Sustaining an
incredible future

# 2024

# ASUS TCFD REPORT

# Catalog

# Message from the Chairman

Global climate governance is accelerating toward substantial emissions reductions and structural transformation. Building on the COP28 consensus to phase down fossil fuels gradually, COP29 launched several initiatives, including global energy storage and grid targets, green energy corridors, and the COP29 Hydrogen Declaration. Together, these initiatives reinforce the critical role of clean energy in the global energy system. As policy and market consensus rapidly converge, achieving Net-Zero emissions has become the shared direction for companies to manage risk, strengthen resilience, and create Long-Term value. In 2023, ASUS's Near-term science-based targets were validated by the Science Based Targets initiative (SBTi), aligned with the Paris Agreement's 1.5 °C scenario, and establishing the group's 2030 emissions reduction targets. In 2025, ASUS plans to commit to the more ambitious SBTi Corporate Net-Zero Standard, a goal that guides the entire group toward a net-zero target by 2050.

As global carbon pricing mechanisms take shape, driven by the phased implementation of regulations such as the European Union's Carbon Border Adjustment Mechanism (CBAM), climate-related risks for companies are becoming increasingly pronounced. To strengthen both our resilience and data foundation, ASUS established the ASUS Carbon Data Management Platform, incorporating ISO 14064-1 and GHG Protocol methodologies and undergoing third-party Agreed Upon Procedure (AUP) audits. This platform automates the generation of greenhouse gas inventories and enhances data timeliness and verification efficiency. Furthermore, ASUS has aligned with the World Business Council for Sustainable Development (WBCSD) Partnership for Carbon Transparency (PACT) to establish a trusted carbon data exchange mechanism, preparing for future supply chain and market transparency requirements. We are also driving data empowerment by modeling SBTi reduction pathways, CBAM impacts, and renewable energy configurations, while leveraging generative AI to improve analytical precision and forecasting. These innovations strengthen both the practicality and strategic flexibility of our carbon management efforts.

In practice, ASUS continues to uphold our core strategy of using digitized data and scientific management practices to drive climate action in three stages: enhancing energy efficiency, expanding renewable energy utilization, and deploying innovative emission-reduction technologies to lead our value chain gradually toward net zero. In 2024, our global operations centers achieved the RE55 renewable energy usage target. We advanced process decarbonization, energy-efficiency improvements, and the integration of green electricity, resulting in a 28% reduction in supply chain carbon emissions compared to the 2020 baseline year. In product design, we apply Design Thinking to integrate circular economy and low-carbon principles from the outset. We also reduce our carbon footprint across the product life cycle through material selection and energy-efficiency optimization, and advance product carbon neutrality through high-quality nature-based carbon credits under ASUS Carbon Partner Services.

The International Sustainability Standards Board (ISSB) released its Sustainability Disclosure Standards (IFRS S1 and S2) in 2023. These standards guide companies in developing management plans, addressing prominent issues, as well as disclosing sustainability and climate-related risks and opportunities that may affect financial performance. The standards focus on four key areas: governance, strategy, risk management, and metrics and targets. In alignment with these principles and our commitment to transparent stakeholder communication, ASUS has published this Task Force on Climate-Related Financial Disclosures (TCFD) report for the fiscal year, incorporating cross-industry metrics from IFRS S2 to enhance our assessment of climate-related financial impacts and opportunities.

ASUS's climate leadership continues to be recognized internationally. In 2025, ASUS was rated at the Leadership level in CDP's Climate Change and Water Security assessments and received the Best Climate Report Award at the Asia Sustainability Reporting Awards in 2024, demonstrating our continued advancement in disclosure quality, governance, and transparency.

Looking ahead, ASUS will continue to leverage Design Thinking to drive the deep integration of AI and sustainable innovation, and harness big data and cloud computing to optimize resource efficiency and carbon-reduction performance. ASUS is committed to upholding a corporate culture of authenticity and transparency, empowering society and the environment through technology, and collaborating with stakeholders to pioneer a new era of green technology, advancing together toward a sustainable future of shared prosperity.

ASUS Chairman
Jonney Shih

# Milestones for Climate Action

According to the McKinsey's 2020 report, 83% of corporate executives and investors deemed that environmental, social and governance programs would create higher value for shareholders. In 2002, ASUS established a dedicated sustainability unit, which regards sustainability as a part of operational decisions. By examining the management structure of governance, environment and society, ASUS adopts sustainability strategies to promote innovation and strives to a better corporation. To achieve the vision of "to become the world's most admired innovative leading technology enterprise", ASUS follows the business philosophy of" strive to be among the world-class green high-tech leaders and to provide valuable contributions to humanity". Additionally, ASUS believes that it has to transform traditional moral and emotional demands into objective strategic indicators and adopts the sustainable strategy of "using digitized data and scientific management practices to support sustainable value creation through core competencies" to incorporate environmental and social factors in every decision-making process and build sustainable competitive advantages, thus achieving sustainability.

# 01 Governance

ASUS's climate change governance and management framework is directly overseen by the Board of Directors. The Chairman has mandated the Chief Executive Officer (CEO) as the highest-level executive responsible for climate change and sustainability management, with the Sustainability and Green Quality Management Center serving as the designated authority unit and the Chief Sustainability Officer (CSO) appointed as the unit's management representative. The Center assists the Group in monitoring global sustainability trends, analyzing governance, environmental, and social sustainability issues, and integrating these insights with core operations, product innovation, and services to establish strategic sustainability objectives and drive program implementation. To effectively focus on sustainability issues across the company's product, marketing, and design dimensions and to implement its climate strategy, ASUS established the ESG Committee in 2022, chaired by the Chief Sustainability Officer. Sustainable development is also included as one of the task units under the Business Continuity Management (BCM) Committee, reporting on climate-related risk management indicators and execution performance on a quarterly basis.

## Board of Directors

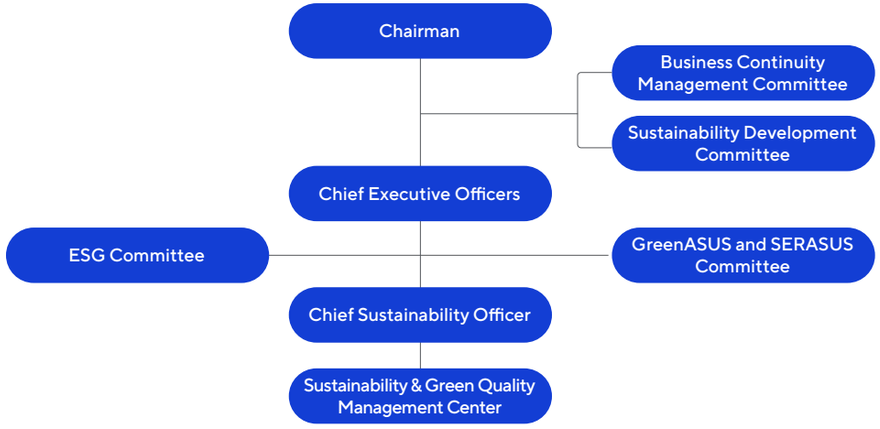
ASUS's sustainability policy and climate change response strategies are approved by our Chairman, who serves as the highest authority for our sustainability-related governance. Since 2022, we have elevated our reporting of greenhouse gas inventories and carbon reduction action progress to the Board of Directors on a quarterly basis.

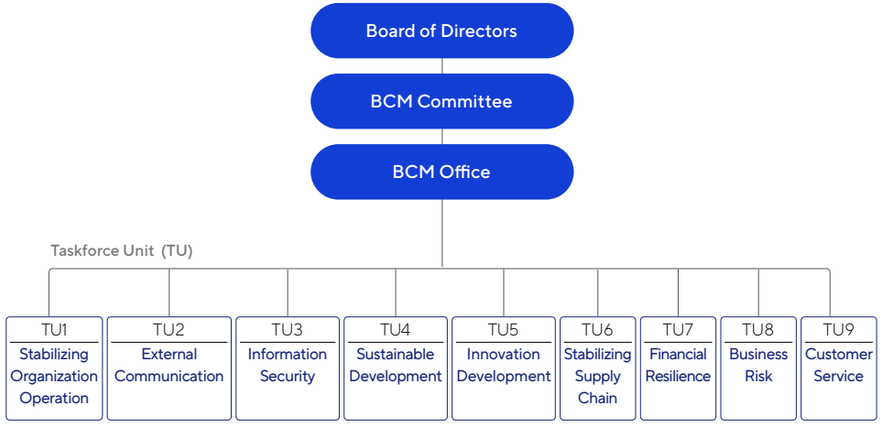
To strengthen our sustainable governance, beginning in 2023, we have linked the variable remuneration of our Co-Chief Executive Officers to sustainability performance, using the achievement rates of our global operations' RE100 target and our Group's SBT emission reduction targets as evaluation metrics. In 2025, we will extend this linkage to the variable remuneration of our Co-CEOs, Chief Operating Officer (COO), CSO, and other senior executives, broadening the evaluation to include the achievement rates of our four sustainability pillars, with the ability to adjust variable remuneration weight by up to 10%, either upward or downward.

## Business Continuity Management Committee (BCM)

Business Continuity Management Committee (BCM) is designed to identify and manage the various risks that we may encounter and could lead to business interruption. BCM consists of the Board of Directors, the BCM Committee, the BCM Oce, and various Taskforce Units to ensure the establishment of protective mechanisms during daily operations.

ASUS has included sustainability development as a Taskforce Unit (TU) under our Business Continuity Management (BCM) Committee to assess climate change-related risks, focusing on the impact of carbon issue management on our operations and green products. Each Taskforce Unit reports on risk management progress quarterly to our Co-CEOs and COO, and annually to the BCM Committee (whose members are our Board's Independent Directors). Additionally, the BCM Committee reports its risk management review outcomes to the Board of Directors at least once a year .

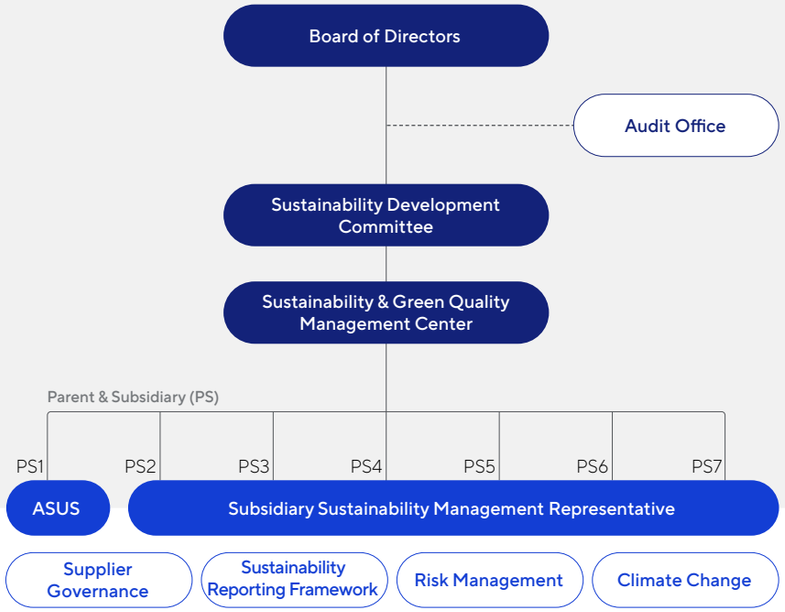


## Sustainability Development Committee

To address evolving sustainability trends and seize accompanying opportunities and challenges, the ASUS Sustainability Development Committee was established in 2025. Comprised of five independent directors and the two Co-Chief Executive Officers, it serves as ASUS's highest-level sustainability governance body. The Committee reviews the Group's sustainability management operations and execution progress and reports annually to the Board of Directors.

Under its oversight, the Sustainability Center convenes quarterly meetings with Sustainability Management Representatives from each subsidiary to jointly formulate and implement action plans addressing Group-wide sustainability issues.




## ESG Committee

To strengthen horizontal cross-unit communication within the company, ESG Committee was established with CSO as the Chairman of the Committee in 2022. Committee members were from each business unit as well as the design center, certification,marketing, sales and other support units. We consolidate the sustainability progress and requirements of each unit, facilitating the centralized integration of resources. This ensures the efficient allocation of resources, enabling all departments to progress in a unified sustainability direction.

## Sustainability and Green Quality Management Center (SGQM)

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


ASUS has designated our Sustainability and Green Quality Management Center (SGQM) as the unit dedicated to advancing our sustainability agenda. We monitor global sustainability trends, analyze governance, environmental, and social issues, and integrate these insights with our core operations, product innovation, and services to establish strategic sustainability directions and drive related programs. Our Chairman has instructed that the CEO serve as the highest - level manager of the Center, responsible for overseeing our sustainability projects and ensuring the achievement of material-issue targets, and we have appointed a CSO as the Center's management representative to monitor global sustainability dynamics and manage our sustainability policies, objectives, and actions. We report annually to our Board of Directors, submitting our sustainability policies, key initiatives, and performance results for their review and approval, with the Board providing oversight on strategic direction and recommendations.

