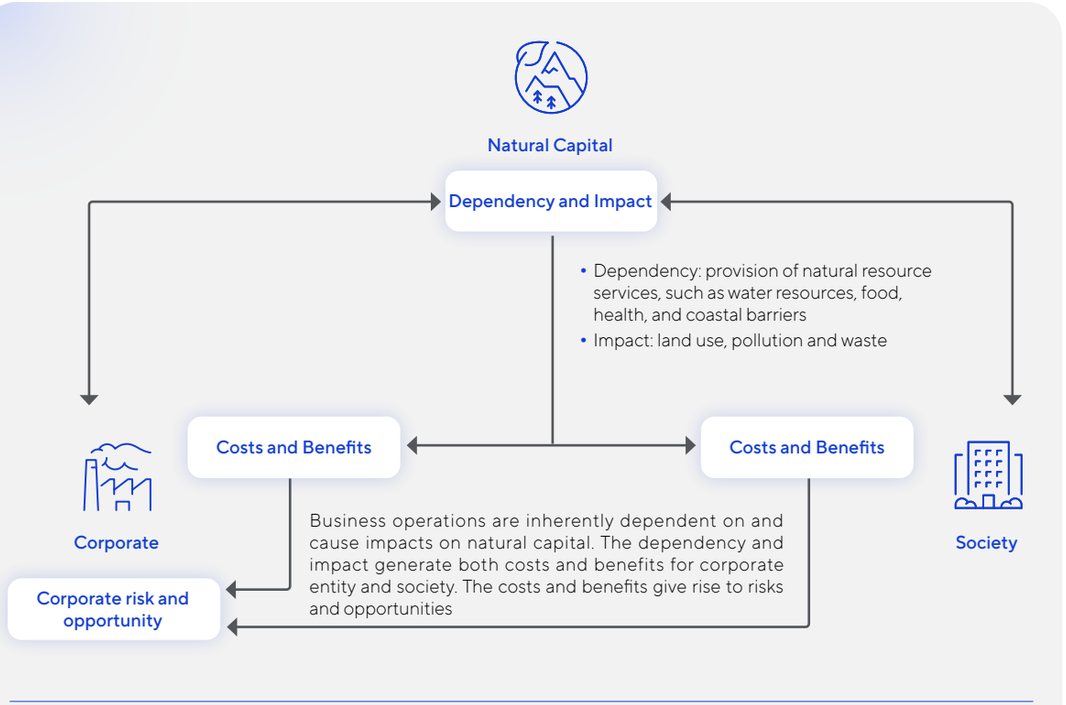
Sustaining an incredible future

2025 NATURAL IMPACT ASSESSMENT REPORT

Catalog

01 Introduction

Corporate operations depend on natural resources and ecosystem services, collectively referred to as natural capital. The Natural Capital Protocol clearly underscores the importance of biodiversity to the health and stability of natural capital.[1] For example, rich biodiversity can mitigate the impacts of extreme weather events such as floods and droughts, accelerate ecosystem recovery, and support fundamental processes such as carbon cycling, water cycling, and soil formation. Thus, biodiversity is not only an integral part of natural capital but also the foundation of ecosystem services.



Source: Natural Capital Protocol

1 Source: Natural Capital Protocol

2 "Connectivity" refers to the ecological linkages between different habitats that allow species to move freely, forage, and reproduce. When forests are fragmented by roads, rivers are blocked by dams, or wetlands are divided by development, previously intact ecosystems become isolated "ecological islands." This isolation forces plant and animal populations apart, preventing genetic exchange and ultimately leading to inbreeding and population decline. Maintaining such connectivity not only ensures that animals can migrate safely but also allows plant seeds to disperse into new areas, helping to preserve genetic diversity and sustain the health of ecosystems.

At the United Nations Earth Summit in 1992, the United Nations adopted the Convention on Biological Diversity and established three principal biodiversity objectives: conserving biodiversity by protecting rare species and ecological environments; valuing and encouraging the sustainable use of biodiversity resources by using natural resources responsibly without damaging ecosystems; and ensuring the fair and equitable sharing of benefits arising from the use of genetic resources by distributing the benefits derived from the development of natural resources, such as medicinal plants and genetic resources, fairly among the relevant countries and communities. Unfortunately, the absence of specific standards and detailed implementation rules led to considerable differences in practice among countries, while the global natural environment and biodiversity continued to deteriorate.

At the United Nations Biodiversity Conference (CBD COP15), held in Montreal, Canada, in 2022, the Kunming-Montreal Global Biodiversity Framework was adopted to establish key pathways and targets for biodiversity action through 2030. The framework sets a clear target to ensure that, by 2030, at least 30% of degraded terrestrial, inland water, marine, and coastal ecosystems are under effective restoration in order to enhance biodiversity, ecosystem functions and services, ecological integrity, and connectivity.[2] It also calls on companies to regularly monitor species richness and environmental quality so that they can assess and address biodiversity risks and thereby reduce impacts on their operations.

According to the Nexus Assessment released by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), climate, nature (biodiversity), water, food, and health are major, interrelated factors. The assessment also confirms that nature loss has translated into tangible economic and survival costs: global species richness is declining by 2-6% per decade; more than half of the world's population lives in areas where water, food, and climate risks overlap; and the annual global financing gap for nature conservation is as high as USD 700 billion. If nature-related risks continue to be overlooked, the losses to food systems and health caused by ecosystem collapse worldwide will far exceed the investment currently required for nature restoration and sustainable transition.

02 Natural Capital Actions and Environmental Management Milestones

ASUS and the Supply Chain

ASUSTeK Computer Inc., founded in 1989, is the world's largest motherboard manufacturer and ranks among the world's top three consumer notebook brands. Its principal business is 3C information products, including the design, research and development, and sale of computer systems, motherboards and various boards and cards, tablets, smartphones, and other handheld devices. ASUS focuses its operations on product design and marketing, while product manufacturing relies entirely on nearly 600 raw material suppliers, component suppliers, and product assembly plants worldwide. As a result, the Company's overall environmental impacts arise primarily from supply chain operations, which are therefore a key scope of the Environmental Profit and Loss (EP&L) assessment. Through green product design and environmentally friendly manufacturing processes, as well as close collaboration with its supply chain, ASUS works to reduce its dependency on and impacts on natural capital, fulfilling its corporate commitment to become one of the world's leading green high-tech companies and make meaningful contributions to humanity.

ASUS Environmental Management Milestones

ASUS has long implemented systematic management of nature-related and environmental issues. In 2008, its operational sites obtained ISO 14001 Environmental Management System certification, and in 2013 supplier environmental footprint assessments were incorporated into supply chain management. In 2018, ASUS launched an Environmental Profit and Loss (EP&L) assessment project focused on notebook computers and published its first EP&L report. In 2019, ISO 14001 Environmental Management System certification was further established as a mandatory requirement for qualified suppliers. To gain a comprehensive understanding of the environmental impacts of ASUS and its value chain operations, the EP&L assessment has been expanded annually to include additional core products. By 2021, it covered products accounting for 90% of revenue. In response to the Kunming-Montreal Global Biodiversity Framework requirements for corporate biodiversity monitoring and risk management, ASUS used the EP&L assessment in 2024 as the basis for evaluating the impacts of its operational value chain on the natural environment.

In 2024, in accordance with the latest disclosure guidance under the TNFD reporting framework, ASUS also established the ASUS Biodiversity Policy and further identified biodiversity issues across its value chain, ensuring that the environmental impacts of ASUS operational sites and suppliers were fully incorporated into the Company's sustainability management scope. ASUS also formally launched the Dasyuehshan Middle-Altitude Pangolin Habitat Enhancement and Conservation Project, becoming one of the first companies matched through the Forestry and Nature Conservation Agency's Carbon Sink and Biodiversity ESG Project Matching Platform. In 2025, the project received an Annual Biodiversity Achievement Certificate from the Forestry and Nature Conservation Agency for the second consecutive year. In terms of sustainability performance, ASUS continued to support and participate in the international Carbon Disclosure Project (CDP), receiving Leadership-level scores for its Climate Change and Water Security disclosures. The ASUS Natural Impact Assessment Report passed review by the TNFD taskforce, making ASUS one of the few early-mover companies to have completed a TNFD disclosure review and demonstrating its leadership in nature-related financial disclosure and governance practices. ASUS also actively participated in the development of international and local nature-related frameworks and guidance. It was invited to serve on advisory groups for the World Economic Forum, the TNFD technology-sector nature guidance, and local guidance developed by the Forestry and Nature Conservation Agency under the Ministry of Agriculture. ASUS continues to apply its expertise and practical experience in natural capital management to support the development of nature-related governance frameworks, disclosure standards, and industry best practices.

2008
Obtained ISO 14001 Environmental Management System certification for operational facilities

2013
Initiated a supply chain environmental footprint assessment

2018
Publication of the World's First EP&L Report in the Technology Sector

2019
Made ISO 14001 Environmental Management System a necessary condition for qualified suppliers

2021
EP&L Assessment Covered Products Representing 90% of Revenue

2022
Kunming-Montreal Global Biodiversity Framework - Biodiversity Issues Receive Attention from Capital Markets

2023
Participation in the BCSD Taiwan-Taiwan Nature Positive Initiative

2024
- Established the Biodiversity Policy
- Published a natural impact assessment report
- Dasyuehshan Middle-Altitude Pangolin Habitat Enhancement and Conservation Project

2025
- Received TNFD Recognition and Completed Early Adopter Disclosures
- WEF-TNFD Technology Guidance Advisor
- Second consecutive biodiversity certification for the Dasyuehshan Pangolin Project

03 Governance

Since establishing a dedicated sustainability unit, ASUS has appointed a Chief Sustainability Officer as the unit's management representative. The CSO assists the Group in monitoring global sustainability trends, analyzing sustainability topics concerning governance, the environment, and society, integrating the core business with product innovation and services, and establishing strategic sustainability goals and projects. This structure enables ASUS to focus effectively on sustainability topics across its products, marketing, and design and to implement specific strategies and actions.

Board of Directors

ASUS sustainability governance is directly overseen by the Board of Directors, with the Chairman assigning the Chief Executive Officers as the highest management executives responsible for sustainability management. The Sustainability and Green Quality Management Center has been established under the Co-CEOs. Because suppliers are strategic partners on which ASUS relies for product manufacturing, supply chain management is designated as a key sustainability governance topic. Accordingly, the Sustainability and Green Quality Management Center works with the procurement and outsourcing management departments to jointly manage supply chain processes, including the qualification review and approval of new suppliers, risk management for existing suppliers, and quarterly performance evaluations.

Corporate Sustainability Committee

To respond to sustainability trends and manage the associated opportunities and challenges, ASUS continues to deepen its sustainability governance structure and elevate the management depth and decision-making level of sustainability topics across the Group. In 2025, ASUS established the Corporate Sustainability Committee, comprising five independent directors and the two Co-CEOs. As the Company's highest-level sustainability governance body, the Committee oversees the Group's sustainability strategies, management mechanisms, and implementation results, and reports regularly to the Board of Directors to ensure the effective achievement of sustainability goals. Under the Committee, the Sustainability Center convenes quarterly meetings with sustainability management representatives from each subsidiary to jointly develop and implement action plans for Group-wide sustainability topics. Supply chain management is a key topic. Since 2025, subsidiaries have been required to introduce the RBA Code of Conduct, conduct on-site audits of key subsidiaries and track corrective actions, and use a platform to manage RBA and environmental footprint data for key subsidiaries, thereby ensuring consistently high standards for labor, health and safety, and environmental protection across subsidiaries and suppliers.

Sustainability and Green Quality Management Center

In 2009, ASUS established a dedicated sustainability unit, the Sustainability and Green Quality Management Center. The Chairman assigned the Chief Executive Officers as the highest-level management executives responsible for overseeing sustainability projects and progress toward targets for material topics. The Chief Sustainability Officer serves as the unit's management representative and is responsible for monitoring and analyzing global sustainability trends and managing sustainability policy objectives and concrete actions. The Center monitors global sustainability developments, analyzes governance, environmental, and social topics, integrates the core business with product innovation and services, and establishes strategic sustainability directions and projects. It reports to the Board of Directors annually, submitting policy objectives, key sustainability programs, and performance results for review and approval, while the Board provides oversight and recommendations on implementation. For sustainable supply chain management, the Center has established the Supply Chain Code of Conduct and advances key topics including the protection of labor and human rights, responsible minerals procurement, and reduction of the manufacturing environmental footprint.

