resolve for supply chain management and take on greater responsibilities as the producer. ASUS requires suppliers to comply with the Code of Conduct and adopt the same management for their upstream suppliers. All new suppliers must sign the "ASUS Code of Conduct Compliance Declaration" in order to be qualified for cooperation, ensuring that suppliers understand ASUS' sustainability requirements and actually follow their commitments.

To enhance suppliers' awareness of sustainability issues and their ability to respond to risks, ASUS organizes supply chain conferences and training for individual suppliers on a regular basis to convey its management requirements in the interests of strengthening the partnership with the supply chain. ASUS also organized quarterly support meetings to help suppliers improve audit deficiencies. We invited qualified RBA auditors from impartial third-party institutions to analyze the causes of deficiencies and share best-practice cases in the industry to increase the suppliers' management awareness and help suppliers implement improvements. The supplier conference and training have benefited more than 4,423 person-times and in more than 690 hours.

## Positive Impact Over the Year




| Six Main Capitals | Input | Outcome/Output | Impact Factor | Impact Creation | Imapct Summary | Stakeholder | Reference |
|---|---|---|---|---|---|---|---|
| Intelligence | • 5,000 R&D talents<br>• Invest NTD $14.42 billion in R&D | • Top 100 Global Innovators, Clarivate<br>• As of the end of 2022, we have obtained 5,978 intellectual property rights worldwide<br>• Salary and benet were beyond the regulations, ranked among the top 100 high-paying companies in Taiwan | Intelligence Assets | NTD $14,467,146 thousand | Smart Medical Care Flagship Team was an important innovation for ASUS in the next-generation products as it combined the two-phase arrangement of infrastructure and data platform in the past and launched the wearable smart medical watch and a handheld ultrasound for medical application in order to create satisfaction for the quality of life from autonomous health management and reduce wasted medical resources by using the financial proxy as a value transformation. | Supply chain<br>Employees<br>Community | Please refer to 08 Value Creation |
| Society | • Provide 2-day full-paid leave for volunteer services<br>• Donated 2,016 refurbished computers in the Digital Inclusion program | • Conferred Social Education Contribution Award by the Ministry of Education for endeavors in digital inclusion<br>• More than 500 digital opportunity centers and computer classrooms have been established in more than 39 countries and more than 20,000 computers have been donated | Digital Inclusion | | The Digital Inclusion program addressed the key social issues arising from the digital gap and was monetized based on the SROI methodology. | | Please refer to 09 Society |
| Human Resource | • Global employees 16,340<br>• Key talent development and succession plans<br>• Academic-industry collaborations and human cultivation | | | | | | |
| Manufacturing | • Partnering with more than 700 suppliers globally<br>• Implementation of sustainable procurement management such as human rights protection in the supply chain | • Receive ISO 20400 Sustainable Procurement Certication<br>• 100% Key suppiers pass audit<br>• 100% of gold, tantalum, tin and tungsten sourced from qualied smelters | Supply Chain Management | | ASUS requires the supply chain to establish the ISO 14001 environmental management system to measure the impact on the supply chain in terms of the procurement policy, effectiveness of energy conservation, and employee conduct. | | Please refer to 07 Responsible Manufacturing |

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# 02 ESG Focus Case

## 01 Develop the "Science-Based Target (SBT)"to Promote ASUS Net Zero Path

The Science based target (SBT) is a joint initiative of the International Carbon Reduction Initiative (ICRI) CDP, the United Nations Global Compact (UNGC), the World Wide Fund for Nature (WWF) and the World Resources Institute (WRI). The SBT approach is based on achieving a global warming trend within 1.5°C of total carbon emissions, and using scientific methods to calculate reasonable emission allowances for specific industries and companies in a global carbon budget scenario.

In response to the importance of global climate change mitigation, ASUS has proactively followed the SBT methodology to develop emission reduction paths and targets. In 2022, ASUS conducted a group-wide (including all subsidiaries) GHG inventory to identify the most significant sources of emissions and complete the group-wide Science-based Reduction Target Commitment. It is expected that we will obtain the SBT carbon reduction target certification in 2023 and set the group-wide carbon reduction target in line with the SBT, with the introduction of renewable energy, supply chain carbon reduction, development of low-carbon products, and improvement of product energy efficiency as the main carbon reduction actions. Lead the subsidiaries and the overall value chain towards ASUS 2050 Net Zero vision.

**COMMIT**
Sign Commitment

**DEVELOP**
Develop Target

**COMMUNICATE**
Communicate Target

**DISCLOSE**
Disclose Regularly

**Annual Performance:**

- Achievement of SBT reduction target commitment
- Formulate group-wide carbon reduction targets in line with SBT
- Establish group-wide GHG inventory capabilities of subsidiaries

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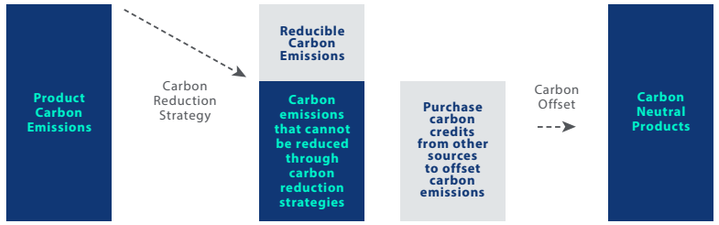
# 02 Launch Whole Life Cycle Product Carbon Reduction Program to Implement Product Carbon Neutrality

ASUS ExpertBook B9 (B9400CB) is the world's first commercial laptop verified with ISO 14067 : 2018 Product Carbon Footprint and PAS2060 : 2014 Product Carbon Neutrality verified by the third party. By calculating the carbon footprint of products, 75% of the carbon emissions in the manufacturing stage have the most significant impact on the carbon footprint of products, followed by 20% in the use stage of products. Based on the identified emission hotspot sources, ASUS has developed a product carbon reduction plan and planned to introduce a variety of environmentally friendly materials into its products, including the use of post-industrial recycled magnesium lithium and post-industrial recycled magnesium aluminum for product exterior materials. The packaging materials are made of FSC forest sustainable certified materials, and the final assembly facilities is upgraded to use renewable energy. In addition, ASUS applies staged carbon reduction design to optimize product energy consumption, and thus achieve better than the U.S. ENERGY STAR® by 67%.

After we implemented the carbon reduction program on the ExpertBook B9 (B9400CB) product, the carbon emissions from a part of the product that could not be reduced with feasible technology was offset with an internationally credible source of carbon rights to make the product carbon neutral. ASUS selects carbon credits from nature-based forest carbon sinks, which are clean carbon credits that maintain biodiversity, soil and water conservation, and increase local employment opportunities.




Carbon Neutrality

## Product Energy Efficiency

- ENERGY STAR® certified and 67% better than standard
- External power supply exceeds the EEI VI specification set by US DOE by 1%
- Retains more than 65% of original battery capacity after 1,000 cycles of charging

## Low-carbon Products

- ISO 14067 : 2018 Product Carbon Footprint Verification
- PAS 2060 : 2014 Product Carbon Neutral Verification

ExpertBook B9400CB Product Carbon Footprint Report

## Eco-friendly Material Usage

- Adopted halogen-free motherboard
- The outer casing is made Post-Industrial Recycled (PIR) metal

## Sustainable Packaging Materials

- Products are made with 90% or more recycled materials
- Adopted environmentally friendly FSC MIX sustainable paper material

## Lightweight

- Adopted magnesium-lithium alloy body, lightweight and compact

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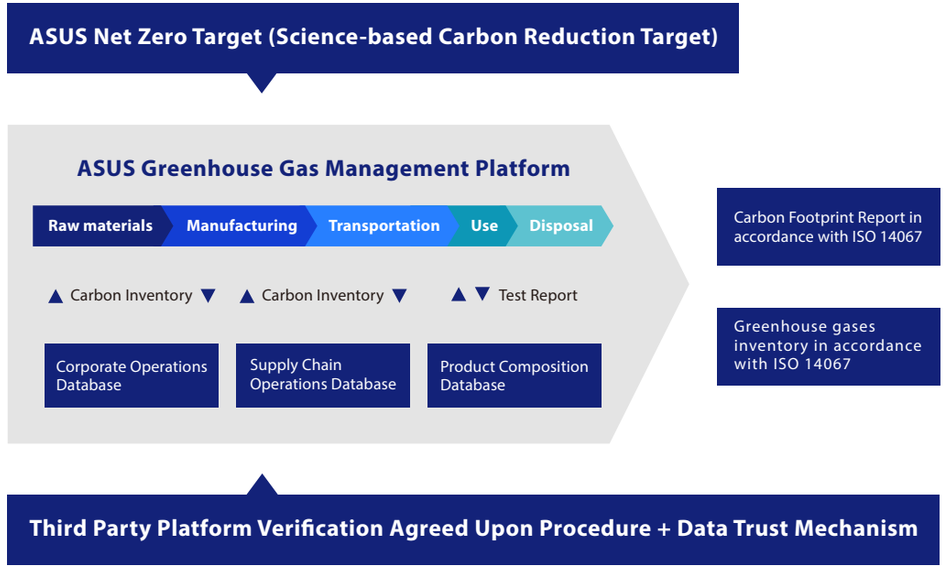
# 03 Apply Data-Driven Decision Making to Build a Supply Chain Platform and Optimize Value Chain Management

ASUS uses technology to manage sustainability strategies in the digital transformation of the supply chain, allowing data to assist in decision making and implementing data-based assessments. We established a sustainable supply chain platform in 2021 to start the short, medium, and long-term digital transformation project for supply chain management. We analyzed the ESG performance data of long-term suppliers to identify potential supplier risk factors and reduce the evaluation procedures for the introduction of new suppliers, and then we invest management resources into the audits and improvements of deficiencies of high-risk suppliers. Our next-stage target is to establish the ASUS greenhouse gas management platform to compile corporate, supply chain, and product carbon inventory information as an important foundation for ASUS to manage its carbon reduction goals and move toward the 2050 net zero vision.

## Supply chain ESG Dashboard


## ASUS Greenhouse Gas Management Platform




### Annual Performance :

- Complete the identification of risk sustainable supply chain risk indicator and the analysis of the risk correlation analysis. Establish supply chain ESG dashboard
- Establish the data coverage scope of Greenhouse Gas Management Platform. Include key stages of the value chain: raw material extraction, product manufacturing, upstream and downstream transportation, product use, and product disposal
- Confirm data processing targets and establish the standard operating procedures for data collection

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# 04 ASUS Think Next Builds a Bridge between the Enterprise and the New Generation

In light of the ever-changing future, it is worthwhile for industry, government, and academia to work together to bring their wisdom to explore new solutions to the needs of human society. ASUS launched the "ASUS Think Next Program" with the concept of human-based approach in mind in 2022. ASUS R&D and innovation professionals were served as mentors to call on the new generation youth to join the program. Under the theme of "New Solutions for Digital Learning for the Alpha Generation", ASUS entered the first scene of education to understand the needs of teachers, students, and parents, and facilitated several online and offline design thinking workshops to guide the discussion between enterprises and the new generation to create a variety of educational proposals.

ASUS, as a pioneering Taiwan enterprise, plans to continue this project to build a bridge between enterprises and the new generation of youth. In the future, through workshops, seminars and other diversified co-creation and co-learning activities, ASUS will exercise its expertise and viewpoints, and exchange creativity and learning with the new generation of youth to jointly explore new solutions to future issues for the world. We explore the future development trend of the industry through user's viewpoint and design thinking.

Brainstorm with new generation students through design thinking tools and templates

**Annual Performance :**

- The first project received an overwhelming response, with 105 proposals collected. Conduct several online and offline workshops with selected students for in-depth design thinking and co-creation
- A total of 15 innovative educational design proposals were received, proposing unique solutions to the educational experience for teachers, students, parents, schools and third-party education service providers

# 05 Long-Term Governance to Strengthen Corporate Resilience

ASUS's Business Continuity Management (BCM) Committee focuses on critical risks that are not urgent and identified possible future risks and ensure early response. The Taskforce Units (TUs) are responsible for monitoring risk trends and preventive risk management in all areas. Each TU is required to establish Quantitative Key Risk Indicators and various risk prevention programs. The BCM Committee reports to the Board on the status of the risk management review at least once a year.

In 2022, ASUS strengthened its risk governance structure by making the BCM Committee a functional committee, chaired by an independent director, with more than half of the members being independent directors, and establishing the BCM Committee's charter, specifying the number of members, terms of office, and rules of procedure to make the committee's operation more supervisory. Meanwhile, a dedicated BCM office was established with the Chief Sustainability Officer as the top risk management supervisor, who is responsible for the introduction of risk and other related mechanisms. Please see CH11 Governance for BCM risk identification results and management actions.

**ASUS Risk Management Blueprint**

| 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| **Launched the Management Organization**<br>Established BCM Committee to promote risk management with nine task units | **Introduce the Management Tools**<br>• Counseled the demonstration team to introduce the management tool and organized BCM sharing session<br>• Established Quantitative Key Risk Indicators (KRIs) and prevention programs | **Established Operating Standards**<br>• Held regular BCM quarterly meeting for review<br>• Built BCM risk management policies, objectives and operating standards | **Improve Risk Management Organizational Level**<br>• Independent directors joining BCM committee<br>• Establish BCM committee charter | **Expand management scope**<br>• Focus on key products to integrate business continuity plans<br>• Expand BCM requirements to supply chain | **Acquire Management System Certification**<br>• Perform internal audits and management reviews<br>• Acquired ISO 22301 Certification |

**Annual Performance :**

- Independent directors join BCM committees to balance internal and external stakeholder views and improve risk inclusion
- Establish a BCM office with a dedicated unit to promote and execute risk management, highlighting its management responsibilities

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# 03 Identification of Material Issues

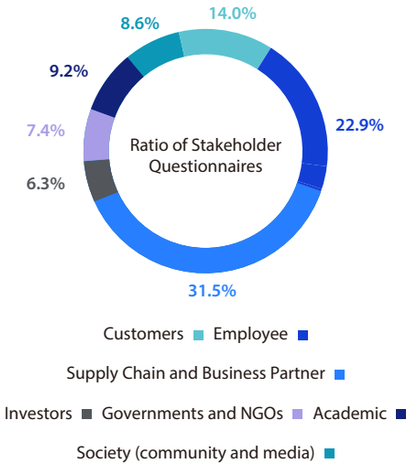
## Identification Process

ASUS follows the process of GRI Standards (2021) for materiality identification and adopts the Double Materiality principle proposed by the European Union to identify highly significant issues that have a significant impact on ASUS and on the external economy, environment, and people. Double Materiality refers to the identification of issues that should be managed as a priority, taking into account the views of stakeholders and the impact of the issue on the company's profitability, reputation and operational risk. It is beneficial for ASUS to integrate the sustainability strategy with the company's business policy, so that ESG performance can bring long-term impact to the company.

Stakeholder's input is an important reference for ASUS in identifying material issues. We collect a wide range of sustainability issues through regular stakeholder interactions, as well as by referring to external norms such as sustainability standards and reporting frameworks, responsible investment and eco label indicators, trend in risks and 169 targets of UN SDGs, as a basis for materiality analysis. A senior executive questionnaire and a stakeholder questionnaire were used to collect the positive and negative impacts and effects of each issue. The ASUS sustainability team then compiles and calculates the impact index, identifies highly significant issues, and sets management guidelines and targets for regular management.

ASUS used a two-year cycle to review materiality issues and their impact. In the first year, we extensively collect changes in external attention to issues and stakeholder's opinions to evaluate the impact of the issues. In the second year, we used qualitative interviews to gain a deeper understanding of stakeholder perspectives, and through regular reviews of the impact of the issues, managers can effectively allocate resources and plan sustainable development strategies for the short, medium and long term.

| Identification | Impact Evaluation | Validation of Materiality | Regular Reviews |
|---|---|---|---|
| **Stakeholders**<br>Understand the expectations and concerns of stakeholders through regular and irregular exchanges and interactions<br><br>**Sustainability Issues**<br>Sustainability standards and reporting framework, peer concerns, responsible investment ratings, environmental label specifications, risk trends, SDGs, etc.<br><br>**Consolidated into 24 sustainable issues** | **Evaluate the impact of sustainability topics on ASUS**<br>Senior Manager Questionnaire<br><br>**Evaluate the impact of topics on external environment, economy and people**<br>Stakeholder Questionnaire<br><br>feedback<br><br>**Impact index**<br>Calculated by Sustainability Team<br><br>**349 Stakeholder Questionnaires**<br>**11 Senior Manager Questionnaires** | The sustainable team compiles the impact degree of the issue and impact index<br><br>The result of materiality assessment is approved and signed off by CEO<br><br>**Validation of 10 highly material topics** | Establish management policies and objectives for highly material topics<br><br>**Review the of goals progress on a Quarterly basis** |



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# Stakeholders Engagement

ASUS established its quantitative index based on five features under AA1000 SES, "Dependency, Responsibility, Influence, Diverse Perspective, and Tension." Related parties with major influences on ASUS are identified from multiple stakeholders, including seven stakeholder categories of employees, customers, supply chain, and business partners, investors, governments and NGOs, academic units and society (i.e., community and media). Through diverse channels, we carry out exchanges and engagements regularly and from time to time to understand stakeholders' expectations.

## Employee

**Importance to ASUS**

ASUS considers employees as the most important stakeholders. ASUS cultivates employees' professional skills and provides sound occupational environments for employees based on its business philosophy and becomes an employer favored by employees.

**Engagement Method and Frequency**

【Regularly】CEO On-Live : Quarterly

【From Time to Time】Information portal website, website/ system announcement, meetings

## Customers

**Importance to ASUS**

ASUS aims to become the world's most admired and innovative leading technology enterprise in the new digital era, ASUS observes the customer-oriented principles, sparing no effort in providing unparalleled digital life experiences for customers.

**Engagement Method and Frequency**

【Regularly】Information technology exhibition, Business Submit : Yearly

【From Time to Time】Product launch, website and email, customer satisfaction survey

## Supply Chain and Business Partner

**Importance to ASUS**

Business partners and ASUS has built a value chain of mutual benefits; by improving the cooperation relationships with a balanced ESG, we jointly create new business models and enhance our sustainable competitiveness.

**Engagement Method and Frequency**

【Regularly】

- Supplier conference : Yearly
- Business review : Quarterly

【From Time to Time】

Audits on suppliers, on-site consultation and audits, various information sessions, website

## Investors

**Importance to ASUS**

ASUS focuses on its golden triangle strategy of "design thinking", "net recommendation value" and "market position" to create stable profits and return on equity and exert its achievements in sustainable governance.

**Engagement Method and Frequency**

【Regularly】

- Shareholders' meeting, annual report, sustainability report : Yearly
- Investors' conference, financial statement : Quarterly

【From Time to Time】

Markets Observation post system (MOPS)

## Governments and NGOs

**Importance to ASUS**

ASUS complies with laws and regulations, follows governmental policies, and responds to NGOs' high-standard expectations to exert exemplary and guiding characteristics as a leading brand.

**Engagement Method and Frequency**

【From Time to Time】

Information sessions, forums, seminars, and other meetings

## Academic

**Importance to ASUS**

Through industrial-academic cooperation, we cultivate and explore professional talents for the future. Meanwhile, we have built communication channels to introduce new ideas and conduct cooperation to develop innovative technologies.

**Engagement Method and Frequency**

【From Time to Time】

Official correspondence/ Information sessions, forums, seminars, research interviews, Collaboration in academic publications, course tutors

## Society (community and media)

**Importance to ASUS**

ASUS contributes to the society with core business to solve environmental and social problems and generate positive influences.

**Engagement Method and Frequency**

【From Time to Time】

Press release, dedicated unit for media and PR, social media

### Case1 Business Submit : ESG Issues and Resource Sharing

Enable the distributors in partner with ASUS in global operations to be in line with the company's sustainability strategy. ASUS shared its commitment goals for sustainability and the results of its actions in four key focuses at the 2022 European Business Submit. Also, we feedbacked management suggestions on key issues from sales market , including eco label standards, recycling programs, use of recycled materials, climate action, supply chain management, etc. ASUS uphold the spirit of sustainable branding to provide distributors with the materials and information needed for sustainable marketing and issue communication.

### Case2 Interaction with Colleges and Universities : Academic and Practical Dialogue

Corporate sustainability management has become an important curriculum and research topic in College of Business & Management. ASUS Sustainability Division has been invited to be the course instructor for many colleges and universities. We received research interviews from academic institutions to share practical experience in promoting corporate sustainability and learn about the most cutting-edge academic research trends and achievements through interaction. Meanwhile, ASUS also collaborated with colleges and universities to publish academic articles to share how ASUS excels in using data-based measurement tools to optimize sustainability management decisions, with the aim to help companies implement sustainable management and create a positive impact.

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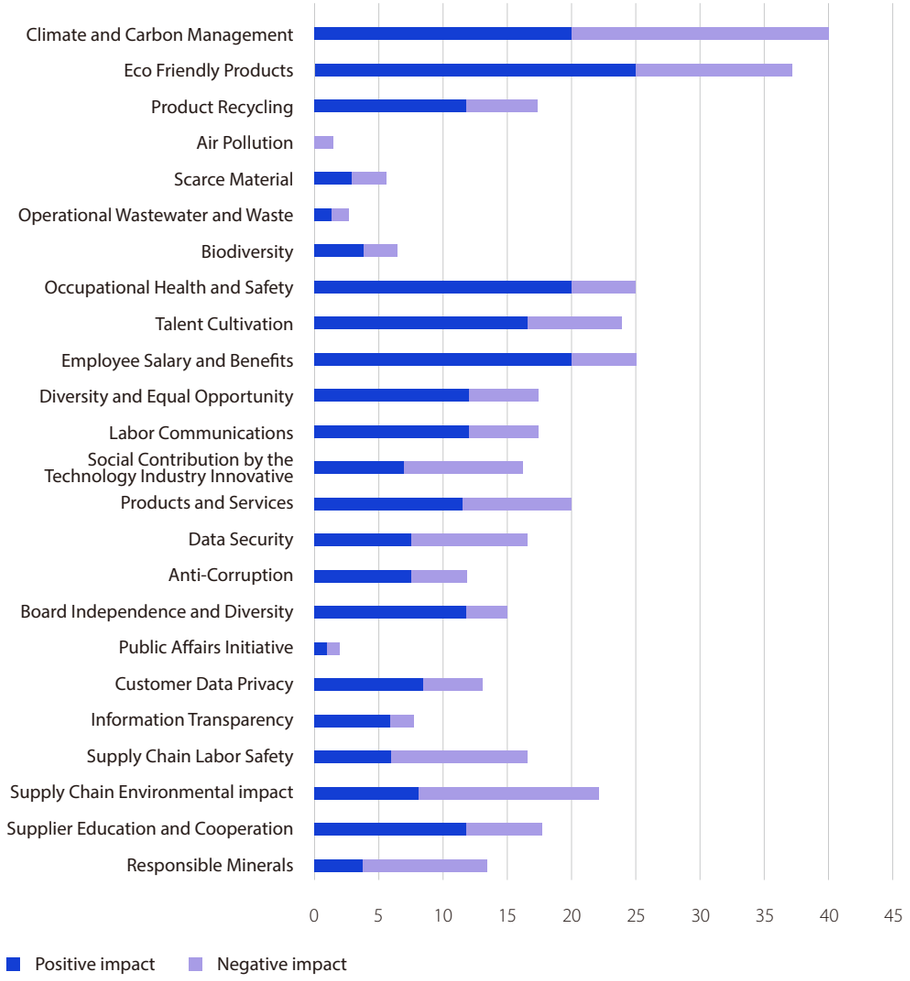
# Identification Results of Material Issues

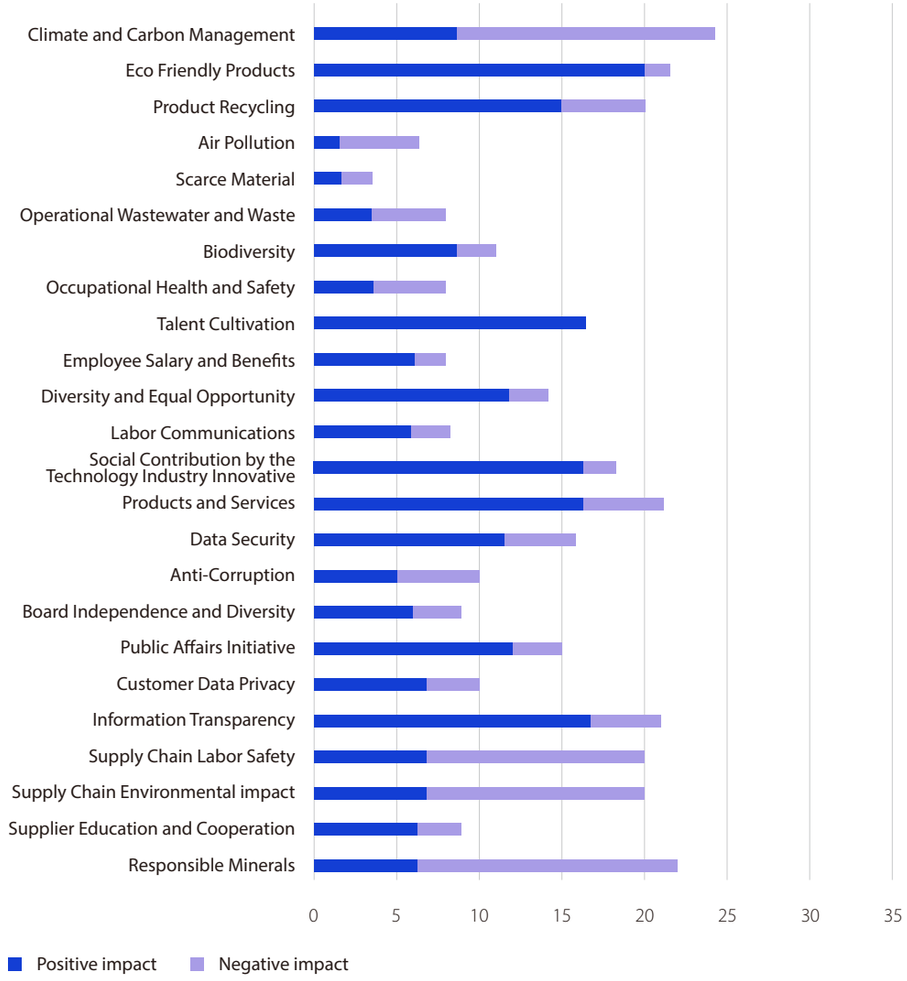
## Impact on ASUS

Positive impact : increase revenue, enhance brand reputation
Negative impact : cost increase, damage to brand reputation




## Impact on Environment, Economy and People

Positive Impact : creating Overall External Influence
Negative impact : the externality of illegal events, the neglect of environmental, social, human rights and other conflicts due to economic incentives



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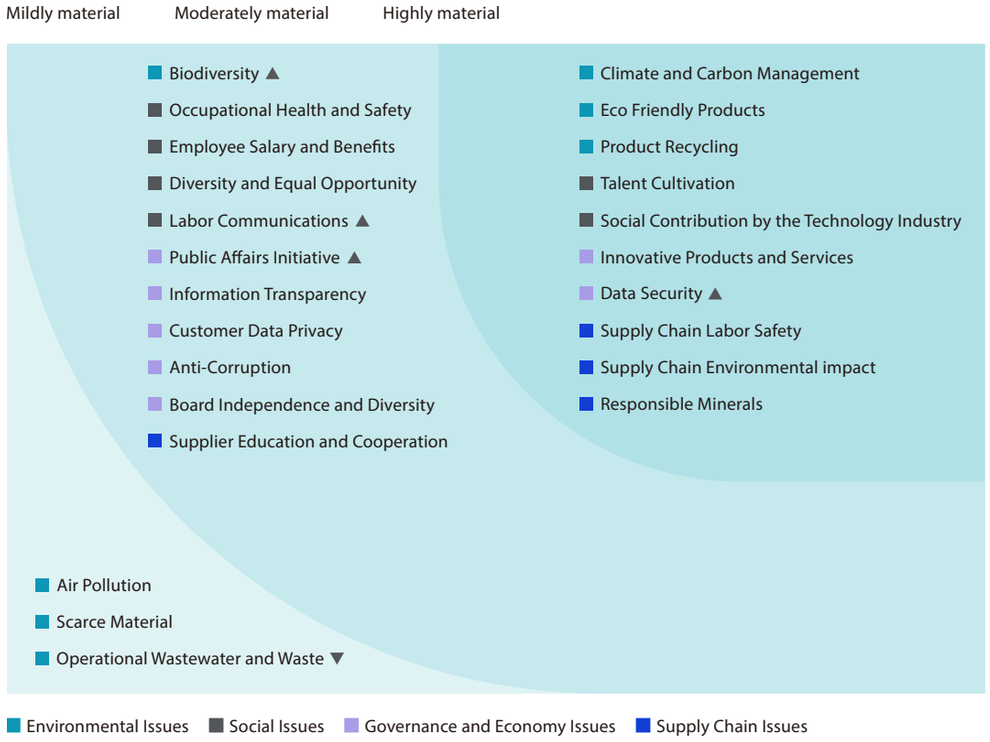
## Materiality Matrix

Combining the calculation of impact indexes and the results of stakeholder engagement, we defined topics with significant impacts on "ASUS" and "economies, environments, people" as "highly material topics." The definition and management strategies of topic materiality are as follows :

- Highly material : Establish targets and perform regular follow-up management
- Moderately material : Establish management policies and impose dedicated unit to for management
- Mildly material : Possess a low degree impact in short-term; observe continuously




## Materiality Issue Changes in 2022 :

- **Increase in Materiality**

**Information security (medium → high) :**
The occurrence of Information security incidents has imposed a significant impact on enterprises. ASUS has established Information Security Committee to enhance the Group's information security protection capability.

**Biodiversity (low → medium) :**
Evaluated the low impact on the environment and operations, and raised the level of concern for the issue

**Public Affairs Initiatives (low → Medium) :**
ASUS actively participates in sustainability advocacy organizations, drives the entire value chain to place more emphasis on climate and information security issues.

**Labor communication (low → medium) :**
ASUS implements employee satisfaction survey to facilitate bi-directional labor-management opinion communication

- **Decline in materiality**

**Operational wastewater and waste (medium → low) :**
ASUS headquarters has only wastewater and waste, which has a low impact on the environment and operations.

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# Impact of Material Issues

For material issues, ASUS has established its management policies and formulated action plans and set targets and indexes based on the digitalized measurement strategies to periodically track the achievements. For other issues that are not material, we disclose existing management procedures and measures for stakeholders to understand the overall sustainability achievements of ASUS.

| Sustainability Focus | Material Issues | Impact Hotspots and Descriptions on Value Chain | | | | Impact Evaluations | | | | ASUS Actions | Contributions to SDGs |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Upstream | Corporate Operation | Downstream | | on ASUS | | on Environment, Economy and People | | | |
| | | Raw Material Description Procurement/ Product Manufacturing | | Customer Usage | Recycling | Positive | Negative | Positive | Negative | | |
| Climate Action | Climate and Carbon Management | ● | ● | ● | | 4 | 4 | 1.8 | 4 | • Supplier Carbon Reduction Project<br>• Introduce renewable energy<br>• Increase the product energy efficiency | 7, 13 |
| | Eco Friendly Products | ● | ● | ● | ● | 5 | 2.4 | 4 | 0.4 | | |
| Circular Economy | Product Recycling | | | ● | ● | 2.4 | 1.2 | 3 | 1 | • Conduct chemical material management<br>• Use environment friendly materials<br>• Global Recycling Service System<br>• Introduce International Information Security Standards in operations | 3, 8, 12 |
| | Data Security | | ● | ● | | 1.6 | 1.6 | 3.2 | 1 | | |
| Responsible Manufacturing | Supply Chain Environmental Impact | ● | | | ● | 1.2 | 2.4 | 1.6 | 2.4 | • Add additional security provisions to Supplier contracts<br>• Supplier Human Rights Due Diligence<br>• Supplier Environmental Survey and Management<br>• Responsible minerals from qualified smelters | 3, 8, 12, 17 |
| | Supply Chain Labor Safety | ● | | | ● | 1.8 | 2.4 | 1.6 | 2.4 | | |
| | Responsible Minerals | ● | | | | 0.8 | 1.8 | 1.2 | 3.2 | | |
| Value Creation | Talent Cultivation | ● | ● | ● | ● | 3.2 | 1.6 | 3.2 | 0 | • Industrial-Academic Cooperation with colleges and universities<br>• Employer Branding Campus Program<br>• Digital Inclusion Program<br>• Develop Smart Healthcare | 4, 8, 9 |
| | Social Contribution by the Technology Industry | | ● | | ● | 2.4 | 1.6 | 3.2 | 0.4 | | |
| | Innovative Products and Services | ● | ● | ● | | 2.4 | 1.6 | 3.2 | 1 | | |

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# Sustaining an incredible future

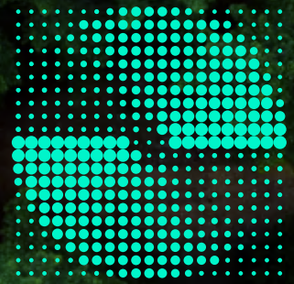
On this incredible journey towards sustainability, we continually leverage our technological leadership, data-driven rigor, and human-centered philosophy, to create a net-zero enterprise that drives the shift towards a circular economy, with a responsible supply chain creating shared values for each and every one of us.

We always search for the incredible. Rooted in our engineering heritage, we never cease to remold traditional ways of doing things with perseverance and innovation in order to reach new heights.

## Climate Action

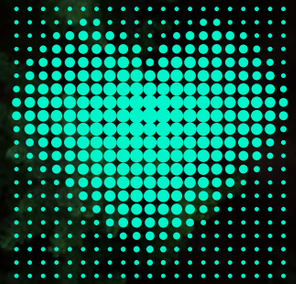
We collaborate with stakeholders across the value chain to target net zero through increasing energy effectiveness, utilizing clear energy and fostering innovation, helping to create a cleaner environment and mitigate the impact of climate change that affects every life on earth.

## Circular Economy



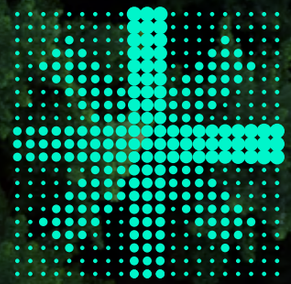
We leverage Design Thinking and technological advancement in sustainability to introduce eco-friendly product, which in turn, minimizes our impact on the planet and helps to make our business model more environmentally-friendly.

## Responsible Manufacturing



We work together with our business partners to ensure environmental, labor, and human rights responsibility in the supply chain, which not only raises the standards of our industry as a whole, but also protects the rights of everyone we touch in our business.

## Value Creation



We explore innovations in digital inclusion, cross-sector collaborations, and sustainable business models that can truly create shared value for all – bringing new technologies, new opportunities, and new talents that will benefit the community for generations to come.

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# 04
# 2025 Sustainability Goals

ASUS launched the Goals 2025 Sustainability Goals for the next five years with 2020 as the baseline year. The 2025 goals extended our commitment to the environment and society. With our core competencies and professional skills, ASUS brings about proactive and positive changes to humans and the environment, thereby enhancing ASUS' green competitiveness, creating shared value with the society, and making substantive contributions to SDGs.

## Climate Action

Environmental changes caused by climate change continue to impact the global economy and society. ASUS has adopted scenario analysis to identify the potential climate-related financial impact in the future. We adopted forward-looking and proactive climate actions, including incorporating renewable energy as part of business strategies, improving product energy efficiency with our software and hardware R&D capabilities, and driving low-carbon manufacturing transformation of the supply chain. For the purpose of fully reducing carbon footprint across operations.

● Achieved ▲ Not achieved

| 2025 Goals | 2022 Goals | 2022 Executive Highlights | 2022 Performance | Annual Performance |
|---|---|---|---|---|
| Reduce 50% of carbon emissions from ASUS global operations centers by 2030 | • Complete third-party verification for ISO14064 on the carbon emissions in global operations site<br>• Establish 2030 ASUS headquarters and 2035 Global Operations RE100 Path | • Establish a regular review mechanism for renewable energy markets and compliance policies<br>• Establish the most suitable configuration for the procurement of wind, photovoltaic and water power in accordance with the RE100 definition<br>• Establish ASUS Global Operation RE100 Path in 2035 | 100% compliant with annual goals | ● |
| Use 100% renewable energy in Taiwan-based operations centers by 2030 ; and in global operations centers by 2035 | | | 100% compliant with annual goals | ● |
| Ensure that each year's key products demonstrate energy efficiency that's 30% above the ENERGY STAR® standard | • Superior to the ENERGY STAR® standard by 30% | • Optimize power management mode to reduce product energy consumption | 34.6% | ● |
| Ensure that key suppliers achieve a 30% reduction in carbon intensity by 2025 | • Complete third-party verification for ISO14064 on the carbon emissions of key suppliers<br>• Key suppliers reduced GHG emissions intensity by 24% compared to baseline year | • Establish greenhouse gas inventory competence of key suppliers<br>• Apply the Carbon Reduction Decision Matrix to help suppliers prioritize carbon reduction actions | 100% compliant with annual goals | ● |

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## Circular Economy

Relinquishing the linear economic model of take-make-dispose and transitioning toward a circular economy are crucial for corporate sustainability. ASUS included the impact in product life cycle into product design and increased the use of environmentally friendly materials. We developed green products to increase our green competitiveness. We also continued to expand the extended liabilities of the producer to provide take back services across the globe and increase resource usage efficiency. ASUS also leveraged digital tools to accelerate the development of the circular economy and ensure the safety of the R&D environment.

● Achieved ▲ Not achieved

| 2025 Goals | 2022 Goals | 2022 Executive Highlights | 2022 Performance | Annual Performance |
|---|---|---|---|---|
| Promote sustainable procurement and increase the use of environmentally friendly materials in products and packaging by 100% | • Increase the use of environmentally friendly materials for products and packaging to ratio 25% | • Expand product use of recycled plastics and recycled metals<br>• Increase the use of recycled materials in all packages of laptops to ratio 90% | Increase the use of environmentally friendly materials for products and packaging to ratio 25%<br>• Recycled paper usage increased 22% compared to 2020<br>• Recycled plastic usage increased 1.9 times compared to 2020<br>• Paper materials from Forest Stewardship Council (FSC) usage increased 5 times compared to 2020 | ● |
| Boost green competitiveness and increase the proportion of Eco Labels in revenue by more than 50% | • Generate revenue from Eco Labels accounted for over 15% | • Establish ESG committee to promote green product projects<br>• Expand commercial products to obtain environmental labels<br>• Promote consumer products to obtain environmental labels | 15% | ● |
| Enhance safety in the R&D system and attain 100% coverage of international information security standards by 2025 | • Attain 20% coverage rate of international information security standards | • Expand the scope of international information security standards, enabling more products and services to be protected by the regulations<br>• Develop the management system to be in line with the requirements of the new ISO 27001:2022 | 26% | ● |
| Encourage a circular economy by achieving a global recycling rate of 20% for ASUS products | • Achieve global product recycling rate of 13% | • Expand recycling service mode to strengthen product trade-in | 11.2%<br>Due to the impact of the pandemic, the recycleing service was suspended; so that, the annual recycling rate target was not reached. | ▲ |

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## Responsible Manufacturing

Sustainability is no longer limited to the enterprise itself, but should also be expanded to the supply chain, to work with upstream and downstream business partners in creating shared value and bring about positive changes to the society. ASUS includs the sustainability performance of the suppliers as an evaluation item for procurement. We became a full member of Responsible Business Alliance (RBA) to ensure that supply chain processes comply with environmental standards, ensure labor safety and human rights across the workplace , and extend information security management to the supply chain to increase its resilience.

● Achieved ▲ Not achieved

| 2025 Goals | 2022 Goals | 2022 Executive Highlights | 2022 Performance | Annual Performance |
|---|---|---|---|---|
| Achieve labor and human rights goals by completing 100% of RBA third-party audits of key suppliers and ensure that any necessary corrective actions are taken | • 100% of suppliers completed the third-party audits and improvements for deficiencies | • Identify key suppliers with potential risks<br>• Complete third-party on-site audits to assist the improvements for deficiencies | 100% compliant with annual goals | ● |
| Use responsible mineral by sourcing 100% tantalum, tin, tungsten, gold, and cobalt from qualified smelters | • Maintain 100% of tantalum, tin, tungsten, and gold sourced from qualified smelters<br>• Achieve 35% of cobalt sourced from qualified smelters | • Conduct annual supply chain due diligence<br>• Review the list of qualified smelters<br>• Identify key suppliers of cobalt and requested conversion to qualified smelters for the current year | • Maintain 100% of tantalum, tin, tungsten, and gold sourced from qualified smelters<br>• Achieve 59% of cobalt sourced from qualified smelters | ● |
| Strengthen information security across the supply chain by ensuring that key suppliers demonstrate 100% compliance with information security regulations | • Completed the amendment to the Information Security Regulations for Supply Chain | Respond to the service provision features and data usage levels of key suppliers, and we completed the revision to ASUS Information Security Terms and Conditions with three versions in total | 100% compliant with annual goals | ● |

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## Value Creation

In addition to fulfilling corporate social responsibility and creating economic growth we also expect to use core competencies in digital information to satisfy the needs of the environment and society, and create shared value. In the journey of sustainable transformation, we will drive the next wave of corporate growth and innovation, and explore new commercial markets which will serve as the driving force of corporate growth. We hope to nurture and recruit key talents who share the same goals as ASUS , further promoting social development and positive changes.