# 02 Greenhouse Gas Inventory

Since 2007, ASUS has begun to conduct annual greenhouse gas inventory for its global operations centers[1] and complete third-party verification in accordance with ISO 14064-1. In 2022, based on the GHG Protocol methodology, ASUS demonstrated its commitment to carbon reduction by expanding its scope of influence and value chain to include all Group companies[2] within the consolidated financial statements. The Company pledged to align with the SBTi (Science Based Targets Initiative), which sets reduction targets based on a global temperature rise of no more than 1.5°C. ASUS will review its total carbon emissions and develop a comprehensive carbon reduction roadmap and strategy.

ISO 14064-1 and GHG Protocol are recognized as the two internationally established frameworks for greenhouse gas inventories. Under ISO 14064-1, we emphasize the principles of materiality and control, prioritizing the identification of the most impactful and manageable emission sources within our operations and value chain. Based on these material sources, we establish corresponding reduction targets and KPI tracking mechanisms. By regularly reviewing and updating these material sources, we maintain continuous focus on our top-priority carbon reduction initiatives to achieve our reduction goals. Concurrently, we apply the GHG Protocol's comprehensive emission accounting methodology to fully disclose our emissions from operating activities and across our entire value chain, thereby driving our group's value chain toward net zero .

## 2.1 Response to the Science-Based Targets Initiative (SBTi) emission reduction targets by establishing reduction strategies.

After our near-term targets were validated by the SBTi, we leveraged our greenhouse-gas reduction strategies and related experiences to launch the following initiatives:

1. Vertical communication and reduction efforts: ASUS sustained and expanded our existing carbon-reduction projects, and disseminated the SBTi targets and carbon-management mindset across the organization. We empowered colleagues with carbon-reduction awareness and translated that awareness into concrete actions in their daily work and product development processes.
2. Horizontal sharing and collaboration: By partnering with external stakeholders—such as government agencies, industry alliances, academic institutions, and private-sector companies—we reviewed and evaluated carbon-reduction solutions and incorporated them into ASUS's internal structures and production and distribution activities, accelerating our enterprise-wide emissions-reduction progress.

ASUS undertakes vertical communication and emission-reduction initiatives that include at least the following programs:

- Expand the use of renewable energy and enhance energy efficiency
  ASUS deploys renewable energy and optimize energy efficiency as critical pathways to reduce carbon emissions across our operations centers. We improve energy efficiency and transition to renewable electricity— for example by replacing high-energy-consuming equipment to lower resource use and signing Corporate Power Purchase Agreements to procure renewable energy supply .
- Strengthen supply chain management
  Our primary carbon emissions stem from Scope 3, particularly across our supply chain. Consequently, we actively collaborate with our suppliers to bolster their carbon-reduction efforts, including requiring them to set Science-Based Targets, adopt renewable energy or install related facilities, improve emission hotspots and enhance energy efficiency, conduct environmental audits, and assist in implementing external carbon-reduction solutions .
- Enhance the quality of carbon data management
  High-quality carbon data is the fundamental prerequisite for advancing our emission-reduction efforts. ASUS implemented the Carbon Data Management Platform to improve data quality and strengthen our carbon-data management processes .
- R&D of low-carbon products and energy-efficiency innovation
  Developing low-carbon products and pioneering energy-efficiency innovations are essential for achieving long-term emission reductions. In the short term, ASUS procures recycled materials and improve product energy efficiency to meet low-carbon standards; in the long term, we aim for zero-carbon products by undertaking projects on zero-carbon materials and high-efficiency technologies to help us meet our reduction targets .
- Raise employees' awareness of carbon reduction
  ASUS recognizes that achieving our greenhouse gas-reduction goals requires the collective effort of every employee. Therefore, we intensify internal carbon-reduction awareness campaigns—such as regularly distributing e-newsletters with carbon-reduction insights (e.g., sustainability-trend articles and focus stories) and launching occasional energy- and water-saving lifestyle initiatives (e.g., "Green Tips Workshops")—so that every ASUS colleague can learn about and engage in carbon-reduction actions.

1 We classify as our parent and subsidiary companies those entities listed in our consolidated financial statements for the fiscal year that are responsible for the production and sale of ASUS products.
2 Group companies within ASUS' consolidated financial statements in 2024 include: ASUS GROUP(ASUS global operations centers), ASUSCLOUD GROUP, ASKEY GROUP, AAEON GROUP, ONYX GROUP, HMI GROUP, SWI GROUP, JETWAY GROUP.

# 2.2 ISO14064-1 Organization-level GHG Inventory

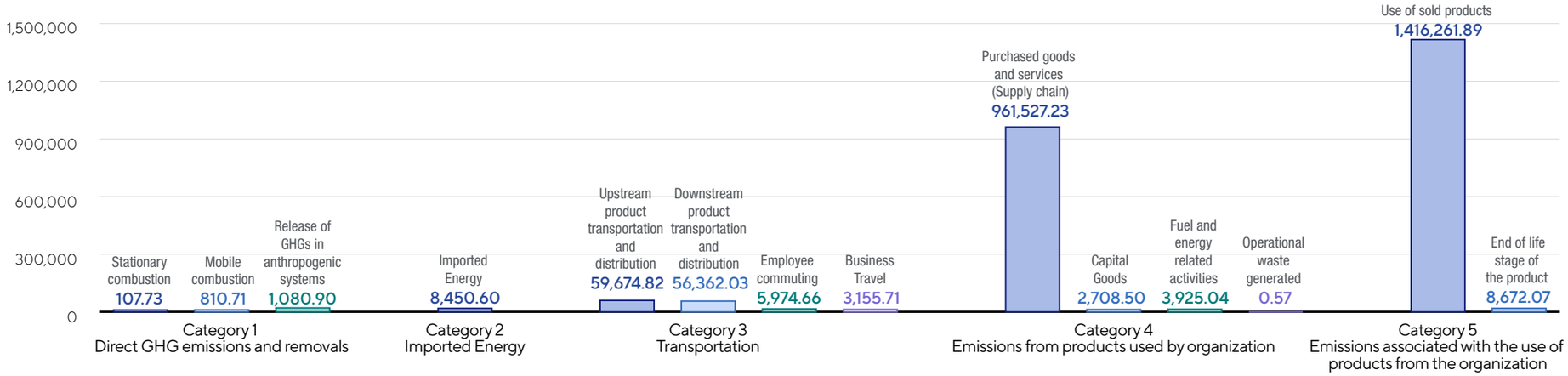
## Organizational Boundary-operational Control

In accordance with ISO 14064-1:2018, ASUS applies the operational control approach to define the organizational boundary of our GHG inventory, using ASUS's global operations centers as the boundary in line with our operating circumstances.

In 2024, ASUS's greenhouse gas inventory data revealed a total carbon emissions of 2,528,712.46 tonnes $CO_2e$, with an emission intensity of 168.37 tonnes $CO_2e$/Million USD.

### Greenhouse Gas Emissions

Unit: Tonnes $CO_2e$




**Category 1**

**Direct GHG Emissions and Removals**

ASUS currently does not have any assembly factories; the main sources of direct emissions are from backup generators, the use of company vehicles, natural gas heating, and refrigeration equipment.

| Category | Type of Energy | Activity Data | Carbon Emission (tonnes $CO_2e$) | Total Carbon Emission (tonnes $CO_2e$) |
|---|---|---|---|---|
| **Direct emissions from stationary combustion** | (Emergency generator) Diesel | 239.00 L | 0.75 | 1,999.34 |
| | (Boiler) Natural gas | 22,712.00 $M^3$ | 106.98 | |
| | (Heating) Natural gas | 30,579.97 $M^3$ | | |
| **Direct emissions from mobile combustion** | (Office vehicle) Diesel | 117,153.50 L | 333.10 | |
| | (Office vehicle) Gasoline | 164,573.57 L | 477.61 | |
| **Direct fugitive emissions arise from the release of GHGs in anthropogenic systems** | Including refrigerant equipment | 15,942.47 Kg | 1,080.90 | |

**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:

| | Taiwan | Mainland China | Overseas | Total |
|---|---|---|---|---|
| **Electricity Usage (MWH)** | 27,018.68 | 7,546.68 | 4,628.18 | 39,193.54 |
| **Location-based Carbon Emission (tonnes $CO_2e$)** | 8,462.06 | 4,419.34 | 2,135.31 | 15,016.71 |
| **Market-based Carbon Emission (tonnes $CO_2e$)** | 8,303.27 | 0 | 147.33 | 8,450.60 |

**Category 3**

**Indirect GHG Emissions from Transportation**

- 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 EMS factory, are 59,674.82 tonnes $CO_2e$.
- Downstream product transportation and distribution[3]: The carbon emissions from laptops, desktop computers, all-in-one computers, and monitors product lines from shipping products from EMS factories to global destinations, are 56,362.03 tonnes $CO_2e$.
- Employee commuting: In 2024, the carbon emissions generated by commuting of employees at ASUS Taiwan operations centers were 5,974.66 tonnes $CO_2e$.
- Business travels: In 2024, the total carbon emissions from business travels[4] of employees at ASUS Taiwan operations centers were 3,155.71 tonnes $CO_2e$.

**Category 4**

**Indirect GHG Emissions from Products Used by Organization**

- Purchased goods and services (Supply chain):
  Total greenhouse gas emissions from key suppliers[5] amounted to 961,527.23 tonnes $CO_2e$, with an emission intensity of 83.72 tonnes $CO_2e$ per million USD , representing an approximate 28% reduction compared to the base year.
- Capital goods: In 2024, ASUS's procurement of capital goods resulted in carbon emissions of 2,708.51 tonnes $CO_2e$
- Fuel and energy related activities: In 2024, the total carbon emissions from upstream fuel and electricity procurement are 3,925.04 tonnes $CO_2e$
- Operational waste generated: In 2024, operational waste generated at ASUS Taiwan operations centers resulted in carbon emissions of 0.57 tonnes $CO_2e$

**Category 5**

**Indirect GHG Emissions Associated with the use of Products from the Organization**

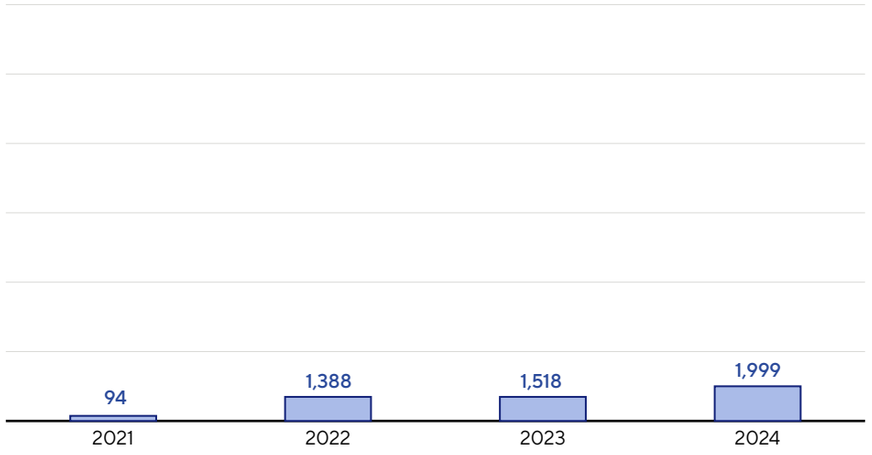
- Use of sold products:
  ASUS has expanded its recognition of carbon emissions during the usage stage, with a total carbon emission of 1,416,261.89 tonnes $CO_2e$ and an emission intensity of 94.30 tonnes $CO_2e$ / Million USD.
- End-of-life stage of the products:
  The final disposal of products sold globally includes the transportation stage from recycling stations to treatment plants, as well as the disposal stage. Total carbon emissions are 8,672.07 metric tonnes of $CO_2e$.

3 ASUS follows the methodology outlined in "EPEAT-CCM-2023_4.1.3 Optional-Product transport carbon footprint and goal". Using emission factors for various transportation modes based on a well-to-wheel approach, verified according to ISO 14064-1, ASUS evaluates the weight of transported products and shipping distances to calculate carbon emissions.
4 Business travels on land are not included in the calculation due to low significance on results.
5 Key suppliers are makers of IC base(CPU, GPU), hard drives(SSD, HDD), panels, power supplies, motherboards, memory as well as EMS.