GreenASUS & SERASUS Committees

To facilitate horizontal coordination across business functions on highly impactful topics involving products, the supply chain, and organizational operations, ASUS established the GreenASUS Management Committee and the SERASUS Management Committee. Management representatives appointed by senior management are responsible for the Company's ISO 9000 Quality Management System, QC 080000 Hazardous Substance Process Management System, ISO 14001 Environmental Management System, and other systems. The committees also regularly communicate information on environmental protection, safety and health, and management systems to all employees. Their members come from business operations, procurement, customer service, administration, legal affairs, and other departments. This cross-functional communication and coordination enables efficient resource allocation, aligns all ASUS employees around a common sustainability direction, and effectively integrates sustainability with the core business as a source of corporate competitiveness.

04 Strategy

According to McKinsey, more than 80% of Fortune 500 companies have set carbon reduction or net-zero targets, yet only 13%[3] have established targets to reduce impacts on and restore biodiversity. In addition, global asset manager BlackRock stated in its article, Our Approach to Engaging on Natural Capital, that more than half of global GDP, approximately USD 58 trillion, is moderately or highly dependent on nature[4], while only a small portion of the value of natural capital is fully reflected in market prices. As pressure on natural capital intensifies and related policies and regulations become increasingly stringent, asset prices will gradually adjust to reflect nature-related risks and opportunities. Accordingly, for companies whose supply chains depend heavily on natural capital, effective management of nature-related risks and opportunities has become a key factor in generating long-term financial returns.

ASUS fully recognizes this trend. As one of the TNFD Early Adopters, ASUS proactively joined the working group for the Technology and Communications Sector Guidance. Through regular exchanges, ASUS will also draw on the guidance as a reference for its environmental analyses:

- Consistent with the position of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), economic and social activities are sources of pressure that drive nature loss. The drivers include changes in land and sea use, climate change, direct exploitation of natural resources, pollution, and invasive species. This year, ASUS added a land-use indicator to its EP&L assessment as one of the dimensions used to evaluate material environmental factors.
- ASUS combines its value chain perspective with IFRS Sustainability Disclosure Standard S1 to identify nature-related physical risks, transition risks, and opportunities.
- ASUS maps nature-related impacts and actions against the AR3T framework—Avoid, Reduce, Restore and Regenerate, and Transform—to disclose its nature management performance.

ASUS recognizes natural capital—including land, water resources, biodiversity, and ecosystem services—as an essential foundation for sustainable business operations. To reduce the impacts of its value chain on nature and progressively advance toward the Nature Positive goal, ASUS established the ASUS Biodiversity Policy as the highest-level guiding principle for natural capital protection and biodiversity management. ASUS has developed a management framework encompassing risk identification, target management, management actions, and performance tracking, and promotes both management within the value chain and actions beyond the value chain. In alignment with the Kunming-Montreal Global Biodiversity Framework (GBF) and the United Nations Sustainable Development Goals (SDGs), ASUS continues to advance natural capital conservation and restoration.

Within the Value Chain: Data-Driven Environmental Management

In addition to collecting data from its operational sites, ASUS uses its supply chain management platform and carbon data management platform to collect suppliers' environmental footprint data, covering environmental factors such as GHG emissions, energy and resource use, water withdrawal, wastewater pollution, and waste treatment. This data provides a foundation for management decision-making. ASUS applies the Environmental Profit and Loss (EP&L) assessment, the Taskforce on Nature-related Financial Disclosures (TNFD) guidance, and the World Wide Fund for Nature (WWF) water risk screening tool to assess environmental transition risks at operational sites and across the supply chain. The EP&L assessment converts environmental impacts into monetary data to compare the magnitude of different environmental factors, while the TNFD guidance and WWF water risk screening tool help assess location-specific risks at supplier sites. By integrating these analytical results, ASUS identifies high-risk suppliers and their risk types as the basis for subsequent target setting, tiered management, and resource allocation.

The analysis indicates that GHG emissions cause the greatest impact. ASUS separately discloses its climate risk management actions and responses in its TCFD Report. Freshwater resources represent the second-largest impact. ASUS conducts biodiversity mapping analyses of suppliers with high levels of freshwater withdrawal and discharge to identify those located in or near ecologically sensitive areas, assess their biodiversity management capabilities, and promote follow-up improvements to enhance biodiversity management performance.

Beyond the Value Chain: Proactive Biodiversity Restoration

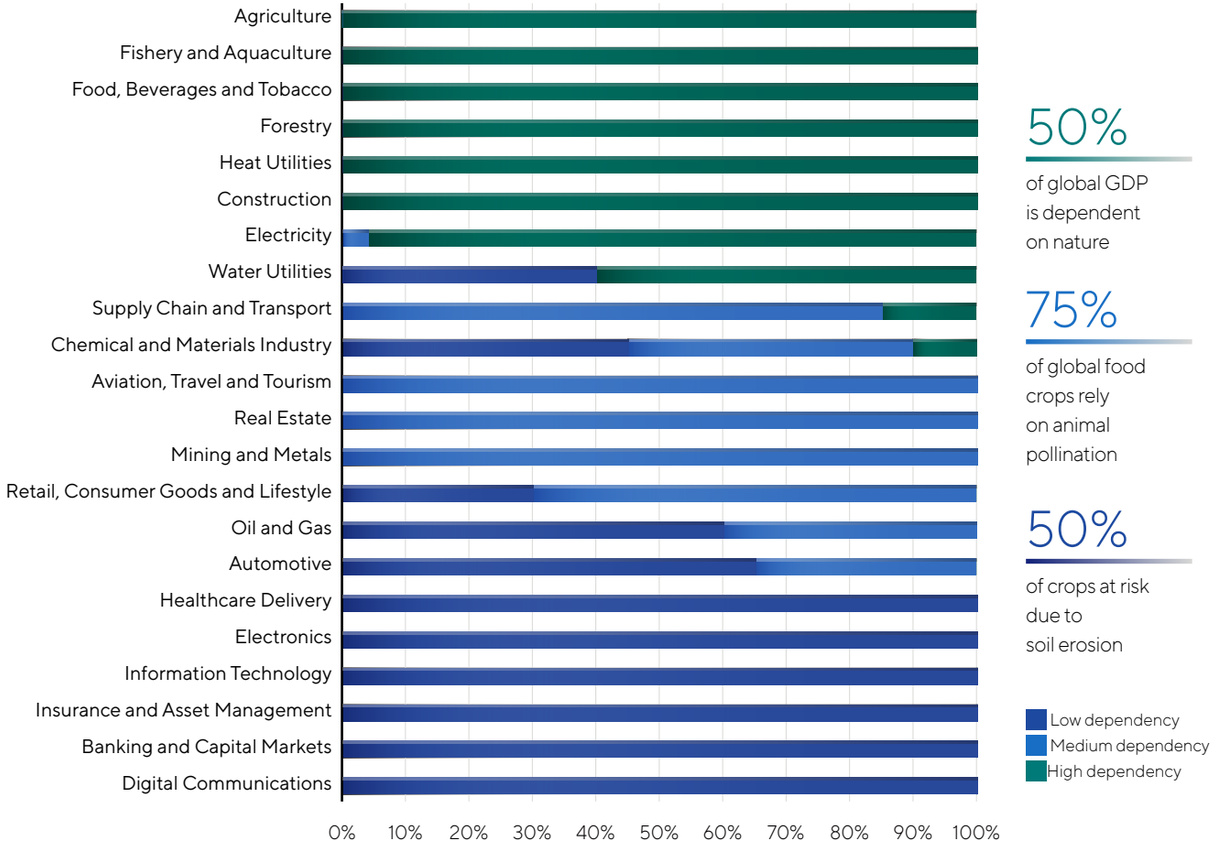
ASUS also supports the Nature Positive initiative and designs projects based on the International Union for Conservation of Nature (IUCN) Global Standard for Nature-based Solutions (NbS). Beyond its value chain, ASUS carries out habitat restoration and species conservation through the Dasyuehshan Middle-Altitude Pangolin Habitat Enhancement and Conservation Project and the Chenglong Ricefish Survey, Research and Conservation Project, with the aim of enhancing habitat quality, ecosystem integrity, and species diversity. In addition to reducing environmental impacts through management within its corporate value chain, ASUS extends its efforts beyond the value chain to further promote ecosystem recovery and enhancement.

3 Sources: McKinsey, 2026, Corporate nature commitments have expanded, but progress is uneven.
4 Sources: BlackRock, 2026, Our approach to engagement on natural capital.

Identifying the ASUS Value Chain's Dependency on Natural Capital

As there were no material changes in the Company's operating model or business model during the year, ASUS continued to apply the results of its 2024 assessment of operational dependencies on natural capital, which used the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool and a 2023 MSCI research report. The assessment showed that ASUS's principal operating activities have a generally low level of direct dependency on natural capital. Based on the principle of resource allocation, ASUS will prioritize the impacts of its operations on the environment and natural capital and use the results to advance related analyses and management actions.

Dependencies of industries on natural capital



50%
of global GDP is dependent on nature

75%
of global food crops rely on animal pollination

50%
of crops at risk due to soil erosion

Sources: MSCI ESG Research, November 2023; World Economic Forum and PwC. 2020. "Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy."

Defining the Dimensions and Scope of Natural Capital Impacts

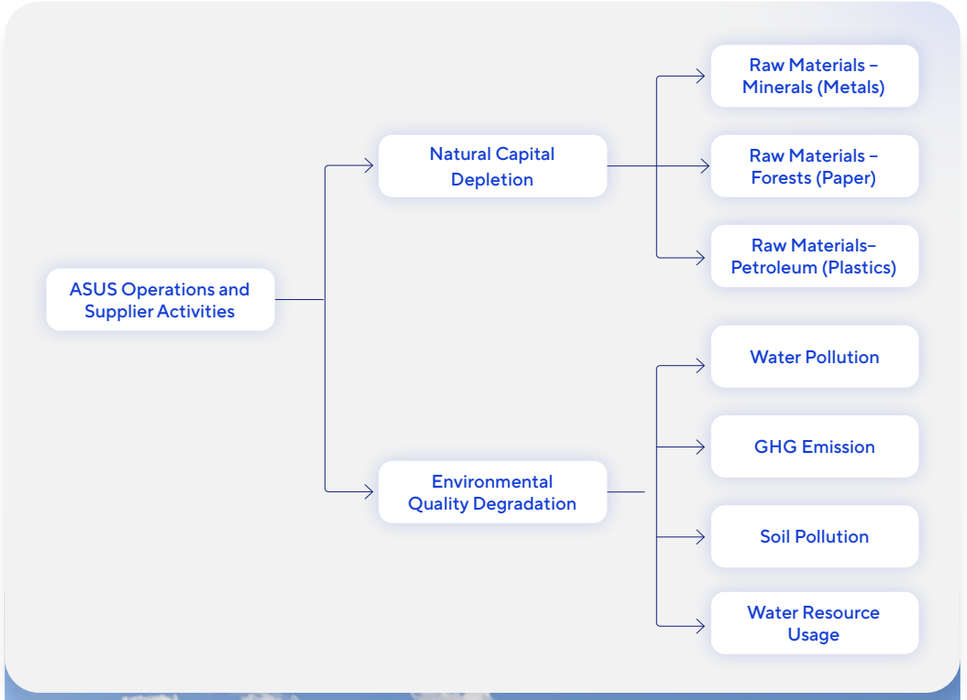
ASUS identifies the impacts of value chain operations on natural capital in two categories: natural capital depletion and environmental quality degradation. These can be further divided into two dimensions: raw material extraction and the environmental impacts of value chain activities:

(1) Natural Capital Depletion: Raw Material Extraction and Use

The greatest impact of ASUS products on natural capital arises from the extraction of raw materials in the supply chain, including minerals, forest resources, and petroleum. According to a 2021 report by the Electronic Product Environmental Assessment Tool (EPEAT), a voluntary environmental label, electronic products contain 40 critical metals. Metal minerals account for approximately 70% of the raw materials in a notebook computer and as much as 79% in a desktop computer. Mining these metals causes large-scale damage to nature, alters landforms and terrain, affects landscapes, and severely disrupts local biodiversity. Research indicates that upstream mining has a biodiversity pressure index of 6%, while logging has an even higher index of 11%; these pressures are driven mainly by the overexploitation of natural resources and changes in land use.