● Achieved ▲ Not achieved

| 2025 Goals | 2022 Goals | 2022 Executive Highlights | 2022 Performance | Annual Performance |
|---|---|---|---|---|
| Intensify digital transformation and innovation efforts with the goal of a 100% increase in sustainable value creation | • Launch Start-up Partner Program | Establish a corporate vertical accelerator to match innovative technological cooperation | Launch the Sustainability Innovation Cycle and Low Carbon Transformation Project, with 3 projects | ● |
| Strengthen industry/academia cooperative projects to cultivate more than 1,000 talents | Organize 20 networking events annually, with 800 potential talents connected<br>• Organize 10 career talks on campus with 800 participants<br>• Organize 2 consultation sessions with business mentors with 300 people consulted<br>• Organize 4 industrial-academic cooperation programs with 80 people recruited<br>• Organize 1 session of other inter-collegiate activity | Organize counseling and career seminars and connect potential talents through inter-collegiate cooperation | Organize 23 connecting events in the year with a total of 1,431 people bonded<br>• Organize 11 career talks on campus with 905 participants<br>• Organize 4 consultation sessions with corporate mentors with 400 people consulted<br>• Organize 4 industrial-academic cooperation programs with 93 people recruited<br>• Organize other Inter-collegiate activities : NTUST Enterprise College (33 students enrolled, 9 classes conducted) | ● |

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# 05
# Circular Economy

According to the 2022 Circularity Gap Report, as the world's population grows and use of virgin materials surges, only 8.6% make it back into our economy. ASUS has adopted the circular economy approach for sustainable development to transition from passive pollution prevention to active prevention and regeneration. We refuse to use toxic chemical substances that cannot be reused, and extend the life cycle of products from "cradle to grave" to "cradle to cradle" by redesigning materials, products, processes, and business models. Through the cycle of make-use-return, we maximize the efficiency of resource use and create new business models, which will gradually evolve into the core strategy for operations.

## Actions

### Environmentally Friendly Materials
Increase the use of environmentally friendly materials to reduce carbon emissions over the product life cycle

### Eco-labels
Increase the number of international eco labels to expand green competitiveness

### Innovative Service
Creating innovative service of carbon-neutral to achieve the target on emissions cuts

## Performance

### Carbon Neutrality
The world's first commercial laptop (B94) has obtained product carbon footprint and carbon neutrality Verification

**87.2%**
Eco Friendly Product revenue exceeded 87.2%

**89.6%**
Halogen-free components accounted for 89.6%

**11.2%**
Achieved global product recycling rate of 11.2%

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# IFRS Sustainability Disclosure Standards : Core Content

## Governance

Sustainability and Green Quality Management Center : Analyzes global sustainability tendency and promotes green product projects, and regularly reports project status and results to the Board of Directors

ESG Committee : Members are from business operations, design center, certification, marketing, and sales department focusing on the Company's overall sustainability issues on products, marketing, and design

* For the corporate sustainable management organization chart, please refer to CH01 Sustainability Management

## Strategy

We use ISO 14040 and 14044 Life Cycle Assessment (LCA) methods to quantify potential environmental impacts from extraction, manufacturing, transportation, use, and final disposal of raw materials in accordance with LCA standards to assess their risk level and potential improvement opportunities. Based on the LCA assessment results, it has been identified that the environmental impact is from the stages of raw material extraction and product use. To reduce various impacts generated by products during their lifecycle, we apply circular economy to our product design and services. By managing harmful substances, using eco-friendly materials, improving energy efficiency and extending the lifecycle of the product, we develop our products for "3 Low" goals: "low-carbon", "low energy consumption", and "low pollution".

Identify major risk/opportunity issues, including product carbon tax, competitiveness of green products, and product carbon neutrality services. Major risk/opportunity issues and potential operational impacts are explained as follows :

| Risks/Opportunities | Risks/Opportunities Description | Potential Operational Impact |
|---|---|---|
| Imposed carbon tax on products | In response to the upcoming the "EU Carbon Border Adjustment Mechanism" and the "US Clean Competition Act", the higher the carbon emissions are, the greater the impact it will have on business operating costs. | Considering the gradual expansion of the regulatory scope of international carbon tax regulations, we will independently assess the financial impact from product carbon costs in advance |
| Competitiveness of green products | As the awareness of international green procurement has been raised, and the green procurement requirements of governments or businesses around the world are becoming stricter, consumers are more prone to buy eco-friendly products. | Failure to meet green design requirements will affects the competitiveness of governments and businesses in winning bids and the willingness of consumers to buy sustainable products. |
| Product carbon neutrality services | In response to the global vision of net zero, businesses, public sectors, and schools in Taiwan has began to set their carbon reduction goals and buy green products as part of their efforts to promote sustainability. | Take advantage of potential green business opportunities by developing product carbon offset services to assist our customers in achieving their ESG performance and carbon reduction goals |

## Risk Management

**Risk Identification**

- Assess major impacts the whole product lifecycle will have on the environment
- Identify the impact level of risk events

**Risk Control/Mitigation**

- Identify potential operational impacts from prioritized risks
- Develop risk prevention plans for major risk issues

**Risk Control/Reporting**

- Monitored environmental risks regularly by ESG Committee to demonstrate our green competitiveness through design innovation
- Quarterly review risk management performance

**Prevention plan for major risk issues :**

Imposed carbon tax on products :

- Establish a product carbon footprint data platform to evaluate carbon costs
- Establish a product energy consumption management platform to dynamically monitor product energy consumption trends, and enhance competitiveness of our green products

Have a plan to phase in green products into the projects :

- Set annual goals for producing Eco Label products and ENERGY STAR® products, and keep track of their progress on a regular basis

## Metrics and Targets

**2025 Sustainability**

- Promote sustainable procurement and increase the use of environmentally friendly materials in products and packaging by 100%
- Ensure that each year's key products demonstrate energy efficiency that's 30% above the ENERGY STAR® standard
- Encourage a circular economy by achieving a global recycling rate of 20% for ASUS products

Please refer to CH04 2025 Sustainability Goals for their progress.

**IFRS S2 Industry-based disclosure requirements**

- Percentage of products by revenue that contain IEC 62474 declarable substances
- Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent
- Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria
- Weight of end-of-life products and e-waste recovered, percentage recycled

Please refer to Appendix B : SASB Index

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# Circular Economy Model

The circular economy model helps reduce the excessive waste of resources and environmental pollution and supports an environmentally friendly business model. To attain this goal, we incorporated the circular economy concept into the design of products and services. We use the four following procedures to support the five business models proposed by the international consulting firm Accenture: Circular Supply chain, Product Life Extension, Products as a Service (PaaS), sharing Platform, and Recovery and Recycling. We incorporated the circular economy strategy into our basic economic framework :

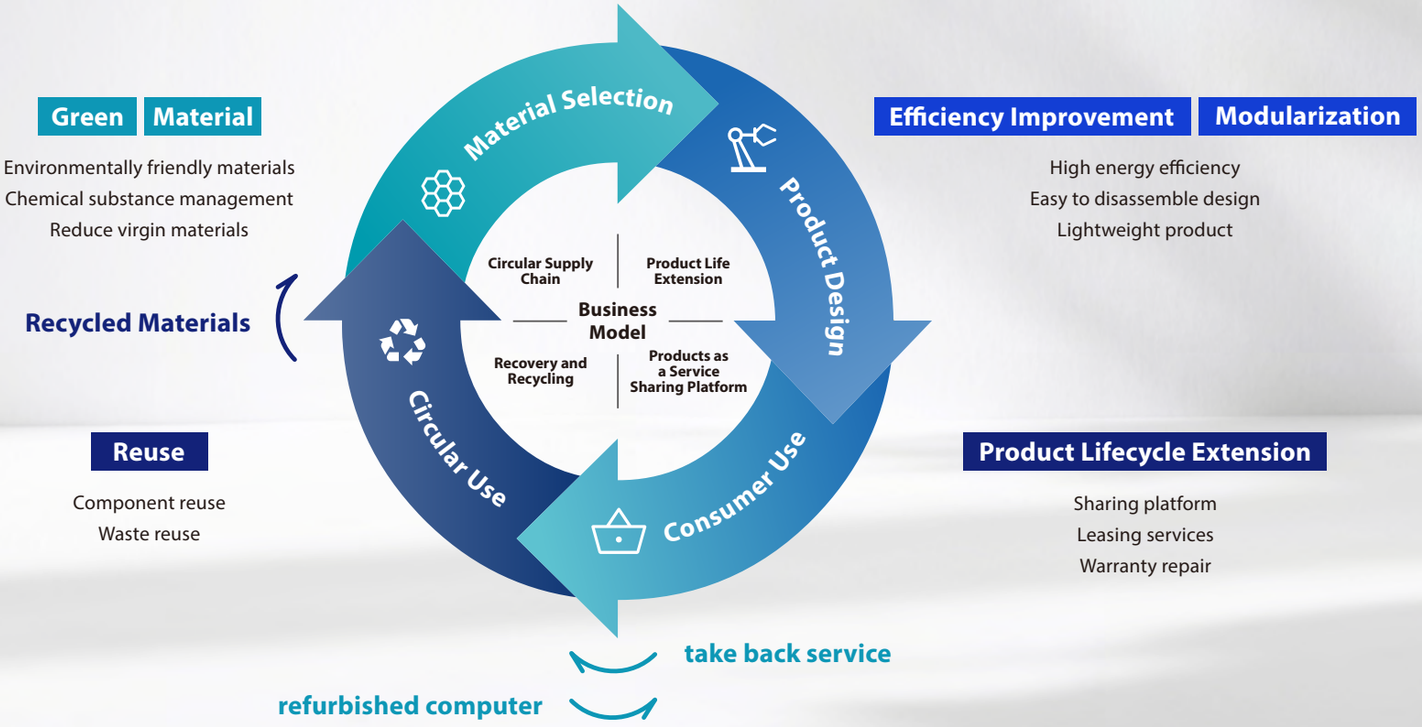
**Circular Supply Chain :** Use environmental friendly materials to reduce the percentage of virgin materials used in the products and adequately manage the chemical substances in the raw materials

**Product Life Extension :** Use modular design that facilitates easy disassembly to extend the product life

**Products as a Service (PaaS) :** Provide products for shared use and replace ownership with leases

**Sharing platform :** Promote waste computer take back service and create a sharing platform to promote digital education. For more information on the plan, please refer to 09 Society

**Recovery and Recycling :** Provide global and diverse take back services based on the sales service model of each country



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## Product Carbon Footprint and Carbon Neutrality

ASUS follows ISO 14040 : 2016 to conduct a Life Cycle Assessment (LCA) on our products, which involves the extraction, manufacturing, use, and ultimate disposal of raw materials. The raw materials, manufacturing and supply chain operations across the whole product lifecycle can all affect the product's carbon footprint. Through ISO 14067 : 2018 product carbon footprint verification, we can identify the hot spots of carbon emission throughout the product lifecycle to improve product design principles, and set up both plans and goals for carbon reduction.

**DESIGN THINKING**

| | |
|---|---|
| Exploit raw materials | Use green friendly materials, including Post-consumer recycling plastic, recycled paper, FSC pulp |
| Manufacturing | Supply chain management, including renewable energy use ,low carbon process |
| Packaging & Transportation | Lightweight design of packaging materials to reduce volume and enhance transportation efficiency |
| Use | Energy-saving design to comply with ENERGY STAR® and enhance product energy efficiency |
| Disposal | Establish take back services and recyclers that meet internationally recognized electronic recycling standards to avoid wasting resources |

In order to reduce the carbon footprint of our products, we introduce a variety of environmentally friendly materials in our products whose packaging uses FSC forest sustainable certification materials and the final assembly plant increases the proportion of renewable energy. The parts that cannot be reduced by feasible technologies will be replaced by carbon credits with international credibility. In 2022, ASUS ExpertBook B9 (B9400CE) became the world's first commercial laptop verified with ISO 14067 on Product Carbon Footprint.

ASUS ExpertBook B9 (B9400CB) is the world's first commercial laptop verified with ISO 14067 : 2018 Product Carbon Footprint and PAS2060 : 2014 Product Carbon Neutrality by the third party. For product carbon neutrality and actions, please refer to : CH02 Focus Case.

In the future, ASUS will provide Carbon Partner Service for our customers to purchase additional Carbon credit to offset the remaining carbon emissions of the products, so that they can achieve their ESG performance and carbon reduction goals.

**ASUS low-Carbon Product Innovation Path**

B9400CE

**The World First Carbon-footprint Verified Commercial Laptop**

UX5304

B9400CB

**ASUS Commercial and Consumer Laptops Achieve Carbon Neutral Verification**

B9403

D900MDR
D900SDR

**Products Carbon Neutral Service**

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# UX5304 ASUS Consumer Laptops Receives Carbon Neutrality Verification

Carbon Neutrality

## Products Energy Efficiency

- Energy efficiency performance better than ENERGY STAR® standard by 43%
- External power supply exceeds the EEI VI specification set by US DOE by 1%
- Retains more than 65% of original battery capacity after 1,000 cycles of charging

## Low-carbon Products

- ISO 14067 : 2018 Product Carbon Footprint Verification
- PAS 2060 : 2014 Product Carbon Neutral Verification

Zenbook UX5304
Carbon Footprint Report

## Recycled Materials

**Case**
**Post-industrial recycled aluminum**

**Keyboard case**
**Post-industrial recycled Magnesium Aluminum Alloy**

**Keycaps**
**Post-consumer recycled plastics**

**Speaker case**
**Sea waste plastic + Recycled plastic**

**Motherboards**
**Halogen-free material**

## Sustainable Packaging Materials

Zero plastic packaging materials de-sign-We used FSC Mix, paper handles and paper tape for the outer case.

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# Safer Chemicals

More than 80% of environmental impacts in the product life cycle is determined in the design phase. We believe that integrating the concept of circular economy into the product design phase, introducing environmentally friendly design, and more active management on the use of chemicals in the production process can improve the recycling and reuse of products and substances.

## Chemical substance Management in Products

Numerous chemicals would be added to the product to ensure quality and safety. Along with advancing analysis on scientific hazards and risks, however, some chemicals that are currently approved or use may be determined as necessary to control in the future, which could interrupt the circularity of the products or components. The use of safer chemicals will help the circulation of resources and reduce environmental pollutions at the end of the product's life cycle, and create a safer disposal process to protect the personnel.

ASUS has introduced ISO 9001 Quality Management System since 1999, supplemented by IECQ QC 080000 Hazardous Substance Process Management System Requirements for chemical management. Through the third-party testing laboratory, the onsite audit performed by ASUS personnel, the audit and re-audit of the management system and else, the development of the entire product starts from a truly environmentally friendly design, and we are able to provide consumers with products that are safe for both the human body and the environment.

### Full material Disclosure, FMD

FMD (Full Material Disclosure) is a method to enhance the transparency of the chemicals supply chain in the production process. By investigating all materials used from the extraction to the assembly facilities, we can analyze the data and evaluate the risks of using those materials. We must work more closely with suppliers and upstream parts of the supply chain to implement FMD. ASUS helps suppliers create operating procedures for material flow. We also use ASUS's current material management system with FMD inventory operations. The FMD response rate from our EPEAT Gold products is over 90%.

### Identification

We conduct verification for material risk assessment and check with professional chemical regulatory platforms (such as those from the European Chemical Agency, ECHA) and follow global environmental standards to identify substances with potential hazards to human health and the environment.

### Alternation

We talked with our upstream suppliers or manufacturers who use high-risk substances about the composition, purpose of use, safety, economy, and technical feasibility of alternative substances.

### Assessment

We use risk assessment tools such as GreenScreen® For Safer Chemicals, The Quick Chemical Assessment Tool to assess the hazards and risks of using candidates for substitution to ensure that they are safety's alternatives.

### Testing

We conduct small batch testing on alternative substances to ensure that they do not cause any adverse effects and still have the same functions.

### Standardization

We have introduced the Asus HSF technical standard (S-AT2-001) and made known to our supply chain on the SCM platform.

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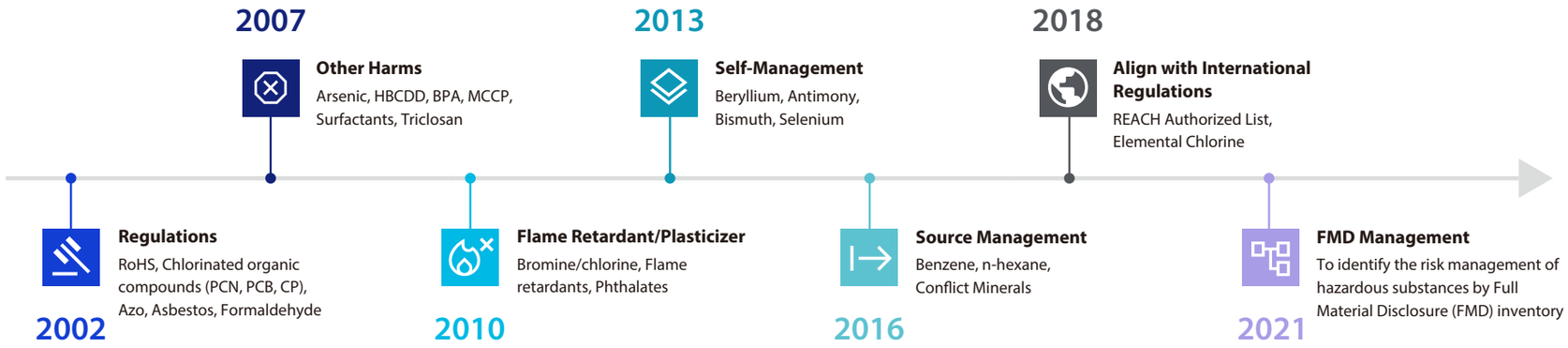
Electronic products are complex products that require the addition of various chemical substances to achieve product functionality, quality, or safety in use. To ensure the safety of Asus products to the environment and users during various stages of manufacturing, transportation, use, and disposal, Asus has established Hazardous Substances Free (HSF) standards. Since 2002, all products have been in compliance with the Restriction of Hazardous Substances Directive (RoHS) of the European Union. In addition to controlling substances that are prohibited by laws and regulations, we have also follow the requirements of international environmental standards and the electronic industry standard IEC 62474[1]. The substances used in our products have been disclosed and declared in accordance with IEC and legal requirements. We even respond to the increasingly stringent laws and regulations by controlling substances with potential hazards to human health and the environment to the extent that exceeds international mandatory regulations. By 2022, the number of controlled chemical substances has exceeded 450.




Case Study

## Analysis of Critical Minerals and Rare Earth Metals : Taking laptops as an Example

Rare earth metals and critical minerals are used in IT products such as permanent magnet materials, fluorescent materials, precision ceramics, optical materials, semiconductors, and batteries, which are crucial for the electronics industry. According to the "Role of Critical Minerals in Clean Energy Transitions" analysis report released by the International Energy Agency (IEA) in early May 2021, the demand for rare earth metals and critical minerals will significantly increase by 2040 under the net zero policy announced by governments.

It is foreseeable that if the supply, recovery, and investment of rare earth metals and critical minerals are not planned early, the cost and risk of acquiring these substances will increase in the future. In order to obtain information on the substances contained in the products, ASUS further analyzes the current status of rare earth metals and critical minerals in the products through full material disclosure to seek recycling sources and achieve a circular economy model of recycling and utilization.


[1] IEC 62474 : With the electrical and electronic standards set by IEC (International Electrotechnical Commission), we use the supply chain material declaration to track and declare information of material composition for lectrical and electronic products to enhance the efficiency of data exchange in the world and the supply chain.

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### Halogen-Free

The issue of plastic pollution continues to receive attention from all industries. In order to maintain user safety, improve fire resistance characteristics, and achieve recyclability of plastics, Asus uses flame retardants in plastic components of product appearance structures that are safer for the human body and less harmful to the environment through scientific evaluation methods (such as GreenScreen) to enhance the feasibility of material recycling.

Since 2010, ASUS has been spontaneously promoting halogen-free policies, by prohibiting halogenated flame retardants in plastic shells of our products in 2017, even earlier than relevant laws and regulations. In the process of promotion, we need to balance both quality and cost to maximize the integration and effective utilization of resources. 89.6% of the parts in our products delivered in 2022 met the "Asus Halogen Free Control Regulations".


| 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|
| Elemental chlorine bleaching agent is prohibited in manufacturing paper packaging materials | Halogen free hard drives, batteries | PVC was removed from Type-C charging lines for mobile communication products | Use halogen-free PCB substrate |

### Chemical substance Management in Packaging

The trend of international hazardous substance regulations is constantly changing. For packaging materials that consumers will come into contact with, in addition to complying with the EU Directive of Packaging and Packaging Waste (94/62/EC, PPWD), we have also taken the following actions over the years to actively respond to future international hazardous substance standards to prevent the environmental hazards from direct human contact :

| 2020 | 2021 | 2023 |
|---|---|---|
| Gradually applying raw materials with low VOCs (Volatile Organic Compounds) into coatings and inks on packaging materials | We required our suppliers not to use mineral oil as printing materials, and further control the use of plasticizers (phthalates, Phthalates) and ban PVC materials | We will begin to phase out polycyclic aromatic hydrocarbons (PAHs) |

## Chemical substance management in manufacturing

In addition to controlling harmful substances in products, Asus is also concerned about whether the materials or auxiliary solvents used in the product manufacturing process pose hidden hazards to production line personnel and the environment. ASUS not only controls the use of benzene and n-hexane as solvents for cleaning and decontamination in the manufacturing process, but also refers to the Responsible Business Alliance (RBA) to create a list of managed process chemical substances. Through appropriate management measures and regular on-site audits, ASUS can control process chemicals that might be harmful to human health or the environment to fulfill corporate responsibility.

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# Environmentally Friendly Materials

The UN Environment Programme (UNEP) made a resolution at its fifth Environment Assembly to put an end to plastic pollution and emphasize the importance of promoting sustainable design of products and materials by using new or improved technologies for material reuse and recycling. To improve the reusability and recyclability of resources, we will gradually use multiple eco-friendly materials in our products.

## Product Application

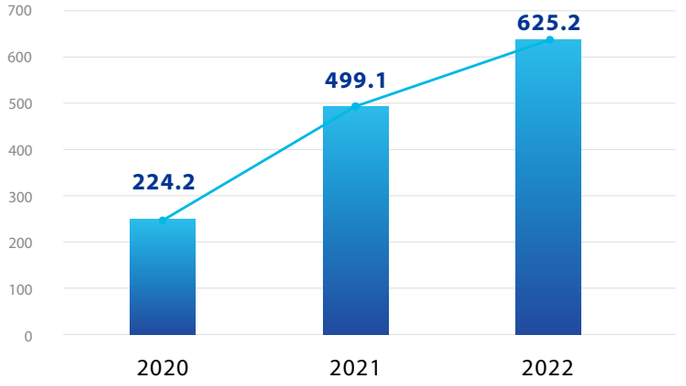
Among ASUS products, mainstream products contain more than 30% plastic of total weight, which accounts for the largest amount of materials used. Therefore, we cooperate with the suppliers to explore the opportunities that increase the use of post-consumer recycled (PCR) plastic as much as possible without compromising quality, function, and durability. The average PCR plastic content of ASUS' business laptops is 5%. Moreover, ASUS developed PCR plastic with antibacterial functions by applying our innovative R&D skills. Since 2017, we have used more than 1,689 tonnes of PCR plastic and reduced carbon emissions by 1,915 tonnes $CO2e^{2}$ . In the future, ASUS will continue to expand the use of sustainable materials in products and take real actions to support the circular economy and sustainability in the future.

In 2022, we began to try a more diverse range of eco-friendly materials. For example, we used 30% post-industrial recycled metal in the metal casing of our business laptop ExpertBook B9 for its lightweight design. Our consumer laptops UX5304 is made from sea waste plastic, while the entire shell of our ROG gaming mouse is produced using biological matrix resin made from castor oil.

In the future, ASUS will continue to explore a wider variety of eco-friendly materials in our products by taking actions to support the circular economy and fulfill ESG.

**Products : Annual quantity of post-consumer recycled (PCR) plastic**

Unit : Tonnes

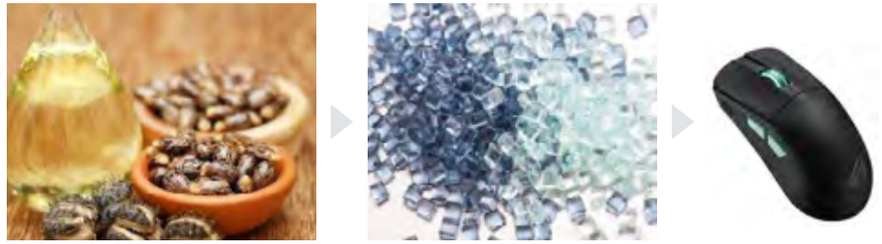



Case Study

**Eco-Friendly Materials**

■ Asus Ethernet adapter MA-25 uses 70% PCR and 69% eco-friendly materials in the product.

■ The shell of ASUS ROG gaming mouse P713 uses biological base resin made from castor oil.



[2] Refer to the data from Ecoinvent ver.3.8 (2021/11) in Simapro.

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## Packaging Material Application

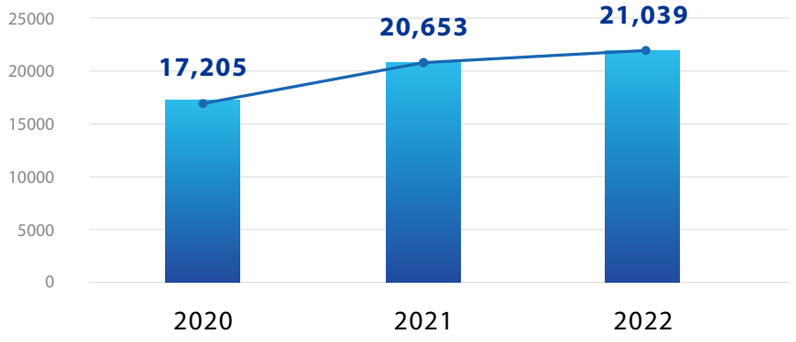
According to the WEF and research report from Ellen MacArthur Foundation in 2016, most of the packaging was only used once; where the massive plastic junk produced after use was only recycled effectively at a mere 5%. Therefore, countries around the world have been imposing plastic reduction policies since 2018 to realize the vision of plastic circulation.

Starting from 2019, ASUS has replaced PE bags with PET non-woven fabric. We increased the use of recycled pulp for the paper packaging of certain products to 90%. Approximately 21,039 tonnes of recycled paper was used for main products in 2022. In terms of resource protection and the ecology, ASUS has started to use paper materials from Forest Stewardship Council (FSC), and use a total of 71.7 tonnes in 2022.

ASUS has not only been innovative in materials, but also recognized by an international NGO, Forest Stewardship Council (FSC), for our efforts in designing packaging materials with longer lifecycle. In November 2022, Asus was invited to the FSC Asia Pacific Business Forum to share our views on sustainability. In the future, we not only improve our design of FSC packaging, but only greatly reduce the use of virgin plastics.

In addition to using eco-friendly materials, under the premise of maintaining safe transportation, we reduce the waste of the internal space of the packaging and the packaging volume to decrease the use of materials. We also consider the way of stacking. It not only could improve transportation efficiency, but also could prevent damage caused by transporting products of different sizes.

**Packaging : Annual quantity of Recycled Paper** Unit : Tonnes



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## Green packaging material design

### 01 Zero plastic and adhesive free design

**ROG Xbox Controller**


Our Packaging is designed through modularization to be used in both high and low end computers, and designed with 100% recyclable wet molded pulp that are zero plastic and adhesive free.

**ROG Level Mouse**


The ingenuity design of the packaging structure for this mouse is achieved by adopting adhesive free production processes and using 100% recyclable paper to achieve a zero plastic and adhesive free design.
The overall volume is also 6% smaller than the previous generation packaging, effectively improving product transportation efficiency.

### 02 Circular use : the packaging box of B9 series laptops


With simple design of packaging structure, a laptop holder can be easily and quickly assembled to provide protection, support, and cord holding purposes to achieve our goal of reuse packaging materials.

### 03 Innovative green and eco-friendly materials : ROG and BATMAN co-branded phones

Its packaging uses EPP material (high crystalline polypropylene), which is a green and eco-friendly material that can be recycled and reused without causing plasticization pollution. It lightweight design can achieve less packaging weight and carbon emissions during transportation.

### 04 Moca Adapter


The stylish zipper packaging box uses 95% FSC forest certified paper material, along with a non-adhesive structure design and eco-friendly non-toxic ink printing to demonstrate our core value of sustainability.

### 05 Lightweight packaging materials


The new generation display has an average reduction of 12% in packaging volume compared to the previous generations, and thus can improve the space utilization during transportation which is 19% more efficient.

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# Product Energy Efficiency

The energy efficiency of IT products determines the greenhouse gas emissions of products in their use. To effectively reduce carbon emissions when using the product, ASUS has set standards for product energy efficiency and limitation standard and have been putting more R&D resources into green design to make our products more energy efficient through innovative software and hardware.

We have taken proactive action to set our 2025 sustainability goal of "making our major products 30% more energy efficient than the ENERGY STAR® standard", which is a goal way more transparent and easy to be tracked and measured.

## Superior to the ENERGY STAR® standard

The U.S. ENERGY STAR® Program is the most rigorous energy efficiency program in the world. As compared to meeting basic regulations, products that meet ENERGY STAR® standard offer competitive advantages for high energy efficiency and reduces the cost of energy in each stage of product usage. ASUS has adopted many optimized designs to attain higher targets, such as external power supplies with the highest energy efficiency level on the market, Level VI. We also set the internal specifications of 10% stricter than legal requirements when the product is in the power off status to reduce power consumption.

The commercial and consumer laptops launched by ASUS in 2022 exceed the ENERGY STAR® standard by an average of 34.6%. Products that meet ENERGY STAR® standard account for 65%[3]. According to the 2022 "Most Efficient" criteria proposed by the US Environmental Protection Agency, all display products should be able to save 15kWh a year. Only 10% of the products from NERGY STAR® meet this criteria. Products rated as the Most Efficient can reduce energy consumption by more than 27% on average compared with NERGY STAR® products. In 2022, 16 of our display products are rated as "2023 ENERGY STAR® Most Efficient Product".

[3] For information on the percentage of revenue of the products that meet ENERGY STAR® certification standards, please refer to the note : The Calculation Base of Environmental Indicators. (Appendix, A-12)



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# Product Lifecycle Extension

## Easy to Disassemble and Repair

The recycling and reuse are considered during the design phase in order to improve the efficiency of resource usage and to facilitate circular economy. Through the easy disassembly for recycling, the consumer can update spare parts to accommodate with the usage when the product needs to upgrade for improving the computing performance, thus there is no need to replace the entire product. When the product failure occurs, it can be repaired and replaced with new components easily, extending the life of the product. When the product has to be eliminated, it can be classified by the recycling industry and thus reducing the processing costs for recycling and increasing the recycling value of waste electronic products.

ASUS products are superior to other competing products on the market in terms of availability of information related to maintenance, ease of product disassembly, availability of spare parts on the market, price difference between spare parts and finished products, and the subsequent maintenance and upgrade of products. ASUS's Repairability Index rated by the Ministry of Ecological Transition (MTES) in 2021 was 7.3 points.



Introduction to Product Modular Design

## Product as a Service

The market research think tank Euromonitor International recently published the "Top 10 Global Consumer Trends" report, which states that products or services for the circular economy such as shared use or lease in lieu of ownership are attractive to consumers. They can also be used to ensure good use of resources and expand new business opportunities for sustainability. The Device as a Service (DaaS) by ASUS uses a flexible payment scheme to help corporate customers reduce expenditures on hardware, cost of deployment, and cost of technical support and services. It offers comprehensive lease options for the use of IT hardware and services. Advantages of Asus Device as a Service:

- Mitigate costs of ownership, deployment, support and maintenance
- Flexible and easy to scale up or down
- Increase productivity with the innovative hardware and software solutions
- Enhance employees' mobility to work anywhere
- Longer product lifecycle and less waste
- Return IT assets at the end of the lease without having to dispose of them

Learn more Device as a Service (DaaS) by ASUS

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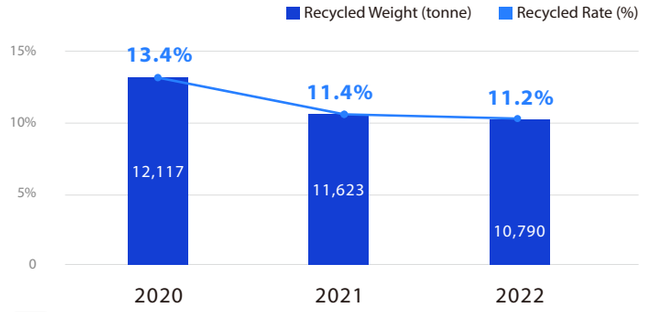
# Resource Regeneration

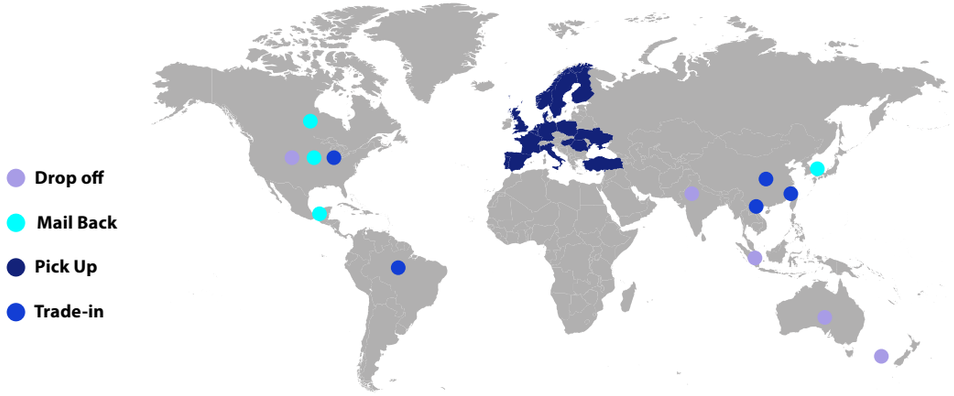
According to the third edition of "The Global E-Waste Monitor 2020"[4], 53.6 million metric tonnes of e-waste were generated worldwide in 2019, with only 17.4%. It also estimated that e-waste will increase to 74 million tonne by 2030. On the other hand, e-waste contains valuable substances or critical raw materials[5]. After regeneration, these raw materials can form a green circulation industry, which provides substantial support for economic development, human rights, and environmental protection. E-waste should also be properly recycled to minimize the impact to the environment from hazardous substances contained in waste electronic products.

## Global Take Back Service

ASUS supports the circular economy based on its producer responsibility. We meet the waste recycling regulations in each country, and have created free product recycling services in major sales markets including Greater China, Europe, the Americas, India, and Oceania. We established the ASUS Hardware Recycling Guidelines with stricter requirements than laws and regulations. We use this to ensure that waste can be disassembled into resources with value for reuse and prevent inappropriate disposal or illegal processing.

ASUS provided recycling services in 30 countries in 2022, which covered 75% of the sales market. We provided diverse recycling services based on the sales model in each country, including setting up drop off, mail back, trade-in, and pick up services. In 2022, we recycled more than 10,790 tonnes of e-waste and 11.2% total weight of ASUS products sold worldwide was recycled products. Among them 98% e-waste can be reused or recycled.




Case Study

### Waste Electronic Product Recycling Plan

The ASUS customer service team takes advantage of after-sales service opportunities to fulfill social and environmental responsibilities. The frontline Royal Club service center provides flexible recycling mechanisms, including recycling 3C products regardless of the brand, and disposing of waste materials generated during the after-sales service process. In order to encourage consumers to recycle unused defective products, ASUS Store has provided incentives such as discounts on ASUS store online, trade-in, and donations after product recovery. The total amount of waste products recycled by ASUS Royal Club Taiwan in 2022 has increased by 120% compared to the previous year.

With the rise of IT and Telecommunication products, the recycling rate of mobile phone in Taiwan is not as high as 15% internationally according to the Environmental Protection Administration (EPA). Asus has also joined the Mobile Phone Recycling Monthly Event organized by the EPA and participate in the meetings to promote mobile phone recycling in Taiwan for many years. In 2022, the EPA had information security equipment in place to reduce public concerns about personal data leakage in recycling mobile phones and tablets, and to raise their willingness to recycle those devices. To be in line with the "ASUS Privacy Policy" and " Handling & Controlling Customer Property SOP", we use EPA's information security equipment in our Royal Clubs.

For details of recycling services, please visit ASUS CSR official website

[4] The report was published by the Global E-waste Statistics Partnership (GESP); GESP is a joint project of the United Nations University (UNU), the International Telecommunication Union (ITU), the International Solid Waste Association (ISWA) and the United Nations Environment Programme (UNEP).

[5] Raw materials that are economically important, have high import dependence, and incur high-risk associated with their supply and uniqueness in application, but are lack viable alternatives.

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# Recycling Company Management Regulations

The recycling and disposal phase at the end of the product life cycle is regarded as a part of ASUS's sustainability value chain management. To prevent the severe impact on human health and environmental pollution caused by inappropriate disposal, the company established the " ASUS Hardware Recycling Guidelines " based on international recycling standards. We also established three recycling company management procedures that include new supplier approval, continuous risk management, and performance evaluation. Recycling companies in collaboration with ASUS must comply with the Basel Convention and meet the qualifications recognized by the local government or internationally recognized electronic waste recycling standards.

We implement regular second-party and third-party audits on recycling companies in continuous collaboration. Any company that fails to pass the audit or improvement requirements will be eliminated and replaced.

**Step1. Certified Partners**

Certicate requirements: ISO 14001 Recycler qualifications: international recycler standards such as e-Stewards/ Responsible Recycling (R2)/ WEELABEX, or proof of compliance with local governments

**Step2. Continue to Monitor**

Annual audit: conduct on-site or document audits in accordance with international recycler standards

**Step3. Evaluation**

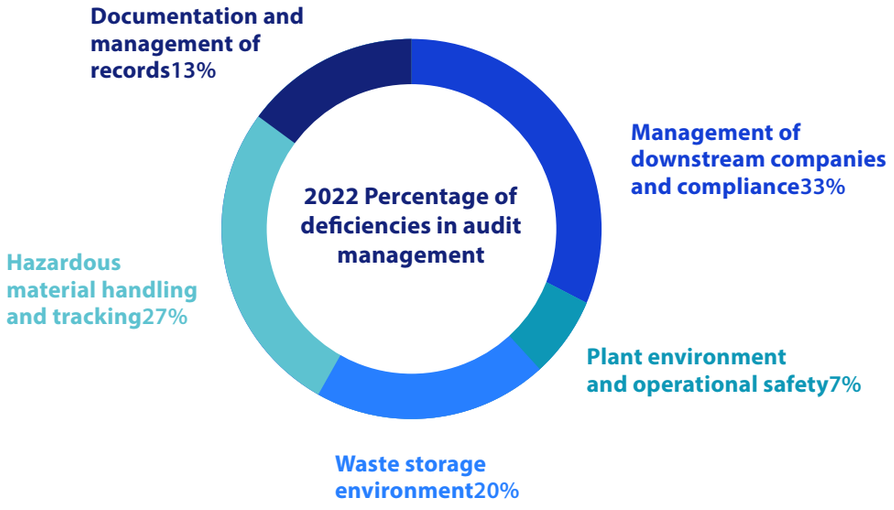
Manufacturers that do not pass the audit will be replaced

The key points for the audit and management of recycling company are as follows :

- **Management of downstream companies and compliance :**
  Verify that first-tier recycling companies have contractual relationships with downstream companies to ensure compliance with local and international regulations
- **Plant environment and operational safety :**
  They must have work environment protection systems to ensure the safety of employees
- **Management system :**
  They must have environmental, health, and safety management plans Waste storage environment: Ensure the appropriate storage of e-waste and materials with substances of very high concern
- **Waste storage environment :**
  Ensure the appropriate storage of e-waste and materials with substances of very high concern
- **Hazardous material handling and tracking :**
  Ensure that hazardous materials are appropriately handled and tracked to their final destination
- **Documentation and management of records :**
  Ensure that recycling companies retain all necessary documentation and records to prove their compliance status
- **Labor rights :**
  Ensure that employees are not forced laborers, prisoners, or children, and that employees are treated equally and provided with due benefits

In 2022, ASUS conducted a total of 16 annual audits on our recycling centers, and there were no significant deficiencies and improvements have been made.

| Deficiencies | Improvement rate |
|---|---|
| Critical : 0 Major : 4 Minor : 11 | 100% |



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# Eco Labels

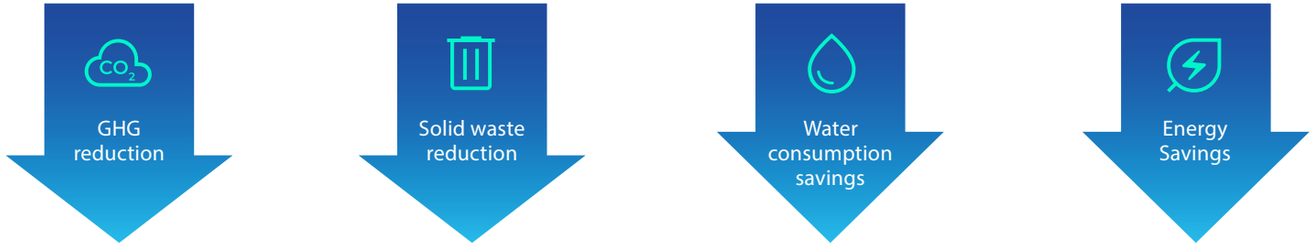
ASUS has been long investing in the R&D of green products. Through the use of safer chemicals, environmentally friendly and recycled materials, lightweight packaging, and outstandingly energy-efficient excellent products energy efficiency, and along with the design of products that are easy to disassemble and repair, the revenue from ASUS Eco Friendly Products was now account for 87.2%[6] of revenue. Furthermore, we demonstrate our green competitiveness by obtaining strict certification of international environmental eco-labels.