## Trend of Carbon Emission over the Years

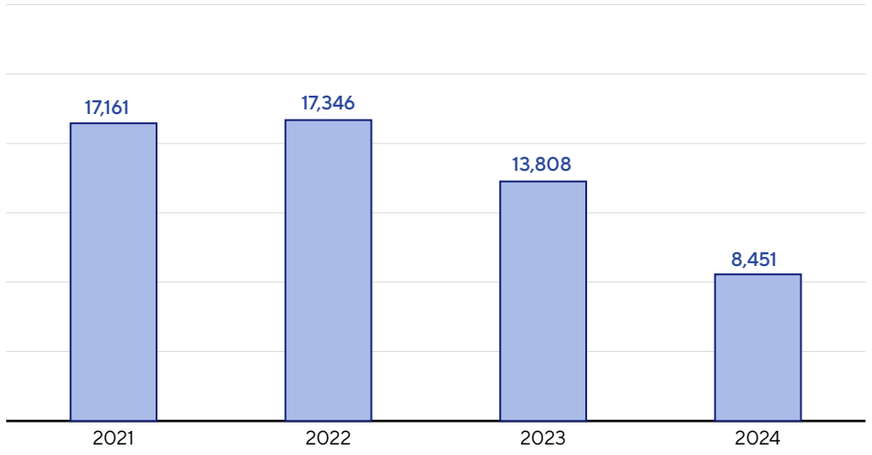
### Category 1

Carbon emissions (tonnes $CO_2e$)




### Category 2

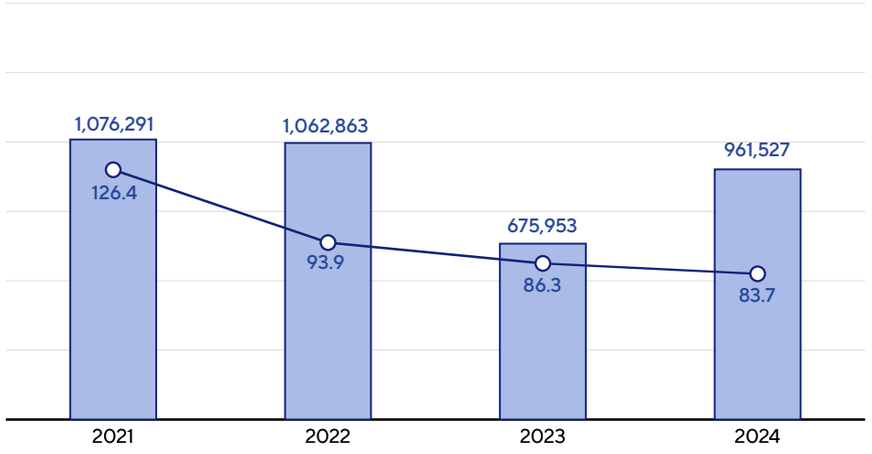
Carbon emissions (tonnes $CO_2e$)




### Category 4
### Emissions from purchased goods and Services

Carbon emissions (tonnes $CO_2e$)

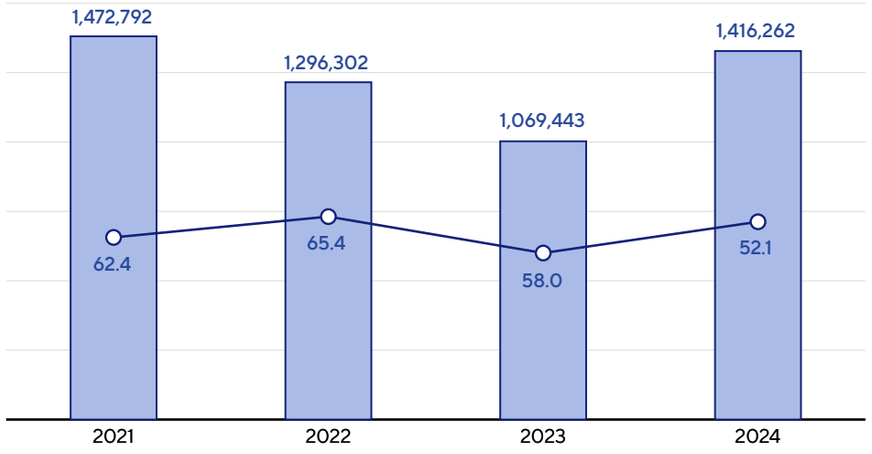
○ Emission Intensity (tonnes $CO_2e$ / procurement amount)




### Category 5
### Emissions from use of sold products

Carbon emissions (tonnes $CO_2e$)

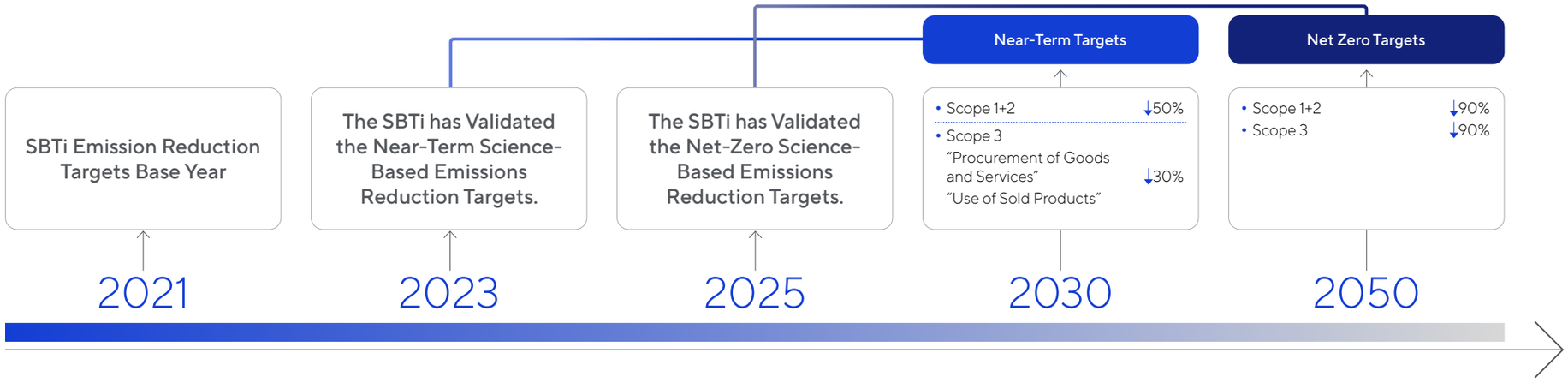
○ Average emissions of products exceed ENERGY STAR® standards (tonnes $CO_2e$)



# 2.3 SBTi – Group's GHG Inventory

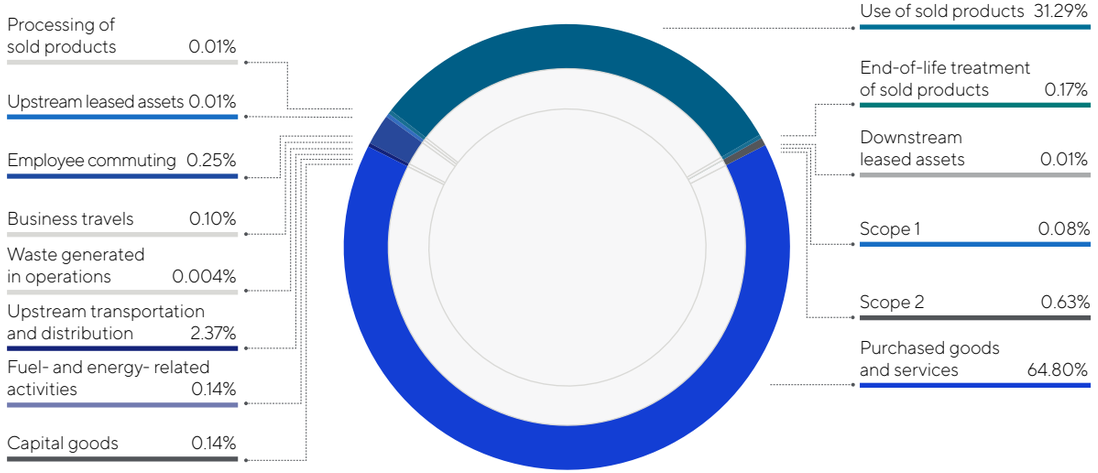
ASUS, in accordance with the SBTi framework standards, aligned our scope with the consolidated financial statements of the Company. In 2023, ASUS Group, serving as the boundary, achieved validation of SBTi Near-Term emissions reduction targets. Following a reduction pathway aligned with a 1.5°C scenario, with the base year set in 2021, ASUS commits to reducing absolute Scope 1 and 2 GHG emissions by 50% by 2030 from a 2021 base year. ASUS also commits to reducing absolute Scope 3 GHG emissions, which cover purchased goods and services and the use of sold products, by 30% within the same time frame.

In 2025, based on the latest consolidated financial boundary, ASUS set and secured validation of a more ambitious Net-Zero target from SBTi, committing to reduce Scope 1 and Scope 2 emissions by 90% and Scope 3 emissions by 90% by 2050, thereby fully guiding the entire group towards the net-zero emissions vision.




**In 2024, ASUS's total carbon emissions was 5,243,444.52 tonnes $CO_2e$**

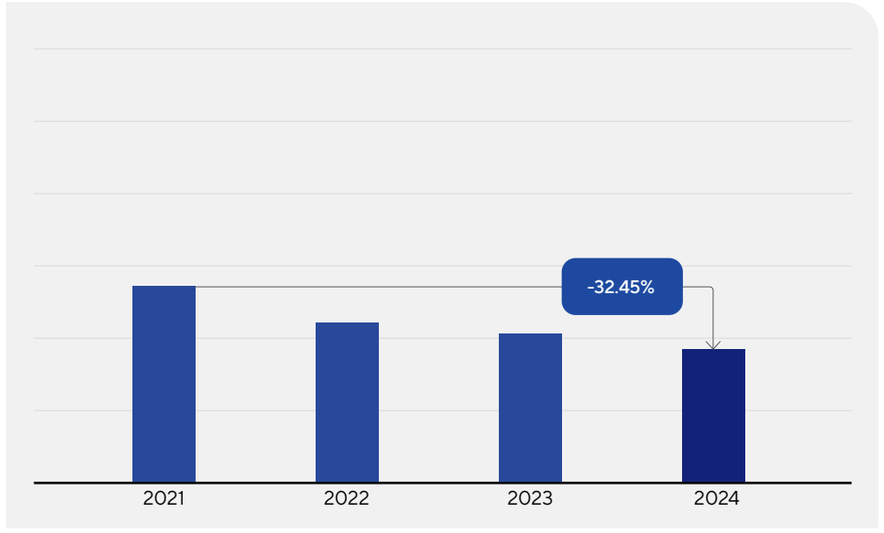
| Scope | Carbon emissions (tonnes $CO_2e$) |
|---|---|
| **Scope 1** | 4,047.14 |
| **Scope 2** | 32,895.93 |
| **Scope 3** | 5,206,474.45 |
| **Total carbon emissions** | 5,243,444.52 |



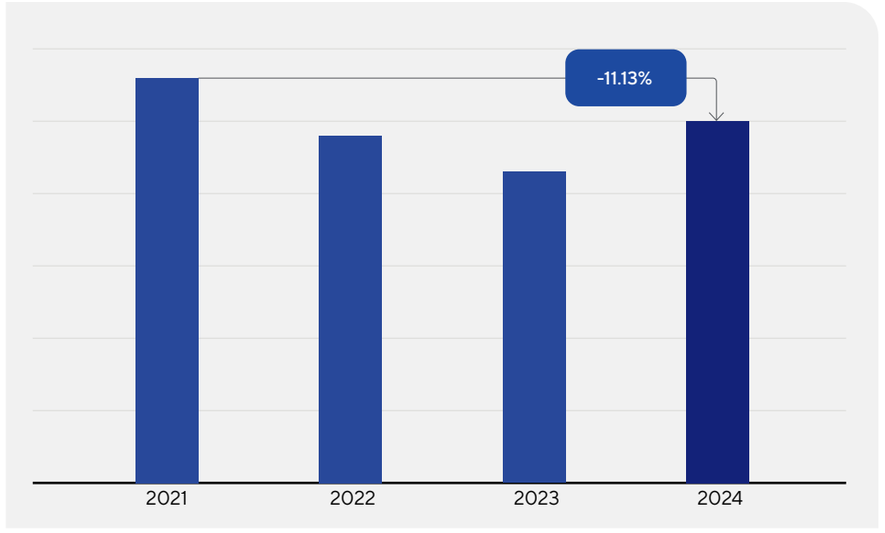
## Achievement Status of SBT

| | [6]2021 (tonnes $CO_2e$) | 2022 (tonnes $CO_2e$) | 2023 (tonnes $CO_2e$) | 2024 (tonnes $CO_2e$) | SBTi 2030 Near-Term Target Achievement Rate (% Reduction Relative to the 2021 Base Year) |
|---|---|---|---|---|---|
| **Scope1 and 2** | 54,727.44 | 43,929.72 | 40,931.61 | 36,970.08 | -32.45% |
| **Scope 3<br>C1 Purchased goods and services<br>C11 Use of sold products** | 5,669,306.20 | 4,889,942.00 | 4,342,072.97 | 5,038,166.86 | -11.13% |

**Scope1 and 2**




**Scope 3 C1 Purchased goods and services and C11 Use of sold products**




6 Based on the subsidiary scope defined in our latest 2025 consolidated financial statements, ASUS re-verified the baseline year's carbon emissions.

# 03 Risk Assessment and Management

The World Meteorological Organization (WMO) [7]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°C above the pre-industrial levels by the end of the century, and striving not to exceed 1.5 °C . 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.

## 3.1 Structure of Risk Management

To enhance the supervision of the Board of Directors on the risk management of ASUS and enable the risk management to be more "comprehensive" and "regular", ASUS established the Business Continuity Management (BCM) Committee to constantly monitor and manage climate risks and demonstrate organizational resilience by integrating operational practices.