(2) Environmental Quality Degradation: Environmental Impacts of Value Chain Activities

The negative environmental impacts of ASUS operations mainly include air pollution, water pollution, and solid waste emissions. These pollutants directly affect the quality of natural habitats and degrade the conditions needed for species to survive. At the same time, the availability of water resources poses an increasing annual risk to the electronics manufacturing industry. 《The UN World Water Development Report 2023》 estimated that nearly half of the world's population would face severe water scarcity by 2030 and that the urban population facing water scarcity in 2050 would be twice that of 2016. Extreme climate conditions intensify fluctuations in water availability: for every 1°C increase in global average temperature, water resources decrease by 20%, and nearly three-quarters of natural disasters from 2001 to 2018 were water-related. 《The Global Water Bankruptcy 2026 Report》 , published by the United Nations University Institute for Water, Environment and Health, further states that water management is shifting from a state of water stress to water bankruptcy, with long-term over-extraction in some river basins causing irreversible impacts on local ecosystems and the environment. The international voluntary environmental labels EPEAT and TCO have begun strengthening their water management requirements and encouraging electronics supply chains to adopt more proactive water management measures.



ASUS Natural Capital/Biodiversity Impact Assessment Methodology

Building on its experience with Environmental Profit and Loss assessments over the years, ASUS uses a two-phase analytical approach to assess the impacts of its operations and supply chain activities on natural capital and biodiversity:

Phase 1 - Quantitative Environmental Impact Assessment: ASUS regularly surveys data on its operations and value chain activities and applies the Environmental Profit and Loss (EP&L) methodology to measure the overall environmental impacts of its global operations and supply chain. The assessment identifies the most material environmental factors and supply chain tiers as the basis for determining management priorities and formulating corresponding measures to reduce environmental impacts. The 2025 assessment found that GHG emissions had the greatest impact, while water pollution and water use (collectively referred to below as freshwater resources)[5] constituted the second-largest environmental impact and indirectly affected biodiversity. ASUS therefore provides comprehensive disclosure of its GHG management strategies and actions in its Task Force on Climate-Related Financial Disclosures (TCFD) Report. Its assessments and management of freshwater resources and the corresponding biodiversity protection strategies are disclosed in the Natural Impact Assessment Report in response to international framework requirements and to mitigate operational risks.

Phase 2 - Biodiversity-Sensitive Area Assessment: Following the LEAP (Locate, Evaluate, Assess, Prepare) approach recommended in the TNFD guidance, ASUS uses the location-specific environmental impact identified in Phase 1 of the EP&L assessment—freshwater resources—to determine whether key freshwater-resource suppliers are located in biodiversity-sensitive areas and to strengthen biodiversity audits and management.

Assess the Environmental Footprint of the Supply Chain and Establish Management Measures to Reduce the Overall Impact of the Value Chain on Natural Capital

Collect Operational and Value Chain Activity Data	Implement Environmental Profit and Loss (EP&L) Assessment	Analyze Environmental Impact Hotspots in the Value Chain	Establish Management Actions
Collect data from operations and key suppliers as the basis for the Environmental Profit and Loss (EP&L) assessment.	Calculate Environmental Profit and Loss (EP&L) and Conduct Impact Assessment	• Analyze the extent of environmental impacts in the value chain • Identify opportunities and risks	Establish supplier management actions for high-impact environmental issues (e.g., freshwater resources)

Further identify suppliers located in biodiversity-sensitive areas
Analyze the impacts of key suppliers' activities on local biodiversity and implement targeted management measures to reduce those impacts.

L	E + A		P
Locations of ASUS Operations and Suppliers in Relation to Biodiversity Hotspots	Identify the impacts of suppliers on local biodiversity		Implement additional management actions to avoid and mitigate impacts on local biodiversity.
Identify whether key freshwater-related suppliers are located near biodiversity hotspots.	Identify local conditions and biodiversity information that may be affected		• Establish management measures to reduce biodiversity impacts • Explore biodiversity-related opportunities

5 From both an academic perspective and that of the Science Based Targets Network (SBTN), the hydrological cycle approach considers water withdrawal and wastewater discharge as two interconnected stages within the same freshwater flow. In this cycle, pollutant discharges reduce the usability of downstream water bodies, decreasing the effective freshwater supply within the watershed and thereby limiting a company's future water withdrawal potential. Therefore, from a risk management standpoint, integrating water quality and water quantity under a unified "freshwater resources" management objective enables a more effective assessment of watershed water stress and the reduction in effective water availability caused by pollution. This integration facilitates the establishment of management targets that simultaneously achieve both water conservation and pollution reduction benefits.

05 Risk Management

ASUS Value Chain Impact Assessment on Natural Capital

(1) Natural Capital Depletion: Avoiding the Impacts of Raw Material Extraction on Natural Capital

A. Metals (Minerals)

Electronic products use metals such as tantalum, tin, tungsten, and gold extensively to meet performance requirements. These metals are used in key components including resistors, capacitors, central processing units, hard drives, memory, motherboards, and connectors. ASUS uses the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas as its core methodology and references the Responsible Minerals Initiative (RMI) survey framework and the European Union Conflict Minerals Regulation's definition of Conflict-Affected and High-Risk Areas (CAHRAs). On this basis, ASUS has established a responsible minerals supply chain due diligence mechanism encompassing risk identification and assessment, risk mitigation measures, management system establishment, and information disclosure to ensure effective responsible minerals management.

In 2025, ASUS traced the distribution and conformance status of upstream smelters for 599 suppliers representing approximately 95% of its procurement value. The analysis showed that the smelters were located primarily in Asia (57%), followed by the Americas (17%), Europe (16%), Africa (9%), and Australia (1%). Since 2018, ASUS has continuously required that key minerals, including tantalum, tin, tungsten, and gold, be sourced from conformant smelters under the Responsible Minerals Assurance Process (RMAP). Through an ongoing due diligence mechanism, ASUS reduces potential forced labor, human rights, and environmental risks in its supply chain.

According to the European Union's critical raw materials review, one-third of the world's cobalt is sourced from the Democratic Republic of the Congo and neighboring countries in Central Africa, where risks of illegal operations also exist. In 2019, the Responsible Minerals Initiative designated cobalt as the fifth mineral category under its management. As cobalt is a key material in battery manufacturing, ASUS also includes it within the scope of responsible minerals procurement management and conducts annual due diligence. Through on-site audits, ASUS reviews suppliers' progress in transitioning cobalt sourcing to conformant smelters and provides guidance and support resources. Compared with 2019, the proportion of conformant cobalt smelters used by suppliers has increased from 29% to 100%. In 2025, ASUS used more than 15 metric tons of third-party-certified pre-consumer recycled metals, including aluminum, magnesium, and steel. The ExpertBook P3 commercial AI notebook contains 30% pre-consumer recycled aluminum, while recycled rare-earth metals account for 46.9% of its magnets.

B. Paper (Forests)

A 2016 study by the World Economic Forum and the Ellen MacArthur Foundation indicated that most packaging is used only once and that only 5% of the vast amount of plastic waste generated after use is effectively recycled. Beginning in 2018, countries around the world successively introduced plastic-reduction policies in pursuit of a circular plastics economy[6]. Since 2019, ASUS has replaced PE bags with PET nonwoven fabric and increased the recycled pulp content of paper packaging to 90%. Extending these efforts to resource and ecosystem protection, ASUS has progressively introduced paper certified by the Forest Stewardship Council (FSC™) since 2020, moving its packaging strategy beyond recycling and reuse to support responsible forest management and strengthen sustainable packaging management. More than 90% recycled paper has been introduced into ASUS notebook packaging, and the Company continues to increase the use of environmentally friendly paper to reduce the overall environmental impact of its packaging. Since 2024, FSC™ Mix-certified paper has also been introduced across all packaging for new monitor products, further expanding the application of sustainable packaging. In 2025, ASUS used more than 9,100 metric tons of FSC™-certified paper, and recyclable packaging accounted for 92% of all packaging. Compared with the 2020 base year, the total use of environmentally friendly paper increased by 87%.

C.Plastics (Petroleum)

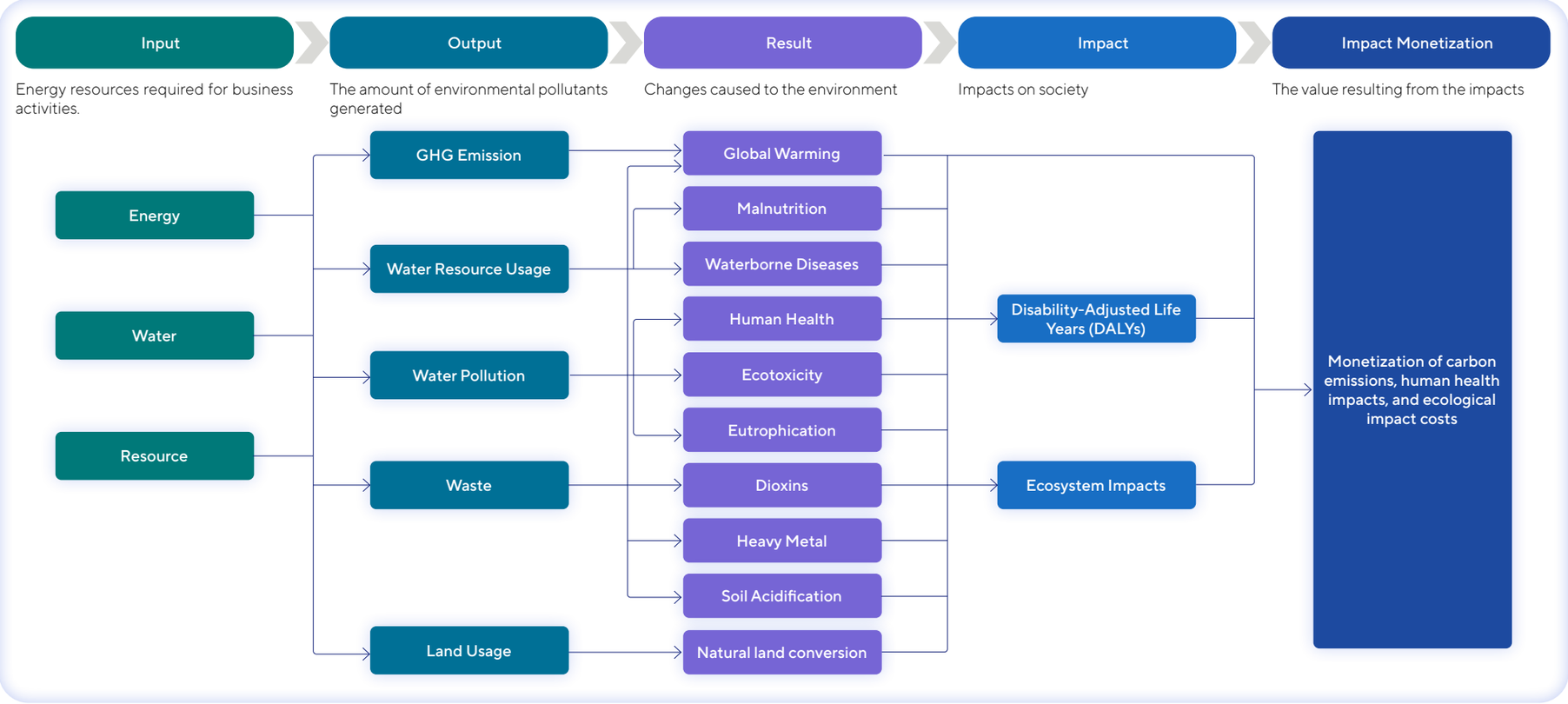
Research published by the United Nations Environment Programme (UNEP) in 2021 indicates that approximately 400 million metric tons of plastic are produced globally each year, of which approximately one-third is not properly managed and is indiscriminately discarded; packaging materials account for approximately 40% of this amount. Plastics account for more than 30% of the total weight of ASUS core products. To reduce the environmental impacts of plastic use, ASUS continues to work with major raw material suppliers to introduce third-party-verified post-consumer recycled (PCR) plastics without compromising product performance or durability. ASUS has also established a comprehensive Chain of Custody (CoC) traceability mechanism to ensure the traceability and authenticity of recycled material sources and avoid the risk of mixing in uncontrolled recycled materials. On average, each commercial notebook product now contains more than 5% third-party-verified PCR plastic. In 2025, ASUS core products used approximately 15,700 metric tons of plastic, of which approximately 2,400 metric tons consisted of PCR plastic verified by third parties such as SGS. Since 2017, ASUS has used more than 5,900 metric tons of PCR plastic in total, cumulatively avoiding approximately 41,300 metric tons of CO_2e emissions.