We also adopt the method of Sustainability Accounting Standards Board (SASB) to calculate the proportion of sales on eco-label products over corporate revenue as one of the reference indicators for investors and an important part for demonstrating ASUS's green competitiveness. Annual revenue from sold products compliant with EPEAT or equivalent standard was 15%[7] of the total revenue.

## EPEAT Environmental Performance

ASUS has been committing to R&D of green products and obtained green product certification after undergoing strict review by international environmental standards. Taking the EPEAT[8] ecolabel as an example, this standard is one of the most rigorous product environmental protection standards in the world. It is divided into ten categories : substance management, materials selection, product design, energy use, product and corporate footprint. Its focus is to minimize environmental impact throughout the entire lifecycle of the product.

After the revision of the EPEAT 2.0 standard in 2018, its requirements became more stringent. Asus continues to register products for certification, such as obtaining EPEAT certification, TCO environmental protection label from Sweden and Eco Mark from Japan for our laptops, desktop computers, LCD displays, etc. The environmental benefits brought by our products with an EPEAT ecolabel in 2022 are shown below through the Green Electronics Council (GEC) assessment tool. This is to show how the EPEAT certification has done a great job in reducing carbon emission and to demonstrate our determination to reduce the environment load. In response to the upcoming revision in EPEAT where more requirements will be imposed on corporate ESG performance, climate change mitigation, sustainable use of resources, and reduction of chemicals of concern, Asus will conduct relevant evaluations and work with our supply chain to address new challenges.




[6] For information on the revenue of Eco Friendly Products please refer to the Remark : The calculation base of environmental indicators. (Appendix, A-12)

[7] For information on the revenue of EPEAT certification or equivalent standards, please refer to the Remark : The calculation base of environmental indicators. (Appendix, A-12)

[8] The EPEAT (Electronic Product Environmental Assessment Tool) was jointly initiated by the US Environmental Protection Agency (EPA) and Institute of Electrical and Electronics Engineers (IEEE). The Tool follows ISO 14024 structure and serves as a symbolic of global eco-label for the IT industry.

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# 06 Climate Action

The 27th Conferences of the Parties of the United Nations Framework Convention on Climate Change (COP27, UNFCCC) in 2022 emphasized the need for countries around the world to accelerate carbon reduction actions and curb warming by 1.5°C. 2022 extreme weather events have ravaged the world. This is an indication that the climate crisis has become an "ongoing trend". In addition to actively reducing emissions, the world should also enhance its resilience to cope with the climate crisis. ASUS supports the goals of the Paris Agreement together with the targets and solutions drafted through scientific means. In addition to contributing to the environment and to society through innovation, we have integrated climate action into our operations policies by creating corresponding strategies set against major climate risks and opportunities. We use qualitative and quantitative methods to track progress.

## Actions

### Science-Based Targets(SBT)

Commit to meet SBT (science-based targets)

### RE100 Pathway for Global Operations

Map RE100 Pathway for ASUS headquarters by 2030 and global operations locations by 2035

### Carbon Reduction Projects for Key Suppliers

Conduct carbon reduction projects for key suppliers

## Performance

**34.6%**

Average energy efficiency of key products exceeded ENERGY STAR® by 34.6%

**RE15**

50% of our overseas locations used renewable energy and our global operating locations achieved RE15

**Reduced Emission Intensity by 30%**

Key suppliers have reduced emission intensity by approximately 30% compared to last year

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# IFRS Sustainability Disclosure Standards : Core Content

## Governance

Sustainability and Green Quality Management Center :

Analyze current global sustainability trend and promote climate action projects, and report the progress and performances of the projects quarterly to the Board of Directors

Business Continuity Management Committee :

As one of the Task Units of the Operations Sustainability Management Committee, the Sustainable Development Unit quarterly reports climate change related risk management indicators

GreenASUS and SERASUS Committee :

Responsible for horizontal cross departmental coordination and cooperation to implement sustainability strategies and climate action issues in products, operations, and value chain management

* For the corporate sustainable management organization chart, please refer to CH01 Sustainability Management

## Strategy

As the threat of climate change intensifies, "net zero emissions by 2050" has become a consensus in global climate actions. Nearly 140 countries across the world that produce 88% of global carbon emissions have promised to achieve net zero emissions by 2050. From here, we can see that the world is moving towards net zero emissions. ASUS has set science-based targets (SBT) for carbon emission reduction and initiated its climate actions in three stages: enhancing energy efficiency, expanding the utilization of renewable energy, and reducing emissions by means of innovative technologies to lead the value chain to net zero.

## Risk Management

| Risk Identification | Risk Control / Mitigation | Risk Monitoring / Reporting |
|---|---|---|
| • Evaluate major climate events with a risk matrix to identify the frequency and impact of risk events<br>• Identify the financial implications of prioritized physical and transition risks | • Incorporating climate risk as a key issue in continuous management<br>• Develop response strategies and monitoring mechanisms for climate risks | • Continuous monitoring and management of climate risks through the Business Continuity Management (BCM) committee, combined with operational practices to demonstrate organizational resilience |

### Risk and Opportunity Issues

**Transformation risks :**
- Carbon tax will increase operating costs
- Simulation of Carbon Border Adjustment Mechanism (CBAM)
- Efficient product improvement and customer behavior change

**Physical risks :**
- Extreme weather events - assembly plant's shutdown due to power outage
- Extreme weather events- land transportation disruption

**Risk adaptation opportunities :**
- Increase revenue from green products
- ASUS Carbon Partner Services

* For an explanation of risks and opportunities and financial impact assessment, please refer to Page 6-6 to 6-9 of this chapter

## Metrics and Targets

### Sustainability Goals

- Ensure that each year's key products demonstrate energyefficiency exceedthe ENERGY STAR® standard by 30%
- Ensure that key suppliers achieve a 30% reduction in carbon intensity by 2025
- Reduce 50% of carbon emissions from ASUS global operations location by 2030
- Use 100% renewable energy using rate in the headquarters by 2030; and in global operations location by 2035

Please refer to CH04 2025 Sustainability Goals for the target progress.

In order for investors and stakeholders to understand our corresponding actions, we adopted the TCFD (Task Force on Climate-related Financial Disclosures) issued by FSB (Financial Stability Board) to disclose governance, strategy, risk management and metrics and targets to address climate change.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

ASUS's TCFD Report

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# Climate Initiative

| SBTi | RE100 | Taiwan Climate Partnership |
|---|---|---|
| ASUS has committed to meet SBTi's scientific reduction goals and follow a reduction path of 1.5 ° C towards net zero.<br><br>SBTi is a third-party certified scientific method based on the global carbon budget scenario of limiting global warming to 1.5℃. It is a method that businesses can use to develop their carbon reduction targets. | In 2021, ASUS joined RE100 and jointly announced the goal of 100% use of renewable energy with over 400 companies worldwide.<br><br>ASUS has promised to use 100% renewable energy in its headquarters by 2030 and to do the same in its global operations locations by 2035. | ASUS is a founding member of the Taiwan Climate Partnership with a comittment to lead its supply chain to improve energy efficiency and promote low-carbon manufacturing to achieve carbon reduction goals.<br><br>The Taiwan Climate Partnership was jointly initiated and established by eight major technology companies, with the aim of leveraging the power of partners within the alliance to assist the industy to make net zero transition. |

## ASUS Net Zero Vision

As the threat of climate change intensifies, "net zero emissions by 2050" has become the consensus in global climate actions. Nearly 140 countries across the world that produce 88% of global carbon emissions have pledged to achieve net zero emissions by 2050, demonstrating that the world is moving towards net zero emissions. ASUS set science-based targets (SBT) for carbon emission reduction and initiated our climate actions in three stages: enhance energy efficiency, expand the use of renewable energy, and remove residual emissions by innovative technology, to lead the value chain to net zero.

| Enhance energy efficiency | Expand the use of renewable energy | Innovative technologies |
|---|---|---|
| **2025**<br>Ensure energy efficiency of products reaches 30% above the ENERGY STAR® standard<br>Achieve a 30% reduction in carbon intensity rates in the supply chain | **2030**<br>Use 100% renewable energy in Taiwan-based operations centers<br>**2035**<br>Use 100% renewable energy in global operations centers | **2050**<br>Invest in innovative technologies<br>Remove residual emissions<br>Lead the value chain to net zero |

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# Greenhouse Gas Inventory

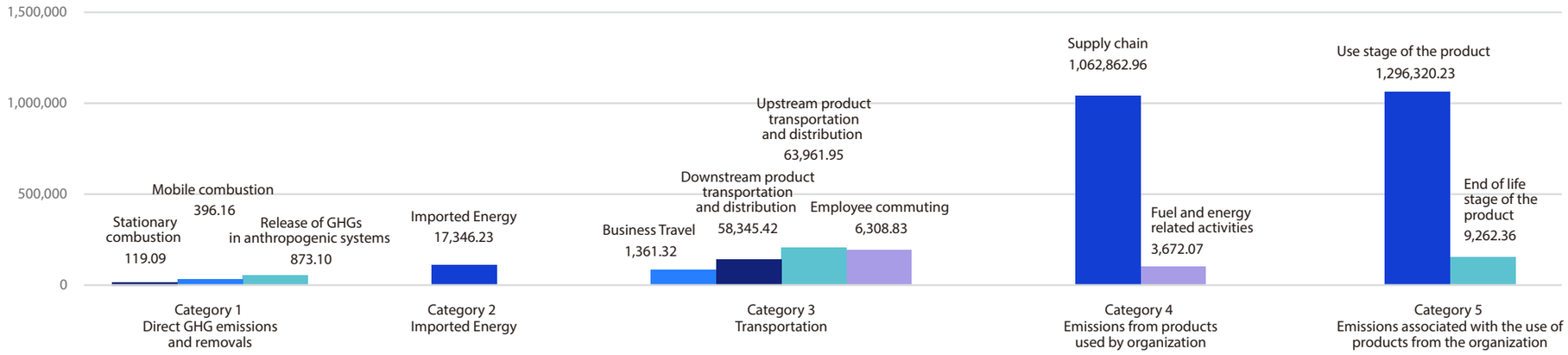
## Materiality Identification

Since 2007, ASUS has begun to conduct annual greenhouse gas inventory and complete third-party verification in accordance with ISO 14064-1:2018. In order to keep up to date with the carbon emissions situation at ASUS, we will redefine and identify emissions that may impact ASUS operations, and expand the scope of emission inventory as a key focus of the revision in 2023. To identify operational materiality indicators, ASUS adopts the indicators recommended by the GHG Protocol[1] to establish criteria for operational relevance, quantification methods, carbon emission coefficients, data quality, carbon reduction potential, and stakeholders. We will also identify the emissions that is of most materiality to ASUS operations according to the score of the emission.

Based on the above identification criteria and scoring results, the operational material emissions at ASUS in 2022 are direct GHG emissions (Category 1), indirect GHG emissions from imported energy (Category 2), emissions from upstream transportation and distribution for goods, emissions from downstream product transportation and distribution for goods, emissions from employee commuting includes emissions and emissions from business travels (Category 3), emissions from raw material procurement (supply chain), fuel and energy related activities (Category 4), emissions from the use stage of the product and emissions from end of life stage of the product (Category 5). Compared to 2021, new inventory items such as emissions from " emissions from upstream transportation and distribution for goods ", " emissions from employee commuting includes emissions ", "fuel and energy related activities", and "emissions from end of life stage of the product" are added this year. In 2022, the total carbon emissions at ASUS global operating locations[2] were 2,520,829.72 tonnes CO2e tonnes, with an emission intensity of 1.39 tonnes CO2e / Million USD.

## Greenhouse Gas Emissions

Unit: tonnes CO2e




[1] The indicators recommended by the GHG Protocol include emission size, carbon reduction potential, operational risk, stakeholders, outsourcing, sector guidance, and others.

[2] According to the parent and subsidiary companies listed in the consolidated financial statements of the current year in relation to the global operations of ASUS products, and adopt the operational control method to subsidiaries we don't have controlling rights.

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## Category 1 : Direct GHG emissions and removals

The direct emission source of ASUS is the emissions generated by the use of fuel for fire-fighting equipment, backup generators, and company cars.

| Category | Type of Energy | Activity Data | Carbon Emission (tonnes CO2e) | Total Carbon Emission (tonnes CO2e) |
|---|---|---|---|---|
| **Direct emissions from stationary combustion** | (Emergency generator) Diesel | 2,186.28 L | 5.85 | 1,388.35 |
| | (Boiler) Natural gas | 16,121 $M^3$ | 34.82 | |
| | (Heating) Natural gas | 37,395.69 $M^3$ | 78.42 | |
| **Direct emissions from mobile combustion** | (Office vehicle) Diesel | 105,340.22 L | 278.75 | |
| | (Office vehicle) Gasoline | 44,424.50 L | 117.41 | |
| **Direct fugitive emissions arise from the release of GHGs in anthropogenic systems** | Including refrigerant equipment | 9,447.2 KG | 873.10 | |

## Category 2 : Indirect GHG emissions from imported energy

ASUS purchases electricity as its main source of energy, so the information on electricity usage and carbon emissions at its Global Operating locations is as follows :

| Category | Headquarters | Mainland China | Overseas | Total |
|---|---|---|---|---|
| **Electricity Usage (MWh)** | 28,773 | 7,497 | 4,972 | 41,242 |
| **Location-based Carbon Emission (tonnes CO2e)** | 14,645.30 | 4,282.87 | 2,052.48 | 20,980.65 |
| **Market-based Carbon Emission (tonnes CO2e)** | 14,645.30 | 862.87 | 1,838.06 | 17,346.23 |

## Category 3 : Indirect GHG emissions from transportation

- **Emissions from upstream product transportation and distribution :**
  The carbon emissions from laptops, desktop computers, all-in-one computers, and monitors product lines from the parts factory to the HUB, and finally to the OEM factory, are 63,961.95 tonnes CO2e
- **Emissions from downstream product transportation and distribution[3] :**
  The carbon emissions from laptops, desktop computers, all-in-one computers, and monitors product lines from the parts factory to the HUB, and finally to the OEM factory, are 58,345.42 tonnes CO2e
- **Emissions from employee commuting includes emissions :**
  In 2022, the carbon emissions generated by commuting of employees at ASUS headquarters were 6,308.83 tonnes CO2e
- **Business travels :**
  In 2022[4], the total carbon emissions from business travels[5] of employees at ASUS headquarters were 1,361.32 tonnes CO2e

## Category 4 : Indirect GHG emissions from products used by organization

- **Supply chain (Purchased goods and services) :**
  The total carbon emissions from our key suppliers are 1,062,862.96 tonnes CO2e with emissions intensity of 88.34 tonnes CO2e/ Million USD which is about 30% lower than last year's emission intensity
- **Fuel and energy related activities :**
  The total carbon emissions from upstream fuel and electricity procurement are 3,672.07 tonnes CO2e

## Category 5 : Indirect GHG emissions associated with the use of products from the organization

- **Emissions from the use stage of the product :**
  ASUS has expanded its recognition of carbon emissions during the usage stage, with a total carbon emissions of 1,296,320.23 tonnes CO2e and an emission intensity of 97.03 tonnes CO2e / Million USD (a one-year emission intensity of 23.83 tonnes CO2e / Million USD), based on the 4-year service life of the products sold. This represents a decrease of approximately 12.64% in emission intensity compared to last year.
- **Emissions from end of life stage of the product :**
  The final disposal of products sold globally includes the transportation stage from recycling stations to treatment plants, as well as the disposal stage. Total carbon emissions are 9,262.36 tonnes of carbon dioxide equivalent

[3] Business travels on land are not included in the calculation due to low significance on results.
[4] Key suppliers are makers of ICs, PCBs, mechanical components, cables, panels, HDDs, adapters, batteries, keyboards or assembly plants.
[5] ASUS calculates its carbon emissions by evaluating the weight and distance of the transported products based on the emission coefficient of each transportation method from Well to Wheel.

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# Risk Management

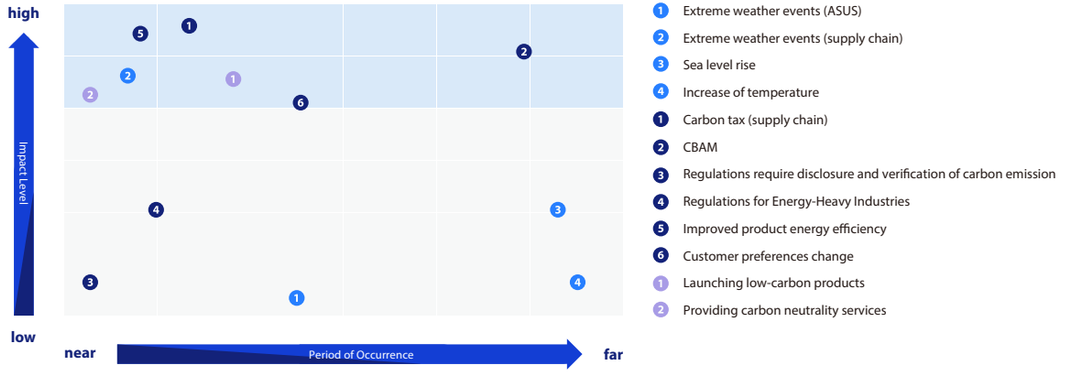
The World Meteorological Organization (WMO)[6] stated that "continuing climate change, an increasing occurrence and intensification of extreme events, and severe losses and damage, affect economy, society, and the environment. On the other hand, after the Paris Agreement came into effect, the world has accelerated its pace towards a low-carbon economy with a common goal of limiting earth's warming to 2 ℃ above the pre-industrial levels by the end of the century, and striving not to exceed 1.5 ℃ . This means that global businesses will jointly bear the potential impact of climate change risks on their operations. To mitigate the impact of climate change, they also provide innovative low-carbon products or services to create momentum for business growth.

## Climate Risk and Opportunity Identification

Based on the TCFD framework, ASUS identifies climate risks and opportunities, chooses those that have high impacts on our operations, and evaluates their values by defining how different levels of impact and different stages of occurrence will affect us. ASUS identifies and measures risks and opportunities from climate change, with physical risks that include extreme weather events (supply chain), transformation risks that include carbon tax (supply chain), CBAM, Improved product energy efficiency, and customer preferences change, and opportunities that include launching low-carbon products and providing carbon neutrality services.

ASUS fully understands that transformation risks and physical risks will have varying degrees of impact on sustainable operations. The World Energy Outlook (WEO) released by the International Energy Agency (IEA) in 2022 has scenarios such as “Stated Policies Scenario" (STEPS), "Announced Pledges Scenario" (APS), and "Net Zero Emissions by 2050 Scenario (NZE) for the global carbon reduction pathway. ASUS believes that countries around the world will shift from stated policies scenarios to net zero emission scenarios on the pathway of net zero carbon reduction. Therefore, we adopt the stated policies scenario as the compliant BAU scenario and the net zero emission scenario as the compliant NZE scenario for our transformation risks.

In addition to taking a TCFD recommendation to simulate scenarios of the IEA and joining the SBTi commitment in 2023, we will also set our 2050 carbon reduction target and initiatively add a SBTi pathway to evaluate the financial impact from our transformation risks.




### Risk

| Simulation scenarios | Sources of Scenario | Scenario Description | Simulation Scenario Corresponding to ASUS Transition Risk |
|---|---|---|---|
| **Compliance** | IEA, Stated Policies Scenario (STEPS) | It includes the specific contents of policies that have been announced so far and is intended to highlight the impact of the announced policies on future energy systems The temperature might increase by about 3°C. | Compliant BAU Scenario |
| | IEA, Announced Pledges Scenario (APS) | Refer to the latest global commitments to the climate, including nationally determined contributions and long-term net zero targets, and pledge to implement carbon reduction according to the planned timeline. The temperature might increase by about 1.8°C. | |
| | IEA, Net Zero Emissions by 2050 Scenario, NZE | The scenario of achieving net zero emissions by 2050. The temperature might increase by about 1.5°C. | Compliant NZE Scenario |
| **Voluntary** | SBTi reduction commitment | Meet the 2030 Near Term and 2050 Long Term reduction targets defined by SBT | ASUS SBT scenario |

[6] https://public.wmo.int/en/media/press-release/climate-change-indicators-and-impacts-worsened-2020

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ASUS referenced the methodology in the sixth Assessment Report (AR6) published by the Intergovernmental Panel on Climate Change (IPCC) in August 2021 to evaluate physical risks ASUS may encounter[7]. AR6 provided the "Shared Socioeconomic Pathways" (SSPs) evaluation method and established an integrated model based on currently quantifiable and measurable data. It uses different descriptive scenarios to simulate future social and economic conditions. In addition to the SSP Scenario, AR6 also included radiative forcing in Representative Concentration Pathways (RCP)[8] Scenario from AR5 to evaluate future climate trends[9].

| Scenario SSPx-y[10] | SSP Description | RCP Description | Short Term (2021-2040) | Medium Term (2041-2060) | Long Term (2081-2100) | Simulation Scenario Corresponding to ASUS Physical Risk |
|---|---|---|---|---|---|---|
| **SSP1-1.9** | Sustainability | Global warming slowing down | 1.5 | 1.6 | 1.4 | |
| **SSP1-2.6** | | | 1.5 | 1.7 | 1.8 | |
| **SSP2-4.5** | Middle of the road | Global warming accelerating | 1.5 | 2.0 | 2.7 | |
| **SSP3-7.0** | Regional rivalry | | 1.6 | 2.1 | 3.6 | |
| **SSP5-8.5** | Fossil-Fueled Development | | 1.6 | 2.4 | 4.4 | The most serious impact on operations |

## Opportunity

Considering that TCFD has not yet provided a suggested methodology for scenario simulation to address the opportunities brought about by climate change, ASUS refer to the IPCC's definition of reduction and adaptation to identify potential sources of opportunities that climate change may bring to ASUS.
Our carbon reduction opportunities mainly come from reducing the carbon footprint of our products and providing low-carbon products to customers. Our climate adaptation opportunities are from ASUS carbon neutral services that not only can help our customers reach their net zero goals, but also indirectly protect forests and slow down global climate change with our high-quality carbon credits.

| Opportunities under climate change | IPCC definition |
|---|---|
| **Risk reduction opportunities** | Reducing the sources of greenhouse gases (GHGs) through human efforts |
| **Risk adaptation opportunities** | Propose ways to avoid climate impacts and create opportunities to improve climate change when adapting to actual or expected weather condition and its impacts |

[7] The World Climate Research Programme of the WMO activated the Coupled Model Intercomparison Project (CMIP) in 1995 to integrate the climate simulation capacity of major meteorological research centers across the world. They followed internationally recognized modeling protocols to systematically conduct climate change simulations and projections using their own developed climate models. These results were the primary scientific basis for writing the IPCC's climate change assessment reports. AR6 used data from the CMIP. Source: https://newsletter.sinica.edu.tw/1468/

[8] RCP measures the degree to which the energy balance of the Earth-atmosphere system is affected by changes in the factors that affect climate. Source: https://www.cwb.gov.tw/V8/C/K/Qa/qa_2_1.html

[9] Source: Framework and summary of the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and IPCC assessment report, https://tccip.ncdr.nat.gov.tw/upload/activity_agenda/20211118205605.pdf

[10] The “x” in SSPx-y stands for the socioeconomic pathway and the“y” stands for the approximate level of radiative forcing. Source: The Sixth Assessment Report (AR6) Working Group I (WGI) summary, published by the Intergovernmental Panel on Climate Change (IPCC) Source: https://eicca.itri.org.tw/ePaperDownload/48744886-082a-49bc-bed5-1bf2fb8ea21f

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# Risk and opportunity sources and scenario simulation results

Based on the risks and opportunities identified above, the assumptions and evaluation results of the simulation scenarios are described as follows :

- **Increase in operation costs caused by carbon tax**

### Scenario assumptions

- Governments use policy tools such as carbon tax to reduce carbon emissions in order to comply with the Paris Agreement or achieve nationally determined contributions (NDCs). Mainland China has promised that its NDCs, based on 2005, will achieve "peak carbon dioxide emissions" by 2030 and "carbon neutrality" by 2060. Therefore, we assume that Mainland China will begin to implement its carbon tax system in 2030. Most of the suppliers in ASUS supply chain are in Mainland China. If we impose carbon tax on our suppliers, the carbon tax costs will be passed on to us, so that our product production costs will increase.
- The sources of growth for carbon emissions in ASUS supply chain are based on reasonable estimation of ASUS global sales growth rate and with reference to global growth rate of electronic equipment. The amount of carbon tax in 2030 is estimated based on the national carbon market transaction prices in Mainland China, with an estimated carbon price of $18.67/tonne in 2030 and $200/tonne in 2050 (IEA, 2022).

### Financial Impact Assessment on ASUS

Based on the SBT carbon reduction scenario, ASUS estimates the present discounted value of carbon tax costs generated by supply chain carbon emissions in 2030 will account for about 0.06%~0.08% of our combined revenue in 2022. The discounted value in the BAU compliant scenario and the NZE compliant scenario will be 50% and 26% less respectively.

- **Carbon Border Adjustment Mechanism (CBAM) of the European Union**

### Scenario assumptions

- The European Commission announced the “Fit for 55” climate change plan on July 14, 2021, requiring the 27 EU countries to achieve a collective goal of reducing net greenhouse gas emissions by 55% by 2030 compared to the 1990 levels. In order to achieve the above goals and maintain the international competitiveness of its enterprises, the European Union announced the Carbon Border Adjustment Mechanism (CBAM) with the aim of requiring all trading partners to bear the same carbon costs as the businesses within the EU. The bill will be piloted in October 2023 and officially come into effect in 2026.
- According to the CBAM bill, some imported products have been included in the regulatory scope for indirect emissions. Before the bill comes into effect, consideration will be given to expanding the scope of the industries to be regulated. It is expected that electronic products may be included in the subsequent regulatory list. Therefore, ASUS has evaluated in advance the potential impact of the implementing CBAM on product exports to the European Union.
- In recent years, the carbon footprint of ASUS laptop products has averaged about 0.3 tonnes per unit. The CBAM carbon price is estimated based on the transaction price of the European Union Emission Trading Scheme (EU ETS).

### Financial Impact Assessment on ASUS

Based on the SBT carbon reduction scenario, Asus estimates the present discounted value of carbon tax costs generated by CBAM in 2027 will account for about 4.5%of our laptop products revenue in 2022. The discounted value in the BAU compliant scenario and the NZE compliant scenario will be 30% and 7% less respectively.

- **Efficient product improvement and customer behavior change**

### Scenario assumptions

According to a survey on consumer purchase intentions conducted by First Insight and Wharton Business School, consumers are paying more and more for sustainable products every year. In addition, a survey on oversea consumer trends conducted by Simon Kucher&Partners reveals a significant increase in the willingness of the new generation to purchase sustainable products.

### Financial Impact Assessment on ASUS

ASUS main products have met ENERGY STAR® requirements since 2013. Even though ENERGY STAR® has made numerous revisions with increasingly stringent requirements, ASUS products are always meeting the standards due to our superior energy-saving design with an average of 30% above the ENERGY STAR® standard and with no potential risks.

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- **Extreme weather events- assembly plant shutdown due to power outage**

**Background and Assumptions of Risk Sources**

- Extreme weather events impact people and industries in environmentally fragile areas and have a negative impact on ASUS supply chain. The occurrence of heavy rainfall and drought often cause uneven rainfall distribution, which has a significant impact on hydroelectric power generation and leads to unstable power supply and power outages. These would in turn affect suppliers' normal operations and deliveries, and pose risks to ASUS operations and reputation that cannot be ignored.
- ASUS main revenue product assembly plant is located in Chongqing, Mainland China. According to Mainland China "2050 High Renewable Energy Penetration Scenario and Roadmap Study", power generated by renewable energy will reach 86% with 14% hydropower. This shows that hydropower will become one of the key sources of power supply in Chongqing in the future.
- The area where the ASUS product assembly plant is located is powered by the Ertan Power Plant. Shutdown of the assembly plant due to unstable power supply caused by extreme weather events may carry a finanical impact.

**Financial Impact Assessment on ASUS**

According to Zhao et al. (2022) and the CIMP6 model, ASUS estimates that under the SP5-8.5 scenario, the annual power reduction in Chongqing in 2050 will result in power outages, and the amount of downtime losses calculated based on the number of days with power outages will account for 0.22% of our laptop products revenue in 2022.

- **Extreme weather events- land transportation disruption**

**Background and Assumptions of Risk Sources**

- Extreme weather events such as heavy rainfall often result in road flooding or waterlogging, making it difficult for vehicles to pass through, so that our delivery will be delayed and our reputation will be damaged.
- ASUS main revenue product assembly plant is located in Chongqing, Mainland China. As it is a place full of multi-river confluence terrains, the main reason for the 2020 flooding was because rivers overflowed in the upstream due to heavy showers, resulting in flooding in many parts of the city.
- According to Wang et al. (2022), under the SSP5-8.5 scenario, the rainfall in the main upstream river basins of Chongqing will increase by 5.3% by 2050, and the probability of flooding in Chongqing for 3, 7, and 15 consecutive days will be 3.88%, 3.42%, and 3.12% respectively.

**Financial Impact Assessment on ASUS**

According to the research by Wang et al. (2022), we estimate the amount of downtime losses caused by rainstorm flooding in Chongqing in 2050 will account for 0.03~0.12% of our laptop products revenue in 2022.

- **Risk mitigation opportunities - by increasing green product revenue**

ASUS continues to meet customer expectations for green products and meet green procurement specifications by improving product energy efficiency and using low-carbon materials to reduce product carbon footprint and increase ASUS green product revenue. We estimate that green product revenue in 2030 will achieve for 50% of our green product revenue.

- **Risk adaptation opportunities - by providing carbon neutrality services**

ASUS provides carbon neutrality services to assist our customers in purchasing carbon credit to offset their greenhouse gas emissions, and to increase our green service revenue. It is estimated that our carbon neutrality revenue in 2030 will account for 0.02-0.15% of our 2022 green product revenue.

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# Actions Taken

## Increase energy efficiency

### Low Carbon Products

ASUS quantifies the potential environmental impacts it may cause in accordance with ISO 14040 and 14044 Life Cycle Assessment (LCA) standards. In order to reduce the carbon footprint generated by our products in their lifecycle, we apply a circular economy mindset into our product design and services, use eco-friendly materials, improve energy efficiency, and extend usage cycles in our transition to low-carbon product development.

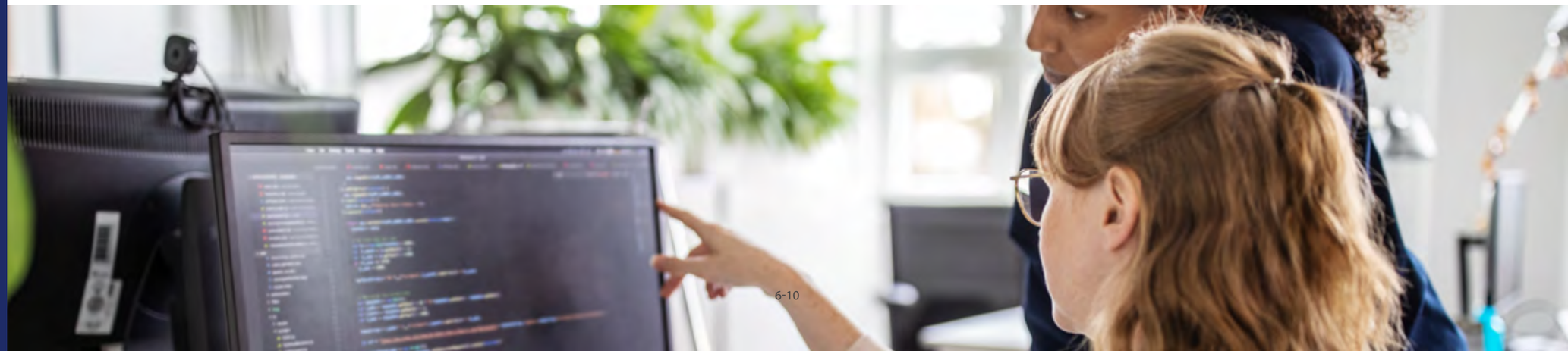
The amount of plastic used in ASUS products accounts for over 30% of the overall weight of the mainstream products, making it the most commonly used material. Therefore, we work with our major raw material suppliers to explore ways to increase the use of Post Consumer Recycled Plastic (PCR) as much as possible without compromising high quality and durability of ASUS products. Since 2017, more than 1,689 tonnes of recycled plastic have been used in our major products, resulting in a cumulative reduction of approximately 11,607 tonnes of $CO_2e$ carbon emissions.

The ENERGY STAR® Program is the strictest energy efficiency program in the world. Continuously reduce carbon emissions during product use by making our software and hardware more energy efficient. The energy efficiency design of our main products is above the ENERGY STAR® standards. Our external power supplies use the highest energy efficiency level in the market, Level VI, to overcome sales obstacles caused by global energy efficiency laws and create competitiveness in the green product market. ASUS newly launched commercial and consumer laptops in 2022 outperform ENERGY STAR® standards by an average of 34.6%.

### Supply Chain Carbon Reduction

The supply chain is the main source of greenhouse gas emissions for ASUS. We have analyzed over 100,000 data from environmental footprint surveys over the years and identified key suppliers with emissions exceeding 90%, including makers of panels, motherboards, ICs, wires, power supplies, mechanical components, keyboards, batteries, hard drives, and assembly plants. We also work with them on carbon reduction engagement and communication programs.

The ASUS Carbon Reduction Engagement and Communication Program aims to encourage our suppliers to continuously expand their use of renewable energy, actively request them to improve energy efficiency, and assist them in setting their greenhouse gas reduction targets and SBT reduction targets. In 2022, the proportion of our suppliers in solar power generation increased by 8% compared to 2021, while the proportion in setting greenhouse gas reduction targets was up by 8% compared to 2021. 33% of our suppliers obtained ISO14064 third-party verification, while 29% of them obtained ISO50001 certification.



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Case Study

### ASUS Key Supplier Carbon Reduction Engagement and Counseling Program

To lead our key suppliers to take proactive carbon reduction actions and achieve the sustainable goal of reducing greenhouse gas emissions intensity by 30% by 2025. The Key Supplier Carbon Reduction Engagement and Counseling Program was initiated in 2021. The ASUS Sustainability Team will discuss with our suppliers to develop carbon reduction actions and targets that align with the commercial nature of the supply chain, and conduct quarterly surveys on greenhouse gas emissions data to review the progress of carbon reduction. We also work on this project with the Sustainable Technology Management Research Office of National Taipei University of Technology to regularly share international trends in carbon reduction with our suppliers and assist them in using decision matrix tools to develop their carbon reduction strategies.

**Engagement and counseling process**

| Inventory on suppliers' carbon reduction plans | Training on carbon reduction professional skills | Provide suggestions and goals for carbon reduction actions | Regularly track carbon reduction progress |
|---|---|---|---|
| Complete communication and investigation with 100% of our key suppliers :<br>• Conduct communications on ASUS 2025 carbon reduction goals<br>• Keep track of suppliers' carbon reduction capabilities and goals | • Hold 2 carbon reduction forums for all employees<br>• Hold5 carbon reduction forums with individual suppliers | • Provide methodology and tools for carbon reduction decision matrix | • Track carbon reduction progress quarterly<br>• Adjust carbon reduction strategies when necessary |

**Key Supplier Carbon Reduction Pathway**

**2022 :** Map manufacturing processes for key components and identify emission hotspots such as equipment with high energy consumption and processes with high carbon emissions.

**2023 :** Map carbon reduction paths for key components based on emission hotspots and suppliers' capacity of reducing carbon emissions.

**2024-2025 :** work with our suppliers on the project to promote carbon reduction technologies in low-carbon materials, process optimization, equipment energy efficiency improvement, and renewable energy.

## Expand the use of Renewable Energy

### Operation Headquarters Have Received the LEED Platinum Certification

ASUS' carbon emissions came from the use of electricity for office operations. Since 2015, we have built up the ISO 50001 Energy management system to identify hot spots of high energy consumption and improve energy efficiency. Both of our operation headquarters have received the LEED Platinum certification, the top certification for green buildings. We aim to reduce electricity consumption by 1% each year and we have achieved the marginal benefits for improving energy efficiency. The development of renewable energy will become a necessary measure. ASUS signed the memorandum of understanding with renewable energy companies. We map out the short, medium, and long-term renewable energy pathways by analyzing the most appropriate scenarios for using renewable energy in global operations and gradually increase the utilization rate.

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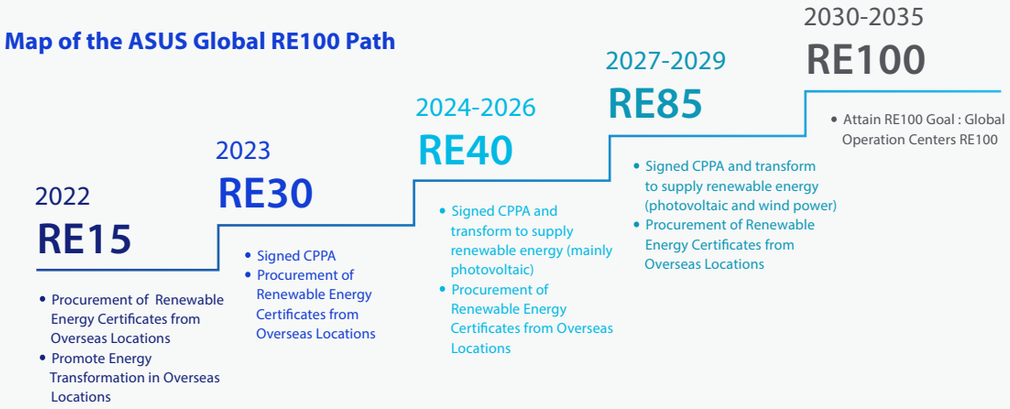
**Case of energy saving transformation — Transformation of heating equipment in Swiss office :** In Europe and America, indoor heating is a necessary household appliance that uses fuel and gas as its main source of energy. This is one of the factors contributing to global warming. In response to ASUS net zero carbon reduction goal, our Swiss office took the lead in replacing high carbon emission fuel heating equipment with electric heating equipment, which is more compact and safer compared to traditional models. ASUS also signed a renewable energy supply contract with a Zurich power Company, EWZ, to ensure that 100% of the electricity source for heating equipment comes from clean energy, and to demonstrate our commitment to net zero carbon reduction.

**Case of accelerating energy transformation — Use of renewable energy in Dutch office :** The Dutch government is promoting innovation in renewable energy by encouraging the power industry to accelerate the development of clean energy sources such as wind, hydropower, and photovoltaics, with the comittiment to reduce greenhouse gas emissions by 49% by 2030. To comply with government policies, ASUS is taking energy-saving measures in our Dutch office and signed a renewable energy supply contract with Eneco. Our Dutch office uses 81.5% renewable power sources, which is an increase of 2.1% compared to last year.

**Pathway of introducing renewable energy :** ASUS adheres to the RE100 organization's recognition of renewable energy by purchasing renewable energy technologies that are beneficial for improving the environment and reducing carbon emissions, such as wind energy, photovoltaic energy, geothermal energy, and hydropower. We are also in line with the renewable energy supply and matching system to achieve our RE100 target. In our strategies of purchasing renewable energy, ASUS will also take into consideration our global presence and the current situation of the renewable energy market before planning a phased renewable energy procurement goal, and working closely with the renewable energy industry. In 2022, ASUS expanded the use of renewable energy to our main overseas operating sites to achieve 50% of our overseas offices using renewable energy, and achieve RE15 for our global operating locations. To keep up with the development trend of renewable energy technology, we will adjust our procurement ratio of renewable energy in a rolling manner and take into consideration the level of commercialization of new renewable energy technology, gradually incorporating it into the ASUS RE100 energy portfolio to balance the company's profit momentum and carbon reduction obligations to move towards RE100.