ASUS has incorporated climate action into the BCM Sustainable Development Task Unit, which is liable for risk monitoring and prevention management. Through continuous review of business continuity management, ASUS dynamically adjusts major issues of concern and effectively integrates internal and external resources, to better predict, prepare, respond to and adapt to the continuous changes in the environment, thereby minimizing the relevant impacts and interruption periods.

**Risk Identification**

- Evaluate major climate events with a risk matrix to identify the frequency and impact of risk events.
- Identify the financial implications of prioritized physical and transition risks.

**Risk Control / Mitigation**

- Incorporating climate risk as a key issue in continuous management.
- Develop response strategies and monitoring mechanisms for climate risks.

**Risk Monitoring / Reporting**

- Continuous monitoring and management of climate risks through the BCM committee, combined with operational practices to demonstrate organizational resilience.

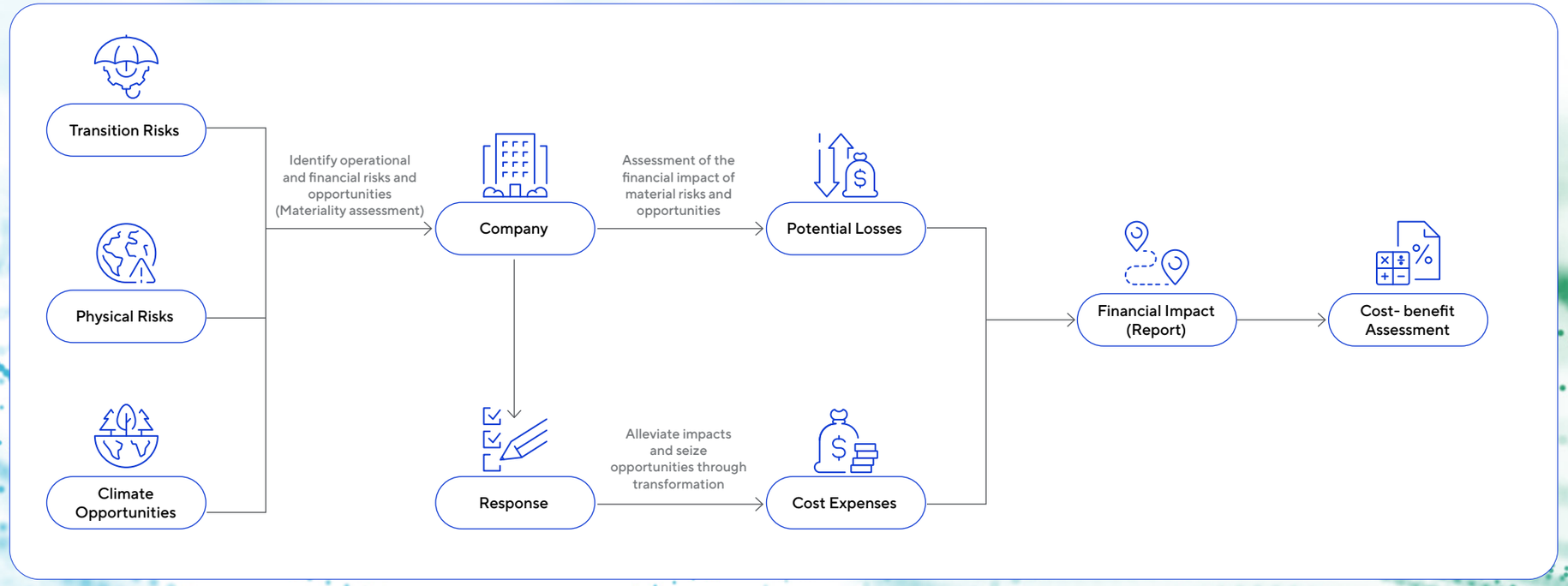
7 https://public.wmo.int/en/media/press-release/climate-change-indicators-and-impacts-worsened-2020

# 3.2 Climate Risk and Opportunity Identification

## Framework for Financial Assessment of Climate Risks and Opportunities

In accordance with the TCFD framework, ASUS conducts climate risk and opportunity identification, differentiating impact magnitude and time horizon to assess potential effects on ASUS and our upstream and downstream value chain, and selects those risk and opportunity sources with significant implications for ASUS's operations to evaluate financial impacts.

- Transition risks:
  In order to respond to the complexity and impact of the market caused by climate change, we must adjust the supply and demand with various methods, including policy, law, technology, and market changes to mitigate and adapt to the needs of climate change prevention.
- Physical risks:
  The actual risks caused by long-term climate change and immediate extreme weather disasters would have a direct impact on the industry and supply chain disruptions.
- Climate opportunities:
  Seize opportunities to reduce risk or adapt through transformation to improve market competitiveness.



## ASUS Climate Risk/opportunity Event Chain

Groups generally present diverse value chains and complex risk assessments due to differences in industry, geography, and customers; however, ASUS and our subsidiaries are all part of the electronics industry, exhibiting a high degree of homogeneity in their value chains, supplier ecosystems, and key risk factors, and facing similar transformation challenges—such as supply chain decarbonization, circular economy, improving product energy efficiency, and the growing demand for green products from downstream customers. Therefore, there is commonality and referential value in the methodologies for risk identification and quantification. With the parent company's operations centers located globally, holistic consideration of physical climate risk assessment and policy transition risk analysis inherently covers the risk exposures of the subsidiaries. Under the Group's sustainability governance framework, the ASUS Sustainability and Green Quality Management Center consolidates methodologies, provides guidance, and offers technical support to ensure consistency in the subsidiaries' institutional structures and actions.

In line with the TCFD, ASUS identifies potential climate-related risks and opportunities within operations and value chain. Based on the classification of these risks and opportunities and our respective time horizons, we delineate the impacts of each category on ASUS's operations and our suppliers, and subsequently assesses their impacts on ASUS's financial position.

ASUS identifies climate risks and opportunities, which are:

- Transition Risks: Carbon pricing, such as Mainland China's carbon tax, the EU's Carbon Border Adjustment Mechanism (CBAM), regulatory requirements to disclose emissions information, regulations requiring ASUS Taiwan operations centers to meet renewable energy electricity consumption obligations, and changes in customer behavior (preference for energy-efficient products, preference for environmentally certified products), among others.
- Physical Risks: Classified by timing into immediate and long-term risks. Immediate risks include operational disruptions and supplier outages due to extreme weather events. Long-term risks include rising sea levels and increasing temperatures.
- Climate Opportunities: In response to climate change-related issues, ASUS will have the opportunity to introduce new products and services, such as low-carbon products and carbon-neutral services.

| | Risk classification | Risk description (Issues) | Stages of occurrence[8] | Impact scenarios (Event outcome) | Financial impact on ASUS |
|---|---|---|---|---|---|
| **Transition Risks** | Policies and regulations | Carbon pricing (Mainland China Carbon Trading Market) | Medium-/ long-term: The carbon pricing system will be implemented within 3 to 10 years. | Supplier cost pass through:<br>• Increase in ASUS' own material costs<br>• Assembly plant's increased costs for purchased materials<br>• Assembly plant's increased service fees for original equipment manufacturing | • Increase in operating costs / operating expenses (Income Statement) |
| | Policies and regulations | Carbon Border Adjustment Mechanism (CBAM) | Medium-/ long-term, CBAM may be expanded within 3 to 10 years. | Changes in trade conditions, new operational tasks:<br>• Carbon footprint calculation and reporting personnel<br>• Purchase CBAM certificates<br>• Fines for non-compliance with reporting regulations | • Increase in operating costs / operating expenses (Income Statement) |
| | Policies and regulations | Regulations require transparent disclosure of information on emissions | Near-term: the disclosure regulations on carbon emissions may be implemented in 1-3 years. | Increased costs for expanded supervising and control:<br>• Carbon emission inventory and verification personnel<br>• Third-party verification operations | • Increase in operating costs / operating expenses (Income Statement) |
| | Policies and regulations | Regulations on large electricity users | Near-term: the regulations on large electricity users may be implemented within 1-3 year. | Electricity utilization restrictions:<br>• Utilize renewable energy<br>• Invest in energy-saving equipment<br>• Fines for non-compliance with reporting regulations | • Increase in operating costs / operating expenses (Income Statement)<br>• Increase in capital expenses (Income Statement) |
| | Market | Changes in customer behavior (Preference for energy-efficient products) | Near-term: within 1-3 years, EPEAT will initiate new regulations and the US ENERGY STAR® standards will be stricter. | Impact on product sales volume:<br>• Commercial customer order transfer<br>• Unable to secure government contracts | • Decrease in operating revenue (Income Statement) |
| | Goodwill | Changes in customer behavior (Preference for eco-label products) | Medium-term: small difference in market share of competitive products within 3-10 years. | Impact on product sales volume:<br>• If it fails to meet customer needs, the sales volume may be affected | • Decrease in operating revenue (Income Statement) |

8 Stages of occurrence: 1-3 years for the near term, 3-10 years for the medium term, over 10 years for the long term

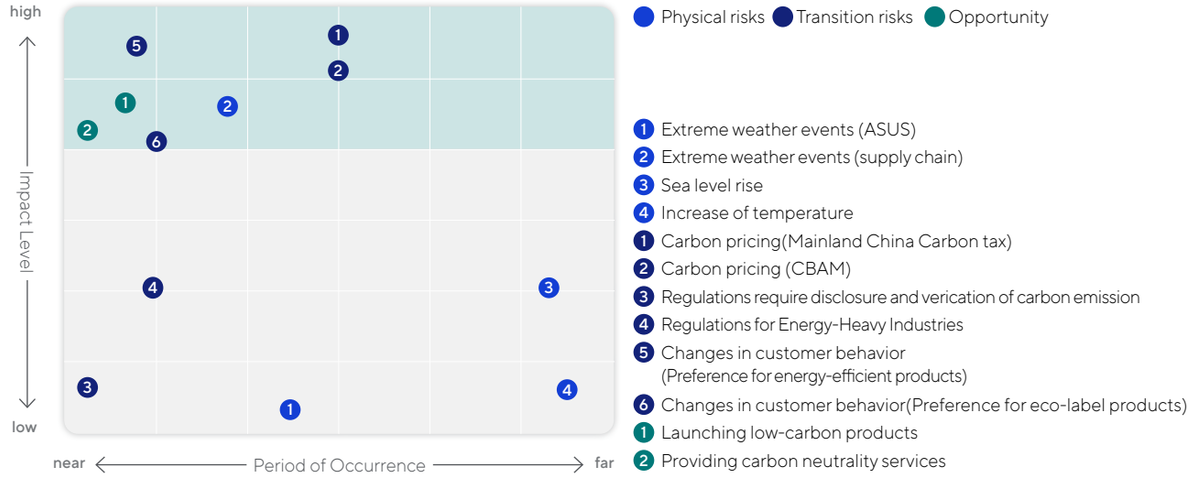
| | Risk classification | Risk description (Issues) | Stages of occurrence[8] | Impact scenarios (Event outcome) | Financial impact on ASUS |
|---|---|---|---|---|---|
| Physical Risks | Immediate | Extreme climate impacts | Near-term: the shift was suspended in the past 1-3 years | Shutdown due to power outage:<br>• Seek temporary electricity supply solutions<br>• Delay in product delivery<br>• Road disruptions due to heavy rainfall:<br>• Seek temporary logistics solutions<br>• Delay in product delivery | • Increase in non operating losses (Income Statement)<br>• Increase in operating costs (Income Statement) |
| | Long-term | Sea level rise | Long-term: sea level rise may occur in over 10 years | Road disruptions around the operations headquarters:<br>• Remote work<br>• Seek temporary production relocation solutions | • Increase in nonoperating losses (Income Statement)<br>• Increase in operating costs (Income Statement) |
| | Long-term | Rise in temperature | Long-term: sea level rise may occur in over 10 years | Increased electricity consumption at operations centers and in the supply chain:<br>• Increased electricity costs | • Increase in nonoperating losses (Income Statement)<br>• Increase in operating costs (Income Statement) |

| | Opportunity classification | Opportunity description | Stages of occurrence | Impact scenarios (Event outcome) | Impact on ASUS |
|---|---|---|---|---|---|
| Opportunities | Product and service | Launch low-carbon products | Near term: Rising end-customer demands for product energy efficiency in 1-3 years will significantly drive market demand for low-carbon, high-energy-efficiency products | Increase in sales revenue | High, satisfy customer demand for low- carbon products to increase revenue |
| | Product and service | Provide carbon neutral service | Near term: Commercial customers' preference for zero-carbon products in 1-3 years will drive increased demand for our carbon-reduction services. | Increase in sales revenue | High, shifting from the demand side to the supply side to increase revenue |

## Climate Risk and Opportunity Matrix

By using the timing and magnitude of impact of climate risks and opportunities as two axes, the relative position of each risk and opportunity can be mapped. This provides a clear view of the most prioritized and important climate issues for ASUS.

From the diagram on the right side, it is clear that the most urgent issues for ASUS to assess and manage are: carbon pricing (such as Mainland China's carbon tax and the EU's Carbon Border Adjustment Mechanism (CBAM)), changes in customer behavior (preference for energy-efficient and environmentally certified products), business disruptions due to extreme weather events, and emerging products and services such as low-carbon products and carbon-neutral services.