6 Reference: WEF、Ellen MacArthur Foundation & McKinsey (2016) The New Plastics Economy: Rethinking the future of plastics。

(2) Environmental Quality Degradation: Mitigating the Value Chain's Impacts on Natural Capital

Since 2018, ASUS has used the Environmental Profit and Loss (EP&L) assessment as its core tool for measuring the environmental impacts of its value chain. Based on the ISO 14040:2006 Environmental management — Life cycle assessment — Principles and framework, PwC's methodology for monetizing corporate environmental impacts, and the Natural Capital Protocol, ASUS applies Input-Output Analysis (IOA) to comprehensively evaluate energy and resource inputs across the value chain and convert environmental outputs into quantifiable environmental impacts. In addition to data from its operational sites, ASUS collects primary data through its supply chain management platform from key original equipment manufacturers, key suppliers, and the five suppliers with the highest procurement value. The Company monetizes the environmental profit and loss of its operational sites and supply chain, focusing on the external costs of five environmental indicators—GHG emissions, water resources, water pollution, waste, and land usage[7]—to enable precise management of operating activities and optimize its biodiversity strategy.

The 2025 environmental impact pathways are shown below:



7 2025 EP&L Methodology Update: The environmental impact calculation for key suppliers has shifted from the previous "weight-based method × coefficient" to "activity data × emission factor," making the baseline closer to suppliers' actual operations. Additionally, a land use indicator (accounting for 0.85% of the total) has been introduced in 2025 to further expand the scope of assessment.

A. Boundary and Scope

In accordance with the definitions in the Product Category Rules (PCR), ASUS defines the boundary and scope as covering the principal product components and supply chain representing 86.8% of procurement value:

- **Value chain:** ASUS operations, including product design, validation, marketing, and other activities (Tier 0), Contract manufacturing and assembly (Tier 1), Components (Tier 2) and Raw materials (Tier 3).
- **Main components:** CPU, memory, display, GPU, motherboard, connectors, hard drive, battery, and power supply.
- **Environmental impact indicators:** GHG emissions, water resources usage, water pollution, waste, and land usage.[8]

B. Environmental Footprint Data Collection

Following an inventory of the environmental footprints of its 2025 operations and value chain, ASUS reports the current status of water resources usage, water pollution, GHG emissions, and waste as follows:

Water withdrawal across the ASUS value chain is derived primarily from the supply chain. Direct operational sites account for approximately 3% of value chain water withdrawal, while the supply chain accounts for 97%.

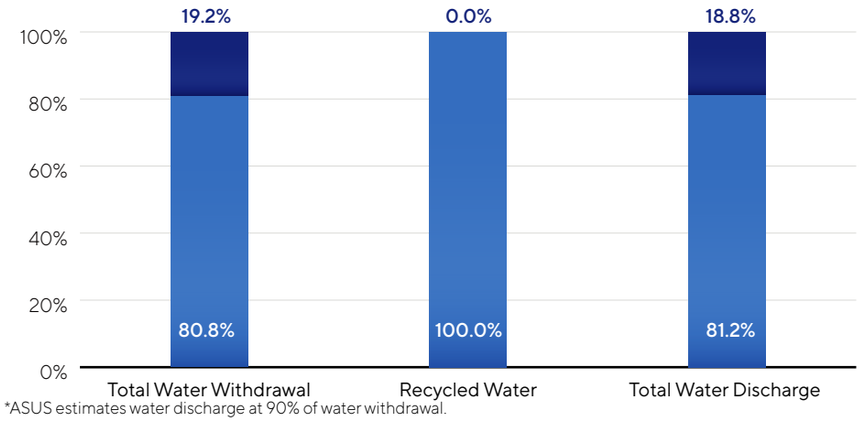
Water Resource usage at Operational Sites

- Total water withdrawal at ASUS operational sites was 290,700 m³, of which 236,142 m³ was in Headquarters and 54,558 m³ in Mainland China operational sites..
- Of the water withdrawn at ASUS operational sites, 2.4% was recycled water and 97.6% was supplied by municipal water utilities.
- Total water discharge* at ASUS operational sites was 261,630 m³, of which 212,528 m³ was in Headquarters and 49,102 m³ in Mainland China operational sites..
- 100% of water discharged from ASUS operational sites was treated by local third parties.**

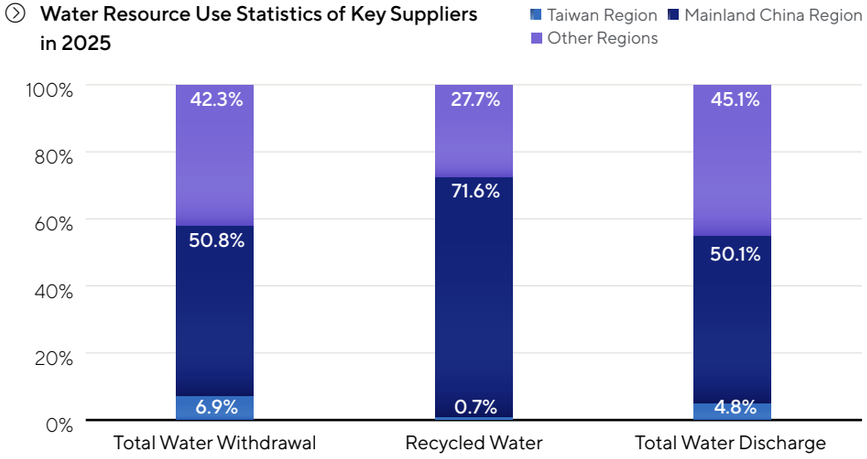
Supply Chain Water Resource usage

- Total water withdrawal by key suppliers was 9.07 million m³, including 0.63 million m³ in the Taiwan region, 4.61 million m³ in the Mainland China region, and 3.83 million m³ in other regions.
- Key suppliers primarily withdrew water from municipal water supplies, which accounted for 90%; groundwater accounted for 4% and surface water for 6%.
- Total water discharge by key suppliers was 6.72 million m³, including 0.32 million m³ in the Taiwan region, 3.37 million m³ in the Mainland China region, and 3.03 million m³ in other regions.
- The discharge destinations of key suppliers were as follows: treatment by local third parties**: 90.7%; groundwater: 3.7%; and surface water: 5.5%.

Water Resource Use at ASUS Operations centers in 2025



Water Resource Use Statistics of Key Suppliers in 2025



*ASUS estimates water discharge at 90% of water withdrawal.

**Municipal water utilities, municipal water suppliers or wastewater treatment plants, public or private facilities, and other organizations involved in providing, transporting, treating, disposing of, or using water and effluent.

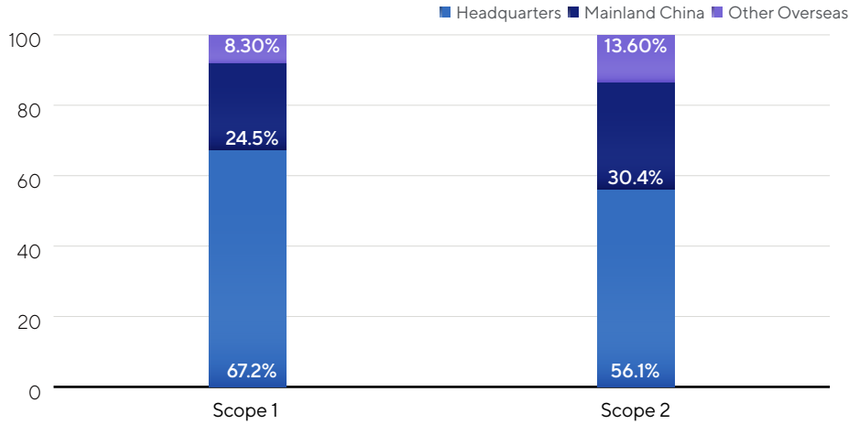
8 Based on ASUS's internal assessment, the environmental materiality assessment for this issue did not reach a significant level. Based on the materiality principle, the issue was therefore not included in the core management actions for 2025.

ASUS applies ISO 14064 to inventory GHG emissions across its value chain, with Scope 3 Category 1 (Purchased Goods and Services) as the primary emission source, accounting for 39.32% of total emissions.

GHG Emissions from Operational Sites

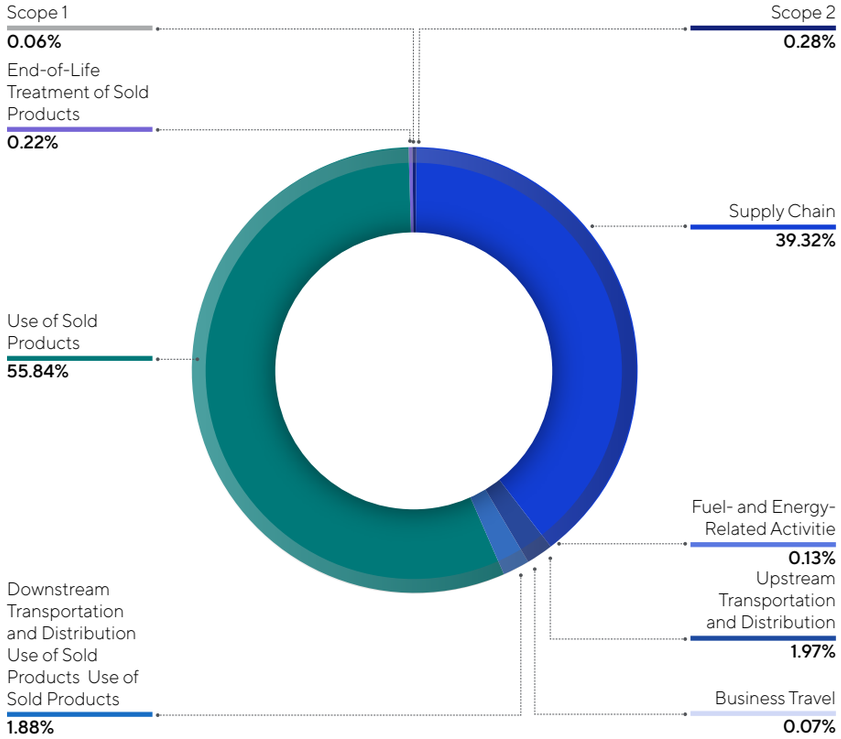
- Scope 1: ASUS's total GHG emissions were 1,946.89 metric tons of CO_2e.
- Scope 2: ASUS's total market-based emissions were 8,561.81 metric tons of CO_2e.

GHG Emissions by ASUS Operations Sites in 2025



Supply Chain GHG Emissions

- Calculated using the supplier allocation method under ISO 14064, Purchased Goods and Services emissions amounted to 1,191,531.82 metric tons of CO_2e.



Waste impacts across the ASUS value chain are concentrated primarily in the upstream supply chain. Direct operational sites generated 50.8 metric tons, while key suppliers generated 21,000 metric tons metric tons (8,104 metric tons of general industrial waste and 13,150 metric tons of hazardous industrial waste), indicating that the supply chain is the primary hotspot for waste generation.