**Map of the ASUS Global RE100 Path**




**2022 Achievement**

- 50% of our overseas locations used renewable energy and our global operating locations achieved RE15.
- Established a regular review mechanism for the renewable energy market and compliance policies.
- Established an optimal procurement plan for wind, solar, and water in accordance with the RE100 definition.
- Established ASUS Global Operation RE100 Path by 2035.

## Innovative technologies

The technologies needed to achieve the net zero goal by 2050 according to the IEA net zero report, except for wind power generation, solar photovoltaic and electric vehicles which are mature commercial technologies, are mostly prototype carbon reduction technologies, which still requires technological breakthroughs and market testing. That is why we are striving to keep up with the technological development trends and innovation feasibility. In 2022, we used the vertical accelerator platform of ASUS and Taitah Entrepreneurship Center to seek external innovative technologies, such as carbon capture and storage, carbon rights trading platforms, and waste plastic recycling. We have also evaluated the connection with and the need for innovative technologies, and provided a proof of concept (POC) field for new startups. We hope to accelerate the commercialization of forward-looking technologies and contribute to the global net zero target through multiple resource investments. ASUS will choose technologies with high carbon reduction potential and commercial feasibility to actively participate in the international carbon market, so that we can not only achieve our net zero target, but also create momentum for new profits.

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# 07 Responsible Manufacturing

Stakeholders have begun to pay more attention to whether companies consider fair labor, environmental protection, and cost reductions, as well as risks related to potential damage to the brand or supply disruption during the procurement and manufacturing processes. To build a more sustainable supply chain, we included the suppliers' ESG performance into the procurement decision and management process. We have established a responsible and transparent supply chain management framework that requires suppliers to have a safe working environment, no forced labor or child labor, respect and protection for employees, avoidance of environmental degradation, and compliance with business ethics. We also ensure suppliers' compliance with ASUS' Code of Conduct through annual audits and supervision projects. As we lead the supply chain towards sustainability transition and reduce potential risks in the supply chain, we also make substantial contribution to the UN SDGs.

## Actions

### Sustainable Supply Chain Platform
Implement digital management for the supply chain and establish a sustainable supply chain platform

### Optimize Supply Chain Management
Strengthen labor human rights protection and optimize the risk management in the sustainable supply chain

### Carbon Reduction Projects
Integrate with the international climate actions to promote carbon reduction projects in key supply chains

## Performance

**100%**
Completed annual ESG audit for all high-risk suppliers

**410,000**
Protected the labor rights of more than 410,000 works[1]

**100%**
100% of the key metals (tantalum, tin, tungsten, gold) are from qualified smelters

[1] Accumulate from 2013 to 2022.

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# IFRS Sustainability Disclosure Standards : Core Content

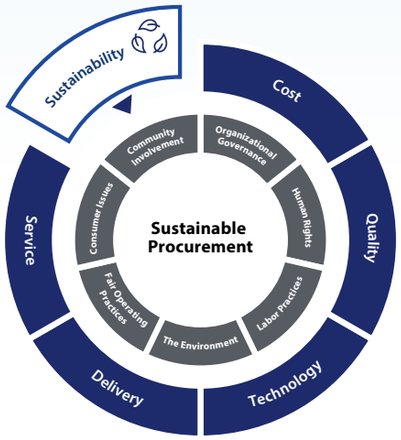
## Governance

Sustainability and Green Quality Management Center: Analyzes global sustainability condition and implementation, improve and promote supplier sustainability management through risk grading and auditing

Business Continuity Management Committee: Consistently appoints our supply chain as one of the task units of the Business Continuity Management Committee to quarterly report on related risk management indicators

* For the corporate sustainable management organization chart, please refer to CH01 Sustainability Management

## Strategy




ASUS believes that sustainable management of a business should not be limited to the business itself, but we should also properly address the indirect environmental and social impacts that may be caused by the supply chain. Based on the ISO 20400 Sustainable Procurement Guidelines and seven core issues in ISO 26000: organizational governance, human rights, labor practices, environment, fair operation, customer issues, community engagement and development, and their relationship with different stages of the value chain from raw materials, manufacturing, transportation, use, to disposal, we map out our management actions by identifying major sustainability risks to human rights, labor practices, and the environment.

In ASUS supply chain management process, in addition to considering traditional aspects such as quality, delivery time, cost, and service, we also include the supplier's sustainable performance as an important management indicator to develop our environmental, social, and governance sustainable management strategies and lead our supply chain to transit to a sustainable future. ASUS Sustainable Procurement has passed third-party SGS performance evaluation to demonstrate out commitment to implementing procurement policies and practices. In 2020, ASUS was highly praised for obtaining the world's first ISO 20400 Sustainable Procurement Guidelines performance evaluation certification.

ASUS Identified major risk issues including damage to business reputation caused by labor and environmental situations in the supply chain.

Major risk issues and potential operational impacts are explained as follows:

| Risk | Risk Description | Potential Operational Impact |
|---|---|---|
| Damage to Business reputation caused by labor incidents in the supply chain | As geopolitical influence brings more awareness to human rights in the supply chain in the context of international trading, governments around the world are making laws to safeguards such rights. | Violating international human rights laws and regulations will directly or indirectly affect product exports and damage business reputation. |
| Damage to business reputation caused by supply chain environmental incidents | All ASUS products are outsourced to suppliers for production, and there may be incidents of violating local environmental regulations | Financial and reputation losses caused by fines for environmental incidents |

## Risk Management

| Risk Identification | Risk Control/Mitigation | Risk Monitoring/Reporting |
|---|---|---|
| • Identify risky suppliers based on the seven major aspects of the RBA Code of Conduct<br>• Identify the impact level of risk events | • Grade risky suppliers and conduct second-party or third-party on-site sustainability audits<br>• Identify potential operational impacts from prioritized risks<br>• Carry out Engagement and Communication Program with suppliers with deficiencies to make improvements | • We will evaluate the suppliers' performance as part of the ASUS sustainability assessment program and as a basis for order allocation and Continuous collaboration |

**Prevention plan for major risk issues :**

Damage to reputation caused by supply chain labor and environmental incidents

- Manage human rights and focus on-site audits on workers. Add a human rights indicator for forced labor and increase the number of production line personnel for in one-on-one interviews
- Conduct annual due diligence on conflict minerals to identify unqualified suppliers, and request transition plan to qualified smelters within a specified date
- Conduct annual environmental footprint surveys on suppliers to monitor their environmental management systems, greenhouse gases, and water resources, and management goals

## Metrics and Targets

**2025 Sustainability**

- Achieve labor and human rights goals by completing 100% of RBA third-party audits of key suppliers and ensure that any necessary corrective actions are taken
- Use responsible mineral by sourcing 100% tantalum, tin, tungsten, gold, and cobalt from qualified smelters
- Strengthen information security across the supply chain by ensuring that key suppliers demonstrate 100% compliance with information security regulations

Please refer to CH04 2025 Sustainability Goals for the target progress

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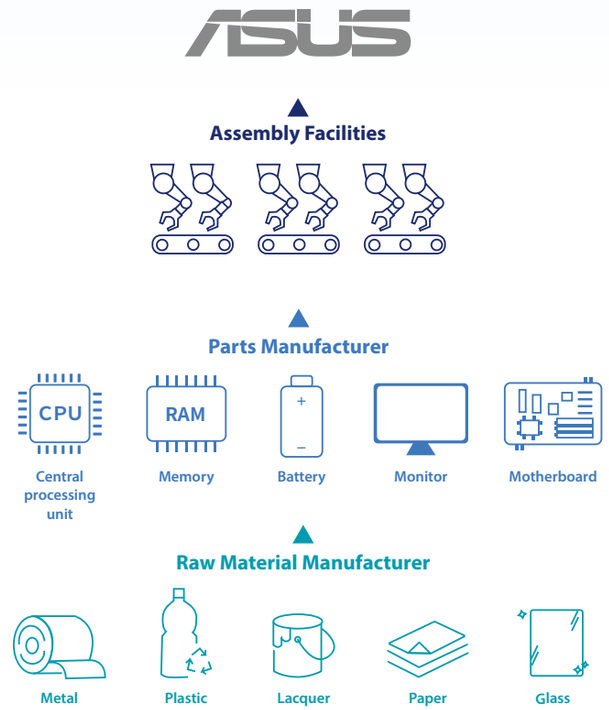
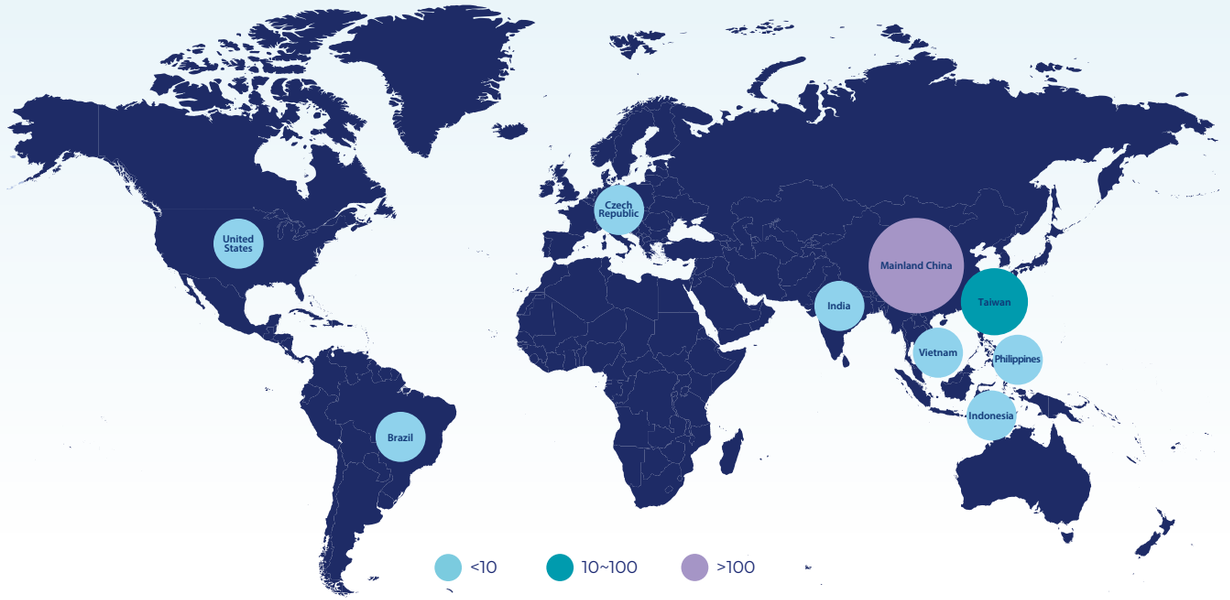
# Sustainable Procurement

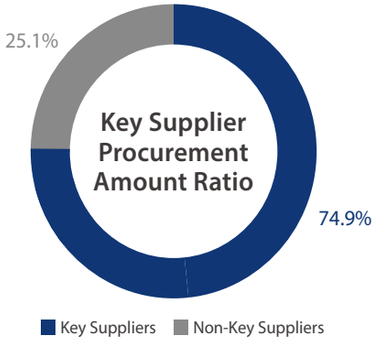
As a global leader in information communication technology industry, ASUS has cooperated with more than 700 suppliers, including product assembly plants and component suppliers, mainly located in Mainland China.

We define the key suppliers based on the procurement amount, supply limitations, key technologies, and other indicators, and work closely with key suppliers to maintain stable material supply and services. We help suppliers to build a safe workplace, to protect the health of staff, to reduce the environmental impact caused by factories, and assist suppliers in sustainable management to ensure stable production.

## Supply Chain of ASUS




**Key supplier categories**

- IC base (CPU, Memory, chipset)
- Mainboard
- Mechanism
- Power cord
- Panel
- Hard disk drive
- Power supply unit
- Battery
- Keyboard

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## Supplier Code of Conduct

ASUS became a full member of Responsible Business Alliance (RBA) in 2018. We demonstrated our resolve for supply chain management and take on greater responsibilities as the producer. We include the PAS7000 and SA8000 standards and set the ASUS Supplier Code of Conduct to strengthen the protection of young and female employees. We require not only the suppliers but also their upstream to comply with the same requirements. All new suppliers who wish to become our business partners must sign the Code of Conduct Compliance Declaration, showing that they understand and will comply with ASUS' sustainability requirements. In 2022, 100% of new suppliers have signed the Code of Conduct Compliance Declaration.

ASUS Supplier Conde of Conduct

## Human Rights Protection

Respect for human rights is a core value for ASUS. It is exemplified in our Code of Conduct and applies to all global operations, which include our supply chain. All ASUS employees are treated with respect and fairness, and suppliers are required to comply with all relevant legal, social, and environmental standards. We conduct a full examination of the rules of hiring in suppliers' companies and set high standards for labor rights in the ASUS Human Rights Declaration.

- Establish the Code of Conduct : The ASUS Supplier Code of Conduct does not allow the use of child labor or any form of forced labor.
- Code of Conduct Compliance Declaration : ASUS requires all suppliers to sign and abide by the ASUS Code of Conduct Compliance Declaration and the Human Rights Statement to ensure that tier 1 suppliers meet the RBA Code of Conduct.
- Conduct RBA Audit : We conduct due diligence on our supply chain for their human rights risks. The level of risks are graded based on key indicators such as employment procedures, contract management, wages and benefits, hour warnings, forced labor, freedom of movement, free association, humane treatment, anti-discrimination and anti-harassment, and collective bargaining.RBA-qualified auditors will audit high risk suppliers on their human rights management and labor employment conditions. They will further interview with random workers to examine their working conditions and provide ASUS with direct contact methods. This can prevent the interviewed workers from being oppressed or revenged by their company or superiors for reporting.
- Information transparency and disclosure : Transparent disclosure of annual supply chain management performance, including due diligence, risk assessments, audit management, and supplier engagement.
- Supplier training : We regularly organize training for suppliers, and invite qualified auditors from impartial third-party institutions to share practical experience and methods for improvement for deficiencies to help suppliers implement continuous and effective improvement for deficiencies.

ASUS Human Rights Statement

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# Risk Evaluation and Classification Management

The management consists of three phases: new supplier approval, continuous risk management, and performance evaluation. The targeted suppliers cover tier 1 product assembly, tier 2 component manufacturing, and tier 3 mining of raw material.

**Phase 1 New Supplier Approval**
Sustainability auditing is the basis for selecting new suppliers

- **System Certification**
  ISO 9001
  ISO 14001
- **Quality audit**
  Process capability
  Quality system
- **Quality and ESG audit**
  Hazardous Substance Free
  Corporate Social Responsibility
- **Declaration**
  Code of Conduct Compliance Declaration
  Human Right Statement (Forced Labor)

**Phase 2 Continuous Risk Management**
Include sustainability as a risk assessment indicator and develop a grading management and support system for our suppliers

- **ESG Audit**
  Corporate Social Responsibility
  Hazardous Substance Free
  Eco-labels (EPEAT,TCO)
- **Annual Survey**
  Responsible Minerals
  Greenhouse Gases
  Water Footprint
  Waste

**Phase 3 Performance Evaluation**
Include sustainability as part of the performance assessment and as a basis for order allocation and Continuous collaboration

- **Quarterly Business Review**
  Quality, Cost, Technology, Delivery, Service, Sustainability

## Phase 1 New Supplier Approval

The entrance barrier for becoming ASUS' qualified suppliers are: possessing ISO 9001 and ISO 14001 certifications, signing the Code of conduct compliance declaration, and passing the audits on Quality, Hazardous Substance Free on Quality, Hazardous Substance Free (HSF) and ESG.

## Phase 2 Continuous Risk Management

Implement level-to-level administration for continuous trading suppliers each year. We considers regional geography, industrial characteristics, and product risks to implement supplier risk self-assessment based on the seven aspects of the RBA Code of Conduct: hazardous material systems and process management, brand management, brand reputation, worker protection, continuous improvement, management systems, and labor intensity. We conduct onsite second-party and third-party audits for suppliers and OEMs with high-risk in their self-assessment results or with a quarterly purchase amount of NT$2.5 million (more than 300 companies). We implement document reviews for medium and low-risk suppliers. In addition, we conduct onsite third-party audits for key suppliers and OEMs every years. All suppliers must cooperate in the annual survey for responsible mineral procurement, greenhouse gas, water footprint, and waste. We manage potential risks in labor, health and safety, environment, integrity, and ethical standards of suppliers through audits and investigations to avoid the negative impact on governance, environment, and society that could to the supply chain operations.

## Phase 3 Performance Evaluation

Besides the quality, cost, technology, delivery, and service, we also include sustainable indicators such as ethics, environmental protection, labor rights and health and safety in the Quarterly Business Review (QBR) as an important basis to allocate orders and determine whether to continue the partnerships; suppliers with good performance will be given more resources. ASUS uses its influence to drive the supply chain for continuous improvements.

* In order to implement data-driven measurement and sustainable technology management strategies, ASUS is transforming digitally with our supply chain to make data-driven decisions. We established a sustainable supply chain platform in 2021 to start the short, medium, and long-term digital transformation project for supply chain management. For more information on the plan, please refer to CH02 ESG Focus Case

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## Audit and Continuous Improvement

To ensure that all ASUS suppliers meet ASUS' related requirements for labor human rights, occupational safety, and environmental protection measures, we identified 43 high-risk suppliers and conducted onsite second-party and third-party audits in 2022. We found a total of 643 deficiencies in audits and the average improvement completion rate for deficiencies was 98%.
According to the audit results, high-risk factors for suppliers generally include labor employment, occupational safety, and environmental management. They are more likely to occur in more labor-intensive OEMs and suppliers of mechanical components, display panels, motherboards, power supplies, and batteries. In terms of improvements for workers' work hour management, ASUS has adopted continuous monitoring and helps suppliers implement management. We require suppliers who fail to meet requirements to establish suitable work hour management and monitor mechanisms and report the implementation performance to ASUS each month. This reduces the potential risks from excessively long work hours of workers, ensures compliance with local regulations and the minimum RBA Code of Conduct requirements, and facilitates continuous improvements for goals.
In addition, the audit results showed that the deficiencies found in the 2022 audit consisted mostly of labor issues while health and safety accounted for the second-largest share. The failure rate and improvement rate for deficiencies are shown in the table below:

| Management Items | Non-Conformance Rate | | Non-Conformance Improvement Rate | | Total Non-Conformance Improvement Rate | Major Findings |
|---|---|---|---|---|---|---|
| | Priority Non-Conformance Rate | Other Non-Conformance Rate | Priority Non-Conformance Improvement Rate | Other Non-Conformance Improvement Rate | | |
| Labor | 3% | 21% | 74% | 100% | 88% | • Social insurance and housing provident fund fail to reach the legally required rate.<br>• Hours worked(includes overtime) in a workweek exceed 60 hours.<br>• Pre-job health examination for young workers not fully implemented. |
| Health and Safety | 2% | 23% | 100% | 100% | 100% | • Personal protective equipment and occupational health and safety training for employees inhigh-risk work environments not provided.<br>• The retention time of food samples from the employee afeteria does not meet regulatory requirements and failure to conduct inspectionsof drinking water at regular intervals.<br>• Fire escape port not cleared, and fire equipment not regularly maintained. |
| Environment | 0.3% | 16% | 100% | 100% | 100% | • No implementation of greenhouse gas inventory and plans of greenhouse gas reduction.<br>• Failure to properly use, label, and store chemicals in accordance with the Chemicals Management Regulations.<br>• No water resource management plan developed. |
| Ethics | 0.2% | 13% | 100% | 100% | 100% | • The Ratio of the coverage of due diligence and document of 3TG and Cobalt does not meet the requirements.<br>• No policy in place to protect personal data and privacy of business partners.<br>• No policies on improper advantage. |
| Management System | N/A | 22% | N/A | 100% | 100% | • ASUS' social responsibility requirements to the supplier and and the supplier audit content does not include ASUS' social responsibility requirements.<br>• Laws, regulations and customer requirements are not updated and included in real time.<br>• Failure to clearly convey messages regarding employee complaint channels and protection from retaliation. |
| Hazardous Substance Management | N/A | 52% | N/A | 100% | 100% | • Failure to include ASUS latest hazardous substance management requirements in management.<br>• XRF The testing criteria did not consider machine errors and customer requirements.<br>• Incomplete information on the management list of hazardous substances in the supplement material. |
| Hazardous Substance Process Management | N/A | 48% | N/A | 100% | 100% | |
| Eco Label | N/A | 0 | N/A | 0 | 0 | - |

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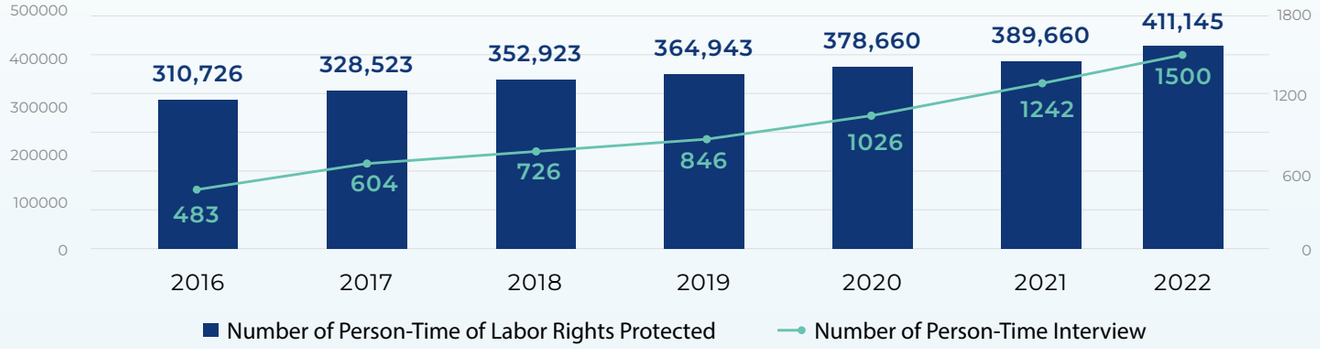
## Corrective Actions

| Labor Employment | Occupational Safety | Environmental Management |
|---|---|---|
| • Establish a working hour management and monitoring mechanism<br>• Report work hours monthly for continuous six straight months<br>• Propose social insurance and housing fund payment plans | • Purchase additional protective equipment within one month<br>• Propose a training plan within one month<br>• Immediately remove obstacles from the fire escape exits | • Propose a greenhouse gas inventory plan within one month<br>• Incorporate the greenhouse gas inventory plan into the ISO 14001 system and regularly review the progress |




We organize conferences to help suppliers implement continuous improvement and provide industry best practices for other companies to share management experiences. We provide continuous support to complete improvements for all audit deficiencies, helping suppliers from high-risk work hours to RBA-approved low-risk continuous monitoring. Through the International Labour Organization (ILO) and the content of the research report of The Lancet, an authoritative medical journal.

We monetized the impact of the supply chain management in 2022, including the medical cost after the reduction of work hours to prevent overworking, and the acquisition of ISO 14001 system certification. The result exceeded NT$23 million. Through impact assessment, we can measure the priority for investing resources and optimize management procedures for our supply chain. In the audit management in past years, we conducted more than 1,500 interviews and provided labor rights protection more than 410,000 person-times.

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# Responsible Minerals

## Conflict Minerals

The United States passed the "Dodd-Frank Wall Street Reform and Consumer Protection Act" in 2010. Section 1502 of the Act requires the U.S. Securities and Exchange Commission to enact legislation on "conflict minerals" to disclose whether the minerals used in the production are sourced from the Democratic Republic of the Congo (DRC) and adjoining countries that use forced labor and inhumane treatment of labor. The Responsible Minerals Initiative (RMI) research discovered that the rebel groups in these regions use forced labor, child labor, and other illegal means to mine tantalum, tin, tungsten, and gold, and sell them in exchange for weapons, thereby causing regional instability. These four types of minerals obtained through illegal means are referred to as conflict minerals in the international community. The EU Commission announced the conflict-affected and high-risk areas in accordance with Regulation (EU) 2017/82 in 2017. The list includes 208 areas in 27 countries/regions and requires due diligence for minerals produced by high-risk suppliers, including gold, tin, tungsten, and tantalum (3TG).

Electronic products use various metal materials with significant functions. Tantalum, tin, tungsten, and gold are materials necessary for the functions of electronic products and can be used to produce resistor-capacitor, CPUs, hard drives, memory, motherboards, and connectors. According to the Study on the EU's list of Critical Raw Materials, one-third of the world's Cobalt comes from the Democratic Republic of Congo, and the nearby countries also have a risk of illegal profits. RMI listed Cobalt as the fifth conflict mineral in 2019. As Cobalt is a key material for the production of batteries, ASUS also included Cobalt in the management of responsible mineral procurement and conducts annual due diligence investigations. In our stakeholder engagement in the same year, we learned that the extraction of Mica in certain countries involved the use of low-wage child labor and illegal operations, and it has become an issue of concern for human rights organizations. Mica is the main component of coating used mostly for decorating the exterior of electronics. As the extraction of mica involves supply chain management risks, we will continue to pay close attention to the management requirements of international organizations for mica, and communicate with the supply chain whenever necessary.

| | Characteristics | Main parts of the product | ASUS Management Measures |
|---|---|---|---|
| Tantalum | Tantalum is a high-density hard metal with high ductility, thermal conductivity, electrical conductivity, and resistance to acid corrosion. | Capacitors, high-power resistors | Conduct due diligence in accordance with international laws and regulations.<br>Voluntarily set a management goal for 100% made by qualified smelters |
| Tin | Tin has good pliability and high oxidation resistance; its alloys have anti-corrosion properties. | Motherboard, solder | |
| Tungsten | Tungsten is highly stable and has a high melting point and high boiling point, and high density. | Panel, memory | |
| Gold | Gold has extremely high pliability. It is an excellent conduit for heat and electricity and has high corrosion resistance. | Memory, IC chip | |
| Cobalt | Cobalt is a stable substance that increases the energy density and can ensure long battery life and charging speed. | Battery, aerospace alloy | Voluntary Requirements<br>Set management goals for 2025 |
| Mica | Mica has high insulating and thermal insulation properties, good chemical stability, resistance to strong acids and strong alkalis, resistance to pressure, and birefringence | Coatings, capacitors | Voluntary Requirements<br>Keep up to date with the management requirements of international organizations |

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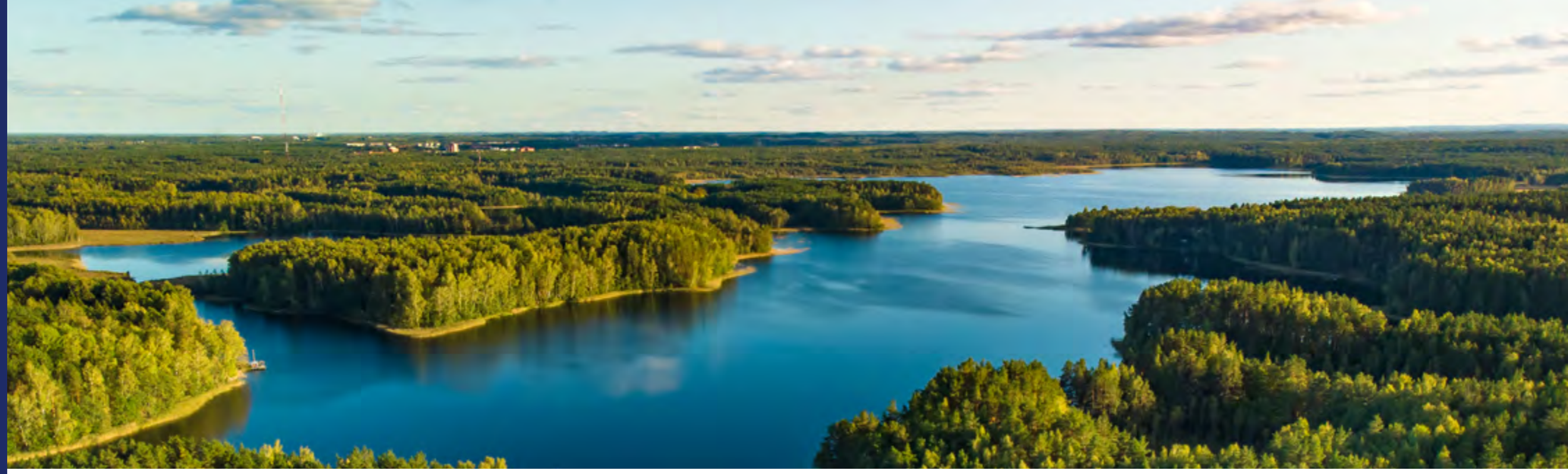

## Global Responsible Mineral Survey

According to the five principles of due diligence procedure of the Organization for Economic Cooperation and Development (OECD), we conducted investigations on our supply chain smelters.

| Establish management mechanisms | Identify and evaluate risks | Develop risk improvement tasks | Conduct third-party independent audits | Disclose management results |
|---|---|---|---|---|
| **ASUS Responsible Mineral Policy** | **Annual Supply Chain Survey** | **Qualified Smelter Conversion Plan** | **On-site audit** | **Publish the list of smelters** |
| • 100% of tantalum, tin, tungsten, gold, and cobalt purchased by our suppliers are from qualified smelters<br>• Follow ASUS Responsible Minerals Policy, establish their own Responsible Minerals Policy, and communicate it to next tier suppliers | • Identify and conduct an annual responsible mineral survey on the suppliers using tantalum, tin, tungsten, gold, and cobalt<br>• Conduct a Reasonable Country of Origin Inquiry<br>• Identify the smelters that comply with the RMI Responsible Minerals Assurance Process (RMAP) as RMAP certified smelters to prevent risky suppliers | • Hold coordination meetings to communicate ASUS requirements<br>• Suppliers carry out conversion to qualified smelters<br>• Track conversion progress quarterly | • Conduct second/third party on-site audits on suppliers' responsibility mineral management mechanism<br>• Review the quality of materials provided by suppliers | • Publish the list of ASUS supply chain smelters on our CSR website and reports |

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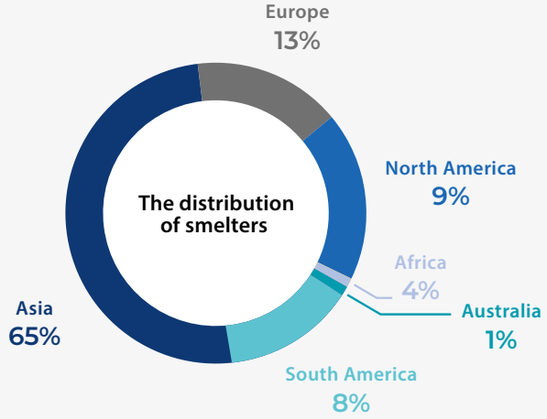
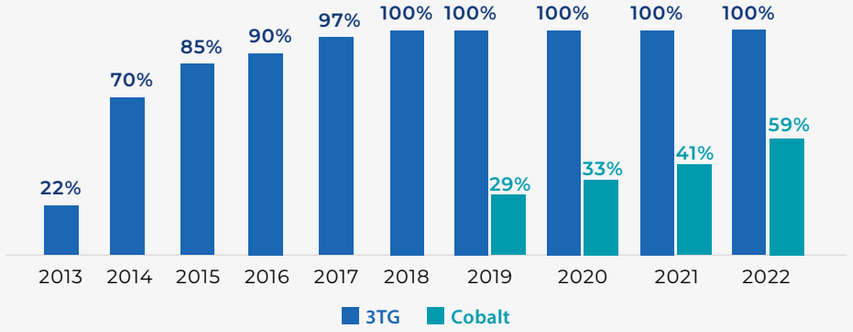
We participate continuously in the quarterly work meetings of the Responsible Minerals Initiative (RMI) for the certification of qualified smelters to obtain the latest information and provide suppliers with qualified procurement sources. We also help them carry out investigations and corrections for non-compliant items and ensure the implementation of the qualified smelter conversion program to maintain and achieve the goal of sourcing 100% of Tantalum, Tin, Tungsten, and Gold from the conformant smelters. At the same time, through on-site audits, we checked the conversion progress of cobalt from the conformant smelters and give assistant resources to our suppliers.According to the RMI survey results and the "Conflict Affected and High-Risk Areas" (CAHRAs) of the EU that became effective in 2021, ASUS surveyed a total of 447 suppliers in our supply chain for information on smelters' distribution and the compliance of supply of materials for products in 2022.

The analysis results showed that most of them were located in Asia which accounted for 65%. They were followed by those in America with 17%, Europe with 13%, Africa with 4% and Australia with 1%. They are verified as qualified smelters in the survey.Compared to 2019, the proportion of qualified cobalt smelters from suppliers increased from 29% to 59%. It is expected that from 2023, mica will be included in the due diligence investigation and the current status of key suppliers will be used as the basis for setting our goal for purchasing qualified mica.

Avoiding the use of conflict minerals obtained from illegal operations is ASUS' social responsibility for the protection of human rights and environmental protection as a brand company. We established the Responsible Mineral Procurement Policy, implement supplier management, and require them to gradually shift purchases of minerals to qualified smelters to prevent illegal perations that result in labor oppression, coercion, child labor abuse, and damage to the ecology.




# Reduce the Environmental Footprint of Suppliers

## Environmental Profit and Loss, EP&L

The concept of an EP&L assessment is to map the impact of business activities on the environmental and social impact pathway and then monetize the environmental impact, such as the amount of agricultural ecological loss caused by greenhouse gas of climate change, and the impact of water pollution in reducing regional recreational value. The EP&L assessment facilitates the comparison of different environmental impacts and optimizes the quality of decision-making.

In 2018, ASUS and PwC collaborated on the first EP&L assessment project for laptops. According to the characteristics of the product manufacturing process, four environmental indicators —greenhouse gas, water resources, waste, and water pollution — were selected, and the total environmental impact of the product life cycle from extraction to component manufacturing, product assembly, and ASUS operations was calculated. ASUS became the first tech company in the world to publish an EP&L report. To fully understand the overall environmental impact of ASUS' operations and suppliers, we have added one category of major products in the data coverage each year to expand the scope to 90% of the products revenue.

ASUS EP&L Report

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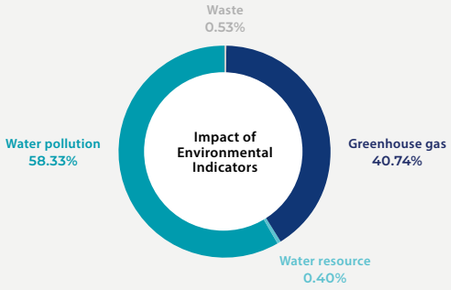
## Supplier Environmental Impact Survey

We calculated the EP&L of the main representative revenue products of ASUS in 2022, including : laptops, desktop computers, mobile phones, motherboards and screens. The total environmental impact of greenhouse gases, water resources, waste, and water pollution was approximately US$625 million.

By analyzing the impact of environmental indicators, we identified water pollution as the most severe impact. It is followed by greenhouse gas, and the water resources accountedfor the smallest share.

By analyzing the impact of environmental indicators, we identified Tier 3 extraction of raw materials as the most severe impact. It is followed by Tier 2 component manufacturing, and the impact of the operation by ASUS accounted for the smallest share




Based on the results, we identified the impact of hot spot in the product life cycle as the water pollution in the extraction of raw materials. We thus decided to invest management resources and formulated management strategies :

- New suppliers must have ISO 14001 certification, and we will assist continuous trading suppliers who do not have it to obtain the ISO 14001 system.
- Motherboard manufacturers are required to provide the annual wastewater test reports and make sure that it meets the environmental standard.

For greenhouse gases, we identify significant emission sources from the manufacturing of 9 key components to develop our management strategies :

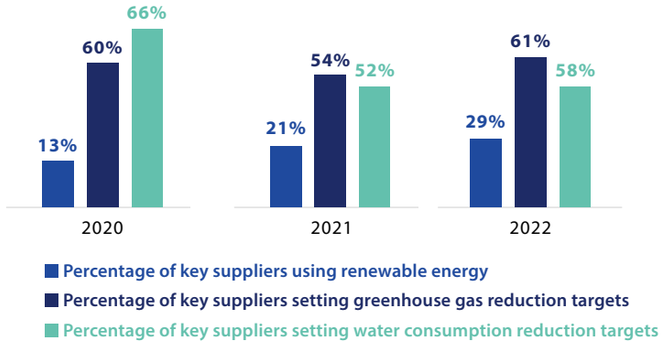
- 2022 : Map manufacturing processes for key components and identify hotspots for emissions such as equipment with high energy consumption and processes with high carbon emissions
- 2023 : Map a carbon reduction pathway for key components based on emission hotspots and suppliers' carbon reduction capabilities
- 2024 to 2025 : Collaborate with suppliers on projects with low-carbon materials, process optimization, equipment energy efficiency improvement, and renewable energy to promote technology-based carbon reduction

## Reduce Environmental Impact

By analyzing more than 100,000 data entries from environmental footprint surveys over the years, we identified significant sources of emission in the production of 9 catagories of key components, including display panels, motherboards, IC, cables, power supplies, mechanical components, keyboards, batteries, and hard drives, as well as OEMs for 4 categories of products in laptops, desktop computers, display monitors, and motherboards. We referenced the "Greenhouse Gas and Water Security Questionnaire" of the Carbon Disclosure Project (CDP) to conduct an inventory of the 149 key suppliers, develop our management goals and review them regularly.

| | Management Requirements/Objectives | 2022 Management Performance |
|---|---|---|
| Management system | New suppliers must have an ISO 14001 system | 100% of new suppliers have ISO 14001 certification |
| Greenhouse gases | Ensure that key suppliers achieve a 30% reduction in carbon intensity by 2025 | 29% of our suppliers use solar energy as renewable energy<br>62% of key suppliers have set greenhouse gas reduction targets<br>33% of key suppliers have ISO 14064 third-party verification<br>29% of key suppliers have ISO 50001 certification |
| Water resources | Our motherboard maker should provide qualified wastewater testing reports every year<br>Key suppliers should set water resource reduction targets | 58% of key suppliers have set water resource reduction targets |
| Hazardous waste | Extend the Zero Waste to Landfill program of ASUS head office to key suppliers and set the waste conversion rate | 100% of key suppliers have contacted with quailed waste disposal providers<br>7% of key suppliers have zero waste certification |

### Supplier Environmental Management Performance over the years



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# Strengthening Partnership

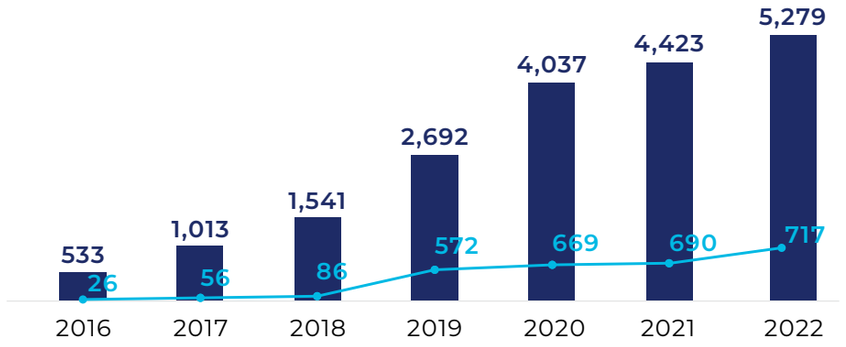
## Supply Chain Conference and Assistance Forum

To enhance suppliers' awareness of sustainability issues and the ability in responding to risks, ASUS organizes supply chain conferences and training for suppliers on a regular basis to convey our management requirements and strengthen the partnership with the supply chain.

According to the findings of audits in 2022, we held two forums - human rights and carbon reduction in 2022. We invited key suppliers and OEMs participate and also the third-party experts to give keynote speeches on international human rights laws and regulations, carbon management trends, and challenges speeches. The suppliers actively participated in the forums this year and more than 90% of the participants believed that the forums facilitated more comprehensive communication of issues and provided sufficient time for participants to exchange ideas on core issues. We delivered the records of the forum to suppliers via eNews so that suppliers that have not attended can obtain key information and expand communication.

## Meeting on supporting improvement

We organized quarterly support meetings to help suppliers improve audit deficiencies. We invited qualified RBA auditors from impartial third-party institutions to analyze the causes of deficiencies and share best-practice cases in the industry to increase the suppliers' management wareness and help suppliers implement improvements.
In addition to online meetings, we also established WeChat groups with suppliers to facilitate real-time communication. The supplier conference and training have benefited more than 5,279 person-times and in more than 717 hours:




## Online Courses

To encourage To encourage our suppliers to receive ISO certification and familiarise with the RBA Code of Conduct, we prepared online courses at ASUS's CSR website –"Digital Learning Courses" for suppliers to watch online or download. The courses include:

- ISO 14001 Management System
- ISO 45001 Management System
- IECQ QC 080000 Management System
- RBA organization introduction and the management requirements in five main areas including labor, health and safety, environment, ethics, and management system.

We actively promote the courses in meetings and emails and we will continue to produce more online learning resources to strengthen supplier's sustainability management.