# 3.3 Risk and Opportunity Scenario Simulation Assessment

## Brief Overview of Risk and Opportunity Scenario Simulation

### Transition Risk Scenario

Transition risks are analyzed based on the International Energy Agency (IEA) annual publication, the World Energy Outlook, specifically using the Stated Policies Scenario and the Net Zero Scenario, as detailed below.

| IEA | Scenario Description | Corresponding Transition Risk Simulation Scenarios |
|---|---|---|
| **Stated Policies Scenario** | This includes announced policy content, aiming to highlight the impact of these announced policies on future global economic, environmental, and social systems. | STEPs Scenario |
| **Net Zero Scenario** | Scenario for achieving net-zero emissions by 2050 | NZE Scenario |

### Physical Risk Scenario

In accordance with the methodology outlined in the sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC), published in August 2021, ASUS leverages the SSPx-y scenario analysis framework—where SSP denotes Shared Socioeconomic Pathways, "x" specifies the development trajectory (from Scenario 1 indicates sustainability pathway to Scenario 5 indicates fossil-fueled development), and "y" indicates the radiative forcing level in watts per square meter, reflecting the strength of greenhouse gas forcing. This approach enables us to evaluate climate change impacts under varying assumptions of population growth, economic development, and technological advancement. The table below presents five SSPx-y scenarios, depicting projected temperature increases ranging from 1.4 °C under the sustainability pathway (Scenario 1) to 4.4 °C under the fossil-fueled development pathway (Scenario 5), illustrating that the path of socioeconomic development will directly determine the severity of future climate change and thus shape corporate climate risks and operational decisions. ASUS adopts the SSP5-8.5 (fossil-fueled development) scenario to assess the physical risks our operations may face.[9]

| Scenario[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 |

9 The World Climate Research Program 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:

10 The "x" in SSPx-y stands for the socioeconomic pathway and the" y" stands for the approximate level of radiative forcing. Source: https://tccip.ncdr.nat.gov.tw/ds_02_06_ar6.aspx

### Climate Opportunities

According to the IPCC AR6, the process of supporting sustainable development through mitigation and adaptation actions is referred to as "Climate Resilient Development." To address actual or anticipated climate impacts, ASUS evaluates potential opportunities under climate change by managing greenhouse gas reductions and adaptation measures.

| 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 |

At ASUS, our climate mitigation opportunities stem primarily from reducing our products' carbon footprints and providing low-carbon products to our customers. Our climate adaptation opportunities are based on our Carbon Neutral Services, through which we not only assist our customers in achieving their net-zero targets but also, by procuring high-quality carbon credits, indirectly protect forests and help mitigate global climate change.

## Climate Risk Scenario Simulation Results

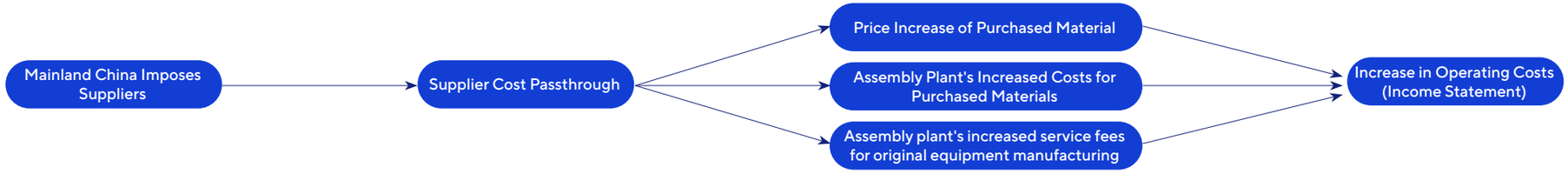
Based on the previously identified risks and opportunities, ASUS simulates transition risk scenarios using the IEA's Stated Policies (STEPS) scenario and Net Zero (NZE) scenario, and assesses the impact of extreme climate events on operational disruptions in the supply chain assembly plants, referencing the effects of the IPCC AR6 SSP5-8.5 scenario.

### Carbon pricing: Mainland China Carbon Trading Market

#### Scenario Assumptions

- To comply with the Paris Agreement or achieve their Nationally Determined Contributions (NDCs), governments will utilize policy tools such as carbon pricing to achieve its reduction targets or commitments
- Mainland China has pledged to attain "peak carbon" by 2030 ($CO_2$ emission reach its peak) and attain "carbon neutrality" before 2060.
- Based on our carbon inventory data, our principal GHG emissions originate from our supply chain and manufacturing assembly, with over 90 % of our suppliers located in mainland China.
- According to the report "Feasibility and Policy Appraisal of Imposing a Carbon Tax in China" by the China National Information Center, to achieve carbon neutrality China has launched a nationwide Emissions Trading System (ETS) for high-emitting industries and considers post-2030 the optimal timing to introduce a carbon tax. Anticipating that China will implement a carbon tax regime at its carbon peak, levying taxes on domestic emitters; once imposed on our suppliers, this tax burden will be passed on to us, increasing our product manufacturing costs.
- The carbon tax rate applied in 2030 is based on the 2024 World Energy Outlook (WEO) report published by the IEA. We reasonably estimate ASUS's global sales growth to drive emissions growth across our Mainland China-based supply chain, and we project the financial impacts for 2030 and 2050 under both a stringent policy (partial coverage at a low carbon price) and the most stringent policy (full coverage at a high carbon price) in our STEP and NZE scenarios .

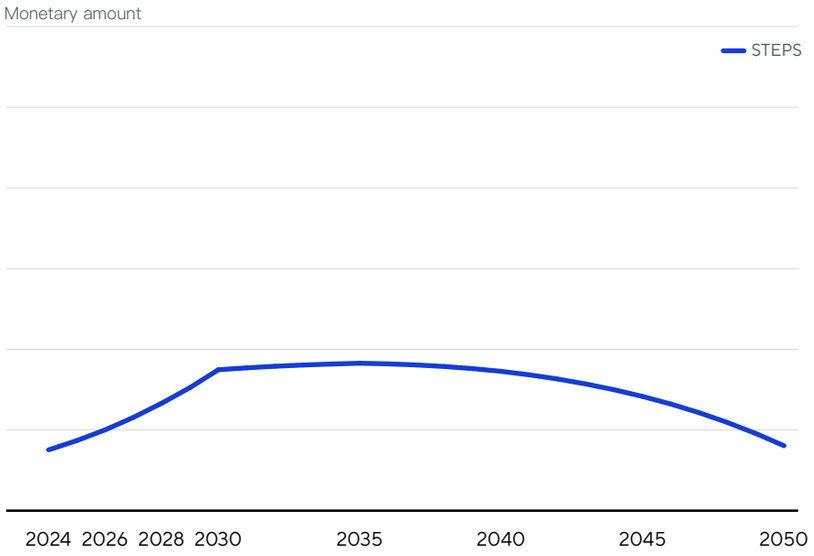
#### Financial Risk Event Chain



## Financial Parameter Assumptions and Impact Assessment[11]

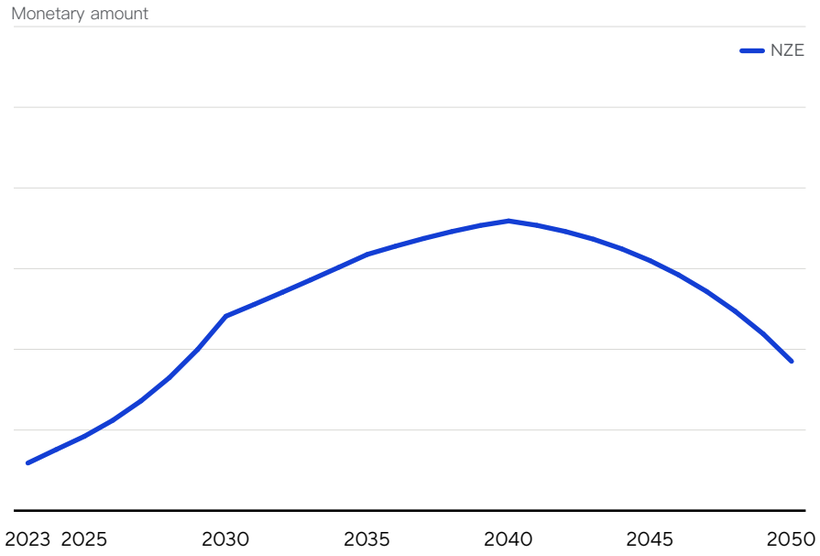
### Stringent policy (Partial coverage and low carbon price)

- In 2024, our Mainland China-based suppliers emitting over 26,000 tonnes $CO_2e$ are regulated under the carbon trading market without any free allowances
- Tier-1 suppliers pass 100 % of the incremental carbon tax cost on to ASUS.
- The carbon price is based on the IEA's WEO report, under the STEP scenario, the carbon price is estimated at USD 39 per tonne in 2030 and USD 52 per tonne in 2050.
- It is reasonable to project ASUS's global sales growth, which will drive the growth of ASUS's carbon emissions from our supply chain in Mainland China
- Financial impacts
  - Short term (2025): representing 0.04% of our 2024 operating costs.
  - Medium term (2030): representing 0.08% of our 2024 operating costs.
  - Long term (2050): representing 0.04% of our 2024 operating costs.




### Most stringent policy (Full coverage and high carbon price)

- ASUS's suppliers in Mainland China and their upstream partners are all regulated by the carbon trading market and do not receive free allowances
- 100% of the carbon trading costs incurred by our Tier-1 suppliers for their Scope 1 and Scope 2 emissions.
- The carbon price is based on the IEA's WEO report, under the NZE scenario, the carbon price is estimated at USD 90 per tonne in 2030 and USD 200 per tonne in 2050.
- It is reasonable to project ASUS's global sales growth, which will drive the growth of ASUS's carbon emissions from our supply chain in Mainland China
- Financial impacts
  - Short term (2025): representing 0.07% of our 2024 operating costs.
  - Medium term (2030): representing 0.19% of our 2024 operating costs.
  - Long term (2050): representing 0.15% of our 2024 operating costs.



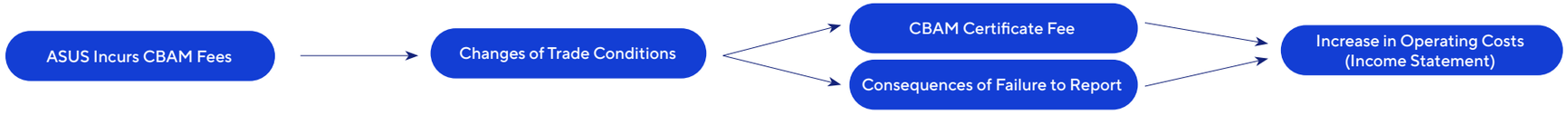

11 In ASUS's assessment of the carbon price scenario in Mainland China, four different potential policy outcomes can be generated considering the scope of coverage and carbon price levels. Only the stringent policy and the most stringent policy outcomes are listed here.

## Carbon Pricing: Carbon Border Adjustment Mechanism (CBAM)

### Scenario Assumptions

- The EU officially implements the Carbon Border Adjustment Mechanism in 2026 to ensure that trading partner countries pay the same cost of carbon as industries in the EU and prevent the relocation of industries to other countries with less stringent carbon controls. To import products into the EU, importers must pay a carbon fee before they may sell their products on the European market
- 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 domestic enterprises, the European Union announced the 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[12] in 2026, initially, it will cover imports of cement, iron and steel, aluminum, fertilizers, electricity and hydrogen.
- It is anticipated that electronic products might be included in the subsequent regulated items. ASUS is proactively assessing the potential impact of CBAM implementation on its exports to the EU

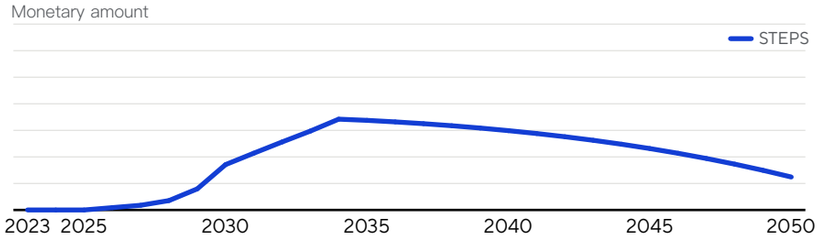
### Financial Risk Event Chain




### Financial Parameter Assumptions and Impact Assessment

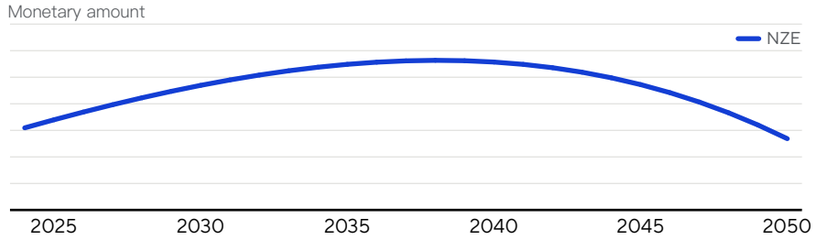
#### Stringent policy (Partial coverage with free allowance low carbon price)

- The carbon content of the product is calculated based on the raw material and manufacturing stages, and free allowances decrease according to the EU ETS Phase 4 regulations.
- The carbon price is based on the IEA's WEO report, under the STEP scenario, the carbon price is estimated at USD 140 per tonne in 2030 and USD 158 per tonne in 2050.
- Reasonably estimate the global sales growth rate of ASUS, which drives the growth of product exports to the EU.
- Financial impacts
  - Short term (2025): representing 0% of our 2024 operating costs (100% free allowances in place until 2025).
  - Medium term (2030): representing 0.19% of our 2024 operating costs.
  - Long term (2050): representing 0.14% of our 2024 operating costs.