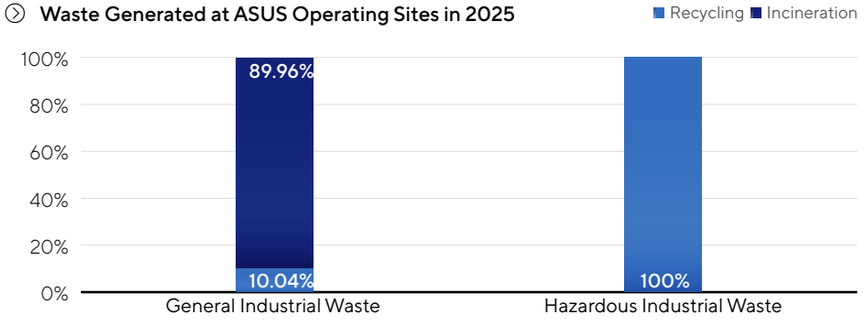
Waste at Operational Sites (Operational Headquarters)

- In 2025, ASUS operational sites generated 50.8 metric tons of general industrial waste, of which 45.7 metric tons was incinerated and 5.1 metric tons was reused.

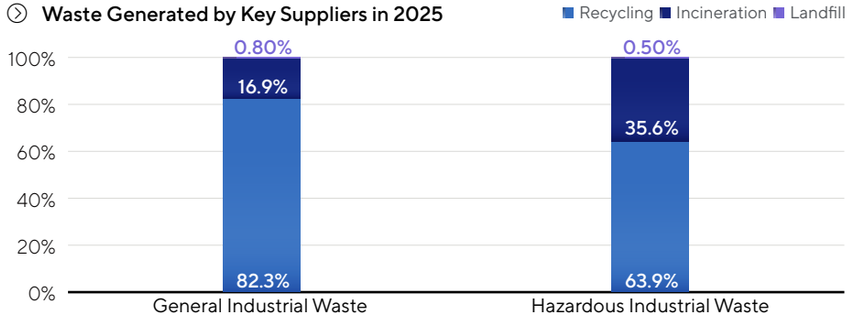
Supply Chain Waste

- General industrial waste:
  - EMS facilities accounted for approximately 77%.
  - General industrial waste was primarily recycled: 6666.5 metric tons was recycled, 1373.1 metric tons was incinerated, and 64.5 metric tons was landfilled.
- Hazardous industrial waste:
  - PCB and display suppliers accounted for approximately 79%.
  - Hazardous industrial waste treatment included recycling of 8405.5 metric tons, incineration of 4677.8 metric tons, and landfill disposal of 66.8 metric tons.

Waste Generated at ASUS Operating Sites in 2025



Waste Generated by Key Suppliers in 2025

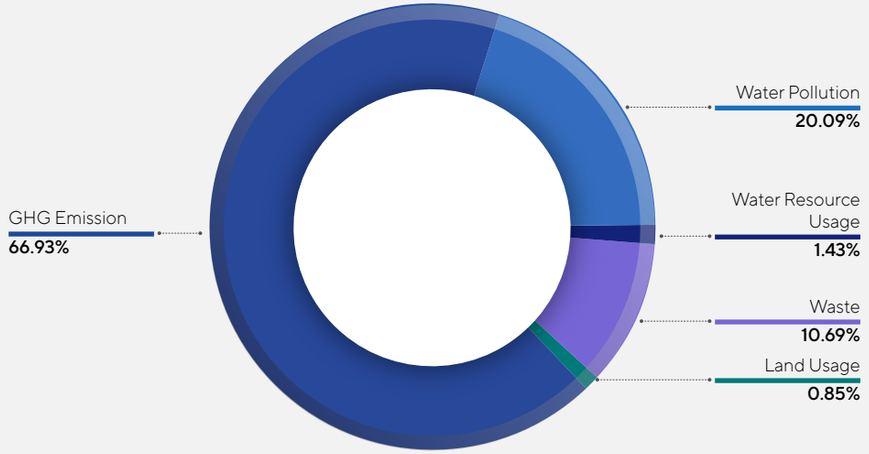


C. Environmental Profit and Loss Analysis Results[9]

The EP&L analysis results were as follows: GHG emissions accounted for the largest share at 66.93%; freshwater resources accounted for 21.52%, comprising wastewater pollution at 20.09% and water resources usage 1.43%; waste accounted for 10.69%; and land use accounted for 0.85%.

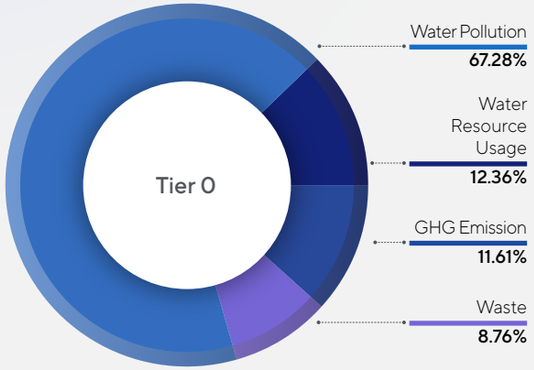
	2025(%)
GHG Emission	381 (66.93%)
Water Pollution	114 (20.09%)
Water Resource Usage	8 (1.43%)
Waste	61 (10.69%)
Land Usage	5 (0.85%)
Total	569(100%)

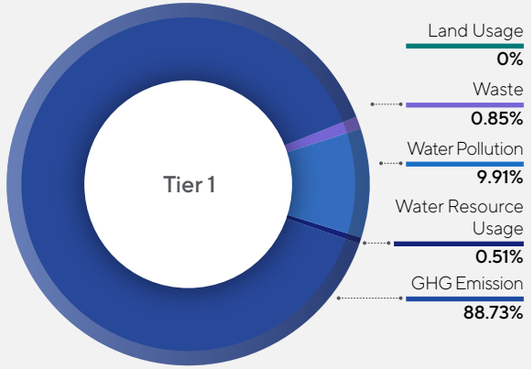
Unit: USD million

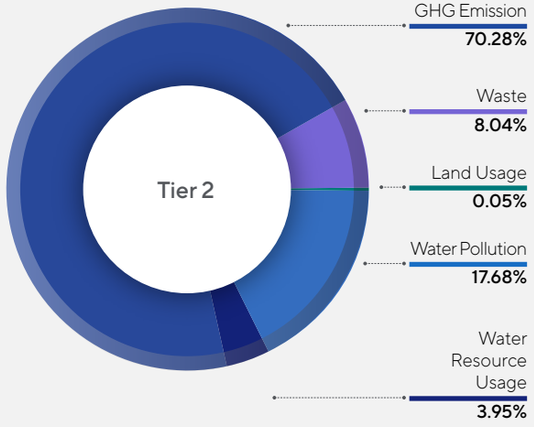


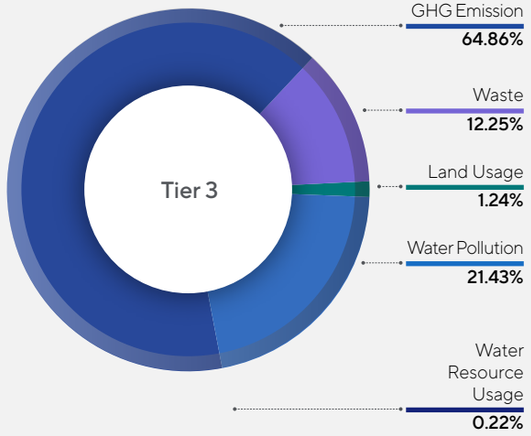
9 2025 EP&L Methodology Update: For key suppliers, environmental impact calculations shifted from the previous weight-based method × emission factors to activity data × emission factors, bringing the calculation basis closer to suppliers' actual operating conditions. In addition, the Land Usage indicator was newly added in 2025, accounting for 0.85% of the total, further expanding the assessment scope.

ASUS further identified environmental hotspots at each tier: Tier 0 (T0) ASUS operations, comprising design, validation, and marketing; Tier 1 (T1) contract manufacturing and assembly; Tier 2 (T2) components; and Tier 3 (T3) raw materials, as shown below:









GHG emissions: Because Tier 0 uses renewable energy, its share of GHG emissions is lower than that of the other tiers. The principal impacts are therefore concentrated in Tiers 1 and 2 (T1 and T2) and arise from energy use and process emissions, indicating that carbon reduction is ASUS's foremost environmental management priority. The relative increase in GHG impacts in 2025 was attributable mainly to changes in monetization factors and increased procurement volumes from upstream suppliers.

Water resource usage: Water use accounted for 1.43% of the total impact and was concentrated mainly in water consumed by manufacturing processes. In response to increasing pressure on global water resources, water recycling and reuse and efficiency optimization should be strengthened in the future.

Wastewater pollution: Wastewater pollution accounted for 20.09% of environmental impacts, making it the second-largest environmental impact factor. It arose mainly from chemical use and cleaning activities in production processes, indicating the need to strengthen wastewater discharge management.

Waste: Raw material extraction at Tier 3 and component manufacturing at Tier 2 had greater environmental impacts. ASUS headquarters applies the Zero Waste to Landfill Standard and reduces waste generation and environmental burdens by improving process efficiency, advancing the circular economy, and expanding material recycling. ASUS also collaborates with suppliers to strengthen waste management at production sites and promote resource reuse.

Land usage: Environmental impacts were concentrated mainly in the Tier 2 and Tier 3 supply chain, primarily due to material demand arising from upstream raw material extraction and component manufacturing. These impacts generally occur at the furthest upstream stages of the value chain, with multiple supply chain intermediaries between ASUS and upstream raw material extraction. ASUS currently manages these impacts indirectly through mechanisms such as the Responsible Minerals Initiative/Responsible Minerals Assurance Process (RMI/RMAP) and FSC forest certification and will continue to assess the feasibility of expanding the scope of management.

Unlike climate change, for which GHG emissions can be mitigated and removed at a global scale to achieve specific, cross-jurisdictional and uniform targets such as limiting warming to within 1.5°C, biodiversity involves highly complex interactions between human activities and natural capital, including freshwater, oceans, and land. Differences in geographic conditions and sources of pressure therefore require more location-specific assessment and management approaches.

(3) Risk and Opportunity Identification

ASUS assesses the impacts of its value chain on nature through its EP&L assessment. The results show that GHG emissions, freshwater resources—including water withdrawal and wastewater pollution—and waste are the three environmental factors with the greatest impacts. However, the EP&L assessment measures the inside-out impacts of a company on nature and does not reflect the reverse impacts of changes in nature on business operations. To gain a complete understanding of the financial and operational implications of nature-related issues for ASUS, the Company further identifies risks and opportunities associated with these material environmental factors from an outside-in perspective. Risks and opportunities related to GHG emissions are disclosed separately under the Task Force on Climate-Related Financial Disclosures (TCFD) framework. This section focuses on freshwater resources and waste management and analyzes the nature-related risks and opportunities they present to operational sites and key suppliers.[10]

ASUS defines nature-related risks as follows:

- Physical risk: Degradation of nature and loss of ecosystem service functions reduce available freshwater resources, resulting in economic losses to ASUS and its supply chain operations.
- Transition risk: More stringent regulations governing water resources, soil, and waste will expand the future scope of supply chain regulation and require corresponding actions.