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# 08 Value Creation

**Innovation is the most important core foundation for ASUS to evolve to a more competitive and sustainable future. We are always people-oriented and user-friendly to create the best user experience, and innovate with a design thinking. ASUS synergies our inner power of innovation with cooperation with external business partners to create value-added innovation and build a sustainable future.**

## Actions

### Establish Corporate Vertical Accelerator

Work with Taidah Entrepreneurship Center (TEC) to establish a corporate vertical accelerator

### Expand into Emerging Markets

Strategically invest in developing emerging businesses or expanding into emerging markets

### Adventurer Star

Initiate the ASUS Adventurer Star Intern Program

## Performance

### CES Innovation Awards

Received 20 innovation awards from CES Innovation Awards

### Best Taiwan Global Brand

Named by Interbrand as Best Taiwan Global Brand for the 9th year

### AI-enabled Smart Factory

Built the first ASUS AI-enabled smart factory

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# IFRS Sustainability Disclosure Standards : Core Content

## Governance

Innovation Strategy : Innovation Development Office

By leveraging an internal entrepreneurial platform, innovative activities, and innovative businesses, we can unleash the power of an innovative mind from our employees. We will also utilize external resources from the industry, government, and academia to expand our R&D capability, carry out innovative research, make strategic investments, and nurture more innovative technology talent.

Innovative Human Resources : Human Resources Department

We address the human resource needs of different departments for the development of the company by establishing multiple recruitment channels. We organize campus recruitment programs, intern programs, and international talent recruitment programs to cultivate young talent with an international perspective and innovative spirit through the integration of theory and practice.

## Strategy

The ASUS "Business Continuity Management Committee" Taskforce Unit (TU) will identify risk trends in all dimensions and establish risk prevention management measures. Each team is required to establish quantitative key risk Indicators and various risk prevention programs.

In order to properly manage the impact of sustainability issues on operations, we identify major risk issues including industry talent competition and headhunting, and externally disruptive innovation, according to the severity and frequency of risk.

Major risk issues and potential operational impacts are explained as follows :

| Risk | Risk Description | Potential Operational Impact |
|---|---|---|
| Industry talent competition/ headhunting | Facing the challenges from a declining birthrate and global talent competition, we must continue to optimize the internal talent cultivation mechanism to prevent the risk and impact of brain drain | The shortage and loss of talent will significantly affect the operation of the organization, thereby diminishing our competitive advantage |
| Externally disruptive innovation | Keep up to date with the development of innovative technologies, prevent market disruption caused by technological innovations, and assist all departments in identifying potential threats in advance | Be responsive to consumers behavior changes that occur after market breakthroughs |

## Risk Management

| Risk Identification | Risk Control/Mitigation | Risk Monitoring/Reporting |
|---|---|---|
| • Include industrial talent and innovative development as part of the key issues to be addressed repeatedly<br>• Identify the impact level of risk events | • Identify potential operational impacts from prioritized risks<br>• Develop risk prevention plans for high-risk issues | • Business Continuity Management Committee (BCM) will continue to monitor risks related to industry talent and innovative development.<br>• Quarterly review risk management performance |

**Prevention plan for major risk issues :**

Industry talent competition/headhunting :

- Address the needs for talent in the organization and develop talent rotation plans and career development paths
- Examine talent and salary competition in the market, review and evaluate salaries by developing a rank-based compensation plan

Externally disruptive innovation :

- Conduct quarterly analysis and evaluation reports on emerging technologies and explore potential innovations that may affect ASUS operations

## Metrics and Targets

**2025 Sustainability Goals**

- Intensify digital transformation and innovation efforts with the goal of a 100% increase in sustainable value creation
- Strengthen industry/academia cooperative projects to cultivate more than 1,000 talents

Please refer to CH04 2025 Sustainability Goals for the target progress

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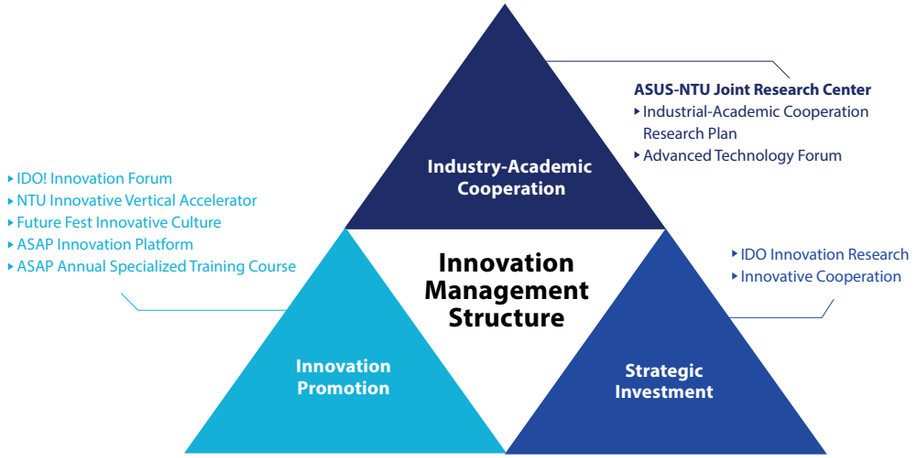
# Innovation Management

Innovation is the most important core foundation for ASUS to evolve to a more competitive and sustainable future. ASUS is committed to creating solid and sophisticated technologies without compromising quality and excellence. With a design thinking, we can transform users' desires and experiences into our first step of innovation to build a truly user-friendly and smart life. The management framework for our strategic innovation is built on the three cornerstones of “industry-academic cooperation", "innovation promotion", and "strategic investment".




# Innovation Actions

## Industrial-Academic Cooperation

### Research Project Collaboration

ASUS and the College of Electrical Engineering and Computer Science (EECS) of National Taiwan University (NTU) jointly established the "ASUS-NTU Joint Research Center" in 2021 with a team of professors from the EECS, College of Engineering, and College of Medicine. In 2022, we had 13 research projects in cooperation with the center. Among them, there are 6 individual research projects funded by the Academia Industry Research Center (AIR Center) of the Ministry of Science and Technology for 3 years, and a "Key Technologies and Applications for the Next Generation Smart Internet of Things" project consisting of 7 sub projects. These R&D efforts will produce multiple transferable technologies and patented intellectual property, promote the development of ASUS products and technologies, enhance industrial competitiveness, and provide internships and employment opportunities for master's and doctoral students at NTU. We also encourage our employees to pursue further studies to cultivate high-tech talent and deepen industry-academic exchanges.

### Advanced Technology Forum

In addition, we also held forward-looking technology forums with academic experts to discuss future technological trends. By gaining new knowledge from outside sources, we can develop an innovative mind. In 2022, we held the on-line "Quantum Computing Forum" and "Seminar on Ethics and Law of AI: Information, Healthcare, and Smart City Governance" which attracted over a hundred ASUS executives and employees.

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# Driving Innovation

## IDO! Innovation Forum

"IDO! Innovation Series Forum" We held regular keynote forums on strategic growth issues that the company is concerned about. By introducing cutting-edge technologies, products, and business ideas from outside, we can seek solutions and drive innovation within the organization. In 2022, we jointly held the "ESG Enterprise Sustainable Development Forum" on the subject of sustainability to explore a new sustainable economy and action plans from the perspective of digital driven, industrial safety, and energy management. We also extended two projects with startups. One is a SaaS solution for operational management, and the other is a digital management tool for smart factories. We joined hands to pursue our sustainability goals by taking these actions. Besides, we also held the "AI Technology Exchange Conference" with the Institute for Information Industry in the second half of 2022 to discuss how AI is being developed in real smart medical situations and how it is full-fledged in smart driving perception technology.


| | 2021 Cooperation Results | 2022 Cooperation Results |
|---|---|---|
| Subject | Advanced Smart Manufacturing Forum | ESG Enterprise Sustainable Development Forum |
| Number of Matched Startups | 5 | 3 |
| Number of derivative startup projects | 2 | 2 |

## ASUS x Taitah Entrepreneurship Center Vertical Accelerator

ASUS is working with Taidah Entrepreneurship Center to build a corporate vertical accelerator with the focus on three major areas: "electric vehicle applications", "green technology", and “gamification experience”. We are also looking for startups to work with our business units on pilot projects. Through this cooperation, we can use this external innovation momentum to accelerate our internal innovation development and new business opportunities. In turn, we can lead the startups into the market to create a win-win situation. As of September 2022, there were 29 proposals submitted for our program. 12 of them have entered the second stage of review.


| | Electric vehicle | Green technology | Gamification experience | Others |
|---|---|---|---|---|
| Number of startup proposals | 2 | 9 | 11 | 7 |
| Total number of startups to be interviewed | 12 | | | |

Startup Projects Recruiting Video

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**ASUS Star Acceleration Program (ASAP) Innovation Platform**

Launched in 2021, the ASUS Star Acceleration Program (ASAP) innovation platform aims to collect great proposals from our employees as our inspiration for innovation. These proposals are screened, selected, and supported by the platform and provided with necessary resources by the Company to move towards commercialization. With the spirit of "transform and evolve, trust in radical truth and transparency, and embrace idea meritocracy and foster collective wisdom", we are always exploring new possibilities.

In 2022, our goal was to expand the input of our education resources as part of the Company's investment in innovation. We provided suggestions and evaluation on design thinking, technical feasibility, and commercial market development during the preliminary selection, second selection and commercialization selection stages. We also provide mentor support, annual specialized training courses, prototype development resources as well as a professional consulting team and other resources to help our employees start their own project.

| STEP1. | STEP2. | STEP3. | STEP4. | STEP5. |
|---|---|---|---|---|
| **Preliminary Selection** | **Second Selection** | **Commercialization Selection** | **Incubation Review** | **Business Review** |
| ▸ Whether creative ideas meet user needs | ▸ Convince judges that the creative idea is executable/quantifiable<br>▸ Technology & business model is feasible | ▸ Report on commercialization possibilities and how to implementfeasible | ▸ BP<br>▸ Incubation develop plan | ▸ Final Pitch |

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### Future Fest Innovative Culture

To adhere to the spirit of "unleashing the collected wisdom for the best of creativity, we established a brand "Future Fest" in 2020 to create a platform for different business units to share their technologies through cross-unit observations and exchanges. There were two major projects, Tech Talk and BU/FU Roadshow, in the 2022 Future Fest event.

- Tech Talk : We invited 5 business groups to share their R&D achievements and experiences in their respective field. We also invited our subsidiary Taiwan Web Service Corporation and two professors from ASUS-NTU Joint Research Center as keynote speakers to share their views on future trends of AI technology applications, 5G and blockchain, and light field display technology.
- BU/FU Roadshow : This event was divided into three categories: efficient systems and wireless communication, AI/AIOT and software services, and innovative technology and design techniques. Our BU/FU showcased their innovative product technology and R&D directions that demonstrate their user-centered design thinking. There were 8 units exhibiting 32 projects alongside with digital judges who provided professional feedbacks in this event.

### ASAP Annual Specialized Training Course

With open innovation in mind, we organized the "ASAP Innovation and Entrepreneurship Professional Training" supported by a national accelerator to assist our employees in constructing customer development oriented entrepreneurship theories, and applying them to their proposals as a complete business model. We also provided consulting to more than 50 employees and 14 teams in 2022 on the proposals already submitted on ASAP platform and new proposals. Their proposals were judged by mentors from the industry. This will turn each innovative mind into more business opportunities and development possibilities.

Since the establishment of the ASAP platform, we have 19 internal proposals on a wide range of topics such as smart healthcare, AI technology and edge computing applications, gaming industry, and the application of technology in life and culture.

| | 2021 | 2022 |
|---|---|---|
| Number of proposals submitted | 7 | 19 |
| Pass preliminary review | 7 | 9 |
| Pass second review | 4 | 4 |
| Pass commercial review | 1 | 1 |

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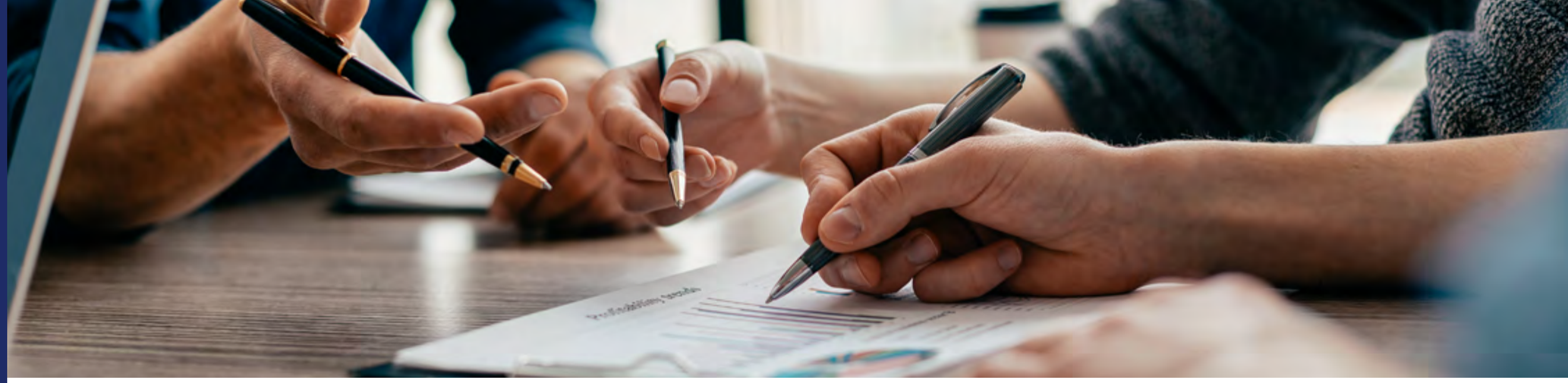


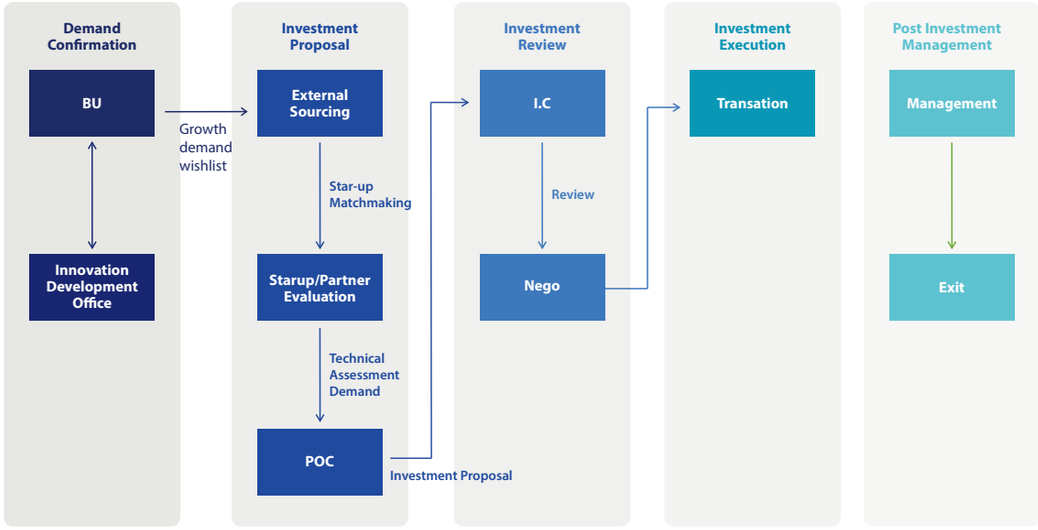
## Strategic Investment

In order to strengthen the core business competitive advantage for all business units and fill the development gap, we make strategic investments in external resources to develop new businesses or expand into emerging markets, so that the overall revenue of the Group will grow by keeping up to date with industrial development trends for more development opportunities. To do this, the Innovation Development Office developed a strategic investment proposal process in five stages: demand confirmation, investment proposal, investment review, investment execution, and post investment management. The Office is working with the Investment Department and the Accounting Department to strive for maximum benefits.

In 2022, the Innovation Development Office learned from 1,472 cases in the startup database to select nearly a hundred startups in three categories: smart manufacturing, sustainable issues, and future development for further analysis and review. As of the end of 2022, we have selected 10 proposals for subsequent development.

| Category | Total number of startups | Further planning |
|---|---|---|
| Smart Manufacturing | 49 | Apply to smart factories to improve their efficiency, and develop more innovative processes and business models. |
| Sustainable issues | 32 | Introduce and commercialize new technologies, and continuously promote technological development and innovation to be in line with ASUS spirit of combining design thinking and technological advantages in sustainability. |
| Future development | 13 | We will continue to push for product innovation and technological development by developing new products that will bring considerable benefits to ASUS in the years to come. |

### Strategic Investment Proposal Process



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# Industrial Talent Cultivation

ASUS recruitment follows the principles of public recruitment, fair selection, and hiring the best from all over the world. Information on vacancies, conditions for employment, and related procedures are also transparent. There is a huge demand for future talents of technology. In the case of global competition for talents, ASUS cultivates talents in the new era through industry-academia cooperation and through the implementation of practical technology in the industry. We cultivate the fields of AI artificial intelligence and AIoT as well as managing ASUS as an international employer brand.

## Industry-academia Cooperation and Collaborative Training Programs

With the expansion of the existing product lines and business maps, ASUS firmly believes that it is necessary to cultivate new generations of high-level talents and enhance the R&D capacity of key technologies. We form alliances with external strategic partners, and we combine industry dynamics and international trends to connect resources in various fields for the purpose of Taiwan's technological development to build a more innovative and sound model.

### ASUS-NTU Joint R&D Center : Cultivating R&D Talents in the New Era

In December 2021, we established a joint R&D center with National Taiwan University. We did not only introduce the forward-looking technology industry-academia cooperation plan of the Ministry of Science and Technology, but also focus on various fields, including advanced electromagnetics, next-generation quantum computers, Internet of Things, artificial intelligence, etc. In this way, industry-academia resources are linked together to provide corporate internship opportunities and enhance the development of Taiwan's technology industry.In 2022, we continued to engage in industry-academic exchanges and intern program with 8 departments at NTU.

### Cooperation with National Yang-Ming Chiao Tung University “Huayang Project” : Establishment of the Smart Healthcare Industry-Academia Cooperation Platform

The development of medical artificial intelligence is changing rapidly, and ASUS Intelligent Cloud Services Center (AICS) and National Yang Ming Chiao Tung University jointly established the "Huayang Project" for industry-academia cooperation. Through the program, AICS' leading professionals with profound background in industry-academia offered master classes at National Yang Ming Chiao Tung University to cultivate cross-disciplinary expertise from the three stages of core foundation, advanced, and application. AICS will also offer the core positions, such as the big data engineer, product manager, business development manager and others, in the smart healthcare, so that the Huayang Project could train students who might continue their career development in the AI fields.

### Collaborating with National Taiwan University of Science and Technology (NTUST) to nurture outstanding foreign talent

Since 2022, ASUS and NTUST have been working hand in hand to take the lead to compete for international talent by providing scholarships for outstanding foreign students to study in Taiwan, organizing summer internship programs, including on-the-job training and workplace coaching care, and even providing full-time job opportunities for graduates to work overseas. Currently, 6 foreign students have received our offer and signed a memorandum of understanding (MOU) in March 2023.

## Employer Brand Management

Employer brand refers to the internal culture created by an enterprise based on its branding strategy, and how employees deliver the brand value to both inside and outside the company. As a global technology leader, ASUS is committed to delivering heartful experiences and creating a blueprint for a better digital life.

### Campus Recruitment

ASUS Campus CEO

In 2005, we began to invest in the” Campus Executive Offer” (ASUS Campus CEO) internship program. We’ve also won the Taipei City Government's Award of Excellence for five consecutive years, from 2017 onwards. ASUS has worked with the Taipei City Employment Service Office to ensure that ever more students are able to improve their career experiences and strengthen their skills, through a diverse mix of training and practical work.

ASUS Adventurer Star Intern Program

In 2021, we launched the ASUS Adventurer Star Intern Program with a one-year internship program led by ASUS employees as mentors who will guide the students through "course learning", "project participation", and "achievement presentation". Through integration of theory and practice, students can get a glimpse of the technology industry to prepare themselves for job planning and execution in a global company. Since 2021, 30 students have participated in this program, and 4 interns in the Class of 2021 have gone full-time at ASUS in 2022 to contribute what they had learnt to the field of marketing and sales.

Career Seminars, Consultations and Corporate Mentors

In 2022, there were 10 online lectures at Taiwan University, Chengchi University, Tsing Hua University, Yang Ming Chiao Tung University and Cheng Kung University. Meanwhile, ASUS served as exclusive corporate mentors at National Taiwan University of Science and Technology, leading students to understand the workplace in depth on a half-year basis. For experienced job seekers, ASUS also worked with recruitment websites. The online resume and career consulting role with a term of half-year was played by the ASUS recruitment team to provide professional solutions towards workplace-related questions.



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**Global Professional Manager Talent - GTP Program**

Since 2014, ASUS has recruited international talents with passions in technology and a spirit of innovation through"Global Talent Program". We train global professional managers through on-the-job training for four to eight months. By 2022, there were more than 100 talented people deployed to the Asia Pacific, Europe, Americas and other regions to lead local branches engaging in promotional works, such as sales and market development, or serving as customer service managers in international customer service centers, helping global customer service centers to develop technical support and service standards.

**Social Networking Service Management**

In addition to recruit talents from headhunters and on-campus recruitment of colleagues and universities, we also cooperate with LinkedIn to continue establishing the employers brand to improve recruitment accuracy. ASUS LinkedIn had a total of more than 620,000 followers worldwide and thus became the most popular Taiwan brand with the most followers.

In 2021, we became the Best Employer Brand on LinkedIn (businesses with over 1,000 people) in the 2021 Talent Awards, an event that was happening around the world for the first time.

**2017-2022**
Six consecutive years
**LinkedIn Best Employer Brand on LinkedIn**

# Innovative Products and Services

In addition to continuous innovation and growth in existing personal computers (PC) and gaming businesses, the active transformation targets of ASUS also include the accelerated development of the AIoT and 5G ecosystems and the development of the third engine of growth in smart healthcare and smart manufacturing industries. In 2022, ASUS established the "ASUS - AI and Cloud campus" and invest in Taiwan Web Service Corporation (TWS) to use cloud services to develop the AIHPC high-performance computing and big data platform necessary for the development of artificial intelligence. We continue to work with external partners in AI applications in manufacturing, medical services, finance, and smart city.

## Smart Manufacturing

ASUS is committed to providing support for factories to transit from automation to digitization to Intelligentization in their manufacturing model.

**Case Study**

## ASUS AI-enabled Smart Factory

In 2022, the ASUS Smart Factory in Shulin was officially opened. ASUS Smart Factory has become a smart, digital, and sustainable new generation factory by integrating Industry 4.0 solutions, the Internet of Things (IOT) and M2M (Machine to Machine), with AI solutions to improve factory production quality and efficiency for less costs. With our advantages in R&D, we not only aims to address the needs for High-Mix Low-Volume and highly customized products, but also provide solutions for smart factories in Taiwan's manufacturing industry to accelerate the transformation of the manufacturing industry towards Industry 4.0.

### Key Digital Technologies at ASUS Smart Factory :

1. Central monitoring and management platform : can digitize and visualize equipment operation status to provide operational efficiency
2. Introduced AR smart glasses : to build an action situation room to improve inspection efficiency
3. Developed our own AI defect detection equipment : to detect errors in 15 seconds with an accuracy rate of 98% to 99%, thereby reducing the cost of recalling defective products on the market
4. Autonomous Mobile Robot (AMR) Material Handling Control System : can reduce manual work and improve factory efficiency



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ASUS AI solutions for the manufacturing industry take the form of IoT solutions for Industry 4.0. They help optimize the process and yield and enable develop a wide range of AI environments that can be adapted for different edge computing requirements. They allow users to choose a new version of the framework when building models so that the high flexibility of AI applications to be embedded in the manufacturing industry.

### AISVision Artificial Intelligence Machine for Visual Defect Detection

AISVision supports various algorithms such as anomaly detection, object, defect identification, and classification, particularly suitable for High-Mix Low-Volume production situations in the manufacturing industry. At the same time, it is possible to quickly develop No code AI without the need to understand the background of AI modeling.


### AISDetector Abnormal Waveform Analysis Application Software

When inspecting the assembly quality in the production line of moving parts such as fans or motors, we will use AI to learn the vibration or sound waveform generated by machine operation, so that we can quickly determine whether the quality meets the standard, thereby preventing human errors in hearing and touch to increase product yield.

More ASUS Smart Manufacturing Solutions

## Smart Healthcare

In response to the trend of "smart healthcare", ASUS have been integrating software and hardware, IoT, 5G communication, and artificial intelligence with cloud deployment in developing our smart healthcare solutions.

### Big Data Medical Research Platform : Lumos Real World Data Platform

Developed in collaboration with Roche Group in Switzerland Through AI technology, we can structurize heterogeneous medical data that was originally scattered and not interconnected to build a research-oriented database that can be searched and analyzed The two major functions, EMR Search and Cohort Study, can assist in quickly setting operational definitions and conducting real-time big data analysis, so that medical units can effectively improve their medical quality and clinical research quality.

### Handheld Ultrasound Healthcare Solution

The ASUS handheld ultrasound device is only 2% the size of traditional ground mounted ultrasound devices. It has the ability to extend the advantages of ultrasound examination from the ultrasound room to consulting rooms, emergency rooms, ambulances, remote medical care, or home care locations. Its value is not to replace traditional floor mounted ultrasound devices, but to increase the operational mobility for clinical physicians. They can scan the patient at any time to provide rapid diagnosis on the go.

### ASUS AI Endoscopy Lesion Detection System (EndoAim)

It can perform real time polyp detection through endoscopic imaging, with sensitivity of 97% and specificity of 98%, significantly reducing the omission rate. Its real-time polyp classification function has an AUC of up to 98%, which can display AI analysis results during the examination to provide a second opinion for physicians to help improve the detection rate of colorectal polyps and adenomas. EndoAim was selected as a project supported by the Ministry of Health and Welfare in 2021.

### ASUS VivoWatch 5 AERO

ASUS Smart Health Wearing Solution is committed to deepening the value of personal health management and breaking through the limitations of software and hardware integration. We have successfully developed the world's first health wristband with a fingertip pulse index measurement function. In addition to recording correct physiological signs, you can also use your index finger to tap the detector to instantly get your pulse index, electrocardiogram, blood oxygen reference value and other data.


### ASUS VivoWatch approved by TFDA of the Ministry of Health and Welfare for its Medical Device Software

ASUS VivoWatch, part of the ASUS Smart Health Watch series, supports the "ECG Application Software (ASUS HealthConnect)" that has been approved by the Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare and obtained medical device software certification as the first health wearable ECG application software developed in Taiwan.

More ASUS smart healthcare solutions

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## Smart Retail

The development trend of online and offline integration(Online merge offline, OMO) towards Retail 4.0. ASUS Smart Retail focuses on developing lightweight AI services for retail scenarios, and SaaS services for retail membership data platforms. Based on the four retail elements of people, goods, venues, and vehicles, we provided a one-stop retail software and hardware service solution for the retail and catering industry in 2022. This solution can provide identification of unlabeled fresh products, inventory management of shelf display products, intelligent license plate Edge AI identification, and membership management.

### Smart Retail Solution - Realizing Cyber-Physical Integration and Digital Transformation

ASUS IoT has the technical resources of AIoT software and hardware across the whole ecosystem to provide personalized one-stop services in a brand new world of smart retail.Through the integration of new retail software and hardware, rapid integration and iterative upgrading of POS and membership systems, stores can operate digitally for optimized resource management.

| Online integration | Offline applications |
|---|---|
| By combining membership and sales data, customers are automatically classified into appropriate groups through customer segmentation models, so that marketing activities can be promoted based on different groups to increase sales and customer loyalty. | Integrate various IoT operational applications such as POS hardware and cold chain temperature control management in the store to ensure the store can run smoothly and unnecessary costs can be reduced consistently. |

More ASUS Smart Retail Solutions

# Management of Intellectual Property Rights

The Company is committed to innovation and R&D. Intellectual property rights is one of the key results for R&D and we have steadily increased the number of patent applications filed worldwide every year. As of the end of 2022, we have obtained 5,978 worldwide. In 2022, ASUS obtained 658 patents worldwide, which was a 8% increase from 2021.They included 416 patents in Asia, and 302 patents in Europe and The United States.

ASUS also made substantial investments in the development of high-end communications market, and has filed 404 patents in the communications field as of the end of 2022. ASUS regularly announces standard essential patents (SEPs) in line with the European Telecommunications Standards Institute (ETSI). From 2018 to the end of 2022, we have accumulated the announcement of 278 patent families (excluding extensions). The number of patents for overall communication standards is steadily increasing.

Having been part of the 3GPP Mobile Communication Standards organization since 2000, we are committed to developing 3G/4G/5G Standard Essential Patents (SEP). We have built a solid 3GPP SEP patent portfolio and achieved fruitful results in 3GPP SEP licensing. In April 2022, we founded the ASUS Technology Licensing Inc. (ATL) to dedicate to the most forward-looking research on mobile communication technologies.

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# 09 Society


**The University of Michigan defines social impact[1] as the resolution of social problems through significant, positive series of changes, with the ultimate goal of creating social impact and change through thoughtful action and change. ASUS considers the relationship with the external environment and the interaction with the society when conducting its business operations. In addition to the pursuit of business growth, ASUS also takes on the social responsibility to return the profits to the society and creates mutual benefit between the enterprise and the society. Therefore, ASUS not only mitigates the impact on the environment from its core business, but also expands its social influence through social participation by its core business.**

## Actions

### Digital Care

"2022 Indigenous Tribes, Digital Care" in cooperation with Education Bureau, Kaohsiung City Government and the International Office, Institute for Information Industry.

### Operating subsidiaries respondence

Operating subsidiaries respond to digital inclusion and corporate citizenship initiatives.

## Performance

**> 20,000**

**new and refurbished computers**

Establish more than 500 digital opportunity centers in 39 countries, cumulatively since 2008, and donated more than 20,000 new and refurbished computers.

**> NT$ 60 million**

The annual charitable donation of ASUS[2] amounted to NT$60,203,094

[1] Source : https://www.socialinnovationacademy.eu/project/social-impact-definition/
[2] Sources of donations include ASUS, ASUS TECHNOLOGY INCORPORATION, and ASUS Foundation.

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# Social Investment Strategy

Digital inclusion, community involvement and environmental protection, are the three main focuses of ASUS for community engagement. Since 2019, ASUS extended the social management spirit of Social Return on Investment (SROI) and adopted the LBG framework to converge and survey the expenditures of social activities to further establish an assessment framework based on the quantitative indicators used to evaluate benefits. The LBG framework was a tool developed by London Benchmarking Group which enables ASUS to adopt a systematic evaluation methdology through the LBG Model such that the benefits of community engagement activities can be more transparent and be ingrained into the corporate strategy. ASUS promise to engage in future social activities that are based on the LBG structure and will apply the SROI method to quantify the social impact if specific initiatives require monetization evidence to determine important decision making.

We monetized the sponsorship, donation, time devotion, and the management cost and get the total social investment of NT$262,501,072 in 2022.

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# Digital Inclusion

After two years of changes due to the COVID-19 pandemic, the global reliance on digital tools has become more profound, but also increases the level of the digital divide. Hence, the need to eliminate the digital divide has become more urgent. The National Digital Inclusion Alliance, which aims to eliminate the digital divide, defines digital inclusion as having five elements :

| 01 | 02 | 03 | 04 | 05 |
|---|---|---|---|---|
| Affordable, powerful broadband Internet service | Network devices that meet the needs of users | Get digital literacy training | Quality IT technical support | Applications and online content designed to enable and encourage self-sufficiency, participation, and collaboration |

Through our digital inclusion program, ASUS expects that no one will lose the opportunity to learn about the world from digital resources because of differences in education, gender, and race. ASUS empowers digitally underprivileged communities through initiatives such as donations of refurbished computers, establishment of digital learning centers, digital training programs, international volunteer program, Digital Happy Learning Camp, “Heartfelt 99” project, so that everyone can receive hardware resources support and digital education resources to connect with the world.

## Refurbished Computers

ASUS is promoting the recycling service for unwanted computers worldwide to extend producer responsibility and reduce the impact of electronic products on the environment. In Taiwan, we have established a reverse logistics and recycling program according to the government's recycling regulations to recycle computers of any brand and build a circular society for recycling. A total of 43,450 computers, 489 mobile devices and 22,173 peripherals (including monitors, keyboards, servers, etc.) were collected in 2022. Consumers and corporate customers can contact ASUS Foundation to make an appointment to recycle their unwanted computers. ASUS adheres to the principle of " Using Digitized Data and Scientific Management Practices " to execute sustainability measures and therefore introduces the concept of Social Return on Investment (SROI). In 2017, ASUS released the "ASUS Social Return on Investment Report for Refurbished Computer and Digital Training Program", which became the first SROI report certified by Social Value International in Asia's technology industry and Taiwan. The 2019 assessment result had improved to 5.7:1 from 3.61:1 in 2016.


Support the ASUS Refurbished Computer Plan

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## Refurbished Computer and Digital Training Program

To do a good job, an artisan needs the best tools. The first step to shorten the digital divide is to provide information facilities to the resource-poor communities. After the computers are returned to ASUS foundation and refurbished, ASUS donates the used computers to the underprivileged who lack technological equipment through the ASUS Foundation's "Refurbished Computer Digital Training Program," which gives the used computers a new life by installing reusable components and software updates and expands the social impact of the reverse logistics of refurbished computer. Continuing the concept of " Suspending Classes without Suspending Learning" during the pandemic last year, the ASUS Foundation collaborated with the Education Bureau, Kaohsiung City Government, and the International Office, the Institute for Information Industry to organize "2022 Indigenous, Digital Care", donating 150 computers to six schools, including Pao Lai Junior High School, Taoyuan Elementary School, Taoyuan Junior High School, Jiading Junior High School, Yijia Junior High School, and Bananhua Tribal Elementary and Junior High School.


## Digital Learning Centers

The ASUS Foundation has been working with the Ministry of Foreign Affairs in Asia-Pacific Economic Cooperation Digital Opportunity Center (APEC ADOC) project that helps ADOC member countries and non-profit organizations in other countries to establish digital learning centers in where digital resources are lacking, thus promoting digital learning, and bridging digital divide. The project not only to improve the quality of life of the residents through digital learning but also help scout the future digital talents. Over the past 14 years, ASUS has assisted 39 countries to establish digital opportunity centers, more than 500 computer classrooms, donated more than 20,000 sets of information equipment such as new computers, refurbished computers, and tablets, benefiting more than 550,000 individuals.

## Digital Happy Learning Camp

ASUS has been driving the “digital fun learning camps” since 2017, where volunteers recruited internally would be trained before venturing to schools in rural areas or social welfare groups for underprivileged communities to cultivate the next generation of digital talents. In 2022, ASUS volunteers continued to be enthusiastic and went to five elementary schools in Miaoli, Changhua, and Nantou when the pandemic measures were relaxed, benefiting a total of 177 students.

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## Dream X Art project

Even though the pandemic was severe in 2021, ASUS continued to cooperate with the Taiwan Orphan Welfare Foundation to organize the "2021 Dream Character Art Camp", which received good reviews. ASUS continued to care for children with disabilities through the "Dream Character Art Camp" in 2022. The designers of ASUS Design Center led 72 students from all over Taiwan to complete 500 pieces of artwork, breaking through the limitations of the pandemic through video software to create wonderful summer memories for children.

## ASUS i-Taiwan Digital Volunteer Service

In 2019, the Ministry of Education will include program education as a compulsory subject in junior high schools. Through the "i-Taiwan Digital Volunteer Service Project", the ASUS Foundation encourages young students to work as volunteers in remote areas to implement digital technology education activities and fill the teacher shortage. This year, a total of five schools participated, including National Taipei University of Business, National Taiwan Normal University, Providence University, National Chin-Yi University of Technology, and New Taipei Municipal Tamsui Vocational High School. Each volunteer team provides content such as media literacy, SDGs issues, technology applications, and digital learning to enrich the horizons of rural students with the expertise of their own school department.

## International Volunteer Program

In 2022, ASUS paused the overseas volunteer program under the premise of protecting the health and safety of colleagues and volunteers.

Information on volunteer initiatives for the past years

## "Heartfelt 99" Project of Public Television Service

"Heartfelt 99", a short film competition started in 2009, is the first competition encouraging the young generation in Taiwan to tell stories with images to express their concern for the society through their films. The award-winning works will be promoted on campus with lectures, and outstanding film and television practitioners will be invited to interact with students and share their creative experience and practical experience. We will continue to encourage video recording, stimulate students' creative energy, and work together to bring the impact of video into play over time.

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# Actions Plans for Overseas Locations

In 2022, ASUS overseas subsidiaries assisted all regions of the world through diversified orientation in order to move toward the expectation of global citizenship.

## Asia

### Mainland China

**1 ASUS e-Innovation Volunteer Actions**

Since 2009, ASUS has joined hands with the China Association for Science and Technology (CAST) to launch the "Your Action, China's Future" volunteer program to encourage university students to actively participate in social welfare and help rural farmers enjoy the convenience of digital life and the Internet through IT and Internet technologies, narrowing the digital gap between urban and rural areas and improving their living standards with knowledge and innovation. In the past 13 years, with this public service project, we have trained more than 38,000 college student volunteers, covered more than 33 key cities, 5,000 villages and communities, completed more than 40,000 IT science lectures, and built 1,094 ASUS Love Science libraries, and reached more than 80 million people.

**2 Participation in Rogue Warriors (RW) "Honor Of Kings" Charity Event**

The club of "Honor Of Kings" by The Rogue Warriors (RW), funded by ASUS Republic of Gamers (ROG), launched three charity events in 2022 :

1. ASUS participated in the public welfare creation activities of Tencent's e-sports x alliance club and invited people to care about autistic patients.
2. In June 2022, ASUS participated in a charity livestream event and donated the proceeds thereof to the Children's Day gift fund for rural children.
3. Giving Love and Warmness on The Universal Children's Day: Give children in remote mountain areas living and school supplies.

### India

ASUS made contributions to the Prime Minister's National Relief Fund[3] 7,867,950,000 (approx. NTD 2,916,715) for Indian National Humanitarian Relief and response to COVID-19.

### Turkey

In collaboration with Make-A-Wish Foundation by the "Build Together, Give Together" project, ASUS invited Orkun Işıtmak, a well-known Turkish youtuber, to create gaming PCs for 12 children to fulfill their dreams. Through the influence of the Internet, the video has been viewed by more than one million people.

### Vietnam

1. ASUS partnered with local foundation VinaCapital Foundation (VCF) to donate 35 BR1100 educational laptops to disadvantaged families whose learning is hindered by COVID-19.
2. In cooperation with the Taipei Economic and Cultural Office in Vietnam, ASUS donated 24 laptops to the elementary school adopted by the Vietnam Family Support Foundation and assisted in setting up information classrooms and online teaching resources in Vietnam.

## Europe

### Czech Republic

ASUS provided monetary support to the nonprofit Family in Centre, which provided financial support to single women raising children, orphans, gypsy families, or refugees from Ukraine.

### France

ASUS donated laptops to the Pierre Claver Foundation to benefit women in Ukraine for their remote work, online courses, etc.

### Poland

In order to encourage customers to complete the service satisfaction survey, the Poland branch partnered with Foundation Forest Forever to donate funds to Foundation Forest Forever for reforestation projects based on the number of satisfaction surveys completed each month.

## Americas

### United States

**1 Digital Inclusion Program**

Since 2008, ASUS has been promoting digital inclusion programs through computer donations, digital learning centers, digital training programs and international volunteer programs in the spirit of unparalleled creativity.

**2 "Pay-As-You-Go" program**

Asus's partnership with Endless OS Foundation and their Endless Laptop Program continued into its 2nd year. This included the distribution of hundreds of Asus computers in the US under an innovative, affordable financing model. Users obtain their laptop for an initial payment of $25, and the computer provides reminders of the monthly payments needed to continue using the device. This solution is integrated into Endless's educational software platform and works completely offline.

This initiative has demonstrated the ability to alleviate digital inequity through innovative business models, as most of the participants now have a PC in their home for the first time. Beneficiaries include Latin immigrant communities, American Indian communities, and students facing societal barriers to employment. In addition to further planned growth within the US, the program has now extended its reach to underserved communities in Guatemala.

[3] The Prime Minister's National Relief Fund (PMNRF) was established in 1948 by the Prime Minister of India, Jawaharlal Nehru, originally to provide relief to displaced persons from Pakistan. PMNRF's resources are now used primarily to provide immediate relief to families of victims of natural disasters such as floods, hurricanes and earthquakes, as well as victims of major accidents and disturbances, and to provide medical assistance.

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# Community Involvement

The success of a company is not only reflected in its business performance, but also in its care and dedication to society. ASUS has made "dedication" one of its corporate philosophiesand extend it to social contribution. Through material donations and caring actions, we create a society that is mutually supportive and altruistic and transformed from "communion" to "common prosperity", and then achieved the goal of “Strive to be among the world-class green high-tech leaders and to provide valuable contributions to humanity”.