#### Most stringent policy (Full coverage without free allowance and high carbon price)

- Product carbon content is calculated based on the ASUS product carbon footprint without free allowance.
- The carbon price is based on the IEA's WEO report, under the NZE scenario, the carbon price is estimated at USD 140 per tonne in 2030 and USD 250 per tonne in 2050.
- Reasonably estimate the global sales growth rate of ASUS, which drives the growth of product exports to the EU
- Financial impacts
  - Short term (2025): representing 0.38% of our 2024 operating costs.
  - Medium term (2030): representing 0.53% of our 2024 operating costs.
  - Long term (2050): representing 0.30% of our 2024 operating costs.




12 In May 2025, the European Parliament and the European Council adopted a simplified amendment to the CBAM, changing the original de minimis reporting threshold of EUR 150 per consignment to an annual import-weight threshold of no more than 50 tonnes. This amendment primarily simplifies the implementation process and does not affect our existing scenario-simulation mechanisms or parameters.

## Changes in Customer Behavior

### Scenario Assumptions

- Customers' environmental protection awareness has increased, and products that meet energy efficiency standards have become a criterion for their purchases. If products do not receive voluntary energy efficiency standards or do not meet customers' energy efficiency requirements, they will lose their competitiveness in the green market, which will result in loss of revenue.
- 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.
- To accelerate the transition to net-zero, governments around the world are implementing higher standards for energy management policies and regulations. In addition, increased consumer environmental awareness is driving demand for green products with environmental certifications. From both compliance and market perspectives, this will drive ASUS to develop more efficient and environmentally friendly product.

### Financial Risk Event Chain

Changes in Customer Behavior → Increased Customer Demands for Green Products → Failure to Meet Customer Demands → Decrease in Revenue (Income Statement)

### Financial Impact Assessment

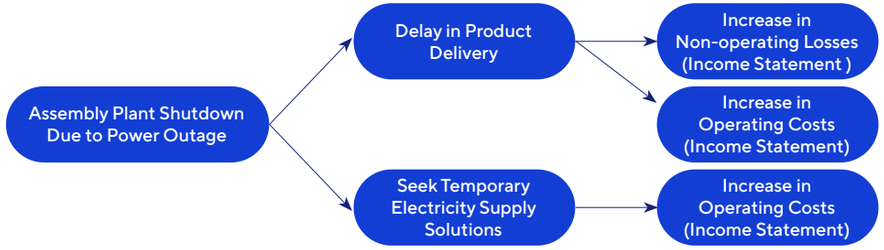
To meet increasingly stringent green product standards, such as the updated EPEAT(CCM-2023 version) and ENERGY STAR® 9.0 standards, ASUS continues to invest annually in material selection, research and development of energy-efficient designs, and enhancement of supply chain carbon reduction capabilities to maintain environmental certifications to lower potential risks.

## Extreme Weather Events Assembly Plant Shutdown due to Power Outage

### Scenario Assumptions

- 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.
- Under a high renewable-energy electricity supply, extreme weather events will affect regional power-supply stability. Extreme weather events—including heavy rainfall and drought—cause uneven rainfall distribution, which significantly impacts hydropower generation and readily leads to power instability.
- ASUS main Notebook product assembly plant is located in Chongqing, Mainland China. According to China's "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 financial impact.

### Financial Risk Event Chain




### Financial Parameter Assumptions

- According to Zhao et al. (2022) and the CIMP6 model, ASUS estimates that under the SSP5-8.5 scenario. It is estimated that the probability of power outages lasting 15 days and 21 days in Chongqing in 2025 and 2050 are 4.11% and 5.75% respectively.
- Approximately 60% of our revenue from notebooks.

### Financial Impact Assessment on ASUS

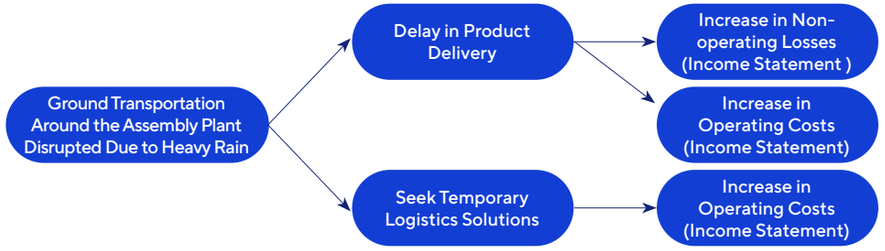
- Based on the probability of power outages, ASUS's expected loss amounts to 0.2% and 0.5% of our 2024 notebook revenue.

## Extreme Weather Events Land Transportation Disruption

### Scenario Assumptions

- Extreme weather events such as heavy rainfall often result in road flooding or water logging, 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. In 2024, Chongqing also experienced heavy rainfall, recording a maximum daily precipitation of 363.2 millimeters, which inundated portions of the road network. If flooding caused by heavy rainfall interrupts land transportation in the region, it will result in revenue loss for ASUS.

### Financial Risk Event Chain




### Financial Parameter Assumptions

- According to Wang et al. (2022), under the SSP5-8.5 scenario, it is estimated that by 2050, the precipitation in the upstream basin of major rivers in Chongqing City will increase by 5.3%. This increase in precipitation leads to probabilities of continuous flooding in Chongqing City for 3 days, 7 days, and 15 days at 3.88%, 3.42%, and 3.12%
- Approximately 60% of our revenue from notebooks.

### Financial Impact Assessment on ASUS

- Based on Wang et al. (2022), under the SSP5-8.5 scenario, we estimate that over the period 2025–2050:
  - A three-day flood-induced shutdown would result in losses equivalent to 0.04% of our 2024 laptop revenue.
  - A seven-day shutdown would account for 0.09%.
  - A fifteen-day shutdown would account for 0.20%.

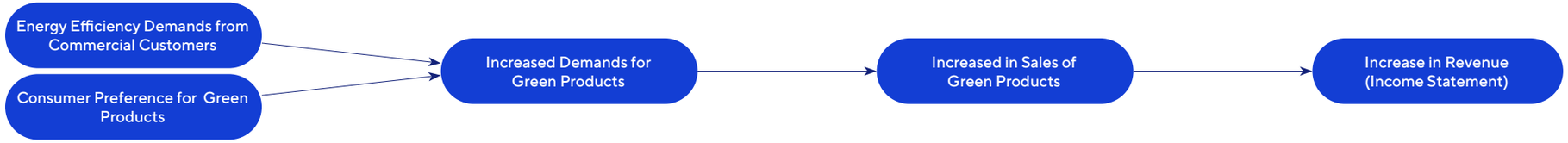
## Climate Opportunities Scenario Simulation Results

### Risk reduction opportunity: Launch low-carbon products

**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
- ASUS provides high-energy-efficient products to meet customer demands for energy-saving solutions, thereby increasing revenue from green products

**Financial Opportunity Event Chain**




**Financial Impact Assessment on ASUS**

- ASUS aims to reduce product carbon footprint primarily by using low-carbon materials and continuously improving product energy efficiency to reduce power consumption. This strategy aligns with customer expectations for green products and meets green procurement specifications, leading to increased revenue from ASUS's green-related products. It is projected that green product revenue will reach 50% by 2030.

### Risk adaptation Opportunities by Providing Carbon Neutrality Services

**Scenario Assumptions**

- With 139 countries already announcing net-zero targets, the focus of commodity flow has shifted from solely price competitiveness to considerations of carbon footprint. Nations and businesses now prioritize purchasing low-carbon footprint products to achieve net zero goals. In 2023, ASUS announced the launch of carbon-neutral services, targeting commercial clients facing carbon reduction pressures as the initial service recipients. Carbon credits used to offset the remaining carbon emissions of products are sourced from high-quality nature based projects.
- ASUS also provides carbon-neutral product services to meet customer demands for reducing product carbon footprint.

**Financial Opportunity Event Chain**


**Financial Impact Assessment on ASUS**

Estimating carbon-neutral revenue for 2030 to account for 0.12% to 0.46% of ASUS's 2024 green product revenue.

# 3.4 Financial Impact Pathways of Our Response Strategies and Actions

Based on the preceding sections, after committing to our SBT, ASUS has initiated the procurement of renewable energy power, optimized our supply chain carbon management, procured low-carbon materials, and expanded our product R&D efforts. The table below summarizes the financial impacts of each reduction strategy on our company.

| Issue | Period of Occurrence | Impact on ASUS | Financial impact |
|---|---|---|---|
| ① **Carbon pricing - Mainland China Carbon Trading Market** | Medium Term / Long Term | It is expected that the electronics industry will be included under Mainland China's carbon tax regulations, and suppliers will pass the carbon tax costs on to ASUS. | • Increase in operating costs / operating expenses (Income Statement) |
| ② **Carbon pricing - CBAM** | Medium Term / Long Term | It is anticipated that electronic products may fall under the scope of the Carbon Border Adjustment Mechanism (CBAM), requiring importers of regulated products to pay a carbon tax. | • Increase in operating costs / operating expenses (Income Statement) |
| ③ **Changes in Customer Behavior** | Near Term | If products do not receive voluntary energy efficiency standards or do not meet customers' energy efficiency requirements, they will lose their competitiveness in the green market, which will result in loss of revenue. | • Decrease in operating revenue (Income Statement) |
| ④ **Assembly Plant Shutdown due to Power Outage** | Near Term | 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. | • Increase in non-operating losses (Income Statement)<br>• Increase in operating costs (Income Statement) |
| ⑤ **Land Transportation Disruption** | Near Term | 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. | • Increase in non-operating losses (Income Statement)<br>• Increase in operating costs (Income Statement) |

| Response measures | | Financial impact | 2024 Capital allocation (NTD) |
|---|---|---|---|
| Supplier Carbon Reduction Engagement and Counseling Program<br>Issues to be addressed: ①②③ | • Assist suppliers in addressing non-conformities<br>• Provide guidance to suppliers on process optimization, equipment energy efficiency enhancement, and adoption of renewable energy | • Increase in operating expenses - salary expenses | • Increase in operating expenses – salary expenses: < 10 million |
| Supplier Environmental Performance Audit<br>Issues to be addressed: ①②③ | • Allocate manpower for the Supplier Carbon Reduction Engagement and Counseling Program and audits<br>• Incorporate audit performance into the QBR (Quarterly Business Review) evaluation mechanism | | |
| Establishment of Carbon Data Management Platform<br>Issues to be addressed: ①②③ | • Digitalized carbon data management | • Increase in operating expenses – service fees | • Increase in operating expenses – service fees: < 10 million |
| Expand the Use of Renewable Energy<br>Issues to be addressed: ②③ | • Installation costs for photovoltaic and energy storage equipment<br>• Corporate Power Purchase Agreement (CPPA)<br>• Procurement of Renewable Energy Certificates | • Increase in capital expenditures – machinery and equipment – power generation equipment<br>• Increase in operating expenses – utilities (water and electricity)<br>• Increase in operating expenses – environmental certificate fees | • Increase in capital expenditures – machinery and equipment / buildings and related facilities: 10–50 million<br>• Increase in operating expenses – electricity / energy expenses: > 50 million |
| Use environmental friendly materials<br>Issues to be addressed: ②③ | • Increase in self-procured material costs<br>• Pass-through of third-party procured material costs | • Increase in operating costs – direct materials<br>• Increase in operating costs – outsourced processing fees | • Increase in operating costs – direct materials: 10-50 million |
| Elevate energy efficiency<br>Issues to be addressed: ②③ | | | |
| Establishment of Business Continuity Management Operations and Business Continuity Plan (BCP)<br>Issues to be addressed: ④⑤ | • Ensure high-risk suppliers complete ESG audits<br>• Identify suppliers' climate risks, diversify major product orders to reduce concentration risk in production, and appropriately adjust production allocation<br>• Develop climate risk adaptation plans for key suppliers<br>• Establish a whistleblowing mechanism with real-time alerts | • Increase in operating expenses – salary expenses | • Increase in operating expenses – salary expenses:< 10 million |

• Stages of occurrence: 1-3 years for the near term, 3-10 years for the medium term, over 10 years for the long term

# 04 Climate Action Goals

## 4.1 Net Zero Vision and SBT Reduction Targets

### Net Zero Vision of ASUS

As climate change threats intensify, achieving "net zero emissions by 2050" has emerged as a unified global consensus under international climate action. According to the United Nations Environment Programme's 2024 Emissions Gap Report, greenhouse gas emissions reached a record high of 57.4 billion tonnes $CO_2$ equivalent; without aggressive mitigation, temperatures could rise by 2.5 °C by the end of this century. Nearly 140 countries, representing 88 percent of global carbon emissions, have pledged to achieve net zero by 2050. The PwC "Net Zero Economy Index 2021" finds that reaching net zero by mid-century will be exceptionally challenging: unless the global decarbonisation rate increases fivefold, it will not be possible to halve emissions by 2030 and achieve net zero by 2050, underscoring the imperative for industries worldwide to accelerate their decarbonisation transitions.