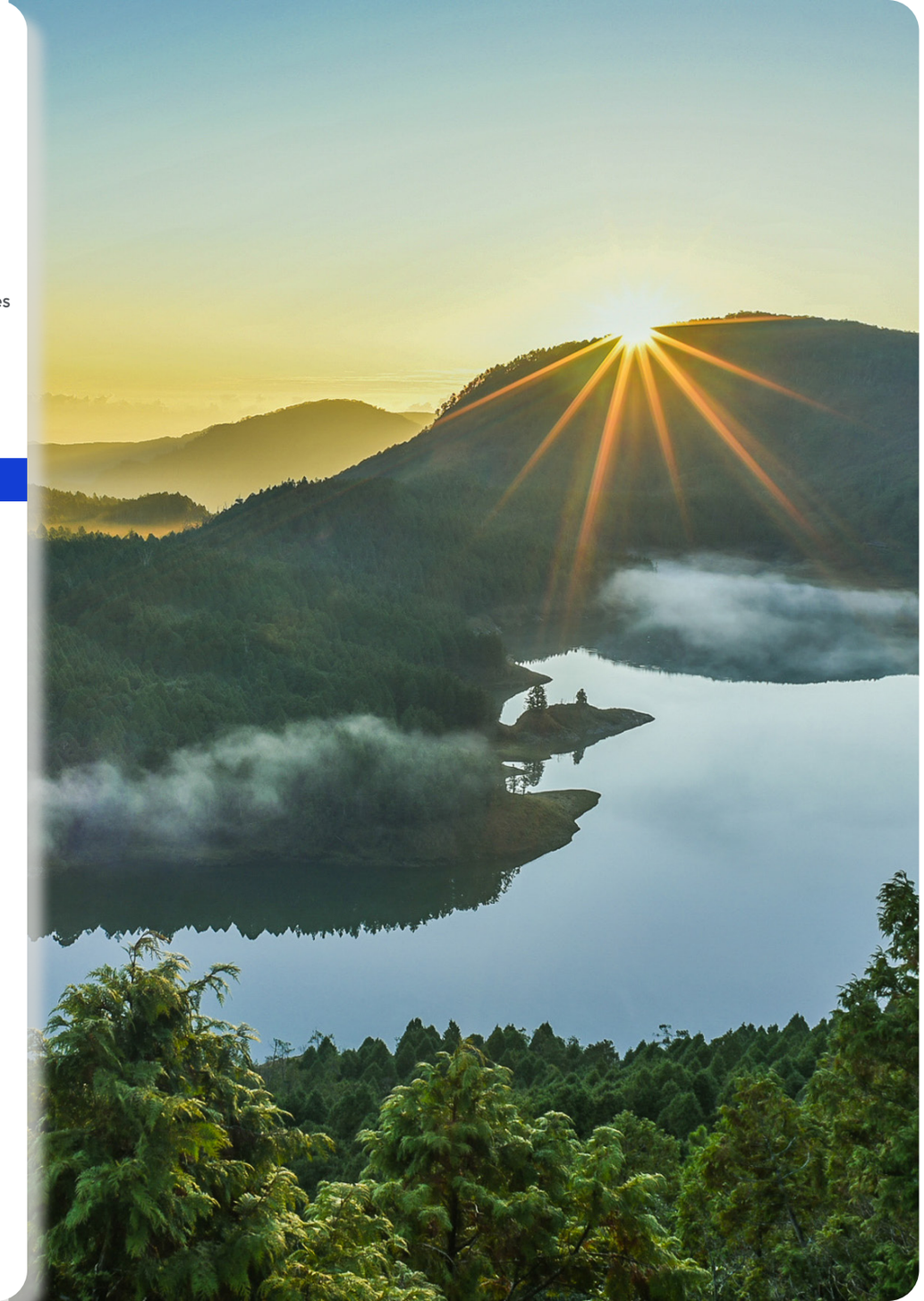
Affected Entity	Risk Type	Description	Region	Risk Description (Issue)	Time Horizon	Impact Scenario (Event Outcome)	Response Measures and Financial Assessment
Supplier	Ecological Impact	Damage to Habitats and Surrounding Ecosystems	Taiwan (Tamsui River Basin, Dajia River Basin, and Zengwen River Basin); Mainland China (Yangtze–Taihu Basin, Yangtze–Chishui Basin, and Pearl River Delta Basin); southeast Asia (Lower Mekong Basin)	Environmental degradation caused by suppliers through land use, water withdrawal, wastewater pollution, and other activities may potentially affect surrounding ecosystems.	Medium term; degradation of ecosystem service functions	• Penalties may be imposed for impacts on protected ecological habitats. • Insufficient conservation outcomes may trigger public protests or NGO advocacy, affecting operations and brand reputation.	Supporting suppliers in introducing water-efficiency equipment and wastewater recycling and treatment equipment; strengthening audits of supplier waste classification and reporting; and implementing biodiversity management actions will increase ASUS Operating Expenditure (OpEx). • Supplier engagement and counseling expenses: NT$6.435 million • *Supplier validation expenses (not applicable to ecological impacts): NT$6.235 million
	Freshwater Transition Risk	Wastewater Pollution from Supplier Discharges	Across Mainland China	Environmental regulation and pollutant discharge management requirements in Mainland China are becoming more stringent. Suppliers that discharge wastewater exceeding applicable standards, cause heavy-metal pollution, or discharge pollutants illegally may face production suspensions, penalties, and media exposure, potentially affecting brand reputation and supply stability.	Near term; regulations to be implemented across all provinces within 1–3 years	• Non-compliant supplier wastewater management may attract media and NGO attention, indirectly damaging ASUS's brand reputation.	
	Freshwater Physical Risk	Water Scarcity at Supplier Sites	Yangtze River Basin, Mainland China	Climate change may increase the frequency of droughts and extreme rainfall in the Yangtze River and Taihu Lake Basins, Mainland China, causing fluctuations in regional water supply. In recent years, various parts of Mainland China have experienced high temperatures, drought, declining water levels, and electricity rationing, affecting production stability.	Medium term; reduced rainfall and increased local water use may occur within 3–10 years	• Production suspension due to water scarcity may affect the production and shipment of ASUS products, reducing operating revenue.	
	Waste and Soil Transition Risk	Improper Waste Treatment and Soil Pollution	Across Mainland China	More stringent solid-waste and soil-pollution regulations strengthen soil quality monitoring and environmental management.	Near term; implementation across all provinces within 1–3 years	• Damage to brand reputation may affect market competitiveness. • Supplier production suspensions may affect the production and shipment of ASUS products.	

10 Given the fundamental differences between the assessment methodologies for climate and biodiversity, ASUS has planned and responded to each according to its respective characteristics. For GHG emissions, which have the greatest impact, the complete inventory, management strategies, and actions will be presented in the thematic report — the Task Force on Climate-Related Financial Disclosures (TCFD) Report; for freshwater resources (wastewater pollution and water use) and solid waste, management strategies and actions will be presented in the Natural Impact Assessment Report.

Affected Entity	Risk Type	Description	Region	Risk Description (Issue)	Time Horizon	Impact Scenario (Event Outcome)	Response Measures and Financial Assessment
Direct Operations	Freshwater Physical Risk	Water Scarcity at Direct Operational Sites	Taiwan (Tamsui River Basin, Dajia River Basin, and Zengwen River Basin)	According to climate scenario projections by Taiwan's National Science and Technology Council, Taiwan may face increasingly uneven spatial and temporal rainfall distribution, longer dry seasons, and more frequent extreme drought events, potentially increasing pressure on water supplies.	Long term; reduced rainfall and increased local water use may occur in 10 years	• Water scarcity at operational sites in Taiwan may increase water withdrawal costs, thereby increasing operating costs.	Expenses for ISO 46001 Water Efficiency Management System certification and other certifications will increase ASUS Operating Expenditure .
			Yangtze River Basin, Mainland China	Climate change may increase the frequency of droughts and extreme rainfall in the Yangtze River Basin, causing fluctuations in regional water supply. In recent years, various parts of Mainland China have experienced high temperatures, drought, declining water levels, and electricity rationing, affecting production stability.		• Water scarcity at operational sites in Mainland China may increase water withdrawal costs, thereby increasing operating costs.	Additional personnel will be required to collect water-resource data and communicate with overseas operational sites, increasing ASUS Operating Expenditure .

*RBA validation currently does not include fees related to biodiversity validation.

Based on the foregoing risk and opportunity identification results, ASUS determined that existing operations and supply chain practices already comply with applicable discharge and treatment standards for wastewater pollution and solid waste treatment, which are among the physical and transition risks related to freshwater resources and solid waste. ASUS therefore maintains regulatory compliance as its governing principle and continues to monitor regulatory trends at the locations of its operational sites and suppliers to maintain compliance. Water scarcity, however, concerns the stability of water supply within river basins and directly affects suppliers' process water and production capacity, creating an immediate operational impact. ASUS therefore prioritizes in-depth analysis of water scarcity risk, assesses risks at its operational sites and key suppliers, and implements corresponding actions.



06 Actions within the ASUS Value Chain

Water Scarcity Risk Assessment and Reduction Targets for Operational Sites

Of the total water withdrawn across the ASUS value chain, only approximately 3% is attributable to global operational sites, while approximately 97% is attributable to the supply chain, indicating that water risk is concentrated primarily in the upstream supply chain. The operational boundary covers ASUS's headquarters in Taiwan, together with its two largest operational sites in Mainland China; these locations collectively account for approximately 70% of employees worldwide, the two locations account for approximately 80% of water use at global operational sites. In terms of basin-level risk at operational sites, most sites are located in areas with low to medium water risk. However, the Yangtze River and Taihu Lake basins, where the Mainland China sites are located, experience relatively greater water stress due to dense populations and high industrial water demand and are therefore classified as higher-risk areas. In response to these differences in water risk, ASUS has set a 1% water reduction target for its Taiwan headquarters and continues to implement water conservation measures to strengthen overall water-use efficiency and water risk management.

	Percentage of ASUS Global Workforce	River Basin	Water Withdrawal (m^3)
Headquarters	48%	Tamsui River Basin	236,142
		Dajia River Basin	
		Zengwen River Basin	
Mainland China operational sites	22%	Yangtze River-Taihu Lake Basin	54,558
		Yangtze River-Chishui River Basin (Chongqing)	

Water Scarcity Risk Assessment and Reduction Targets for Key Suppliers

For its supply chain water risk analysis, ASUS assessed key suppliers representing more than 86.8% of procurement value. Suppliers representing approximately 74.2% of procurement value are located in areas with low to medium water scarcity risk and account for approximately 88.5% of water withdrawal. Suppliers representing approximately 25% of procurement value are located in areas with high or extremely high water scarcity risk but account for only approximately 11.4% of total water withdrawal. The principal risk exposure involves water-intensive suppliers, including display panel manufacturers. In response to this risk distribution, ASUS will continue to strengthen water management requirements and monitoring mechanisms for high-risk suppliers and promote improvement measures to reduce the concentration of water scarcity risk in its supply chain.

River Basin	Component Category	Procurement Value (Share)	Water Withdrawal (m^3)	Share of Water Withdrawal	Water Scarcity Risk Level
Mainland China (Yangtze River-Taihu Lake and Chaohu Lake basins); Thailand (Bang Pakong River)	Memory, PCB, Display, EMS	23.8%	301,643	5.7%	Extremely High (>80%)
Mainland China (Yangtze River-Taihu Lake and Xiang River basins); Thailand (Chao Phraya River)	Memory, PCB, Power Module, Display, EMS	1.2%	303,307	5.7%	High (40-80%)
Mainland China (Lower Yangtze River and Pearl River Delta); Vietnam (Red River)	PCB, Display, EMS	9.5%	74,815	1.4%	Medium-High (20%-40%)
Mainland China (Pearl River Delta and Fujian coastal region); Taiwan (Zengwen, Zhuoshui, Tamsui, and Daan river basins); Vietnam (Cam and Cau rivers)	Memory, PCB, Power Module, Display, EMS	36.6%	1,494,149	28.3%	Low - Medium (10-20%)
Mainland China (Dongjiang, Chishui, and Jialing rivers); Indonesia (Bintan Island)	PCB, Display, EMS	28.1%	3,107,048	58.8%	Low (<10%)

Based on the combined water scarcity risk analysis of operational sites and the supply chain, ASUS has established water management targets for key suppliers and planned a reduction pathway. Using 2025 as the base year and benchmarking against its 2030 target, ASUS requires key suppliers to reduce water intensity by 20% from the base year. To advance this target, ASUS has established a water management implementation mechanism for key suppliers. Suppliers that have already established their own water reduction targets are monitored annually through data tracking to assess reduction performance. Suppliers that have not yet established such targets receive guidance and collaborative resources to help them progressively establish water management systems and reduction targets. ASUS also applies tiered management based on each supplier's level of water risk and management capability, implements differentiated guidance measures, and regularly discloses management progress and water conservation performance by supplier risk level to strengthen the execution and transparency of water management.