In 2022, the ASUS Education Foundation, in response to the disturbed atmosphere brought about by the pandemic and the war has joined hands with the Pro-Love Philharmonic and the Acoustic International Academy Choir to collaborate on the music video "Always Believe in Love", using music to heal people's anxieties.

Watch Always Believe in Love


## ASUS partnered with Buddhist Compassion Relief Tzu Chi Foundation to hold a e-sports competition for environmental protection and disaster prevention

The ASUS Foundation partnered with the Tzu Chi Foundation to promote environmental protection and disaster prevention education, and collaborated with PaGamO, an online game learning platform, to launch the "Environmental Protection and Disaster Prevention Warrior Cultivation Program”. Through county learning and competitions, we educate students on environmental knowledge and cultivate awareness of climate change. Compared with the first edition, the second edition of the event will include new topics such as net-zero emissions and other current events. A total of 985 schools participated in the event, and more than 820,000 people answered the questions on environmental protection and disaster prevention, opening a new page in the history of environmental education in Taiwan.

## The Growth and Training Program of “Children Are US”

Through the innovative employment program in collaboration with Children Are Us Foundation, ASUS hired individuals with intellectual disabilities and set up a “Children Are Us” Bakery within the employee cafeteria. All earnings from the bakery were contributed towards “Children Are Us” Foundation to help more individuals in need. Through a stable employment environment, 9 individuals underwent professional occupational rehabilitation, job coaching and continuous individual development plans. This not only slowed down their aging, thereby improving the intelligence, physical fitness and work capabilities, but also eased the burdens on their respective families.

## Charity, Donation and Sponsorship

With core values in mind, ASUS participated in various community activities, and also ring-fenced a budget to sponsor different organizations to fulfill our corporate social responsibility and realize the vision of contributing to the society. In 2022, we continued our tradition of collecting donations for organizations that need help during the Lunar New Year and donated NTD 4,484,010 to the South Kaohsiung Family Support Center, Taiwan Fund for Children and Families, World Vision Taiwan, the Foundation's Hana House, the Foundation's Yavin Children's Hearing and Language Foundation, and the André Food Bank. Over the past 12 years, we have benefited 42 social welfare organizations and helped more than 8,000 children, families and elderly people in need.


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# Environmental Protection

## Plastic Reduction

Since 2019, with an eye toward preventing the generation of plastic waste and changing the culture of using single use disposable plastics, ASUS has been prohibited disposable cutlery in all canteens, convenience stores, cafes and other businesses within the office zone.

## Beach Cleanup and Marine Conservation

Adjacent to the Mangrove Natural Reserve, the Wazihwei Nature Reserve has precious wetland ecology and is an important habitat for many migratory birds, aquatic animals and plants.

## Employee Environmental Education

To encourage employees to practice environmental sustainability in their lives, ASUS organizes monthly Green Primary School events to share environmental greening, green consumption, and other green actions through letters. Fill out the simple questionnaire to participate in the lucky draw activity. Cultivate environmental awareness and concrete actions among colleagues.



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# 10 LOHAS Workplace

Talent management is the most important factor that empowers the world's top companies to outperform their peers. Critical talents are an important strategic resource for enterprises, and they are enterprise value creators and an important cornerstone for companies' continuous operation and growth. Considering employees as its most important assets, ASUS works with them to elaborate on collective wisdom and develop individual and team potentials and interests. We shape the corporate culture, cultivate key talents, acquire technologies and capabilities in key areas. We also create an open and innovative R&D culture and a creative environment to stimulate the vitality and imagination of our employees. ASUS believes in a people-oriented corporate philosophy of "Inspire, Motivate and Nurture Employees". We are committed to pursuit high-performance organization and outstanding talents, establish a comprehensive remuneration and benefit program, and cultivate and develop diverse talents as a human resource development strategy to create shared value for enterprises.

## Actions

### Design Thinking Competition
Implemented annual Design Thinking competition

### Disaster Simulation Drills and Exercises
Organized 8 sessions of disaster simulation drills and exercises

### Employee Opinion Survey
First time to conduct employee opinion survey

## Performance

### World's Best Employers
Evaluated as one of the world's best employers by Forbes for three consecutive years (2020-2022)

### Top 100 High-wage Enterprises
Remunerations and benefits beyond the statutory requirements and ranked among the Top 100 high-wage enterprises in Taiwan

### Gold Award in Corporate Health Responsibility
Awarded the Gold Award in Corporate Health Responsibility held by Common Health Magazine in the group of companies with over 5,000 employees

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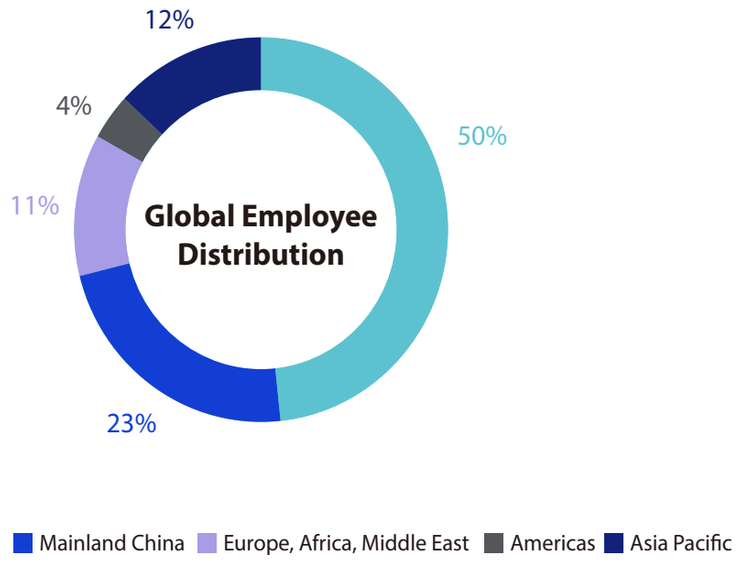
# Employee Policy

## Structure of Manpower

ASUS has established operating bases in more than 70 countries around the world, including Asia-Pacific region, Europe, Americas and Africa. The number of global employees is about 16,340, including about 8,106 in Taiwan where the head office is located and about 8,234 in the overseas regions. With the expansion of product lines and business territories, the number of employees grew by approximately 7% compared to 2021. The employee growth rate for the headquarters was the largest with approximately 9%, followed by Mainland China with approximately 5%, and other overseas regions with approximately 4%.

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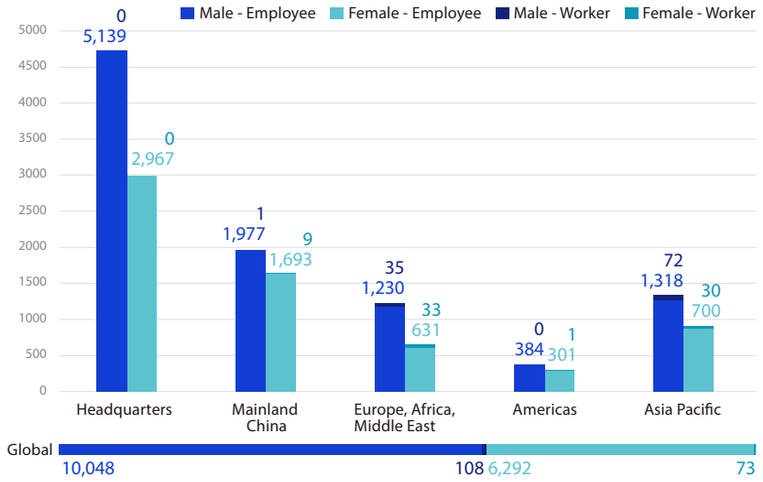
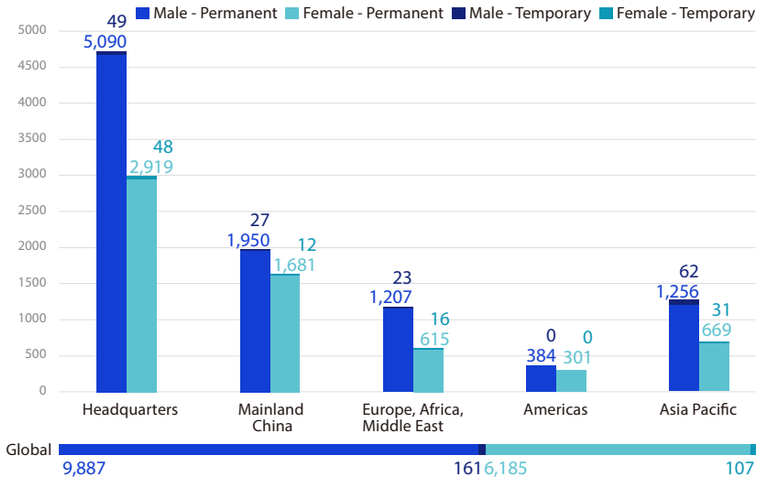
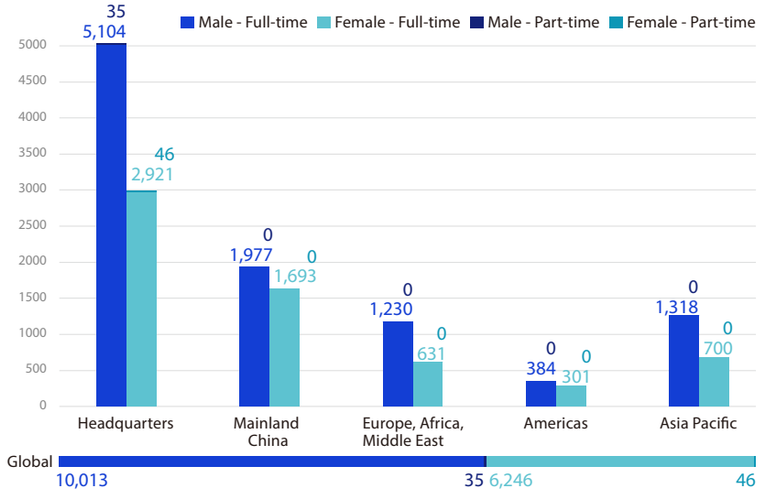
## Workforce Composition



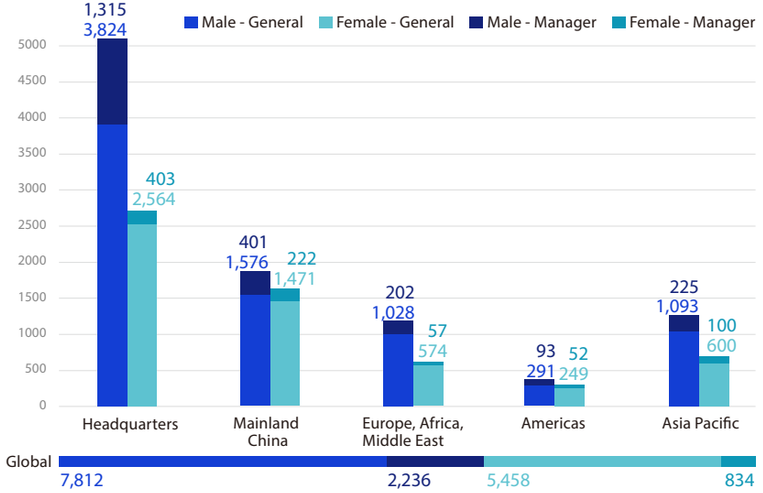

## Contract Type




## Employment Type




## Employee Type




[1] Worker : dispatched staffs and representative staffs. The job categories for dispatched staffs include: clerical staff, cleaning staff, administrative assistant, customer service/maintenance assembler. Representative staffs are responsible for market research. The majority of workers are dispatched staffs.
[2] Temporary employee and part-time employee are defined as hourly paid employees who work irregular hours and who work fewer hours than full-time employees.

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## Remuneration Policy

Candidates with identical backgrounds will have identical starting salaries regardless of gender, religion, political view, and marital status. We review the remuneration against the industry level, ensuring that the pay is competitive and attractive to the talents. At the headquarters, the starting salary of entry-level personnel is superior to the statutory requirement. ASUS has established the Key Talent Retention Bonus Program to retain key positions and high-performing talents with excellent performance and development potential, and to nurture ASUS's management cadres and professional functional talents to further enhance the competitiveness of the company. The ratio of male and female standard starting salary and remuneration compared to local minimum wage was 1.07:1 in 2022. Comparing the wage of male and female with same job level, the ratio for general employees was about 1:0.78, while for management level was 1:0.79.

## Human Rights

ASUS values "people-oriented" and does not discriminate against employees based on race, gender, age, political affiliation, religion, or disability. We follow the local legislation as well as the minimum age requirements. ASUS publicly discloses the "Human Rights Policy" on the website in accordance with the Universal Declaration of Human Rights of the United Nations. ASUS values gender equality. The proportion of global female employees was 38.5% and global female managers was 27.2%. Although the majority of employees in the IT industry are male due to the characteristics of the IT industry, there is no employment discrimination or any unfair treatment based on gender.

**Due Diligence and Management :** ASUS conducts annual due diligence to assess potential human rights risks in accordance with the Company's Human Rights Policy and the Employee Code of Conduct. The assessment mainly includes topics such as people with physical and mental disabilities, female employees, workplace safety, prohibition of discrimination, and prohibition of child labor. We track any high-risk events and take improvement actions.

▼ To implement ASUS' human rights policy, human rights-related training is provided to employees worldwide, and the number and percentage of training hours are listed below :

| Region | Headquarters | Mainland China | Europe, Africa, Middle East | Americas | Asia Pacific |
|---|---|---|---|---|---|
| **Total Training Hours** | 32,068 | 18,473 | 2,281 | 8,839 | 6,769 |
| **Percentage of employees trained** | 99.4% | 97.1% | 96.8% | 96.7% | 95.0% |

* Please refer to CH07 Responsible Manufacturing for Supplier's human rights protection policy

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# Employee Communication

## Open Communication

ASUS continues to actively expand diversified communication channels to enhance employee relations. By holding regular communication activities, employee opinion mailbox and employee engagement surveys, we build the transparent communication between ASUS and employees, and their suggestions are used as the driving force for improvements to safeguard the rights and interests of each employee.

| Employee | Internal Communication Channel | Senior Manager |
|---|---|---|
| **Two-Way Communication :** CEO On-Live, CEO Afternoon Tea, ASUS DNA Story<br>• Communicate major issues internally, convey the company's vision and corporate culture<br>• Employees could fully express their opinions | **Employee Caring Hotline :** Internal and external Employee Assistance Program (EAP) hotline, Employee Caring Website<br>• Assist employees in work, life and health related issues | **Employee Grievance Channe :** Personnel Management System, Whistle-blowing Mailbox, Employee Opinion Mailbox, Hotline and Mailbox for Complaints of Unlawful Infringement in the Workplace<br>• Talk about the company's system, management measures and specific issues |
| **Labor-Management Council :** Labor and Safety Committee, Occupational Safety and Health Committee<br>• Discuss labor conditions, build the harmonious labor relations | **Employee Opinion Survey :** Delivered by a designated agency Willis Towers Watson to employees in the headquarters in 2022<br>• In-depth understanding of employees' real work experience | **Prevention of Workplace Sexual Harassment :** Employee Caring Website, ASUSchool Learning Platform<br>• Delivery courses on the prevention of workplace violence and sexual harassment |

## Employee Opinion Survey

ASUS implemented the Employee Opinion Survey for the first time in 2022, which was conducted by Willis Towers Watson. Through a "systematic and data-based" approach, we can truly understand the real work experience of our employees, identify the company's strengths and opportunities, and use the survey results to develop action plans that are expected to effectively enhance the engagement of our sustainable employees.

The 2022 employee opinion survey included all employees in the headquarters, with a valid response rate of 80%. From the results, we found that the company's strengths (analyzed by using the Willis Towers Watson Taiwan High-Tech Model and the Taiwan Model as the main benchmarks, and the Global High-Tech Model as a secondary benchmark): employees agreed that ASUS is a good company to work for; in terms of diversity and inclusion, most employees agreed that the company supports a diverse workplace and can express their opinions openly and honestly within the company.

**Based on the survey results, ASUS also launched an action plan to strengthen employees' confidence in decision making and implementation of values, and to adjust compensation and benefit programs:**

- Establish a smooth two-way communication mechanism within the company to enhance the understanding and confidence of employees in the decision-making process
- Set clear values and encourage all supervisors to lead by example in their daily work to implement the company's values
- In terms of compensation and benefits, the salary structure of some basic/junior employees was adjusted from a variable salary basis to a fixed salary basis, and the monthly disposable salary was increased to facilitate more effective use by employees.
- It is expected that we will implement employee stock ownership plan and Hybrid Work Model for some staff in 2023 to enhance staff motivation and happiness.

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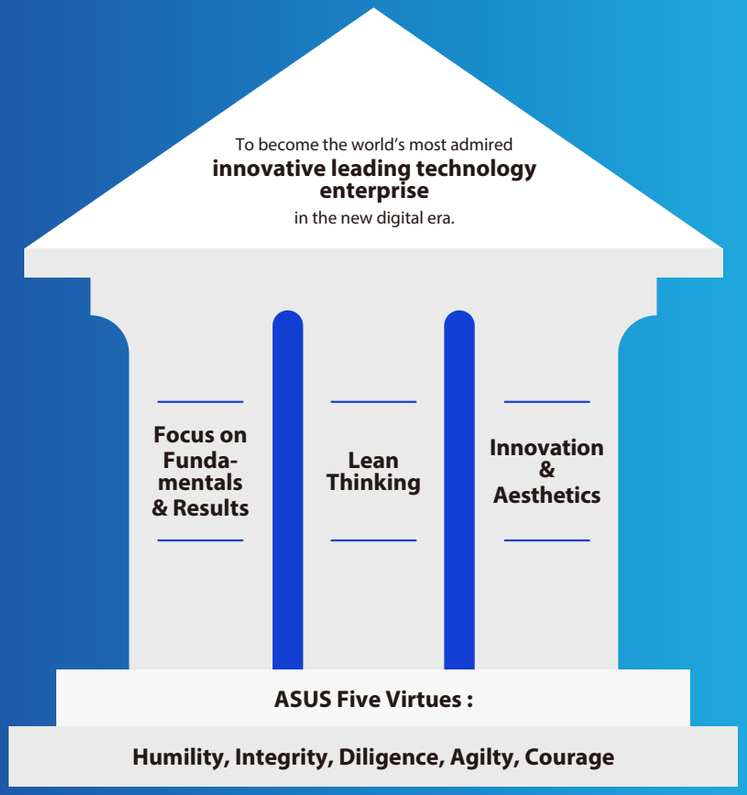
# Cultivating and Developing Talents

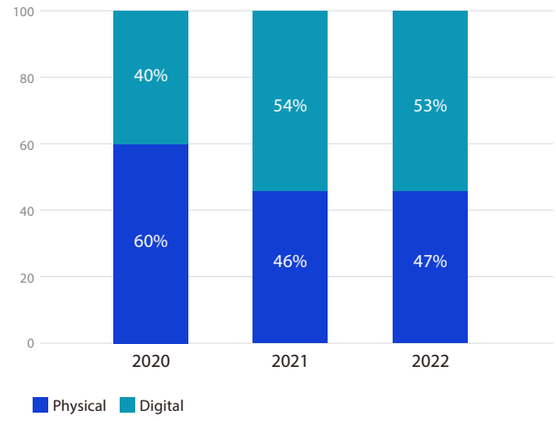
Talent is the cornerstone of a company's success. ASUS believes that only every employee can fully demonstrate ASUS DNA: ASUS 5 Virtues, Focus on Fundamentals & Results, Lean Thinking, Innovation and Aesthetics, and the strengths in his or her job can achieve the vision of "becoming the world's most admired innovative leading technology enterprise in the new digital era," and provide valuable contributions to humanity.




The total number of employees of ASUS in 2022 were 16,340 (at the end of the year), the total training hours of ASUS Group were 385,456 hours, and the average training hours per person were 24 hours. The overview is as follows :

| Catagory | | Training Hours per Employee |
|---|---|---|
| Gender | Female | 23 |
| | Male | 24 |
| Employee Category | General employee | 24 |
| | Junior supervisor | 21 |
| | Mid-level supervisor | 23 |
| | Senior supervisor | 10 |
| Age | <30 | 44 |
| | 30~50 | 18 |
| | >50 | 14 |
| Training Category | Physical courses | 11 |
| | Online courses | 12 |

**2020-2022 Total Training Hours (Physical + Digital)**



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# Talent Cultivation and Development Framework

Linking the corporate culture, core values and global strategies, the Talent Development System is divided into three dimentions, including "core values", "management leadership" and "professional skills". We provide various training courses and digital self-learning resources for senior-level, mid-level, first-level managers and general employees to foster diverse talents.


Work Master Program | ASUS Cultural Program | Newcomer Training Program

Dr. ASUS internal Lecturer Program | Design thinking Program

## Management Skills

Based on the competency standards set by each management function and global job evaluation, ASUS has established a comprehensive management training map, including cooperation with academia mini-EMBA program, internal senior management experience transfer, and external management trend convergence. In 2022, a total of 10,190 hours of training were provided to strengthen the management mindset and leadership of executives and lead their teams to achieve the operational strategic goals given by the company.

## Professional Skills

ASUS divides professional skills into four areas: research and development, engineering technology, sales/marketing, and management support. We identify the skill requirements for each position to develop theroadmap of professional training, technology and trend seminars, and strategic training programs. In 2022, a total of 5,071 hours (63% in research and development, 22% in management support, 9% in engineering technology and 5% in sales/marketing) were spent in 1,418 professional training courses organized by the department itself.

## Core Competitiveness

ASUS cultural transformation focuses on the Wisdom for a Complete Corporate Transformation of “transform and evolve, trust in radical truth and transparency, and embrace idea meritocracy and foster collective wisdom”. The company's corporate philosophy and common values are conveyed and implemented in its daily work through a global cultural communication website, diversified courses, online and offline activities, and integrated into the management mechanism. In 2022, there were 165 training courses for newcomers, ASUS culture courses, and work master courses, with a total of 26,138 training hours; since 2007, we have trained 501 Dr. ASUS internal instructors to convey our expertise and experience.

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## Development of Digital Learning Courses

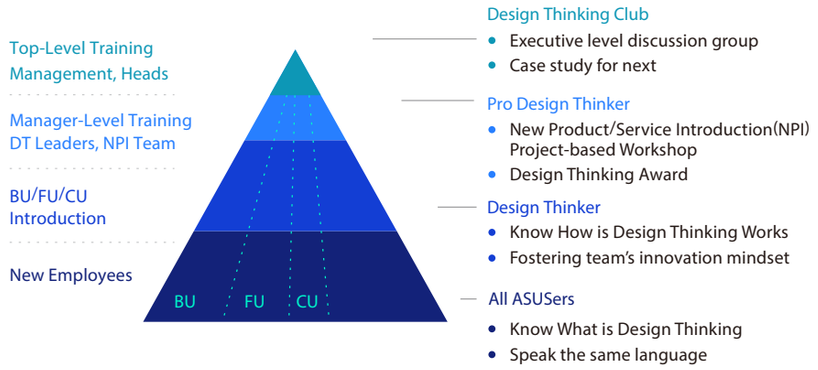
In response to corporate governance and sustainability, digital learning courses are developed to standardize contents and then be delivered in local languages to convey important policies or messages in a short time. Courses include: “The ASUS Way” talks about ASUS culture and values, "Information Security Education" enhances the information security awareness of all employees and delivers Information Security guidelines, “Ethics and Code of Conducts” is supplemented by the promotional card with unfair competition and bribery prevention guidelines and is required annually as a reminder to the employees.The "Information Security Education" and " Employee Code of Conduct " courses are reinforced through annual global retraining to remind employees to comply with them, with a 100% completion rate in all regions.

## Key Talent Cultivation Project

### Design Thinking Talent Cultivation

Design Thinking is a human-oriented design spirit and method that considers the needs of users and the feasibility of technology and business, using bold innovation, embracing the concept of beauty, and constantly creating a pleasant full-life experience for users.

The talent development under the concept of Design Thinking is to design different levels of training programs according to the depth of application and the targeted employees, turning design thinking into the culture, ability and common language of all ASUS employees.




| Course Name | Employee Code of Conduct | | Awareness on Information Security | | The ASUS Way | Design Thinking |
|---|---|---|---|---|---|---|
| Category | Newcomer Requirement | Annual Retraining | Newcomer Requirement | Annual Retraining | Newcomer Requirement | Annual Retraining |
| Language | 12 | 15 | 18 | 18 | 16 | 18 |

ASUS encourages employees to use design thinking in their daily works through monthly/quarterly application and sharing session, annual competition and selection, and award mechanism, motivating internal communication and cohesive innovation atmosphere, and promoting the spirit of bold experimentation in design thinking and the importance of experience learning.

**Key Performance in 2022 :**

- ASUS developed multimedia digital teaching materials in 18 languages, promoted by headquarters to overseas colleagues
- The annual training targets are Sales PM section and departmental supervisors, and a total of 1,792 employees have completed the training.
- 6 groups participated in the 4-month 2023-2025 Product and Service Innovation Workshop
- Annual competition teams across business units and executive teams practiced product and service innovation

In 2022, we added the "Best Pit Treader Award" selection. The Pit Treader Award is not a consolation award for failure in a challenge, but an honorary award for being a pioneer and making a breakthrough. Because we believe that every innovation, even if the results are not as good as expected, is paving the way for a moment of future success. The finalists included four teams in the Product Innovation category, four teams in the Business Innovation category, and seven teams in the Best Pit Treader Award. The teams came from BU/CU/FU, highlighting that design thinking can not only be implemented in products, but also in services, fully embodying the spirit from Design Thinking to Design Doing.

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**People Growth Program (PGP)**

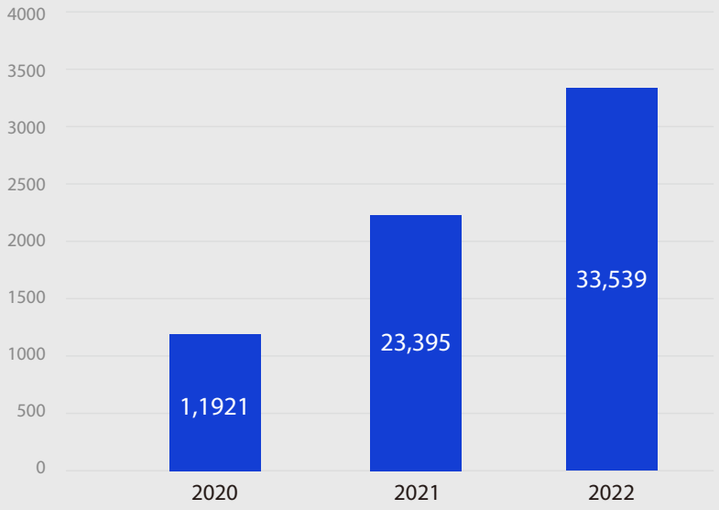
In order to cultivate high-level management and π-shaped skills, we structure leadership development plans to build up the operational capabilities of potential employees. This inspires innovative thinking and promotes interdepartmental collaboration. In 2021, a total of 93 potential senior executives was selected to participate in the training, and they continued to develop in the long-term through work projects and personal development plans.

| Stage 1 : Define Job Qualification | Stage 2 : Discover Talent | Stage 3 : Develop Talent | Stage 4 : Deploy Talent |
|---|---|---|---|
| Define key position and criteria according to the operating strategy of the Company | Confirm the current status of the talent pool and the capability for development | Focus on work experience and assist with internal and external mentoring and coaching systems as well as Mini-EMBA courses | Hold a Talent Development Committee to review the progress and execute allocation of talents according to the needs of the Company |

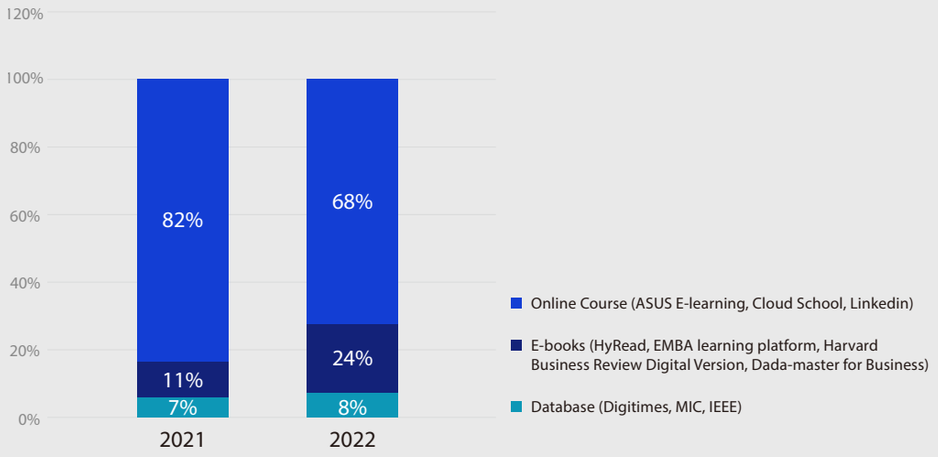
## Introduction of Digital Learning Resources

ASUS has introduced diversified digital learning resources to encourage employees to learn and grow independently. The cumulative number of users of each type of resource has reached 10,144 participants.

**The cumulative annual usage of self-study resources**




**2020-2022 Self-study resource annual usage**



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# Individual Appraisal Management and Development

In order to achieve effective implementation of the company's operational goals from the top-down, ASUS conducts regular performance appraisals for all employees every year, with the focus on the overall assessment of past performance and review of items for improvement to establish the direction and goals for the next stage of development. In addition, the results of performance appraisal will be used as a reference for promotion, capacity development and compensation.

For employees whose performance does not meet expectations, ASUS provides performance improvement plans to guide employees to focus on improvement priorities and make necessary job adjustments based on individual capabilities. In addition to providing care and support to employees who are unable to improve their performance, we also have a comprehensive employee placement assistance program, including the payment of severance pay in accordance with the law, and the provision of necessary assistance and related resources, such as personal career development counseling and outplacement referral assistance.

▼ ASUS' annual performance management and development cycle is illustrated below and includes annual goal and personal development plan, immediate progress reporting and feedback to counseling, and year-end performance evaluation.

| At the beginning of the year / after new employee assessment | Daily | Year-end | Next year |
|---|---|---|---|
| Management by Objective (MBO) | Immediate progress report from colleagues, and managers provides guidance | Annual Performance Appraisal | New Management by Objective |
| Individual Development Plan (IDP) | 1-on-1 conversation: arrange regular meeting | | New Individual Development plan |

Feedback: feedback from others

Recognition: positive praise

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# Thoughtful Benefits

## Benefit Package Beyond the Statutory Requirement

ASUS offers a diverse and flexible welfare system. In addition to the social insurancerequired by the regulation, group insurance is also planned, and the coverage is extended to the families of employees. Meanwhile, multiple benefits are provided, including meal supplements, birthday gifts, and health exanimation allowances, etc. In addition to paid sick leave and personal leave, employeesare also provided with number of days of happiness leave each year, allowing them to plan their own time off to manage their work-life balance.

### Paid Sick Leave Happiness Leave

- People at the relevant level and above are entitled to 30 days of paid sick leave and 14 days of paid leave (includes 7 days of family care leave)
- The company grants an indeterminate number of days of happiness leave each year, allowing employees to plan their own time off

### Flexible Working Hours

- Flexible Clock In Hours 07: 30 ~ 09: 30
- Flexible Clock Out Hours 16: 30 ~ 18: 30
- Implementation of Hybrid Work Model in Overseas Subsidiaries

### Subsidy

Meal Expense, Birthday Voucher, Maternity Pension, Wedding and Funeral, E-coupon, Health Examination, Scholarship for Employee’ s Child, and Employee Parking Subsidy, etc

### Group Insurance

- Group insurance includes life insurance, accident insurance, medical insurance, and cancer insurance, etc
- Parents, spouses and children are entitled to a group insurance premium plan

### Welfare Activities

- Department Gathering
- Sports, leisure, art and other diversified community
- ASUS Happy Farm
- Family day, arts and cultural activities, small farmers' market

## Stable Retirement Contribution System

In accordance with the provisions of the "Labor Standards Act" and the "Labor Pension Act", employers should contribute 6% of the salary to the new personal pension account as labor pension fund on a monthly basis, in order to contribute to the special account of the Supervisory Committee of the Retirement Reserve of Laborfor saving and spending.

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# Healthy Workplace

## Five-Star Psychological Care


**The Employee Caring Hotline :**
Provides immediate assistance to employees, and the joint consultation services provided by professional colleagues and external consultant experts give employees psychological and emotional support or stress relief solutions related to employees' work, life and health. In the event that employees suffer from accidental injuries, hospitalization or major disasters, we also activate emergency relief and assistance depending on the circumstances of each case and give employees and their family appropriate care.

**Employee care website :**
Published information including work stress relief, positive thinking and information helpful for employees' work or personal life. Designed for assisting employees in selfmanagement and achieving a balanced work-life development, the website delivered care messages along with stress relief advice. In addition, emergency relief and care services are made available to provide employees with customized resolutions for colleagues in need of long-term care on top of solicitude payments, as a means to render personal assistance and support and to enable employees and their families to feel the love and care of the ASUS family.

**Employee Assistance Program, EAP :**
The EAP incorporates multiple communication channels and assistance and counseling solutions. It assists employees to solve personal issues that may affect work productivity and offers supervisors with professional management consultation services to help them resolve crisis and management issues. In order to improve the comprehensiveness of employee care, the employee relations also provide emergency medical referrals and assistance for employees and their families.

## Health Promotion

**The participation rate of colleagues in the headquarters in 2022**
**91%**

**Individuals with high abnormality in health examination completed re-examination, treatment or improvement**
**78%**

### Employee Health Check

ASUS adheres to the business philosophy of "inspire, motivate, and nurture employees," by providing annual health check-up service, which is superior to the provisions set out in the "Regulations Governing the Labor Health Protection,"to its employees. In addition, any abnormality discovered in the check-up is analyzed, managed and tracked according to the level of severity. Doctors and nurses regularly monitor the abnormality, assist in medical referrals, and promote various health promotion activities. We believe this could help employees to have a healthy body.

ASUS provides occupational disease prevention and consultation with professional medical specialists for employees, and developed a health management platform to carry out ergonomic hazards, maternity protection, overwork and abnormal health check-ups[3] so as to filter at-risk groups. Intervention care would be offered by nurses, occupational safety personnel, and human resources personnel, and were necessary, clinical consultations would be arranged to execute the prevention and management of occupational diseases. Occupational specialists have stepped in to improve and follow up with personnel with ergonomic, maternity and overwork in 2022.

[3] Special health check items included ionizing radiation, dust, organic matter and excessive noise.

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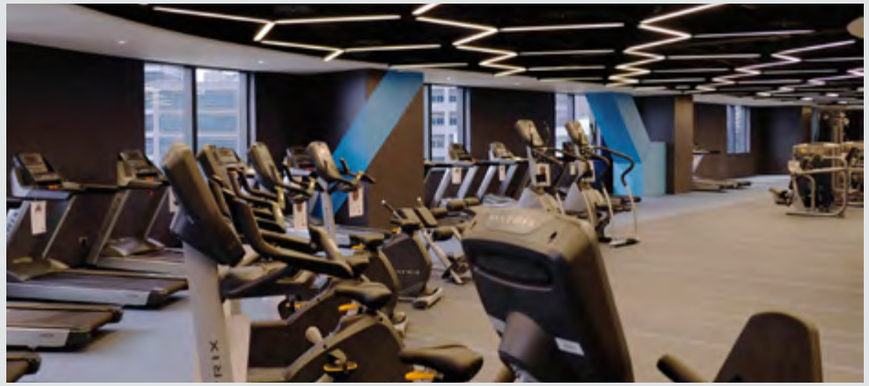
## Five-Star Fitness Center

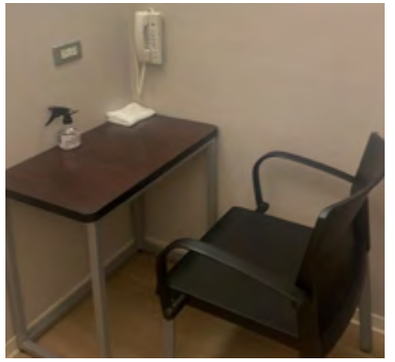
To balance employees' work and life, ASUS has a combined court for different sports, heated swimming pools (adult pool, children's pool, and spa pool), gym, sauna chamber, aerobics classroom, shower rooms, and outdoor sunbathing site, which motivates employees to exercise before and after work and to exercise with peers on holidays to alleviate work stress.

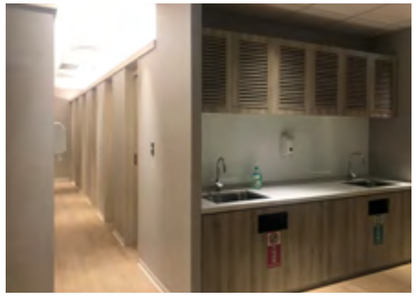


## Caring for Female Employees

Since 2010, ASUS has continued to provide good breastfeeding facilities. In 2019, ASUS optimized the environment of the breastfeeding facilities by changing the door control and setting up interdependent rooms; in 2022, we installed emergency phones in each independent space to enhance the privacy and safety of breastfeeding. In 2022, 2,750 women of childbearing age were assessed for workplace safety and health risks, and health education and promotion were completed. In addition, 74 pregnant mothers were provided with operational risk identification, health education and doctor consultation services, as well as good pregnancy gifts, special lounge chairs for pregnant mothers and car parking spaces to make mothers feel sweet and happy. In 2022, the return-to-work rate for females after parental leave in the headquarters and after maternity leave in Mainland China was 70% and 100%, accordingly; the retention rate for females after returning to work for 12 months in the headquarters and in Mainland China was 91% and 78%, respectfully. The high return to work rate and retention rate in the headquarters and Mainland China show that ASUS would not force females to leave due to pregnancy or parenting and that it is committed to providing a gender equality environment.

▼ A thoughtful and highly respecting privacy breastfeeding environment





Left: Independent breastfeeding room with the emergency phone

Top right: There are sterilizers and wash basins in the breastfeeding facilities

Bottom right: One breastfeeding room per person

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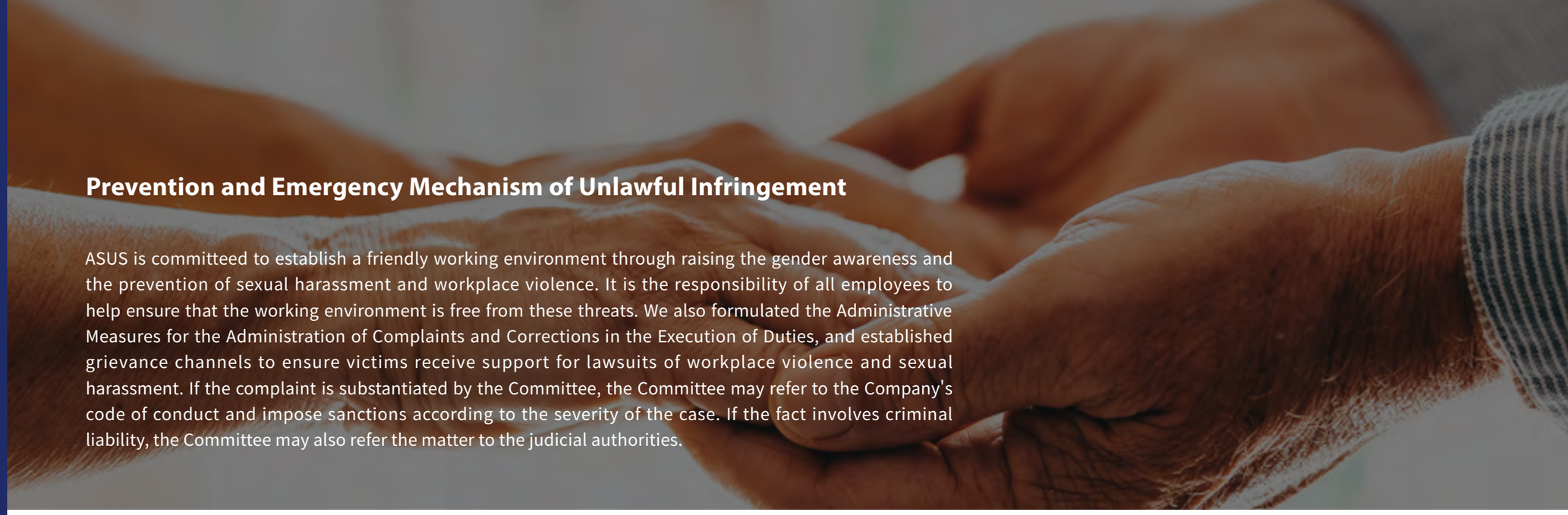

## Prevention and Emergency Mechanism of Unlawful Infringement

ASUS is committeed to establish a friendly working environment through raising the gender awareness and the prevention of sexual harassment and workplace violence. It is the responsibility of all employees to help ensure that the working environment is free from these threats. We also formulated the Administrative Measures for the Administration of Complaints and Corrections in the Execution of Duties, and established grievance channels to ensure victims receive support for lawsuits of workplace violence and sexual harassment. If the complaint is substantiated by the Committee, the Committee may refer to the Company's code of conduct and impose sanctions according to the severity of the case. If the fact involves criminal liability, the Committee may also refer the matter to the judicial authorities.