Amid the global decarbonization trend, carbon management has evolved from an environmental concern into a core business strategy. ASUS believes that as carbon-pricing mechanisms become widespread, effective carbon management will directly influence corporate costs and competitiveness. Products accrue a carbon footprint from raw-material extraction through manufacturing, assembly, warehousing, sales, and recycling, with emissions continually accumulating. By managing carbon proactively, we can not only mitigate operational risks but also create differentiated market value through low-carbon offerings.

Our climate strategy is built on science-based reduction pathways. We have structured a three-stage approach—"enhancing energy efficiency," "expanding the use of renewable energy," and "investing in innovative technologies to remove residual emissions"—to progressively lead our entire value chain toward net zero .

**SBTi 1.5°C Reduction Pathway**

**Near-Term**

- 2030: Reduce Scope 1 and Scope 2 carbon emissions across the entire group by 50% compared to the base year of 2021.
- 2030: Reduce Scope 3 C1 (Purchased Goods and Services) C11 (Use of Sold Products) carbon emissions across the entire group by 30% compared to the base year of 2021.

**Long-Term**

- 2050: Reduce Scope 1 and Scope 2 carbon emissions across the entire group by 90% compared to the base year of 2021.
- 2050: Reduce Scope 3 carbon emissions across the entire group by 90% compared to the base year of 2021.

| Enhance energy efficiency | Expand the use of renewable energy | | Innovative technologies |
|---|---|---|---|
| 2025 | 2030 | 2035 | 2050 |
| 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 | Achieve RE100 in Taiwan-based operations centers | Achieve RE100 in global operations centers | Invest in innovative technologies<br>Remove residual emissions<br>Lead the value chain to net zero |

## SBT Reduction Targets

The Science Based Targets initiative (SBTi) was co-founded by the UN Global Compact, the Carbon Disclosure Project (CDP), and other leading organizations to provide a climate-science-based methodology for companies to set emission-reduction targets consistent with limiting global warming to 1.5 °C, validated by third parties . SBTi-certified targets deliver not only environmental benefits but also commercial value—enabling alignment with future business growth, lowering operational costs, enhancing regulatory flexibility, boosting investor confidence, and spurring innovation to strengthen competitiveness.

Achieving net zero emissions is our foremost climate objective. Since 2022, we have committed to defining science-based reduction targets under the SBTi framework, proactively establishing our reduction pathways and targets in accordance with SBTi standards and aligned with the boundaries of our consolidated financial statements to follow the 1.5 °C pathway and address climate risks. In 2023, we secured validation of our SBTi Near-Term science-based targets, pledging to reduce 50 % of our Scope 1 and Scope 2 emissions and 30 % of our Scope 3 emissions from purchased goods and services and the use of sold products by 2030 . Building on the subsidiary scope defined in our 2025 consolidated financial statements, we set and passed a more ambitious SBTi Net-Zero Target Validation in 2025—committing to reduce 90 % of Scope 1 and Scope 2 emissions and 90 % of Scope 3 emissions by 2050—fully driving our Group toward our net zero vision.

Furthermore, ASUS acknowledges that emissions reductions within its value chain are constrained by the technical and commercial feasibility of carbon reduction technologies ; therefore, to achieve our net-zero target, participating in mitigation actions beyond its value chain is both necessary and critically important. In alignment with the recommendations outlined in the “Beyond Value Chain Mitigation” (BVCM) guidance released by SBTi in February 2024, ASUS plans to participate in carbon reduction projects that adhere to BVCM criteria.

Unlike traditional carbon-offset mechanisms, BVCM emphasizes that companies should first fulfill their emission-reduction commitments within their own value chains and then invest in or procure emission-reduction projects beyond the value chain to offset any remaining emissions, thereby ensuring the authenticity and permanence of their mitigation actions . We will select projects that demonstrate additionality, are quantifiably verifiable, and align with our sustainable development goals—such as renewable energy development, forest restoration, and carbon capture and storage technologies—to supplement our in-value-chain reductions .

The BVCM (Beyond Value Chain Mitigation) represents recommendations by SBTi for enterprises, encouraging them to take actions beyond their value chains to reduce greenhouse gas (GHG) emissions.

The BVCM guidance suggests the following steps for enterprises to achieve this:

**1. Establish BVCM objectives**

Enterprises can set targets for reducing emissions beyond their value chains, which should align with the climate goals committed to by the company.

**2. Identify BVCM opportunities**

Collaborate with other companies, non-governmental organizations, and governments to examine and identify opportunities for emission reductions beyond the company’s value chain.

**3. Invest in BVCM projects**

Enterprises can invest in BVCM projects to help reduce emissions beyond their value chains. These projects may include renewable energy, afforestation, carbon capture and storage technologies, etc.

**4. Disclose BVCM performance**

Enterprises should apply rigorous measures to ensure that BVCM mitigation or removal outcomes—such as measurement methodology standards, funding deployed, and carbon removal benefits—are reliably achieved and independently verified by a third party.

# 4.2 Actions Taken

## Internal Carbon Pricing

Internal Carbon Pricing (ICP) is a mechanism by which companies internalize the external costs associated with their greenhouse gas emissions, encouraging them to incorporate carbon costs into decision-making and investment evaluations. Both the IFRS Sustainability Disclosure Standard S2 and voluntary disclosure standards such as the Carbon Disclosure Project (CDP) consider the price of internal carbon pricing and its application as information that should be publicly disclosed. According to PwC (2023)[13], the top three key objectives of implementing internal carbon pricing for companies are to promote low-carbon investments, enhance energy efficiency, and change internal behaviors. An increasing number of companies are adopting internal carbon pricing to achieve their carbon reduction goals. The World Bank believes that companies implementing internal carbon pricing can drive internal emissions reductions, serving as a crucial tool for companies transitioning towards net-zero emissions. By comparing various carbon pricing mechanisms and considering the European Union Emissions Trading System (EU ETS) as a global benchmark for carbon markets, ASUS aligns with the most comprehensive regulations and standards by following the EU Carbon Border Adjustment Mechanism (CBAM) and using its ETS price as the framework for internal carbon pricing assessment.

### Pricing Principles

ASUS's product manufacturing model primarily involves outsourcing manufacturing, where Scope 1 and Scope 2 greenhouse gas emissions are not significant, belonging to Scope 3 emissions in the value chain, with supplier emissions and product usage emissions accounting for over 90%. As a leading global green technology brand, ASUS integrates its core capabilities to promote product design and manufacturing towards decarbonization. It links carbon reduction goals verified by SBTi and product carbon footprint calculation procedures certified by thirdparty organizations. Therefore, "product carbon footprint" serves as the basis for internal carbon pricing calculations, with the main product's internal carbon price set at $80 per metric ton of $CO_2e$.

### Carbon Pricing Management Applications

ASUS applies the shadow pricing method to integrate our internal carbon pricing mechanism into financial decision-making, assessing the potential impact of global net-zero progress and emission reduction efforts on our financial performance. By quantifying carbon costs, we encourage our business units to select environmentally friendly materials and adopt energy-saving designs. Proceeds from future carbon fees will be invested in procuring or investing in renewable energy power, enhancing operational energy efficiency, and funding innovative decarbonization technologies. Following the introduction of our internal carbon pricing, we aim to drive green product revenue to exceed 50%, support suppliers in obtaining ISO 14064 third-party verification, guide key suppliers in setting Science-Based Targets (SBT) aligned reduction goals, and have our contract manufacturers and assembly plants certify to ISO 50001 while sourcing over 40% of their electricity from renewable energy. We anticipate reducing our product carbon footprint by more than 20% by 2030.

To ensure our emission reduction commitments are embedded in business decision-making processes, we disclose the performance of our internal carbon pricing in management reports, providing product operations teams with benchmarks for tracking and managing reduction outcomes. By promoting energy-efficient design and supply chain emissions reduction internally, we link up to 10% of variable compensation for our business unit leaders to the achievement rate of our Scope 3 SBTi targets—namely, a 30% absolute reduction in "Purchased Goods and Services" and "Use of Sold Products" by 2030 compared to the base year.

### Carbon Pricing Audit Mechanism

To mitigate carbon risk and unlock new revenue growth opportunities, ASUS will enter the next phase of our internal carbon pricing initiative by setting interim targets and linking carbon reduction outcomes to business unit performance. We will formalize the collection of internal carbon fees and establish governance guidelines for the management and use of these funds. We will form a Carbon Reduction Project Review Committee to evaluate key indicators, such as the technical feasibility of reduction solutions and business cost-benefit analyses, and to expand our carbon reduction projects to include areas like renewable energy, resource and energy efficiency, and innovative low-carbon technologies.

13 https://www.pwc.tw/zh/topics/trends/what-is-icp.html

## Enhance 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 life-cycle, ASUS applies a circular economy mindset into product design and services, uses eco-friendly materials, improves energy efficiency, and extends usage cycles in our transition to low-carbon product development.

#### Use eco-friendly materials

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 3,500 tonnes of recycled plastic have been used in our key products, resulting in a cumulative reduction of approximately 26,100 tonnes of $CO_2e$ carbon emissions.

#### Elevate energy efficiency

Continuously reduce carbon emissions during product use by making our software and hardware more energy efficient. The ENERGY STAR® Program is the strictest energy efficiency program in the world. The energy efficiency design of our key products exceed 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 2024 exceed ENERGY STAR® standards by an average of 47.9% , resulting in a reduction of approximately 90,651 tonnes $CO_2e$ compared to products that merely met the ENERGY STAR® standard.

## Supply Chain Carbon Reduction

The supply chain is the major source of greenhouse gas emissions for ASUS. Analyzing more than 100,000 data entries from environmental footprint surveys over the years, we identified 90% of emission was from key suppliers in the manufacturing process, including IC base(CPU, GPU), hard drives(SSF, HDD), panels, power supplies, motherboards, memory as well as EMS. We collaborate with these key suppliers through carbon reduction engagement and counseling program.

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. Since initiating the Key Supplier Carbon Reduction Engagement and Counseling Program in 2021, ASUS has been establishing a low-carbon supply chain. The goal is to achieve by 2025 that 75% of ASUS's key suppliers meet set Science Based Targets initiative (SBTi) carbon reduction goals, utilize renewable energy sources ranging from RE40 to RE65, and certified with ISO 50001. ASUS's sustainability team engaged in one-on-one discussions and key issue forums with suppliers to develop tailored carbon reduction actions and targets that align with each supplier's business model. Quarterly surveys of greenhouse gas emissions data were conducted to monitor carbon reduction progress.

In 2024, ASUS conducted engagement and counseling meetings on Science-Based Targets (SBT) carbon reduction goals with key suppliers. It also convened the "ASUS Supply Chain Low-Carbon Transformation—Standardized Guidelines for Field Carbon Inventory Operations" briefing and, in a phased approach, organized 5 sessions of the "ASUS Carbon Data Management Platform Education and Training" seminars and an "ISO 50001 Energy Management System" briefing for all collaborating suppliers, aimed at building their carbon-emission management capabilities and enhancing the accuracy and completeness of inventory data.

In 2024, ASUS assisted its supply chain in carbon reduction, achieving the following performance: 44% of suppliers used renewable energy (solar photovoltaic), 21% of suppliers set greenhouse gas reduction targets based on Science Based Targets (SBT), 54% of suppliers obtained ISO 14064 third-party verification, and 42% of suppliers achieved ISO 50001 certification. ASUS will continue to deepen collaboration with supply chain partners to jointly drive improvements in carbon reduction performance, accelerating the realization of net-zero target across the entire value chain.

**Key supplier carbon reduction pathway**

**Identify emission hotspots and inventory on suppliers' carbon reduction plans**

**2021**

- Analyze suppliers' historical environmental footprint survey data and define key suppliers whose carbon emissions account for more than 90%.
- Initiate the Key Supplier Carbon Reduction Engagement and Counseling Program.

**2022**

- Map manufacturing processes for key components and identify emission hotspots such as equipment with high energy consumption and processes with high carbon emissions.
- Hold a Carbon Reduction Technology Forum and provide methodology and tools for carbon reduction decision matrix.

**Build suppliers' carbon management capabilities and assist in setting carbon reduction targets.**

**2023**

- Initiate the "Bringing up the small" scientific project, selecting 10 priority suppliers to participate in a three-year carbon reduction program.
- Conduct on-site inspections of carbon emission hotspots and assist suppliers in setting carbon reduction targets.

**2024**

- Hold Science-Based Targets (SBT) carbon reduction engagement and counseling sessions for key suppliers.
- Hold the ASUS Carbon Platform education and training seminars and ISO 50001 Energy Management System briefing sessions.