Reduction Actions at Operational Sites

Management actions at ASUS operational sites are divided into freshwater resource management and waste management, as described below:

(1) Freshwater Resource Management

The Li-Gong Building at ASUS headquarters has obtained ISO 46001 Water Efficiency Management System certification and set a target of reducing water use by 1% annually. To manage water resources effectively, improve efficiency, and reduce water waste, ASUS has implemented a range of hardware- and software-based measures. Water meters have been installed on water pipelines to monitor and analyze consumption and identify opportunities to improve efficiency. Alerts are issued to relevant personnel when abnormal water use is detected, helping to reduce waste. ASUS has also installed water recycling and reuse facilities at its corporate headquarters. Overflow water is recovered for toilet flushing, air-conditioning cooling water, and landscape maintenance. Wastewater arises mainly from ordinary office sewage and is discharged into designated wastewater treatment systems in accordance with government regulations.

(2) Waste Management

ASUS classifies its waste into general industrial waste and hazardous industrial waste. Hazardous industrial waste consists mainly of R&D materials and discarded products. Through rigorous identification, classification, and management mechanisms, ASUS engages qualified recyclers to reuse such waste. General industrial waste consists of other waste, primarily household-type waste generated by employees. Reusable materials are properly identified and recovered, while non-recyclable portions are ultimately incinerated or landfilled. Since 2015, ASUS has implemented the Zero Waste to Landfill Program at its corporate headquarters, applying the UL Zero Waste to Landfill Standard (ULECVP 2799) to track waste flows through quantitative indicators and verify that waste is properly recycled, reused, or converted rather than sent directly to landfill.

Supply Chain Reduction Actions

To address natural capital depletion, ASUS reduces the environmental impacts of its overall value chain by introducing circular economy practices and strengthening supply chain management.

(1) Circular Economy Actions

Raw material extraction during product manufacturing causes environmental impacts, including deforestation for wood used in packaging, mineral extraction for metal enclosures, and the use of petroleum products such as plastics. These activities may lead to land-use change, habitat destruction, and biodiversity loss. Through its circular economy strategy, ASUS maximizes resource-use benefits by establishing a circular supply chain, extending product life cycles, building recycling systems, and developing circular business models. This reduces demand for virgin materials and thereby eases pressure on natural ecosystems.

Circular supply chain: ASUS focuses on reducing raw material use, introduces environmentally friendly materials—including recycled plastics, recycled metals, and recycled paper—to lower the proportion of virgin materials, and properly manages chemicals in its products. In 2025, ASUS proactively controlled more than 450 chemicals and had cumulatively used more than 38,000 metric tons of environmentally friendly materials.

Product life cycle extension: Through design for easy disassembly and recycling, consumers can upgrade components to meet their needs when a product requires improvement or experiences a partial failure, without being forced to replace the entire product. In 2025, ASUS commercial notebooks achieved an average score above 9.0 on the French Repairability Index. ASUS also extends product life cycles through modular design, which improves product disassembly. In addition to enabling rapid, building-block-style assembly and disassembly, modular products make it easier to upgrade, replace, repair, or renew functional components, thereby extending product life through assembly, servicing, reuse, and recycling.

Recycling system development: Based on extended producer responsibility, ASUS is committed to advancing the circular economy and complying with waste recycling regulations in each country. The Company provides free product recycling services in major global sales markets and has established ASUS Recycler Management Standards that exceed regulatory requirements to ensure proper resource reuse and prevent improper disposal or illegal treatment. The number of countries in which ASUS provides recycling services has progressively increased from 25 in 2020 to 30 this year, while coverage of global sales markets has increased from 77% to more than 83%. ASUS provides diversified recycling services based on local sales and service models, including drop-off locations, mail-back programs, trade-in programs, and pickup services, and has recycled more than 12,891 metric tons of electronic waste.

Circular business model: ASUS offers Device as a Service (DaaS), replacing the traditional concept of ownership through purchase with flexible leasing and subscription payment options. The model provides corporate customers with a comprehensive leasing solution for IT hardware and services, helping them reduce hardware expenditure, deployment costs, support service costs, and other expenses. In 2025, equipment provided through the DaaS model for ASUS commercial products was estimated to save 40,590 kWh of electricity and reduce GHG emissions by 20 metric tons during the lease term, further enhancing the potential sustainability and net-zero transition benefits for corporate customers.

For further details on the circular economy, please refer to the Circular Economy chapter of the ASUS Sustainability Report.

(2) Supply Chain Management and Performance

Environmental impacts generated by supply chain manufacturing processes are the principal source of the ASUS value chain's impacts on natural capital. These include water consumption and wastewater pollution during manufacturing, which affect aquatic ecosystems, and improper waste treatment, which contaminates soil and groundwater. Such impacts directly damage the three core ecosystem elements—aquatic environments, terrestrial environments, and soil—causing biodiversity loss and degradation of ecosystem functions. Through its supply chain management strategy, ASUS improves suppliers' environmental practices, thereby protecting biodiversity and the integrity of natural capital.

Responsible minerals

In 2025, ASUS inventoried product-source smelters for 599 suppliers representing 95% of procurement value and analyzed their geographic distribution and conformance status. Smelters were located primarily in Asia (57%), followed by the Americas (17%), Europe (16%), Africa (9%), and Australia (1%). The survey confirmed that all were conformant smelters recognized by the Responsible Minerals Initiative (RMI) or the London Bullion Market Association (LBMA).

Freshwater Resources

- ASUS Key Supplier Water Management Program: In response to the challenges of climate change and uneven water distribution, ASUS recognizes the implications of water management for supply chain resilience and environmental responsibility. Product manufacturing relies heavily on collaboration across a diverse supply chain, and many processes involve substantial water use and wastewater treatment. Water risk therefore affects not only supply stability but also local communities and ecosystems. In 2023, ASUS designated water resources as a key supply chain management topic and established a mechanism covering production-line inventories, risk identification, and reduction targets. The inventory analysis showed that approximately 80% of water consumption was concentrated among motherboard, display panel, mechanical component, and battery suppliers and product assembly plants. ASUS accordingly developed tiered management and guidance strategies to strengthen overall water management capabilities.
- In 2025, using the World Wide Fund for Nature water risk assessment tool, ASUS identified industrial zones surrounding Taihu Lake as areas of high water risk. It prioritized suppliers operating water-intensive processes—including IC, PCB, display panel, and mechanical-component electroplating processes—as well as assembly plants with water-intensive operations. In addition, 100% of motherboard manufacturers provided compliant wastewater testing reports, while 63% of key suppliers had established water conservation targets. ASUS will continue to strengthen supplier water management and collaboration.
- Guidance and support results: ASUS completed an inventory of suppliers exposed to high water-use risk in the Taihu Lake Basin. It identified suppliers operating water-intensive IC, PCB, display panel, and mechanical-component electroplating processes and incorporated the operating-water scenarios of assembly plants, producing a targeted management list of 21 key entities. This transformed water risk from an abstract concept into a manageable starting point for action. ASUS also organized a technical forum on water reduction guidance and support, introduced industry best practices in water conservation, enhanced employees' water-saving capabilities, and accelerated suppliers' technology upgrades and practical implementation.
- Freshwater Resource Management Guidance and Support Progress:

Conduct an inventory of key water-resource suppliers

2023

- Using water-footprint data and product-process analysis, identify high water-use processes and supplier groups.
- Establish a tiered list to inform subsequent management and assistance efforts.

Develop risk awareness and management capabilities.

2024

- Organize educational training sessions and seminars to communicate water-related regulatory developments and corporate responsibilities.
- Leverage the WRI Aqueduct tool to evaluate water stress and risk in the regions where suppliers' operational sites are located.
- Implement the CDP Water Security framework to support suppliers in self-assessing their current water resource management practices.
- Deliver risk-hotspot analysis reports to help suppliers identify sources of water-related risk and develop appropriate response capabilities.

Establish reduction targets.

2025

- Assist suppliers—in accordance with their operational contexts and regional water risk profiles in establishing specific, measurable reduction targets.
- Introduce technology-driven improvements—such as wastewater recycling and treatment systems, as well as process optimization—to reduce water consumption.
- Offer industry best practices and illustrative case studies as reference points for continuous improvement.

Track progress regularly.

2026

- Establish a semi-annual monitoring mechanism to regularly report water usage data and improvement progress.
- Leverage a data platform for trend analysis to identify anomalies or elevated risks at an early stage.

Waste management

ASUS extended its Zero Waste to Landfill experience at corporate headquarters to key suppliers and established waste diversion targets. In 2025, 26% of key suppliers had set waste diversion targets, while 58% had established waste reduction targets.

For further details on the supply chain, please refer to the Responsible Manufacturing chapter of the ASUS Sustainability Report.

Biodiversity Actions at Operational Sites and across the Supply Chain

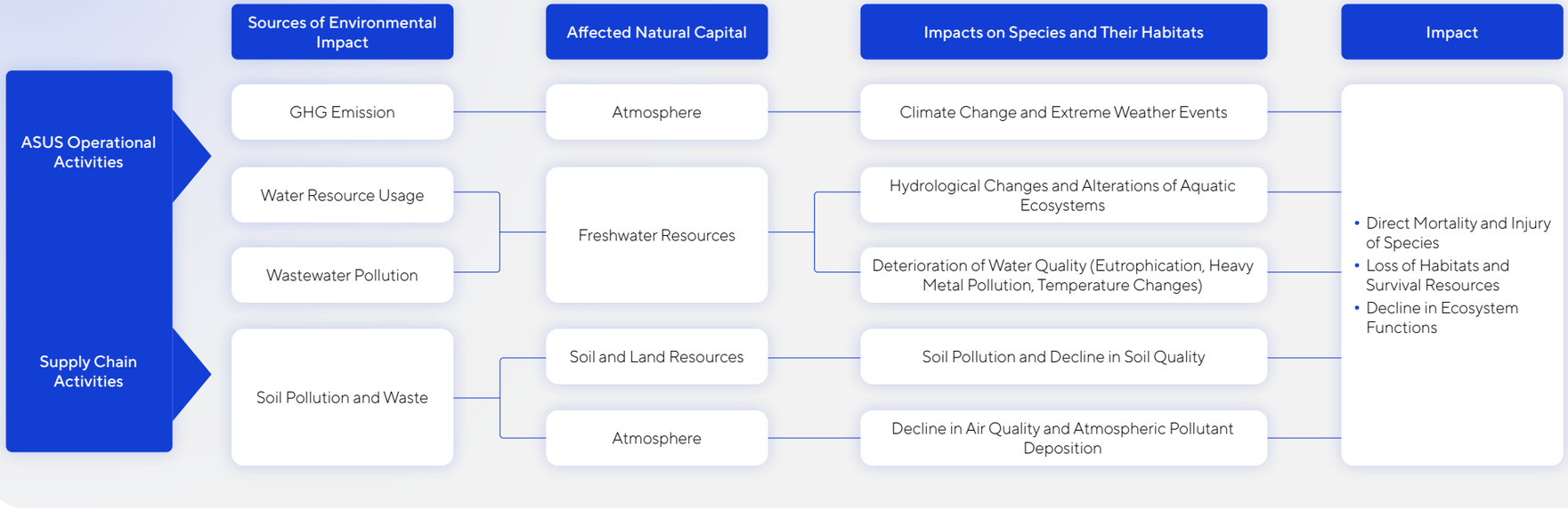
(1) Pathways through which Operating Activities Impact Biodiversity

Based on its risk and opportunity assessment, ASUS applies the LEAP (Locate, Evaluate, Assess, Prepare) approach recommended in the TNFD guidance to its operational sites and suppliers with relatively high freshwater risk. It further overlays the locations of key freshwater-resource suppliers—including display panel, printed circuit board, semiconductor, EMS, and battery suppliers—with biodiversity-sensitive areas. For key suppliers located in biodiversity-sensitive areas, ASUS increases management actions and proactive audits to mitigate impacts on local environments and biodiversity. The following pathways illustrate how ASUS operating activities indirectly impact biodiversity.