The process for handling unlawful infringement complaints is as follows:

01

**Reporting**

Complaints of Unlawful Infringement in the workplace

E-mail: 6666@asus.com
Hotline: #26666

---➤

02

**Clarification, Acceptance and Investigation**

Unlawful Infringement Committee

- Investigation of complaint cases
- Evidence search, clarification, and verification

---➤

03

**Settlement**

Committee, Human Resources

- Complaints of Unlawful Infringement in the workplace
  - Convene the meeting of "Unlawful Infringement Committee" and report
  - Judge and punish violations in accordance with the "Employee Code of Conduct" and the "Work Rule"

---➤

04

**Corrective Measure**

Case unit, Human Resources

- Request relevant units to internally review the causes of violations and submit improvement reports
- Revise internal and external management policies and improve internal processes
- Strengthen internal and external education and training to avoid similar incidents from happening again

In 2022, there were three cases of unlawful infringement complaints, which were not substantiated due to insufficient evidence.

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# Safe Workplace

## Operational Health and Safety Management

To boost, with an eye on encouraging participation of all employees and achieving effective communication, ASUS established an "Occupational Safety and Health Committee" comprising 18 working level and management members (including 10 working level representatives). Meetings are convened quarterly to review the relevant safety and health issues stipulated in the laws and regulations, including the contents of occupational disaster investigation reports, operating environment monitoring results, safety and health education and training and annual audit results.

## Operational Health and Safety Risk Identification

Every year, ASUS invites SERASUS members from various departments and Safety&Health Dept. to jointly conduct the "Environmental Consideration and Safety and Health Risk Identification". At the same time, with an objective two-way view, the past occurrences, potential hazards, current affairs issues, annual audits or incidents reported by stakeholders of various departments are reviewed, and the "Annual Material Environmental Considerations and Intolerable Risks" are determined by the composite rating.

## Occupational Safety and Health Response Drill

ASUS has been promoting the "Workplace GO Safety Incentive System" through safety and health hazard identification, education and training, disaster prevention simulation exercises, and full employee participation and "zero disaster" goals to enhance workplace safety awareness and ensure workplace safety. ASUS collaborated with local fire departments to hold drills and experience activities in 2022 and had completed 8 drills for earthquake, infectious disease, typhoon and flood, chemical disaster, myocardial infarction, etc.

▼ Identification Results of Annual Material Environmental Considerations and Intolerable Risks in 2022 :

| Source of Hazard | Environmental Impact or Hazard Factor | Mechanisms of the Control, Protection or Prevention |
|---|---|---|
| **Procedures of the product research and development** | Risk of failure to notice anomaly in battery during disassembly | Education and training, establishment of standard operating procedures, provision of personal protective equipment, etc. |
| **Vibration impact test** | Possibility of generation of unacceptable noise level | Regular special physical (health) checks, setting up of personnel monitoring office, monitoring of the working environment and provision of personal protective equipment |
| **Recreational activities** | Mishaps occurring during large-scale activities such as competitions and parent-child activities | Environmental risk assessments prior to activities |
| **Chemicals added to the swimming pool** | Environmental risk assessments prior to activities | Color distinction for chemical barrels, monitoring of working environment and provision of personal protective equipment for the executive staff, etc. |
| **Emergency response** | Insufficient awareness of personnel emergency response | Establish emergency response plan and conduct drills regularly |


ASUS jointly organized a large-scale exercise and experience activity with the Taipei City Fire Department

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# Operation Environment

ASUS has established an exclusive EHS (Environment, Health & Safety) team to assess the possible environmental impact from company activity for compliance with relevant regulations. To improve corporate performance for environmental protection, the administration team has set strict specifications and continued to promote improvement programs, which helped us to reduce environmental impact to a minimum and head towards the goal of "Zero pollution." As ASUS overseas offices are leased offices, information on waste, waste water, and water is not available. Therefore, the reporting boundaries of the following information are the headquarters and repair centers in Taiwan.

## Waste Management and Zero Waste to Landfill

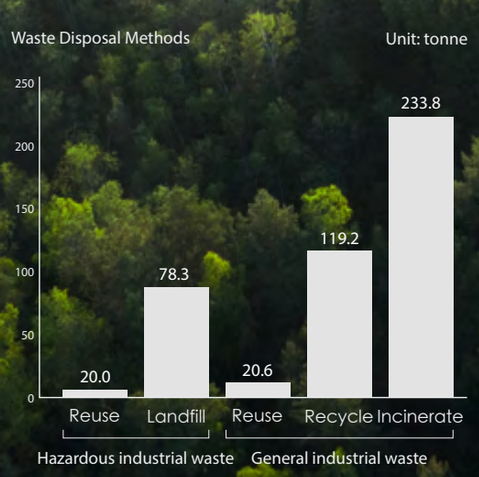
Waste is a heavy burden. Failure to deal with it properly will cause huge costs to the government, enterprises and society. Therefore, we expect to achieve zero waste and move toward the direction of the circular economy. ASUS waste could be classified into general wastes and hazardous wastes. The hazardous wastes mainly include R&D materials and waste, which are treated and recycle by qualified recyclers; the general wastes mainly include daily garbage from employees, which are main reused after adequate recycling. The portion that cannot be recycled will be processed with incineration or landfill.

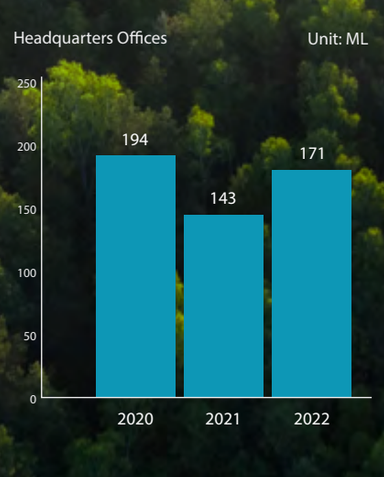
Since 2015, ASUS had initiated the "Zero Waste to Landfill" program in the headquarters by adopting UL ECVP 2799- Zero Waste to Landfill standard, which tracks waste flow with quantified index and confirms adequate procedures on waste recycling, reuse and conversion instead of direct land-filling.

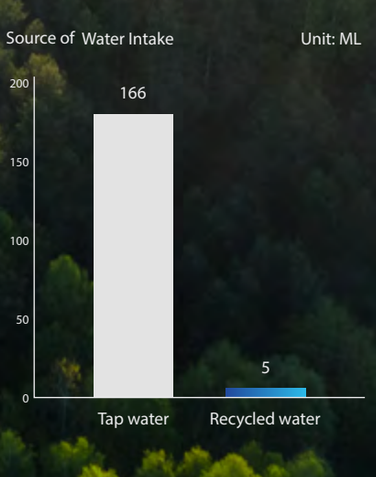
## Water Resource Management

Regardless of whether it is to maintain life or business operations, the dependence and demands for water resources have grown, but the problem of insufficient water resources and risks has have also increased over the years. In ASUS, the consumption of water resources mainly covers daily water for general office staff and the source comes from municipal supply while the risk of operation affected by water resources is relatively lower. Based on CSR, numerous water-saving measures are conducted for effective administration on water resources. In 2022, the Ligong Building of the Headquarters obtained the ISO 46001 Water Resource Efficiency Management System Certification.

To achieve these, as well as improving usage efficiency and reducing wastage on water resources, we have implemented numerous measures in software and hardware. Hot spots of higher water consumption in Taiwan undergo analysis and statistics on significance, which will serve as records for long-term tracking. Moreover, a water recycling and reuse facilities were erected at the Headquarter, which collected overflowing water for toilet use and plant maintenance. The source of waste water is mainly office sewage, which is normally drained into a specified sewage treatment system as per government regulations, thus it is not in the scope of disclosure.

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# 11 Governance

## Ethical Corporate Management

ASUS formulated the "Employee Code of Conduct" based on the Code of Conduct by the Responsible Business Alliance (RBA) and "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies." The Employee Code of Conduct includes but is not limited to corruption and bribery, insider trading, intellectual property rights, and the proper preservation and disclosure of information. We created the online Employee Code of Conduct course, which is mandatory for all employees and is required to be retrained every year. For Business partners, ASUS requires the signing of "Code of Conduct Compliance Declaration". For external entities that violate the anti-bribery, anti-corruption and anti-foul play and cause damage to the company, we will seek compensation in accordance with the provisions of the signed integrity pledge and take necessary legal actions.

| Board of Directors | Employee | Supplier |
|---|---|---|
| Report annually to the Board of Directors on the status of the ethical corporate management of the Company. The Board of Directors is responsible for overseeing the management responsibilities in ethical corporate management. | The "Employee Code of Conduct" is included in the mandatory course for all new employees, and it is required to be retrained every year to enforce good ethics of practice. The global completion rate reaches 100% in 2022. | During the qualification assessment of new suppliers, we require them to issue the "Declaration of ASUS Group Contractor/ Supplier Conduct Compliance" and sign the "Code of Conduct Compliance Declaration" before the transaction. |

ASUS has always engaged in all business activities with honesty and forbids corruption and any form of fraud. With a system of rewards and punishments, we make sure that employees do not accept any type of fraud regarding demands, contract, bribery, or any other improper benefits. Should anyone discover a potential violation of the Employee Code of Conduct of ASUS employees, a report can be made to us through our public mailbox (audit@asus.com). In accordance with the Occupational Safety and Health, the Sexual Harassment Prevention Act, and the Personal Data Protection Act, any personal information and other full-funded identification information of the whistleblower shall be kept confidential and shall not be provided to third parties not related to the investigation. To avoid unfair and unfavorable treatment, the whistleblower can also propose necessary precautions against possible damage in accordance with the law. Regarding cases that violate the "Code of Conduct", they will be dealt with appropriately based on the severity. ASUS will severely punish illegal acts and transfer them to judicial authorities for investigation if necessary.

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### Whistleblowing Channels and Procedures

| Reporting | Clarification, Acceptance and Investigation (Audit Office, Human Resource) | Settlement (Committee, Human Resource) | | Corrective Measure (Case Unit, Human Resource) |
|---|---|---|---|---|
| | | Violation of Code of Conduct | Committee of Unlawful Infringements | Violation of Code of Conduct |
| • Violation of Code of Conduct (audit@asus.com)<br>• Complaints of Unlawful Infringements in the Workplace (6666@asus. com) (Dedicated-line: #26666) | • Case Investigation<br>• Evidence Search, Clarification, and Verification | • Hold the meeting<br>• Base on "Employee Code of Conduct" and "Work Rule" to make decision<br>• Periodically report to the Board of Directors regarding the investigation result and the measures taken | • Hold Committee of Unlawful Infringements Meeting<br>• Base on "Employee Code of Conduct" and "Work Rule" to make decision | • Request relevant units to internally review the causes of violations and submit improvement reports<br>• Revise internal and external management policies and improve internal processes<br>• Strengthen internal and external education and training to avoid similar incidents from happening again |

### Response to the Incidents in 2022

For cases of violation of the " Employees Code of Conduct ", ASUS will handle them appropriately according to the severity of each case. There was one case of violation to Employees Code of Conduct in 2022. An employee forged bank receipts to embezzle funds from the company's accounts. In accordance with ASUS's internal regulations "Employees Code of Conduc" and "Work Rule", the employee shall be dismissed from the company and the company shall pursue and recover improper benefits in accordance with the law. In addition to strengthening the control of bank receipts and stamping, we have also established a double verification mechanism and introduced internet banking operations to eliminate manual modification.

## Regulation Compliance

Regulatory compliance is not only a practice ensuring integrity, but also the core of decreasing operational risks and sustainable developments. To ensure ASUS products and services meet the global regulations, we have a designated legal department that pays close attention to the development of regulations that might have a potential influence on ASUS and tracks, evaluates, and establishes the compliance mechanism of policies and regulations, assisting relevant departments to conform to and implement relevant regulations.

ASUS has formulated the "ASUS Internal Regulation Identify Management Measures," which identify and manage operational, environmental, and service-related regulations. We disclose public criminal or administrative law cases that involved fines of more than NT$1.5 million or seriously affected the operation of the company's major events in the sustainability report to comply with the balance and transparency principles of the GRI Standards. There was no major violation in regulation compliance in 2022.

| Operation-Related Regulations | Environmental-Related Regulations | Service-Related Regulations | Human Resource-Related Regulation |
|---|---|---|---|
| Business and Taxation Act | Environmental Protection Act | Personal Information Protection Act | Labor Standards Act |
| Product Labeling and Warranty Act | Occupational Safety and Health Act | | Employment Insurance Act |
| | Fire Services Act of Building | | Act of Gender Equality in Employment |

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# Customer Satisfaction

ASUS values user experiences and thus plans the satisfaction survey in forms of maintenance orders, emails, interactive phone services, and built-in software to collect the satisfactions after the service experience. For each key service process, such as service timeliness, material and parts management, service quality, cost control and systemization, it is tracked and analyzed through weekly management reports to identify rooms for improvement or optimization.

To create a better service experience, ASUS Service Center track and analyzed the results of the questionnaires every month to optimize telephone service quality or procedures. The customer satisfaction target is a dissatisfaction rate of lower than 10%. For the entire year of 2022, a total of 52 weeks were counted. The dissatisfaction rate in all regions of the world ranged from 0% to 8.56% and the average dissatisfaction rate is 2.51%, which is in line with our target. However, the dissatisfaction rate in North America was the highest in the region, with 8.56% in February. ASUS continues to refine its efforts to ensure the quality and expertise of its employees through education and training, and the dissatisfaction rate reduce to approximately 6.5% by the end of the year. In addition, ASUS occasionally organizes product inspection activities, including software updates, functional testing, simple troubleshooting, battery health testing, heat dissipation efficiency appearance cleaning and maintenance services, to ensure that the product is in the best condition and to extend the product life cycle.

# Risk Management

In 2022, the world has entered a new normal after COVID-19 and faced a series of challenges, such as the Russia-Ukrainian War, geo-economic and climate change, etc. For enterprises, the risk trend is more diversified. Therefore, ASUS has made the strengthening of risk management a top priority, promoting risk management in a structured and comprehensive manner to build the foundation of corporate resilience, as well as demonstrating ASUS' commitment and determination to the continuous management of operations.

## Risk Management Organization

ASUS established the Business Continuity Management (BCM) Committee focuses on critical risks that are not urgent and identified possible future risks and ensure early response. In order to be more proactive in long-term management, ASUS strengthened its risk management framework in 2022 :

| | Enhancement Key Points | Purpose for Enhancement |
|---|---|---|
| 1 | Independent directors joined the BCM Committee, with more than half of the members being independent directors, and independent director Andy Guo as the chairman, and established the BCM Committee's chapter. | • Balance internal and external stakeholder views and improve risk inclusion<br>• Specify the number of members, terms of office, rules of procedure, etc., so that the committee can operate with more supervision |
| 2 | Meanwhile, dedicated BCM office was established with the TS Wu served as the Chief Risk Officer. | • Dedicated to promote and execute risk management, highlighting its management responsibilities<br>• The non-executive chairman or chairman of the board of directors worked concurrently as the top risk management executive, and assigned a dedicated supervisor, who is responsible for the introduction of risk and other related mechanisms |

The ASUS risk management organization consists of the Board of Directors, the BCM Committee, the BCM Office, and various task units. Each task unit reports quarterly to the CEO and COO and annually to the BCM Committee on the progress of risk management execution, and at least once a year, the BCM Committee reports to the Board of Directors on the status of risk management review.

- The Committee presented to the Board of Directors in July 2022 for the approval of the risk management policies and objectives, management scopes, organizational structure and review the operations for 2021.
- The Committee presented to the Board of Directors in January 2023 for the approval of the addition of independent directors, committee chairs and members to the BCM Committee, and Organization Charter.

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## Risk Management Organization Structure

**Board of Directors : Oversees the strategic direction of risks**

**Third Line of Defense : Business Continuity Management Committee**

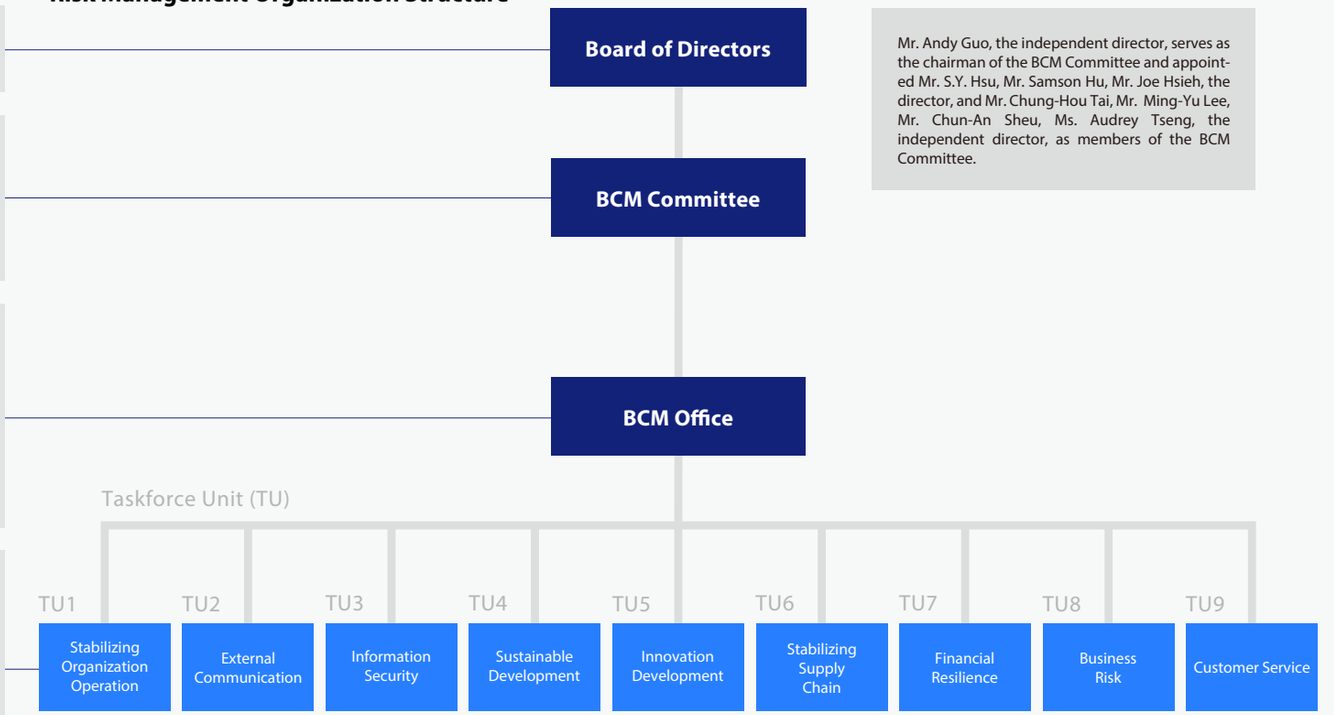
Responsible for reviewing risk management operations and reporting regularly (annually) to the Board of Directors

**Second Line of Defense : Business Continuity Management Office**

Responsible for the sound risk management mechanism, planning, execution and supervision of risk management in each department. Assisted in cross-departmental communication, planning training to raise awareness and culture

**First Line of Defense : Taskforce Units (TU)**

Operation units are responsible for self-chec to analyze and identify the sources and types of risks checking, and take measures to report to the CEO and COO on a regular basis (quarterly) and to the Operations Continuity Management Committee annually.

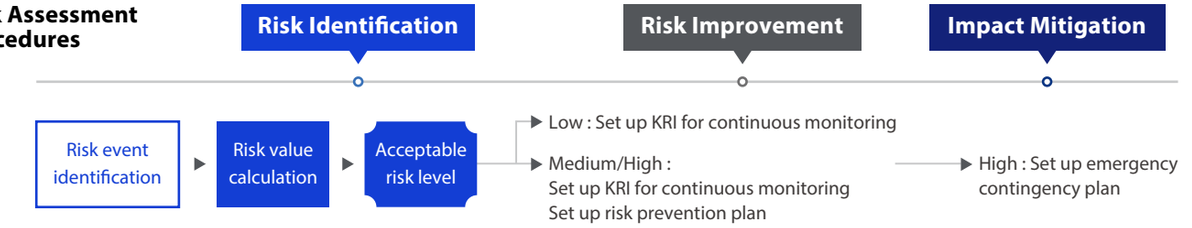



Mr. Andy Guo, the independent director, serves as the chairman of the BCM Committee and appointed Mr. S.Y. Hsu, Mr. Samson Hu, Mr. Joe Hsieh, the director, and Mr. Chung-Hou Tai, Mr. Ming-Yu Lee, Mr. Chun-An Sheu, Ms. Audrey Tseng, the independent director, as members of the BCM Committee.

## Risk Management Tools

To optimize the BCM decision-making process, ASUS continues to enhance applications of the risk management tools and integrated ISO 22301 Business Continuity Management System along with relevant tools to develop a set of BCM management tools suitable for ASUS to meet the needs in actual operations and company development, as well as the expectations of the international community. The risk decision-making process can be divided into risk identification, risk improvement, and impact mitigation.

**Risk Assessment Procedures**



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## Risk Assessment Procedures

| Aspect | Risk | Risk Description | Outcome and Performance |
|---|---|---|---|
| **Stabilizing Organization Operation** | Competition in recruiting talents | Optimize our internal talent development mechanism to avoid talent loss in face of the challenges of fewer children and global competition for talent. | • Set up a talent development committee to establish a platform for talent discussion and decision making.<br>• Review internal and external competitiveness, analyze salary competitiveness and adjust salary structure. |
| | Hazard Risk | The office has experienced earthquakes of 5.7 magnitude, flooding on the ground floor or lower floors due to heavy rain, incident of myocardial infarction and attempted suicide. | • Establish a contingency manpower list and branch office mechanism.<br>• Build a company-wide emergency reporting platform.<br>• 8 emergency response training and drills for different scenarios. |
| **Information security** | Enterprise information environment maintenance risk | Epidemic increases reliance on digital systems, remote work, ransomware, etc. to exacerbate operational risks in corporate information environments | • Enhance information security awareness and drills to reduce the rate of information security incidents by 67% from 2021<br>• Build a risk monitoring dashboard to improve the speed of risk detection and prevention<br>• Conducted 14 drills and reviews. |
| | Operational Risks from External Critical Services | Critical infrastructure compliance requirements and multiple applications of emerging technologies have increased the risk of external critical service operations. | • ASUS actively participates in joint public and private sector prevention through the "High Tech Information Security Alliance" and the cross-industry "Taiwan Information Security Supervisors Alliance".<br>• Implemented 8 drills and reviews |
| **Sustainable development** | Imposed carbon tax on products | The European Union will implement a carbon border tax to achieve net zero emissions, and ASUS must respond early to avoid the potential impact. | • Mapping of suppliers' carbon reduction paths to assist in promoting carbon reduction<br>• Established Product Energy Consumption Management Platform, with the energy efficiency of products 34.3% greater than the ENERGY STAR® standard in 2022 |
| | Green Product Competitiveness | Focus on international environmental protection labels as the lack of green competitiveness may affect the competitiveness on the international green market | • Planned BU green product project introduction program, with green products accounted for 14.9% of turnover in 2022, up 73% from 2020 (8.6%)<br>• Establish annual targets for environmental label products and ENERGY STAR® products |
| **Innovation development** | Externally Disruptive Innovation | If we do not pay attention to the development of innovative technologies, we will lose our current leading position in the industry and affect the revenue of ASUS' existing business. | • Pay attention to the development of innovative technologies, be aware of the potential threats in advance, and respond to the changes after the breakthrough early.<br>• View 94 start-ups and list them for potential observation, cooperation inquiry and cooperation<br>• Strategic investment to identify investment targets<br>• Organized intra-company entrepreneurial activities with a total of 19 proposals |
| | Insufficient internal innovation cases | • Insufficient internal innovation cases may represent creative energy outflow and talent outflow<br>• Rigid organizational thinking, no innovation and creativity | • Transformation into actual commercialized products through industry-academia collaboration<br>• Strategic cooperation to enhance product competitiveness and maintain market leadership<br>• Strategic investment to find effective investment targets<br>• Organize seminars and activities related to entrepreneurship to keep creative entrepreneurial ideas within the company |
| **Stabilizing supply chain** | Supply chain collapse | Geopolitical, epidemic and natural disaster factors need to increase the flexibility of the supply chain and reduce risks | • Diversified manufacturing network and decentralized manufacturing<br>• Set up a whistle blowing system to notify stakeholders of alert items in real time |

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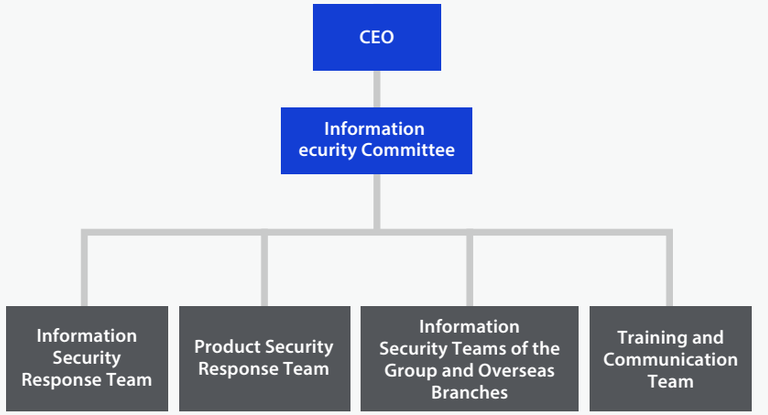
# Information Security Management

## Vision for Information Security Management Organization

After the outbreak of the Russia-Ukraine War, there has been a significant surge in hacking attacks on the global network, resulting in a profound impact on the global supply chain. ASUS faces many external challenges, which brought unprecedented impact to information security management and product security management. ASUS established the Information Security Committee in May 2020 under the supervision of the Vice Chairman and Co-Chief Executive Officer, and appointed the Group Chief Information Security Officer and established a dedicated information security unit in September 2021. In addition to continuing to promote the ISO/IEC 27001 (Information Security management systems) Management Systems (ISMS) to comply with international standards. ASUS also complies with the European Union's General Data Protection Regulation (GDPR) to ensure that the collection, processing and use of personal data are in compliance with the regulatory. At the same time, ASUS integrated existing internal resources to facilitate cross-departmental and cross-functional communication and collaboration, and adopted "Building Digital Resilience, Enhancing Brand Trust: Pursuing Excellence with Security in Mind" as our vision. ASUS has become a strong support for our subsidiaries, suppliers, and supply chain partners.




## Four Main Action Themes and Policies

### Information Security Program

- Information security policy, promotion of goals
- Introduce and pass verification of international information security standards
- Build information security culture and raise information security awareness
- Reinforce information security management of supply chain
- Cultivate information security professionals

### Digital Resilience

- Participate in and lead the "High-Tech Information Security Alliance" and "Taiwan Chief Information Security Officer Alliance" to improve industrial information security's joint defense
- Continuously take inventory and identify digital asset risks
- Develop and implement Business Continuity Plan, and test annually
- Develop and reinforce product security

### Information Security Governance

- Align ASUS business strategy
- Support ASUS business and create value
- Information security organization - Information Security Committee
- Establishing an Information Security Management System (ISMS)
- Maintain effectiveness of information security

### Information Securuty Risk Management

- Pay attention to internal and external security issues
- Effectively identify sources of threats, and analyze the possibility and impact of exposure faced by ASUS
- Make appropriate decisions based on risk assessment
- Conduct a Cyber Defence Exercise (CDX)
- Reinforce the internal and external threat detection and defense capabilities of the organization

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# 2022 Information Security Management Results

## Information Security Governance

Since May 2020, information security monthly meetings have been held to share and discuss topics such as enterprise information security, product security, global information security threats, supply chain security, etc.

- Held at least 30 monthly information security meetings, with more than 60 meeting hours committed, covering more than 192 agenda items for discussion and exchange, continued tracking information security and product security issues, and invited key suppliers to share the best practical experience in information security.
- Carried out information security joint defense, inventory of overall information security situation, exchange of new knowledge in information security, and created a corporate group information security communication network with 11 important subsidiaries in the group.
- Strengthen account/password management protocols and improve the ASUS Group's information security protection capabilities.
- Successfully passed the ISO 27001 regular external audit review to maintain the effectiveness of the ISMS management system in 2022.

## Information Security Program

Conduct annual information security awareness course for current employees and new hires in 18 languages, with a completion rate of 100%. Advocate for theASUS Group's ten rules of information security from time to time, send formal email reminders to employees who violate the regulations and ask for improvement, and report the findings to the head of the department as the basis for employees' personal performance appraisal.

- Conducted 8 social engineering drills (phishing) throughout the year, and refer to the standard of the National Information and Communication Security Task Force of the Executive Yuan as the drill target. The rate of internal employees downloading pictures is less than 10%, the rate of opening links is less than 6%, and the rate of opening attachments is less than 6%. The average violation rate of all employees has reached the standard.
- Conducted the global employee information security general course every year, with a completion rate of 100%.

## Digital Resilience

In 2021, led the efforts in establishing the High-Tech Information Security Alliance and organized several large-scale bi-monthly meetings to discuss 13 issues and communicate trends on information security threats to improve defense capabilities jointly. In 2022, led the efforts in establishing the Taiwan Chief Information Security Officer Alliance, which now has more than 100119 publicly traded or OTC companies as members to improve the information security resilience of industries jointly.

Since 2019, we have carried out more than 12 BCM plans and drills with different business processes and scenarios, all of which meet the requirements of Recovery Time Objective(RTO), Recovery Point Objective(RPO), and Maximum Tolerable Period of Disruption(MTPD) internally formulated, and ensure the routine comprehensive preparation before the event, emergency response during the event and recovery after the event.

- Continuously strengthen product security development, introduce relevant Open Source detection measures to R&D units, formulate policies, and announce the implementation.
- Organized 4 Open Source Secure Software Development Life Cycle(SSDLC) & License training and education sessions for the R&D teams, with 591 trainees attending the sessions.
- Shortened the processing time of product security incidents by an average of 20% and gradually established and integrated the automatic detection measures of software used by each R&D team.

## Risk Management

We pay attention to various digital security risks and help internal units to adopt and implement the BCM risk assessment, risk management, and crisis management plans and grasp the implementation status of various drills. Improve the response and handling speed of information security incidents of maintenance and monitoring teams.

- Held 4 sessions annually of BCM quarterly meetings, taken inventory of 111 risks, and produced 26 risk plans and 13 crisis management structures. Build 7 -page risk dashboards through automation and collaboration platforms to systematically track various information.

The losses and possible impact suffered from significant information security incidents and the countermeasures in 2022 to the date of publication of the annual report : None.

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Case Study

**ASUS Chief Information Security Officer jointly initiated and promoted the "Taiwan Chief Information Security Officer Alliance."**

The Taiwan Chief Information Security Officer Alliance was established on April 28, 2022. The Chief Information Security Officer (CISO) of ASUS served as the convener and chairman of the first session of the Alliance. The chief information security officers from 14 publicly traded and OTC firms jointly established the Alliance, with experts in information security laws, the Big Four accounting and consulting firms, information security technology, and academia joining as members. In response to the information security requirements of the FSC on major policies for industries, the Alliance provides supervision services. In addition, it communicates regulations and recommendations, talent development, and matching and promotion works, hoping to help industries comply with regulations and policies and achieve sustainable operations.
In response to the FSC's key policies on information security, the capabilities and selection of chief information security officers, the urgent need for and quick training of dedicated information security personnel, the building of enterprise information security defense network, and regulatory compliance have all become priorities in corporate governance.
Taiwan Chief Information Security Officer Alliance : https://ciso.tca.org.tw/index.php


## Personal Data Protection Committee

ASUS established the "Personal Data Protection Committee" in 2012. The Personal Data Protection Committee has released the "General Personal Data Protection Policy" which is implemented internally and used as the guidelines on the collection, processing and use of personal data collected through ASUS products and services (such as computers, software, official websites, customer support services and others). The Committee also published the "ASUS Privacy Policy" on ASUS official website to let the general public and consumers be aware of how ASUS protects and manages their personal data.
In order to ensure the full implementation of the Policy, the Personal Data Protection Committee holds bi-weekly meeting to execute and review annual objectives, and calls irregular meetings from time to time to adjust implementation measures and handle personal data relevant events. By the end of 2022, the Personal Data Protection Committee has held 296 regular meetings.

### Main Accomplishments of the Personal Data Protection Committee in 2022

**Regulatory Compliance Management for the Personal Data Protection Laws**

**Data inventory review :** Continue to examine the nature of data collected, processed and used by the company to ensure the scope of regulatory compliance.

**Process improvement :** The Committee elaborates to the relevant departments on the data processing procedures that shall be modified and improved to be in accordance with personal data protection laws in response to the update of products or services.

**Privacy policy review :** Adjust the ASUS Privacy Policy for each country in response to regulations from different jurisdictions if needed.

**Regular Education and training :**

Policy education and training : in 2022, 8 sessions were provided to employees in headquarters and in overseas offices.

In-person and online courses : Training courses on personal data protection are offered to all employees annually.

Non-scheduled classes : Provide specific sessions on personal data protection based on the needs of each department.

**Handle the request and inquiry of data subjects and supervisory authorities :** The Committee is the central contact point for handling requests and inquiries of data subjects and supervisory authorities. ASUS shall respond to the requests from data subjects within the statutory period by law. The Committee collaborates with the relevant departments to handle requests and responds to the data subjects to fulfill the regulatory obligations. Inquiries from the supervisory authorities are also handled with the same approach to mitigate legal risks.

**Annual internal audit :** The responsible departments involved in the management of personal data are included in the scope of audit to cooperate the company's internal audit. With internal self assessment conducted by the departments, examination of service providers' practices conducted by the departments, and audits conducted by auditors, the Committee provides corrective measures and improvement approaches on non-compliant items to assist the responsible departments or service providers to improve their practices to ensure the full implementation of the company's policies and relevant management procedures.

### Main Plans of the Personal Data Protection Committee for 2023

- Continue to improve the interface for individual parties to file personal data requests as well as internal procedures.
- Review and improve the Company's compliance procedures in response to new legislation in Asia-Pacific and Americas.
- Add overseas audits and assist related authorities in performing supplier audits.

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## Appendix A : GRI Content Index

| | |
|---|---|
| **Statement of use** | The 2022 ASUS Sustainability Report complies with the requirements of new GRI Standards (2021). The scope of data and information disclosed is January 1 to December 31, 2022. |
| **GRI 1 used** | GRI 1: Foundation 2021 |
| **Applicable GRI Sector Standard(s)** | No applicable GRI Sector Standard(s) |

**GRI 2**

| GRI Content Index | Disclosure | Disclosure Section or Description | Ommission | Page Number(s) |
|---|---|---|---|---|
| **Organization and reporting** | | | | |
| 2-1 | Organizational details | Sustainability Management | | 1-1 |
| | | 2022 Annual Report | | 164-166 |
| 2-2 | Entities included in the organization's sustainability reporting | About This Report | | I |
| 2-3 | Reporting period, frequency and contact point | About This Report | | I |
| 2-4 | Restatements of information | No significant Change | | |
| 2-5 | External assurance | About This Report | | I |
| | | Appendix D | | D-1 |
| **Activities and workers** | | | | |
| 2-6 | Activities, value chain and other business relationships | Sustainability Management | | 1-1 |
| | | Responsible Manufacturing | | 7-3 |
| 2-7 | Employees | LOHAS Workplace : Structure of Manpower | | 10-3 |
| 2-8 | Workers who are not employees | LOHAS Workplace : Structure of Manpower | | 10-3 |
| **Governance** | | | | |
| 2-9 | Governance structure and composition | Sustainability Management : Management Organization<br>2022 Annual Report | | 1-4<br>36-37 |
| 2-10 | Nomination and selection of the highest governance body | Sustainability Management : Corporate Governance | | 1-4 |
| 2-11 | Chair of the highest governance body | Sustainability Management : Corporate Governance | | 1-4 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Sustainability Management : Sustainability Governance | | 1-7 |
| 2-13 | Delegation of responsibility for managing impacts | Sustainability Management : Sustainability Governance | | 1-7 |
| 2-14 | Role of the highest governance body in sustainability reporting | Sustainability Management : Sustainability Governance | | 1-7 |
| 2-15 | Conflicts of interest | Sustainability Management : Sustainability Governance | | 1-4 |
| 2-16 | Communication of critical concerns | Sustainability Management : Corporate Governance<br>Where a negative impact affects stakeholders, the unit shall report the cause and methods for addressing the issue to the Board of Directors. There was no such incident in 2022. | | |
| 2-17 | Collective knowledge of the highest governance body | Sustainability Management : Sustainability Governance<br>2022 Annual Report | | 1-4<br>38 |
| 2-18 | Evaluation of the performance of the highest governance body | Sustainability Management : Sustainability Governance<br>ESG-related management performance has not yet been included in the performance evaluation of the Board of Directors and has been Included in future plans. | | 1-5 |
| 2-19 | Remuneration policies | Sustainability Management : Corporate Governance | | 1-5 |
| 2-20 | Process to determine remuneration | Sustainability Management : Corporate Governance | | 1-5 |
| 2-21 | Annual total compensation ratio | Appendix A : GRI Content Index | | A-9 |

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| | | | |
|---|---|---|---|
| **Strategy, policies and practice** | | | |
| 2-22 | Statement on sustainable development strategy | Sustainability Management : Sustainability Strategy | 1-2 |
| 2-23 | Policy commitments | Sustainability Management : Sustainability Strategy | 1-2 |
| | | Responsible Manufacturing | 7-4 |
| 2-24 | Embedding policy commitments | Sustainability Management : Sustainability Governance | 1-7 |
| | | Responsible Manufacturing | 7-5 |
| 2-25 | Processes to remediate negative impacts | Circular Economy | 5-1 |
| | | Climate Action | 6-1 |
| | | Responsible Manufacturing | 7-1 |
| | | Value Creation | 8-1 |
| | | LOHAS Workplace : Cultivating and Developing Talents | 10-6 |
| | | Socal | 9-1 |
| | | Governance : Information Security Management | 11-6 |
| 2-26 | Mechanisms for seeking advice and raising concerns | Governance : Ethical Corporate Management | 11-1 |
| 2-27 | Compliance with laws and regulations | Governance : Ethical Corporate Management<br>No significant fines in 2022.<br>Fine of NT$1,600 for customs delays in reporting in 2022.<br>Fine of NT$5,073 for customs delays in reporting in 2021.<br>There have been no environmental-related fines in the past four years. | 11-1 |
| 2-28 | Membership associations | Appendix : GRI Content Index | A-6 |
| **Stakeholder engagement** | | | |
| 2-29 | Approach to stakeholder engagement | Identification of Material Issues : Stakeholders Engagement | 3-2 |
| 2-30 | Collective bargaining agreements | ASUS has set up trade unions in Mainland China Europe, Africa, the Middle East, and the Americas. None of them have signed a collective bargaining agreement. | |

| **GRI 3** | | | | |
|---|---|---|---|---|
| **GRI Content Index** | **Disclosure** | **Disclosure Section or Description** | **Ommission** | **Page Number(s)** |
| 3-1 | Process to determine material topics | Identification of Material Issues : Identification Process | | 3-1 |
| 3-2 | List of material topics | Identification of Material Issues : Identification Results of Material Issues | | 3-4 |
| 3-3 | Management of material topics | Identification of Material Issues : Identification Results of Material Issues | | 3-4 |

| **GRI Content Index** | **Disclosure** | **Disclosure Section or Description** | **Ommission** | **Page Number(s)** |
|---|---|---|---|---|
| **Material Topics** | | | | |
| **Climate and Carbon Management** | | | | |
| 3-3 Management of material topics | | Climate Action | | 6-2 |
| GRI 302 Energy 2016 | 302-1 Energy consumption within the organization | Appendix A : GRI Content Index | | A-10 |
| | 302-2 Energy consumption outside of the organization | Appendix A : GRI Content Index | | A-10 |
| | 302-3 Energy intensity | Appendix A : GRI Content Index | | A-10 |
| GRI 305 Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Climate Action | | 6-4 — 6-5 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Climate Action | | 6-4 — 6-5 |
| | 305-3 Other indirect (Scope 3) GHG emissions | Climate Action | | 6-4 — 6-5 |
| | 305-4 GHG emissions intensity | Climate Action | | 6-4 — 6-5 |