## Improve Energy Efficiency of Headquarters

ASUS' carbon emissions came from the use of electricity for office operations. Since 2015, we have built up the ISO 50001 Energy management system. Both of our operations 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. ASUS conducts regular identification of high-energy-consuming areas and equipment, performing performance measurements on items such as chillers, chilled water pumps, cooling water pumps, zone pumps, and cooling towers in air-conditioning rooms.ASUS launched a three-year energy-saving improvement plan in 2023. Under this initiative, we upgraded inefficient chillers at our operations headquarters—including the Lide Headquarters, the AI and Cloud Campus, and the Luzhu plant—with environmentally friendly refrigerants, and introduced variable-frequency temperature-difference control on cooling water pumps and cooling towers. We also deployed a centralized smart energy management system, with a total investment of NT$27 million. This plan is projected to reduce electricity consumption by 440,000 kWh annually, lower our electricity costs by 4.88% each year, and cut approximately 217 tonnes $CO_2e$.

To strengthen the professional capabilities of our energy management teams, we conducted training courses in 2024, including ISO 50001 Internal Auditor training and instruction on the principles and operation of the new chiller units, with 14 participants and a 100% completion rate.

## Group Subsidiary Assistance Program

Since 2022, ASUS has committed to aligning with SBT and initiated a Greenhouse Gas Inventory Assistance Program. This program aims to establish comprehensive inventory capabilities for group subsidiaries, assisting each subsidiary in setting reduction targets and carbon reduction pathways, while integrating group-wide reduction requirements and resource allocation. To further strengthen carbon data management, ASUS officially deployed our Carbon Data Management Platform, featuring one-click generation of inventory registers and reports to accelerate subsidiaries' preparations for third-party external verification. Through this platform, ASUS and its subsidiaries now conduct quarterly emissions performance monitoring and have established a Seed Trainee Program to cultivate internal carbon management expertise, ensuring that each subsidiary's carbon performance is tracked in real time, transparently, and traceability.

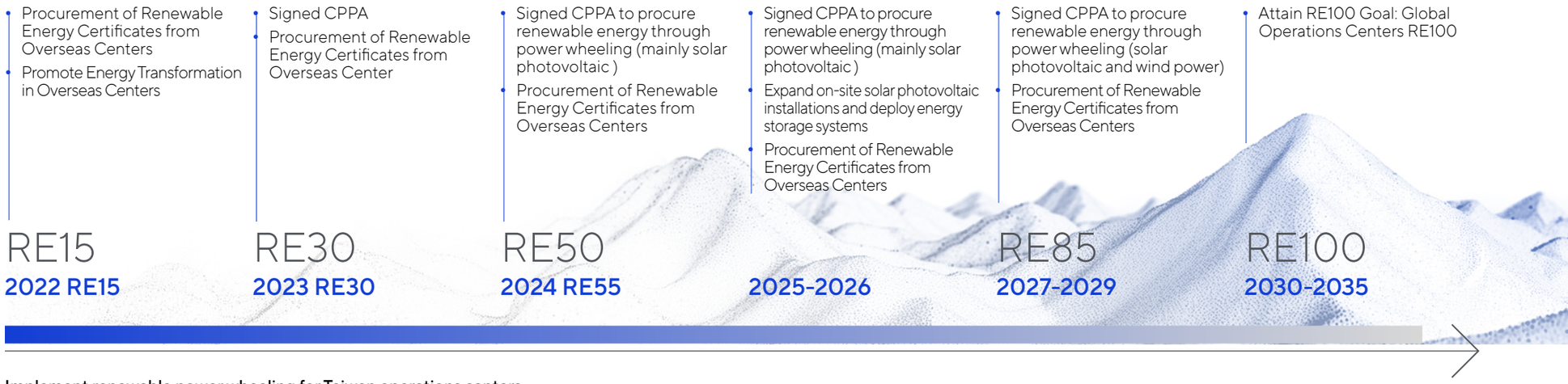
## Expand the Use of Renewable Energy

### 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.

By introducing renewable energy at overseas and Taiwan operations centers, ASUS achieved RE50 across our global operations centers in 2024. It is anticipated that in 2027, we will reach RE85. 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**




### Implement renewable power wheeling for Taiwan operations centers

ASUS has analyzed optimized scenarios for renewable energy across our global operations and developed short-, medium-, and long-term renewable energy roadmaps to steadily increase our renewable energy adoption rate. Beginning in 2024, our Taiwan operations centers—including the ASUS Headquarters and the AI & Cloud Innovation Campus—officially commenced renewable energy procurement under a Corporate Power Purchase Agreement (CPPA). In 2024, our Renewable Power Wheeling volume reached approximately 9.5 million kWh. Moreover, ASUS plans to introduce wind power in 2027, with an expected renewable energy supply of 20 million kWh, accelerating our progress toward our net-zero transition goals.

In 2024, we installed rooftop solar photovoltaic arrays and co-located energy storage battery systems at our Taiwan headquarters and newly commissioned facilities such as the Luzhu plant, with operations slated to begin in 2025. By integrating on-site self-consumption with energy storage technologies, we will significantly boost our renewable energy utilization, enhance electricity efficiency and stability, and further strengthen our resilience in sustainable operations.

Case Study

## Accelerating Energy Transition across overseas operations centers

### Case 1: Solar Power Generation at US operations centers

To deliver on our global energy-transition and renewable-energy commitments, we have proactively advanced self-generation planning at our operations centers. In 2023, we completed the installation and commissioning of a solar photovoltaic system at our U.S. operations centers, demonstrating our forward-looking commitment to net-zero carbon transformation. After the system commenced full operation in 2024, it generated a total of 870,000 kWh over the year, effectively reducing our reliance on externally procured electricity.

During the summer peak season, the system's output met our operational power demands, achieving approximately 1,200 hours in a single quarter of zero external power purchases—making it a flagship example of energy transition across our global operations centers. To cover our remaining electricity needs, we concurrently procured Green-e certified renewable energy certificates, ensuring the operations center's use of 100 percent renewable energy.

### Case 2: Signed a low-carbon power procurement agreement at Netherlands operations center

At our Netherlands operations center, we have implemented internal energy-efficiency measures and, since 2021, entered into a low-carbon electricity agreement with Eneco to demonstrate our long-term commitment to low-carbon operations. Building on these ongoing improvements, in 2024 we achieved that 90 % of the operations center's electricity consumption is sourced from renewable power. We also procure traceable GOs (Guarantees of Origin) renewable energy certificates via the Association of Issuing Bodies (AIB) platform to ensure the remaining electricity use meets renewable-supply requirements.

## Innovative Technologies

According to the IEA's Net Zero Report, achieving net-zero emissions by 2050 depends on mature commercial technologies—namely wind power, solar photovoltaics, and electric vehicles—while most other carbon-reduction technologies remain at the prototype stage and require further technical breakthroughs and market validation. Therefore, we actively monitor technology development trends and assess innovation feasibility, leveraging our Innovation Development Office to bring in external expertise from academia and industry.

On the product front, ASUS actively engages in matching external startup technologies through the "ASUS and NTU Corporate Accelerator," selecting technologies with promising carbon reduction potential and commercial viability for analysis of their applicability, such as innovative technologies for plastic waste recycling. ASUS conducts alignment and demand assessment between ASUS and innovative technologies, providing Proof of Concept (POC) validation environments for startup concepts.

For beyond value chain carbon reduction projects, ASUS references BVCM (Beyond Value Chain Mitigation) guidelines, as detailed below:

1. Carbon credit projects for investment or procurement must adhere to ASUS's internal carbon credit criteria, which are established with reference to reports from IPCC, The Oxford Principles for Net Zero Aligned Carbon Offsetting, ICVCM, NGO organizations, etc., to avoid greenwashing risks, all of which align with BVCM recommendations.
2. Innovative carbon reduction technologies such as carbon capture and storage, clean technology, although making significant contributions to reducing emissions beyond the value chain, are constrained by insufficient investment funds or technological bottlenecks, preventing major breakthroughs for achieving economies of scale and widespread adoption by enterprises. In light of this, ASUS continues to monitor the development of innovative carbon reduction technologies and conducts feasibility assessments for investments in small hydropower, hydrogen energy, and others.
3. ASUS recognizes the contribution of biodiversity richness to climate change mitigation and has planned and will collaborate with industry, government, academia, and other units to increase domestic carbon sink and biodiversity restoration related projects, contributing efforts to 7-16 beyond value chain emission reduction initiatives.

### Residual removal Target

ASUS will reference the draft of the SBTi Corporate Net-Zero Standard v2.0 released in March 2025 and dynamically adjust our carbon-removal strategy in line with its latest requirements. We will evaluate the linear-growth Removal Growth Target (RGT) model recommended by SBTi, applying five-year rolling adjustments to incrementally increase our carbon removals and ensure 100 percent offset by 2050. To support this pathway, we will pre-position high-quality carbon credits, leverage our internal carbon-pricing mechanism to channel funds, prioritize investments in high-durability carbon-removal projects, and actively direct resources toward innovative carbon-reduction technologies and carbon-removal providers—thereby establishing a robust, forward-looking net-zero investment portfolio.

# Appendix I: TCFD Index

| Core Elements | TCFD Recommended Disclosure | Corresponding chapters in this report | Page |
|---|---|---|---|
| **Governance** | Describe the board's oversight of climate-related risks and opportunities. | 1. Governance | Page 5-6 |
| | Describe management's role in assessing and managing climate-related risks and opportunities | 1. Governance | Page 5-6 |
| **Strategy** | Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term | 3.2 Climate Risk and Opportunity Identification | Page 14-16 |
| | Describe the impact of climaterelated risks and opportunities on the organization's businesses, strategy, and _nancial planning | 3.3 Risk and Opportunity Scenario Simulation Assessment | Page 17-23 |
| | Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | 3.4 Financial Impact Pathways of Our Response Strategies and Actions | Page 24 |
| **Risk Management** | Describe the organization's processes for identifying and assessing climate-related risks. | 3.2 Climate Risk and Opportunity Identification | Page 14-16 |
| | Describe the organization's processes for managing climate-related risks. | 3.1Structure of Risk Management | Page 13 |
| | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | 3.1Structure of Risk Management | Page 13 |
| **Metrics and Targets** | Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process. | 3.2 Climate Risk and Opportunity Identification | Page 14-16 |
| | Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | 2. Greenhouse Gas Inventory<br>3.2 Climate Risk and Opportunity Identification | Page 7-12<br>Page 14-16 |
| | Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets | 2.3 SBTi – Group's GHG Inventory<br>4. Climate Action Goals | Page 11<br>Page 25-31 |

# Appendix II: Group's GHG Inventory

**Historical Carbon Emissions of the ASUS Group**

| Scope 1 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| **Direct emissions (tonnes $CO_2e$)** | 4019.18 | 3,631.89 | 3,846.16 | 4,074.14 |
| **Scope 2** | **2021** | **2022** | **2023** | **2024** |
| **Location-based Carbon Emission (tonnes $CO_2e$)** | 50,708.26 | 45,859.95 | 43,399.67 | 41,709.13 |
| **Market-based Carbon Emission (tonnes $CO_2e$)** | 50,708.26 | 40,297.83 | 36,872.10 | 32,895.93 |
| **Scope 3** | **2021** | **2022** | **2023** | **2024** |
| Purchased Goods and Services | 3,379,555.64 | 2,915,901.21 | 2,817,596.76 | 3,397,634.84 |
| Capital Goods | 8,700.04 | 11,797.27 | 7,571.14 | 7,335.37 |
| Fuel- and Energy-Related Activities (not included in scope 1 or scope 2) | 9,615.58 | 10,534.56 | 8,968.67 | 7,319.27 |
| Upstream Transportation and Distribution | 140,849.52 | 130,697 | 141,854.74 | 124,366.61 |
| Waste Generated in Operations | 693.56 | 742.76 | 251.90 | 219.82 |
| Business Travel | 4,129.94 | 2,047.11 | 6,876.80 | 5,287.55 |
| Employee Commuting | 13,519.63 | 16,163.11 | 7,743.20 | 13,250.74 |
| Upstream Leased Assets | 477.37 | 2,089.19 | 480.87 | 328.71 |
| Downstream Transportation and Distribution | - | - | - | - |
| Processing of Sold Products | 220.78 | - | 330.36 | 786.30 |
| Use of Sold Products | 2,289,750.55 | 1,974,040.79 | 1,524,586.36 | 1,640,532.02 |
| End-of-Life Treatment of Sold Products | 54,616.32 | 16,388.83 | 7,847.85 | 8,743.97 |
| Downstream Leased Assets | 437.56 | 2,997.81 | 676.80 | 669.24 |
| Franchises | - | - | - | - |

# Appendix III: IFRS S2 Cross-Industry Metric index

| Cross-Industry Metric | Corresponding chapters in this report | Pages |
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| greenhouse gases | 2. Greenhouse Gas Inventory | Page 7-12 |
| climate-related transition risks | 3. Risk Assessment and Management | Page 17-21 |
| climate-related physical risks | 3. Risk Assessment and Management | Page 17-22 |
| climate-related opportunities | 3. Risk Assessment and Management | Page 18-23 |
| capital deployment | 4. Climate Action Goals | Page 24 |
| internal carbon prices | 4. Climate Action Goals | Page 27 |
| remuneration | 1. Governance | Page 5 |

IN SEARCH OF INCREDIBLE