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| GRI Content Index | Disclosure | Disclosure Section or Description | Ommission | Page Number(s) |
|---|---|---|---|---|
| **Eco Friendly Products** | | | | |
| 3-3 Management of material topics | | Circular Economy | | 5-2 |
| GRI 302 Energy 2016 | 302-5 Reductions in energy requirements of products and service | Circular Economy<br>Climate Action | | 5-12<br>6-10 |
| **Product Recycling** | | | | |
| 3-3 Management of material topics | | Circular Economy : Resource Regeneration | | 5-14 |
| GRI 301 Materials 2016 | 301-1 Materials used by weight or volume | Ommission | This indicator could not be tracked because the technology is not feasible. | |
| | 301-2 Recycled input materials used | Ommission | No information on 301-1 and thus the ratio could not be calculated. On the other hand, we disclose the management of circular economy and the weight of recycled plastic. | |
| | 301-3 Reclaimed products and their packaging materials | Ommission | | 5-9 —5-11 |
| **Supply Chain Environmental impact** | | | | |
| 3-3 Management of material topics | | Responsible Manufaturing | | 7-10 — 7-11 |
| GRI 308 Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | Responsible Manufaturing : Supplier Code of Conduct<br>100% of suppliers sign the "Code of Conduct Compliance Declaration" to ensure their operations comply with labor and employment, labor safety and health, environmental protection, and corporate ethics-related laws and regulations. | | |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | Responsible Manufaturing : Audit and Continuous Improvement<br>In 2022, a total of 43 suppliers were audited to identify negative environmental impacts, and improvements were completed with ASUS' assistance and no partnerships were terminated due to the nonconformities found in audit results. | | |
| **Supply Chain Labor Safety** | | | | |
| 3-3 Management of material topics | | Responsible Manufaturing | | 7-5 — 7-7 |
| GRI 414 Supplier Social assessment 2016 | 414-1 New suppliers that were screened using social criteria | Responsible Manufaturing : Supplier Code of Conduct<br>100% of suppliers sign the "Code of Conduct Compliance Declaration" to ensure their operations comply with labor and employment, labor safety and health, environmental protection, and corporate ethics-related laws and regulations. | | |
| | 414-2 Negative social impacts in the supply chain and actions taken | Responsible Manufaturing : Audit and Continuous Improvement<br>In 2022, a total of 43 suppliers were audited to identify negative environmental impacts, and improvements were completed with ASUS' assistance and no partnerships were terminated due to the nonconformities found in audit results. | | |
| **Responsible Minerals** | | | | |
| 3-3 Management of material topics | | Responsible Manufaturing : Responsible Minerals | | 7-8 —7-10 |

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|---|---|---|---|---|
| **Talent Cultivation** | | | | |
| 3-3 Management of material topics | | LOHAS Workplace : Cultivating and Developing Talents | | 10-6 — 10-10 |
| GRI 404 Training and Education 2016 | 404-1 Average hours of training per year per employee | LOHAS Workplace : Cultivating and Developing Talents | | 10-6 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | LOHAS Workplace : Cultivating and Developing Talents | | 10-6 — 10-10 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | Appendix A : GRI Content Index | | A-9 |
| **Social Contribution by the Technology Industry** | | | | |
| 3-3 Management of material topics | | Society | | 9-1 |
| GRI 413 Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Society : Digital Inclusion<br>Society : Community Involvement | | 9-3<br>9-7 |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | Society : Digital Inclusion<br>Society : Community Involvement | | 9-3<br>9-7 |
| **Innovative Products and Services** | | | | |
| 3-3 Management of material topics | | Value Creation | | 8-9 — 8-11 |
| **Data Security** | | | | |
| 3-3 Management of material topics | | Governance : Information Security Management | | 11-6 — 11-8 |

| GRI Content Index | Disclosure | Disclosure Section or Description | Ommission | Page Number(s) |
|---|---|---|---|---|
| **General Topics** | | | | |
| GRI 201 Economic Performance 2016 | 201-1 Direct economic value generated and distributed | 2022 Annual Report : Consolidated Financial Statement | | 177 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | Climate Action | | 6-6 — 6-9 |
| | 201-3 Defined benefit plan obligations and other retirement plans | LOHAS Workplace : Thoughtful Benefits | | 10-11 |
| | 201-4 Financial assistance received from government | Ommission | Research and development expenditure. Theinformation is undisclosed | |
| GRI 202 Market Presence 2016 | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | Appendix A : GRI Content Index | | A-6 |
| | 202-2 Proportion of senior management hired from the local community | Appendix A : GRI Content Index | | A-6 |
| GRI 203 Indirect Economic 2016 | 203-1 Infrastructure investments and services supported | Society : Digital Inclusion | | 9-3 — 9-5 |
| | 203-2 Significant indirect economic impacts | Society : Digital Inclusion | | 9-3 — 9-5 |

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|---|---|---|---|---|
| GRI 204 Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | 2022 Annual Report : Overview of Business Operation(Supply of major raw materials) | | 114 |
| GRI 205 Anticorruption 2016 | 205-2 Communication and training about anti-corruption policies and procedures | Governance : Ethical Corporate Management | | 11-1 |
| | 205-3 Confirmed incidents of corruption and actions taken | Governance : Ethical Corporate Management | | 11-2 |
| GRI 206 Anticompetitive Behavior 2016 | 206-1 Legal actions for anticompetitive behavior, anti-trust, and monopoly practices | Governance : Regulation Compliance<br>No significant violation | | 11-2 |
| GRI 207 Tax 2019 | 207-1 Approach to tax | CSR Website : Ethical Corporate Management | | |
| GRI 401 Employment 2016 | 401-1 New employee hires and employee turnover | Appendix A : GRI Content Index | | A-7 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees | LOHAS Workplace : Thoughtful Benefits | | 10-11 |
| | 401-3 Parental leave | Appendix A : GRI Content Index | | A-8 |
| GRI 402 Labor/ Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | If there is significant change in corporation, we will provide notice at lease no less than a month. | | |

| GRI Content Index | Disclosure | Disclosure Section or Description | Ommission | Page Number(s) |
|---|---|---|---|---|
| GRI 403 Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | LOHAS Workplace : Safe Workplace<br>CSR Website : Management system | | 10-15 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Governance : Risk Management<br>LOHAS Workplac : Healthy Workplace | | 11-5<br>10-12 — 10-13 |
| | 403-3 Occupational health services | | | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Each subsidiary complies with collective bargaining agreements in accordance with local regulations. ASUS respects the right to freedom of association and collective bargaining. In Taiwan, where the headquarter is located, we holds labor-management committee quarterly in accordance with the regulation. | | |
| | 403-5 Worker training on occupational health and safety | LOHAS Workplace : Safe Workplace<br>CSR Website : Occupational Safety and Health | | 10-15 |
| | 403-6 Promotion of worker health | LOHAS Workplac : Healthy Workplace | | 10-12 — 10-13 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | LOHAS Workplace : Safe Workplace | | 10-15 |
| | 403-8 Workers covered by an occupational health and safety management system | All ASUS employees and contractors | | |
| | 403-9 Work-related injuries | Appendix A : GRI Content Index | | A-8 |

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| GRI Content Index | Disclosure | Disclosure Section or Description | Ommission | Page Number(s) |
|---|---|---|---|---|
| GRI 405 Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Sustainability Management : Corporate Governance<br>LOHAS Workplace : Structure of Manpower | | 1-4<br>10-3 |
| | 405-2 Ratio of basic salary and remuneration of women to men | LOHAS Workplace : Remuneration Policy | | 10-4 |
| GRI 406 Non discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | No incident in 2022 | | 10-4 |
| GRI 407 Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Each subsidiary complies with collective bargaining agreements in accordance with local regulations. ASUS respects the right to freedom of association and collective bargaining. In Taiwan, where the headquarter is located, we holds labor-management committee quarterly in accordance with the regulation. | | |
| GRI 408 Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | CSR Website : Human Rights Policy<br>Responsible Manufacturing : Audit and Continuous Improvement. | | 7-6 |
| GRI 409 Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | No incident in 2022 | | |
| GRI 410 Security Practices 2016 | 410-1 Security personnel trained in human rights policies or procedures | Same as ASUS employees | | |
| GRI 415 Public Policy 2016 | 415-1 Political contributions | No political contributions | | |

| GRI Content Index | Disclosure | Disclosure Section or Description | Ommission | Page Number(s) |
|---|---|---|---|---|
| GRI 416 Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Circular Economy : Safer Chmicals | | 5-6 |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | No significant violation<br>Governance : Regulation Compliance | | 11-2 |
| GRI 417 Marketing and Labeling 2016 | 417-1 Requirements for product and service information and labeling | ASUS is in compliance with the information disclosure of and labeling requirements of international regulations, as well as eco label criteria through the disclosure on or marking on product, in user manual, or at ASUS CSR website. | | |
| | 417-2 Incidents of non-compliance concerning product and service information and labeling | No significant violation<br>Governance : Regulation Compliance | | 11-2 |
| | 417-3 Incidents of noncompliance concerning marketing communications | No significant violation<br>Governance : Regulation Compliance | | 11-2 |
| GRI 418 Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | No complaint regarding breach of customer privacy or lose in data in 2022 | | |

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## 102-13 Membership of associations

To fulfill CSR and comply with the expectations of stakeholders, we have fully assessed and aggressively participated in various local and international organizations and programs to resolutely assume our CSR with corporations from within or outside the industry, contributing to sustainability issues. The table below lists the associations ASUS participates in and values, providing an overview of ASUS' involvement :

| Association | Member | Projects or committees involvement |
|---|---|---|
| Business Council for Sustainable Development (BCSD) of Taiwan | ● | ● |
| Taiwan Climate Coalition | ● | ● |
| Taiwan High Tech Information Security Alliance | ● | ● |
| Taiwan Chief Information Serurity Officer Alliance | ● | ● |
| Taiwan Institute for Sustainable Energy | ● | ○ |
| Center for Corporate Sustainability | ● | ○ |
| Taiwan Computer Emergency Response Team / Coordination Center | ● | ● |
| Computer Association | ● | ○ |
| Corporate Green Competitive Association (CGCA) | ● | ● |
| Taiwan Stock Affairs Association | ● | ○ |
| The Institute of Internal Auditors - Chinese Taiwan | ● | ○ |
| Taiwan Cradle to Cradle Strategic Alliance | ● | ● |
| Responsible Business Alliance (RBA, formally EICC) | ● | ● |
| Responsible Minerals Initiative (RMI, formally CFSI) | ● | ○ |
| The Sustainable Trade Initiative (IDH) -Tin Working Group (TWG) | ● | ○ |

## 202-1 Ratios of standard entry level wage by gender compared to local minimum wage

ASUS Group[1]

| Region | Male | Female |
|---|---|---|
| Headquarters | 1.07 | 1.07 |
| Mainland China | 1.77 | 1.77 |

- The data of subsidiaries in other countries other than in the headquarters and in Mainland China were still incomplete, thus the data was not disclosed
- Entry level employee : Regular employees but excluding Intern/Trainee and low-level administrative tasks technical support personnel

## 202-2 Proportion of senior management hired from the local Community

ASUS Group

| Region | Percentage |
|---|---|
| Headquarters | 100.00% |
| Mainland China | 92.00% |
| America Region | 83.33% |
| Asia-Pacific | 69.57% |
| Africa & Middle East & Europe | 86.36% |

- The word "local" in this indicator is defined as "nationality" or possessing "permanent residence permit"
- Senior Management in ASUS Group is defined as followed :

  Headquarters: Center, HQ Manager, Unit Head and above

  Overseas-Regional Offices : Division, Center Manager and above

  Overseas-County level Offices : Department, Division/Center Manager and above

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## 401-1 New employee hires and employee turnover

ASUS Group

| Region | Item | Age Group | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | Number of Employee | Proportion of the male Employees within that age group | Number of Employee | Proportion of the Female Employees within that age group |
| Headquarters | Number and Rate of New Employee | <30 | 441 | 48.97% | 425 | 50.00% |
| | | 30～50 | 523 | 13.91% | 234 | 12.31% |
| | | >50 | 12 | 4.43% | 4 | 4.49% |
| | Number and Rate of Employee Turnover | <30 | 205 | 22.77% | 225 | 26.47% |
| | | 30～50 | 310 | 8.24% | 151 | 7.94% |
| | | >50 | 15 | 5.54% | 4 | 4.49% |
| Mainland China | Number and Rate of New Employee | <30 | 301 | 47.55% | 167 | 39.48% |
| | | 30～50 | 110 | 8.40% | 49 | 3.89% |
| | | >50 | 1 | 10.00% | 0 | 0.00% |
| | Number and Rate of Employee Turnover | <30 | 207 | 32.70% | 96 | 22.70% |
| | | 30～50 | 86 | 6.56% | 50 | 3.97% |
| | | >50 | 1 | 10.00% | 4 | 28.57% |
| Africa & Middle East & Europe | Number and Rate of New Employee | <30 | 51 | 29.65% | 45 | 41.28% |
| | | 30～50 | 114 | 11.84% | 58 | 12.80% |
| | | >50 | 8 | 8.42% | 3 | 4.35% |
| | Number and Rate of Employee Turnover | <30 | 69 | 40.12% | 49 | 44.95% |
| | | 30～50 | 125 | 12.98% | 80 | 17.66% |
| | | >50 | 11 | 11.58% | 11 | 15.94% |
| America Region | Number and Rate of New Employee | <30 | 26 | 50.00% | 14 | 36.84% |
| | | 30～50 | 40 | 15.81% | 38 | 18.27% |
| | | >50 | 9 | 11.39% | 5 | 8.93% |
| | Number and Rate of Employee Turnover | <30 | 13 | 25.00% | 13 | 34.21% |
| | | 30～50 | 54 | 21.34% | 40 | 19.23% |
| | | >50 | 4 | 5.06% | 5 | 8.93% |
| Asia- Pacific | Number and Rate of New Employee | <30 | 50 | 19.53% | 42 | 18.75% |
| | | 30～50 | 86 | 7.97% | 31 | 6.25% |
| | | >50 | 3 | 5.45% | 1 | 10.00% |
| | Number and Rate of Employee Turnover | <30 | 62 | 24.22% | 80 | 35.71% |
| | | 30～50 | 171 | 15.85% | 98 | 19.76% |
| | | >50 | 4 | 7.27% | 1 | 10.00% |

- Male(Female) Employee New Hired Rate of the Age Group= Numbers of New Male(Female) Employee of the Age Group hired during the year / Average Number of Male(Female) Employees of the Age Group during the year
- Male(Female) Employee Turnover Rate of the Age Group= Numbers of Male(Female) Employee of the Age Group quitted during the year / Average Numbers of Male(Female) Employees of the Age Group during the year

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## 401-3 Parental leave

ASUS Group

| Region | Item | Male | Female |
|---|---|---|---|
| Headquarters | Number of employee qualified for parental leave in 2022 | 524 | 304 |
| | Number of employee applied for parental leave in 2022 | 15 | 37 |
| | Number of employees who actually returned to work after parental leave ended in 2022 | 5 | 28 |
| | Return to Work Rate in 2022 | 63% | 72% |
| | Number of employees who worked 12 months after their return from parental leave by 2022 | 1 | 26 |
| | Retention Rate in 2022 | 50% | 81% |
| Mainland China | Number of employee applied for maternity/ paternity leave in 2022 | 129 | 187 |
| | Number of employees who actually returned to work after maternity/paternity leave ended in 2022 | 111 | 147 |
| | Return to Work Rate in 2022 | 99% | 100% |
| | Number of employees who worked 12 months after their return from maternity/paternity leave by 2022 | 25 | 103 |
| | Retention Rate in 2022 | 61% | 84% |

- There is no parental leave in Mainland China, thus we took maternity/paternity leave as parental leave for calculation.
- The benefits of maternity/paternity in Europe, Asia and America are different, and the collection is not easy, thus it will not be disclosed.
- In Taiwan, number of Employees qualified for parental leave = Numbers of Employee who applied for paternity leave in the period of year 2020-2022.
- Return to Work Rate for Male(Female) Employees = Number of Male(Female) Employees who returned to work after parental(maternity/paternity) leave in 2022/Number of Male(Female) Employees who should return to work after parental(maternity/paternity) leave in 2022 X 100%
- Retention Rate for Male(Female) Employees = Number of Male(Female) Employees took the parental(maternity/paternity) leave in 2021 and returned to work for at least 12 months in 2022/Number of Male(Female) Employees who should return to work after parental(maternity/paternity) leave in 2020 X100%

## 403-9 Work-related injuries

In Taiwan in 2022, there was no high-consequence work-related injury, thus data relevant to fatalities and highconsequence work-related injury were all 0. Please see the table below for detail :

ASUS Taiwan : Employees

| Indicator | Overall | Male | Female |
|---|---|---|---|
| Number of injured employees | 7,634 | 4,884 | 2,750 |
| Number of fatalities | 0 | 0 | 0 |
| Rate of fatalities | 0 | 0 | 0 |
| Number of high consequence work-related injuries | 0 | 0 | 0 |
| Rate of high consequence work-related injuries | 0 | 0 | 0 |
| Number of recordable work-related injuries | 1 | 1 | 0 |
| Rate of recordable work-related injuries | 0.07 | 0.10 | 0.00 |

Type of work-related injuries : Accidentally hit the head when crossing under the stairs, the anti-collision strips have been strengthened and the placement of tables and chairs in the restaurant has been adjusted.

Total working hours in 2022 : 14,978,520

ASUS Taiwan : Contractor

| Indicator | Overall | Male | Female |
|---|---|---|---|
| Number of injured employees | 260 | 105 | 154 |
| Number of fatalities | 0 | 0 | 0 |
| Rate of fatalities | 0 | 0 | 0 |
| Number of high consequence work-related injuries | 0 | 0 | 0 |
| Rate of high consequence workr-elated injuries | 0 | 0 | 0 |
| Rate of recordable work-related injuries | 0 | 0 | 0 |

Total working hours in 2022 : 508,872

<Note> Scope of data : ASUS and ASUS Technology Incorporation (UTC), excluding traffic accidents

- Calculation base : (Number of employees in Jan. +…+ Number of employees in Dec.)/12.Take the average and rounding.
- Rate of fatalities : (Death toll/Total working hours)X1,000,000
- High-consequence work-related injuries: cannot recovered within 6 months
- Rate of high-consequence work-related injuries : (Number of employees serious injuries / Total working hours)X1,000,000(excluding death toll)
- Recordable work-related injuries : A total of 1 incident (falls, slips) has been reported (regardless whether there were lost days), and personnel publicity and related adjustments have been completed (for example: publicizing cleaning and mopping procedures, replacing staircase lighting).
- Rate of recordable work-related injuries : (Number recordable work-related injuries/ Total working hours) X1,000,000
- Working hours : (Number of employees in Jan. X Working days in Jan. X8)+…..+ (Number of employees in Dec. X Working days in Dec. X8)
- Definition of Contractor : onsite workers (Ex. Catering, cleaning, security, repair and travel personnel)

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### 404-3 Percentage of employees receiving regular performance and career development reviews

ASUS Group

| Region | Category | Male | Female |
|---|---|---|---|
| Headquarters | General Employee | 91.92% | 90.68% |
| | Senior Management | 92.02% | 98.01% |
| Mainland China | General Employee | 89.15% | 95.58% |
| | Senior Management | 100.00% | 100.00% |
| Africa & Middle East & Europe | General Employee | 96.71% | 94.56% |
| | Senior Management | 79.70% | 94.74% |
| America Region | General Employee | 99.60% | 100.00% |
| | Senior Management | 84.95% | 92.31% |
| Asia-Pacific | General Employee | 93.82% | 95.39% |
| | Senior Management | 91.11% | 97.03% |

- The followings are excluded from review:

1. Senior managers and above
2. Special hired (i.e. Children Are Us)
3. Intern/Trainee
4. No attendance during the review period
5. New hired in probation period
6. Representative

### 2-21 Annual total compensation ratio

| Year | Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees | Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees |
|---|---|---|
| 2022 | 25.93 | — |

- The total remuneration includes: salary, bonus, overtime pay, food allowance, health examination fee, Welfare Committee-related benefits, and other application subsidies.
- Changes in the distribution of bonuses in 2022 due to the overall industry environment, resulting in no overall increase in the highest and median annual salaries from the prior year.
- This year's data is calculated by the parent company of ASUS Taiwan, and the information of its subsidiaries will be gradually disclosed in the next two years.
- Exclusion of employees with less than 6 months of service and hourly paid employees.

### [Taiwan Stock Exchange Corporation] In Taiwan, the listed company should disclose the number of full-time employees who are not in the manager position, and the average and the median salary of the full-time employees, who are not in the manager position, as well as and the difference of each compared to the previous year :

ASUSTeK Computer Inc.

| Year/Item | Full-time employees (Person) | Average Salary of Fulltime Employees (NTD) | Median Salary of Fulltime Employees (NTD) |
|---|---|---|---|
| 2021 | 6,219 | 2,0002,000 | 1,504,000 |
| 2022 | 6,868 | 1,617,000 | 1,310,000 |
| Difference Compared to 2021 | 649 | -385,000 | -194,000 |

- The table only shows ASUSTeK Computer Inc. in Taiwan
- Full-time employees who are not in the manager position=General Employee
- Excluding employees under 6 months

### Percentage of employees represented by an independent trade union

| Region | Headquarters | Mainland China | Africa & Middle East & Europe | America | Asia-Pacific | Global |
|---|---|---|---|---|---|---|
| Percentage of employees represented by an independent trade union | 0.00% | 38.4% | 35.2% | 21.1% | 0.00% | 13.5% |

- While ASUS is open to employees establishing trade unions, no employees have voluntarily raised the need for trade unions so far. In Singapore and Indonesia, staff meetings are held irregularly to collect workers' opinions and feedback.
- Overseas subsidiaries : Trade unions have been established in the Netherlands, the Czech Republic, and Brazil.

### Average years of employment

| Region | Headquarters | Mainland China | Africa & Middle East & Europe | America | Asia-Pacific | Global |
|---|---|---|---|---|---|---|
| Male employees | 7.5 | 7.4 | 7.6 | 5.7 | 5.5 | 7.2 |
| Female employees | 6.7 | 9.0 | 6.7 | 6.1 | 5.1 | 7.1 |

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## Energy usage and GHG emissions over the years

| Item | | 2020 | | 2021 | | 2022* | |
|---|---|---|---|---|---|---|---|
| GHG Inventory | Scope1&2 | Carbon Emission (tonnes CO2e) | Emission Intensity (tonnes CO2e / Million USD) | Carbon Emission (tonnes CO2e) | Emission Intensity (tonnes CO2e / Million USD) | Carbon Emission (tonnes CO2e) | Emission Intensity (tonnes CO2e / Million USD) |
| | | 20,429.9 | 1.77 | 17,254.98 | 1.04 | 18,734.58 | 1.39 |
| | Scope 3 | Carbon Emission (tonnes CO2e) | | Carbon Emission (tonnes CO2e) | | Carbon Emission (tonnes CO2e) | |
| | | 1,204,577 | | 1,460,112 | | 2,502,095 | |

- In 2022, ASUS added four GHG inventory categories due to materiality identification optimization, and extend the scope of calculation to lifespan of sold products to 4 years to calculate carbon emissions.

| Item | | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|---|
| Energy Usage | Scope1&2 | Energy Usage (MWh) | Energy Intensity (MWh/ Million USD) | Energy Usage (MWh) | Energy Intensity (MWh/ Million USD) | Energy Usage (MWh) | Energy Intensity (MWh/ Million USD) |
| | | 38,984.74 | 3.38 | 33,006.48 | 2.00 | 36,956.45 | 2.75 |

## 302-1 Energy consumption within the organization
## 302-2 Energy consumption outside of the organization
## 302-3 Energy intensity

| | Energy Uage | Energy Intensity |
|---|---|---|
| Within the organization | 133,107.42 GJ | 9.89 GJ/Million USD |
| Outside of the organization | 14,018,885.95 GJ | 1041.83 GJ/Million USD |

- Energy consumption within the organization: The total usage of stationary and mobile emission sources in ASUS' global operating locations, considering the conversion of heating value to energy units (GJ) in that country. The total amount of electricity used by ASUS's global operating locations converted into energy units (GJ).
- Energy consumption outside the organization: Calculate the total power consumption during the lifespan of the sold products and convert them into energy units based on the main products sold by ASUS in 2022.
- Energy intensity within the organization: Energy consumption within the organization is the numerator and ASUS 2022 revenue is the denominator.
- Energy intensity outside the organization: Energy consumption outside the organization is the numerator and ASUS 2022 major product revenue is the denominator.

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### Amount of waste in the headquarters and Royal Club Repair Centers in Taiwan

Unit: tonne

| | 2020 | 2021 | 2022 |
|---|---|---|---|
| General industrial waste | 399.0 | 274.0 | 373.7 |
| Hazardous industrial Waste | 55.6 | 56.2 | 98.4 |

### Water consumption of the headquarters and offices in Taiwan

Unit: ML

| | 2021 | 2022 |
|---|---|---|
| Tap Water | 139 | 166 |
| Recycled water | 4 | 51 |

### Remark : The Calculation Base of En vironmental Indicators

| **The Ratio of Halogen-free Components** | |
|---|---|
| Numerator | Number of Halogen-free components used in products available for shipment in 2022 |
| Denominator | Number of all components used in products available for shipment in 2022 |

| **Percentage of revenue of Eco Friendly Products** | |
|---|---|
| Numerator | Net revenue of Eco Friendly Prodocts that have obtained or once obtained labels defined by ASUS as of December 31, 2022 |
| Denominator | Net revenue of all products in 2022 minus products that are not eligible for applications for labels defined by ASUS (accessories and assembled semi-finished products) |
| Definition of Eco Friendly Products | EPEAT, TCO, Taiwan Green Mark, China RoHS, Japan ECO mark, China Environmental Labeling, ENERGY STAR®, Taiwan Energy Label, etc. |

| **The Ratio of Revenue of Products Complies with EPEAT or Equivalent Standards** | |
|---|---|
| Numerator | Revenue of products are eligible for EPEAT, TCO, Taiwan Green Mark and China Environment Labelling up to December 31, 2022 |
| Denominator | Total revenue of products that could apply for EPEAT, TCO, Taiwan Green Mark and China Environment Labelling in 2022 |

| **The Ratio of Revenue of Product Complies with ENERGY STAR®** | |
|---|---|
| Numerator | Revenue of products are eligible for the ENERGY STAR® up to December 31, 2022 |
| Denominator | Total revenue of products that could apply for ENERGY STAR® in 2022 |

| **Recycling Rate** | |
|---|---|
| Numerator | The weight of recycled equipment, which sourced from governments/recycling vendors, estimation on ratio of responsible recycling charge, weighted collected from customer service centers recycling in 2022 |
| Denominator | Total weight of delivered products in 2022 |

| **The Reduction in Carbon Footprint for Recycled Plastic** |
|---|
| (Total weight of recycled plastic used X percentage of recycled materials)X Reduction in carbon footprint of recycled plastic per kilogram |

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# Appendix B : SASB Index

## SASB Index : Hardware

| Code | Accounting Metric | Reference | Page Number |
|---|---|---|---|
| **Product Security** | | | |
| TC-HW-230a.1 | Description of approach to identifying and addressing data security risks in products | Governance : Information Security Management | 11-6 — 11-8 |
| **Employee Diversity & Inclusion** | | | |
| TC-HW-330a.1 | Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees | SASB Index : Hardware | B-2 |
| **Product Lifecycle Management (ISSB : IFRS S2 : Industry-based disclosure requirements)** | | | |
| TC-HW-410a.1 | Percentage of products by revenue that contain IEC 62474 declarable substances | Circular Economy : Safer Chemicals | 5-6 |
| TC-HW-410a.2 | Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent | Circular Economy : Eco Labels | 5-16 |
| TC-HW-410a.3 | Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria | Circular Economy : Product Energy Efficiency | 5-12 |
| TC-HW-410a.4 | Weight of end-of-life products and e-waste recovered, percentage recycled | Circular Economy : Resource Regeneration | 5-14 |
| **Supply Chain Management** | | | |
| TC-HW-430a.1 | Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent (Customer Managed Audit, CMA), by (a) all facilities and (b) high-risk facilities | SASB Index : Hardware | B-2 |
| TC-HW-430a.2 | Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent (CMA), and (2) associated corrective action rate for (a) priority nonconformances and (b) other non-conformances | SASB Index : Hardware | B-2 |
| **Materials Sourcing** | | | |
| TC-HW-440a.1 | Description of the management of risks associated with the use of critical materials | SASB Index : Hardware | B-2 |

| Activity Metric (ISSB : IFRS S2 : Climate-related Disclosures) | Code | Reference | Page Number |
|---|---|---|---|
| Number of units produced by product category | TC-HW-000.A | Same as 2022 Annual Report, Overview of business operation (P.114), this indicator is not applicable | |
| Area of manufacturing facilities | TC-HW-000.B | Responsible Manufacturing | 7-3 |
| Percentage of production from owned facilities | TC-HW-000.C | All ASUS products are manufactured by OEM | |

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**TC-HW-330a.1Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees**

Table 1. Gender Representation of Global Employees (%)

| Global | Female | Male |
|---|---|---|
| Management | 2,236 | 834 |
| Technical staf | 2,596 | 455 |
| All other employees | 5,216 | 5,003 |

Table 2. Racial/Ethnic Group Representation of U.S. Employees (%)

ASUS's employees are predominantly of Asia descent (Taiwan, Mainland China Asia Pacific) as more than 80% of our employees are stationed in our headquarters and various operating locations across Asia.

**TC-HW-430a.1 Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent (Customer Managed Audit, CMA), by (a) all facilities and (b) high-risk facilities**

(a) Numbers of tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent/ all facilities with continuous business relationship =19.1%

(b) Tier 1 supplier facilities audited by CMA/ high-risk facilities =13.9%

**Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent (CMA), and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances**

(1a), (1b) Non-conformance rate with CMA :

Formula : Number of findings in each dimension by category/ Number of suppliers audited

| Types of non-conformances / Audit Dimension | Labor | Health and Safety | Environment | Ethics | Management System |
|---|---|---|---|---|---|
| Average Number of Priority Finding | 4 | 4 | 0 | 0 | 0 |
| Average Number of Other Finding | 6 | 6 | 4 | 1 | 4 |

(2a) Number of Improvement in Priority Findings / Total Number of Priority Findings =100%

(2b) Number of Improvement in Other Findings / Total Number of Other Findings =100%

**(2b) Number of Improvement in Other Findings / Total Number of Other Findings**

ASUS develops a three-phase critical materials management process as below :

| | |
|---|---|
| Risk Identification | Identify 13 types of rare metals used in ASUS products through a full substance survey, covering 10 types of components. |
| Strategic Procurement | Select at least 2 suppliers for similar components and decentralize the geographical location of the factory to ensure delivery. |
| Adaptation Management | Start a cooperation with component suppliers and recyclers, which recycle and recover the critical materials at the back end to manufacture the components. It could establish the recycle andreuse pattern, and reduce the risk of shortage of critical materials. |

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## SASB Index : Voluntary

Apart from the industry category (hardware) in which ASUS is engaged, we voluntarily disclose metrics related to material topics in the same industry category.

| Code | Accounting Metric | Reference | Page Number |
|---|---|---|---|
| **Energy Management** | | | |
| IM-130a.1<br>SC-330a.1<br>SI-130a.1 | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | Total energy consumed : 131,418.52 GJ<br>Percentage grid electricity : 100%<br>Percentage renewable : Climate Action | |
| **Data Privacy, Advertising Standards & Freedom of Expression** | | | |
| TC-IM-220a.1<br>TC-TL-220a.1 | Description of policies and practices relating to behavioral advertising and user/customer privacy | SASB Index : Voluntary | B-4 |
| TC-IM-220a.2<br>TC-TL-220a.2 | Number of users/customers whose information is used for secondary purposes | SASB Index : Voluntary | B-4 |
| TC-IM-220a.3<br>TC-TL-220a.3 | Total amount of monetary losses as a result of legal proceedings associated with user/customer privacy | SASB Index : Voluntary | B-4 |
| TC-IM-220a.4<br>TC-TL-220a.4 | (1) Number of law enforcement requests for user/customer information, (2) number of users/customers whose information was requested, (3) percentage resulting in disclosure | SASB Index : Voluntary | B-4 |
| TC-IM-220a.5 | List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring | SASB Index : Voluntary | B-4 |
| TC-IM-220a.6 | Number of government requests to remove content, percentage compliance with requests | SASB Index : Voluntary | B-4 |
| **Data Security** | | | |
| TC-IM-230a.1<br>TC-SI-230a.1<br>TC-TL-230a.1 | (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected | SASB Index : Voluntary | B-4 |
| TC-IM-230a.2<br>TC-TL-230a.2 | Description of approach to identifying and addressing data security risks, including use of third-party | Governance : Information Security Management | 11-6 |
| **Recruiting & Managing a Global & Skilled Workforce** | | | |
| TC-SC-330a.1<br>TC-SI-330a.1 | Percentage of employees that are (1) foreign nationals and (2) located offshore | SASB Index : Voluntary | B-4 |
| **Intellectual Property Protection & Competitive Behavior** | | | |
| TC-IM-520a.1<br>TC-SC-520a.1<br>TC-SI-520a.1<br>TC-TL-520a.1 | Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations. | Governance : Regulation Compliance | 11-2 |
| **Managing Systemic Risks from Technology Disruptions** | | | |
| TC-SI-550a.2 | Description of business continuity risks related to disruptions of operations | Governance : Risk Management | 11-5 |

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**TC-IM-220a.1/TC-TL-220a.1 Description of policies and practices relating to behavioral advertising and user/customer privacy**

ASUS' Privacy Policy Article 5 "Cookies and similar technologies", and cookies banner have relevant instructions and options for users to choose.

**TC-IM-220a.2/TC-TL-220a.2 Number of users/customers whose information is used for secondary purposes**

NONE. ASUS collections the information as the main purpose, and we will explain clearly to the users in advance and obtain their consent.

**TC-IM-220a.3/TC-TL-220a.3 Total amount of monetary losses as a result of legal proceedings associated with user/customer privacy**

NONE.

**TC-IM-220a.4/TC-TL-220a.4 (1) Number of law enforcement requests for user/customer information, (2) number of user/ customers whose information was requested, (3) percentage resulting in disclosure**

(1) Number of law enforcement requests for user/customer information : 5

(2) Number of user/customers whose information was requested : 33

(3) Percentage resulting in disclosure : 18%

**TC-IM-220a.5/TC-TL-220a.5 List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring**

NONE.

**TC-IM-220a.6/TC-TL-220a.6 Number of government requests to remove content, percentage compliance with requests**

NONE.

**TC-IM-230a.1/TC-SI-230a.1/TC-TL-230a.1 (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected**

NONE.

**TC-SC-330a.1/TC-SI-330a.1 Percentage of employees that are (1) foreign nationals and (2) located offshore**

| | Global | |
|---|---|---|
| foreign nationals | 119 | 0.73% |
| located offshore | 15 | 0.28% |

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# Appendix C : Top 10 Principles of the United Nations Global Compact

| Category | 10 Principles | Section(s) | Page Number(s) |
|---|---|---|---|
| Human Rights | Businesses should support and respect the protection of internationally proclaimed human rights | CSR Website : Human Rights Policy<br>Responsible Manufacturing : Sustainable Procurement | 7-4 |
| | Make sure that they are not complicit in human rights abuses | CSR Website : Human Rights Policy<br>Responsible Manufacturing : Sustainable Procurement<br>LOHAS Workplace : Human Rights | 7-4<br>10-4 |
| Labour | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | Each subsidiary complies with the collective bargaining agreement in accordance with national laws and regulations. | |
| | The elimination of all forms of forced and compulsory labour | CSR Website : Human Rights Policy | |
| | The effective abolition of child labour | CSR Website : Human Rights Policy | |
| | The elimination of discrimination in respect of employment and occupation | CSR Website : Human Rights Policy | |
| Environment | Businesses should support a precautionary approach to environmental challenges | Circular Economy<br>Climate Action | 5-9 — 5-16<br>6-3 — 6-11 |
| | Undertake initiatives to promote greater environmental responsibility | Circular Economy<br>Climate Action | 5-9 — 5-16<br>6-3 — 6-11 |
| | Encourage the development and diffusion of environmentally friendly technologies | Circular Economy | 5-9 — 5-12 |
| Anti-Corruption | Businesses should work against corruption in all its forms, including extortion and bribery | Governance : Business Ethics | 11-1 |

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# Appendix D : AA1000AS & SASB Assurance Statement

SGS

## ASSURANCE STATEMENT

### SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASUSTEK COMPUTER INC.'S SUSTAINABILITY REPORT FOR 2022

**NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION**

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ASUSTeK Computer Inc. (hereinafter referred to as ASUS) to conduct an independent assurance of the Sustainability Report for 2022. 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 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.

**INTENDED USERS OF THIS ASSURANCE STATEMENT**

This Assurance Statement is provided with the intention of informing all ASUS's Stakeholders.

**RESPONSIBILITIES**

The information in the ASUS's Sustainability Report of 2022 and its presentation are the responsibility of the directors or governing body and management of ASUS. SGS has not been involved in the preparation of any of the material included in the Report.

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

**ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE**

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

| Assurance Standard Options | Level of Assurance | |
|---|---|---|
| A | SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000) | n/a |
| B | AA1000ASv3 Type 2<br>(AA1000AP Evaluation plus evaluation of Specified Performance Information) | High |

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**SCOPE OF ASSURANCE AND REPORTING CRITERIA**

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

| Reporting Criteria Options | |
|---|---|
| 1 | GRI Universal Standard (2021) (In Accordance) |
| 2 | AA1000 Accountability Principles (2018) |
| 3 | SASB |

- evaluation of content veracity of the sustainability performance information in relation to the determined material topics (as listed below) at a high level of scrutiny for ASUS and moderate level of scrutiny for subsidiaries, and applicable aspect boundaries outside of the organization covered by this report;

| Material Topics | Corresponding Sustainability Performance |
|---|---|
| Climate and Carbon Management* | 302-1 Energy consumption within the organization<br>302-2 Energy consumption outside of the organization<br>302-3 Energy intensity<br>305-1 Direct (Scope 1) GHG emissions<br>305-2 Energy indirect (Scope 2) GHG emissions<br>305-3 Other indirect (Scope 3) GHG emissions<br>305-4 GHG emissions intensity |
| Eco Friendly Products | 302-5 Reductions in energy requirements of products and services |
| Product Recycling | 301-3 Reclaimed products and their packaging materials |
| Supply Chain Labor Safety | 414-1 New suppliers that were screened using social criteria<br>414-2 Negative social impacts in the supply chain and actions taken |
| Supply Chain Environmental impact | 308-1 New suppliers that were screened using environmental criteria<br>308-2 Negative environmental impacts in the supply chain and actions taken |
| Responsible Minerals | The percentage of responsible mineral (tantalum, tin, tungsten, gold, and cobalt) sourced from qualified smelters. |
| Talent Cultivation | 404-1 Average hours of training per year per employee<br>404-2 Programs for upgrading employee skills and transition assistance programs<br>404-3 Percentage of employees receiving regular performance and career development reviews |
| Social Contribution by the Technology Industry | 413-1 Operations with local community engagement, impact assessments, and development programs<br>413-2 Operations with significant actual and potential negative impacts on local communities |
| Innovative Products and Services | The number of Industry talents cultivation.<br>Projects of matching external startup company. |
| Data Security | The coverage of international information security standards.<br>Key suppliers demonstrate compliance with information security regulations |

* Greenhouse gases emissions related to GRI 305-1, 305-2, 305-3, 305-4 disclosures were drawn directly from ASUS's year 2022 ISO 14064-1:2018 independent third-party verification conclusions.

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- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018);
- evaluation of the report against the requirements of Global Reporting Initiative Universal Standard 2021 (GRI 2, GRI 3, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with; and
- evaluation of the report against the SASB Disclosures and Metrics included in the Hardware Sustainability Accounting Standard (VERSION 2018-10) and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.

**ASSURANCE METHODOLOGY**
The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

**LIMITATIONS AND MITIGATION**
Financial data drawn directly from independently audited financial accounts and Task Force on Climate-related Financial Disclosures (TCFD) 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 ASUS, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, 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 specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

**AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

**Inclusivity**
ASUS 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, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.
**Materiality**
ASUS has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

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**Responsiveness**
The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.
**Impact**
ASUS has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place with performance indicators and reported for a broad picture of its most significant impacts on the economy, environment, and people.

**GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

The report, ASUS's Sustainability Report of 2022, complies with the Requirements set out in section 3 of GRI 1 and is adequately in accordance with the GRI Universal Standards 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidances defined in GRI 3: Material Topic 2021. For future reporting, it is recommended to have more descriptions on how due diligence process is applied to assess the organisation's actual and potential impacts on the economy, environment and people, and how these impacts were addressed in further details.

**SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

ASUS has referenced with SASB's Standard, Hardware Sustainability Accounting Standard (VERSION 2018-10) to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to ASUS's Sustainability Report of 2022. ASUS used SASB accounting metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. To enhance continuous improvements, process to identify, assess, and manage topic-related risks and opportunities may be integrated into ASUS's overall management process for the continuously monitoring of its performances, including benchmarking performances against peers, are recommended for reports.

**Signed:**
**For and on behalf of SGS Taiwan Ltd.**

AA1000
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000-8/V3-C3272

**Stephen Pao**
**Knowledge Deputy General Manager**
**Taipei, Taiwan**
**28 May, 2023**
**WWW.SGS.COM**

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