(2) Value Chain Biodiversity Impact Assessment Tools

In 2023, ASUS used geospatial databases including the Integrated Biodiversity Assessment Tool (IBAT) and Key Biodiversity Areas (KBA) to identify suppliers' impacts on biodiversity. In 2025, ASUS expanded the assessment beyond Mainland China region and Taiwan region regime China to incorporate biodiversity layers for key suppliers in Southeast Asia. These data covered official national-level databases for National Nature Reserves, National Wetland Parks, and National Parks, as well as regional-level databases for Important Habitat Conservation Areas, thereby improving the precision and completeness of the overall biodiversity risk assessment.

ASUS Natural Capital Impact Pathways



(3) Assessment of the ASUS Value Chain's Impacts on Local Biodiversity, Responses, and Performance

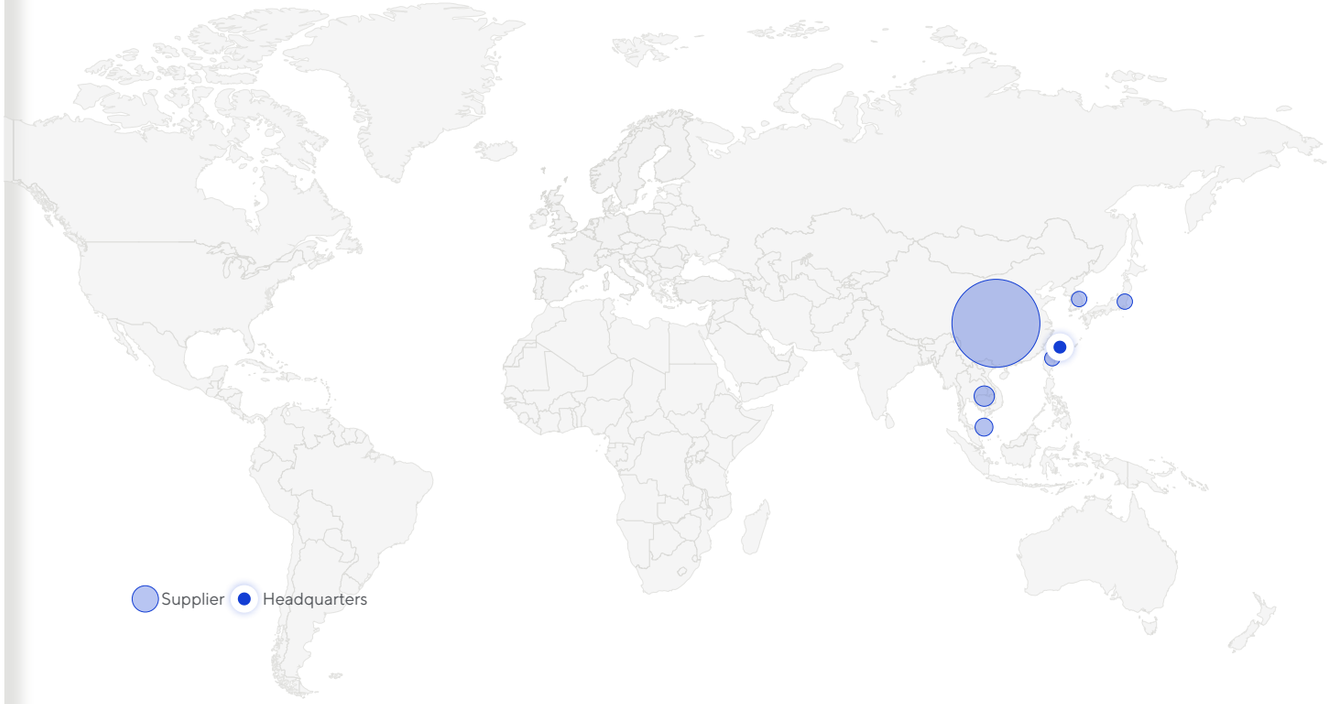
A. Corporate Headquarters

Analysis using online databases such as the Integrated Biodiversity Assessment Tool (IBAT) and Key Biodiversity Areas (KBA) showed that ASUS headquarters is not located within an internationally recognized key biodiversity area. As the majority of the value chain's overall environmental impacts arise from the supply chain, ASUS focuses on analyzing supply chain locations.

Because ASUS sites are located near Guandu Nature Park, the Company fully recognizes the importance of environmental conservation. In response to the Environmental Protection Administration's Coastal Cleanup Adoption Initiative, ASUS has adopted a 500-meter stretch of coastline at the Wazihwei Nature Reserve in New Taipei City since 2017. Located near Guandu Nature Park, the area contains valuable wetland ecosystems and serves as an important habitat for numerous migratory birds and aquatic plants and animals. In April 2025, ASUS organized a coastal cleanup at Jiabao Coast in Linkou, mobilizing employees to remove marine debris and put the Company's commitment to marine ecosystem conservation into practice.

B. Supplier Sites

ASUS has approximately 600 suppliers worldwide. Approximately 59.4% are located in Mainland China, including approximately 21.3% in eastern China, such as Suzhou and Shanghai; 17.8% in southern China, such as Shenzhen and Guangzhou; 7.6% in southwestern China; 3.6% in central China; 0.5% in western China; and 8.6% in other parts of China. The remaining 40.6% are located in Indochina, Taiwan, and other regions. The distribution is shown below:

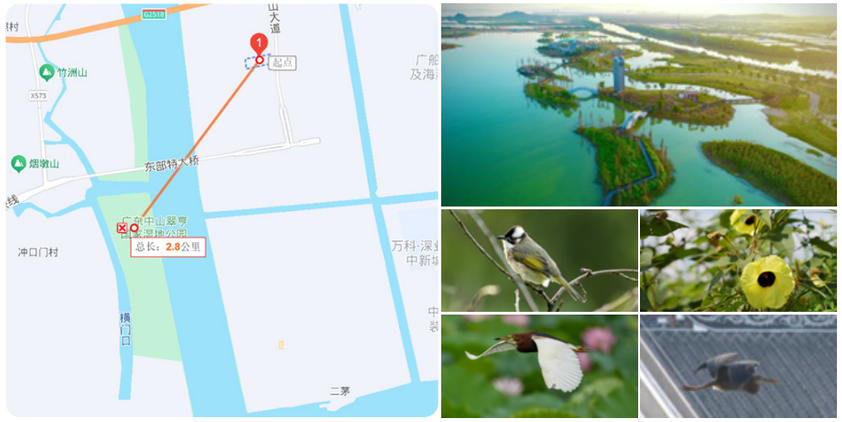


Based on the EP&L assessment results and natural capital impact pathways, ASUS uses the latitude and longitude of key freshwater-resource supplier sites for point-location analysis. It combines global biodiversity overlays with national-scale analyses to assess the relationships between supplier locations and biodiversity-sensitive areas, thereby strengthening biodiversity audits and management. Since ASUS began surveying biodiversity-sensitive areas in 2023, a total of eight key suppliers—five component suppliers and three assembly plants—have been identified as being near biodiversity areas. To manage suppliers' impacts on their surrounding environments effectively, ASUS conducts site-selection assessment audits for new suppliers to ensure that local ecological conditions are considered and local regulations are met, followed by online audits or annual on-site audits. Audit topics include: (1) Risk identification and environmental impact assessment: biodiversity risks near operating facilities, environmental impact assessments for new or expanded plants, source-risk assessments for raw material procurement such as timber and minerals, and eco-design of products; (2) Natural capital use management: controls on water, air emissions, waste, noise, and light pollution in high-risk processes; management of downstream suppliers; and tracking, regular monitoring, and reporting of target achievement; and (3) Actions beyond the value chain: in addition to understanding how environmental management reduces risk, ASUS examines suppliers' participation in habitat restoration, tree planting, species conservation, or ecological compensation programs, as well as collaborative initiatives with local communities, NGOs, and government agencies to undertake related compensation or restoration actions. The 2026 analysis identified one additional supplier with two facilities located in biodiversity-sensitive areas in the Taiwan region and the Mainland China region, respectively.

Supplier A – Guangdong, Mainland China

Located near Cuiheng National Wetland Park in Zhongshan, Guangdong.

- Cuiheng National Wetland Park in Zhongshan is located in Cuiheng New Area and covers 625.6 hectares, including 243.9 hectares of land and 395.44 hectares of wetlands, with a wetland ratio of 63.21%.
- The park includes multiple wetland types, including estuarine waters, mangroves, permanent rivers, and marshes.
- It supports numerous bird species, including 10 species under Class II national protection in Mainland China, such as the Black Kite, Black-winged Kite, and Common Kestrel.



*The land area and wetland area may overlap due to differences in classification methods; therefore, it is reasonable that their combined area does not equal the total area.

Supplier A – Tainan, Taiwan

Located near the Tainan City Sicao Wildlife Refuge.

- The Sicao Important Wildlife Habitat is located in Annan District, Tainan City, and covers 543.1859 hectares. Its boundaries extend from west of Provincial Highway 17 to the coastline, with the Zengwen River to the north, and it is divided into three zones.
- The area comprises diverse wetland habitats formed by salt pans, estuarine sandbars, intertidal zones, waterways, and mangroves, and is classified as a marine or coastal wetland.
- Endangered species include the Oriental Stork and Black-faced Spoonbill; rare and valuable species include the Eastern Marsh Harrier, Osprey, Common Kestrel, Little Tern, and Hwamei.

ASUS Supply Chain Biodiversity Management Actions

- Biodiversity issue identification and management are incorporated into the Supplier Code of Conduct. ASUS suppliers should consider the local environmental impacts of their operations and establish biodiversity policies.
- Suppliers are required to provide ASUS with quarterly water conservation performance data and compliant wastewater testing reports annually, obtain ISO 46001 Water Efficiency Management System certification, or establish recycled-water targets. A total of 63% of suppliers have established water reduction targets.
- Waste: 26% of key suppliers have set waste diversion targets, while 58% have established waste reduction targets.
- Suppliers located in key biodiversity areas are designated as priority suppliers for annual on-site audits.
- Supply chain transparency: Suppliers must provide detailed information on production processes, production and operations management reports, and raw material sources.

Case Study

Supply Chain Biodiversity Management

Based on the Key Biodiversity Areas (KBA) database, ASUS identified that Supplier A is located near the Cuiheng National Wetland Park in Zhongshan, Guangdong. This area is an important ecological habitat, covering 625.6 hectares with a wetland ratio of 63.21%, and includes diverse ecosystems such as estuarine waters, mangroves, permanent rivers, and marshes. It is home to several nationally protected wildlife species in China, including the Black Kite, Black-winged Kite, and Common Kestrel.

Supplier A is a manufacturer of IC packaging and storage equipment, with critical processes including IC baking, solder paste printing, surface mounting, reflow soldering, burn-in testing, and final assembly and packaging—all highly intensive processing steps. During its annual on-site audit, ASUS reviewed the supplier's environmental impact assessment reports and annual pollution emission testing data (covering domestic wastewater, process exhaust gases, and noise), confirming compliance with government approvals and regulatory requirements.

Given its proximity to an ecologically sensitive area, ASUS further required the supplier to undertake the following actions:

- **Establish a biodiversity management mechanism:** Integrate a biodiversity policy into its internal management system, set specific protection goals and action plans, and regularly review performance.
- **Enhance communication and disclosure:** Effectively convey relevant policies and objectives to internal employees and external stakeholders, and consider disclosing biodiversity commitments through public channels to strengthen corporate transparency and accountability.

Identification of Key Biodiversity Locations

07 Actions Beyond the ASUS Value Chain

1. Background and Purpose

According to the《World Economic Forum's Global Risks Report 2026》, while governance and economic issues dominate short-term risks, extreme weather and ecosystem collapse remain among the sources of long-term environmental risk. The latest《IPBES Business and Biodiversity Assessment: Summary for Policymakers》, published by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), notes that the global economy has expanded 110-fold over the past two centuries and that businesses have played an indispensable role in this growth. However, these growth figures do not incorporate the value provided by nature into the financial system. The prolonged omission of nature's value has resulted in the overuse of natural resources and biodiversity loss at a rate faster than anticipated.

The《Kunming-Montreal Global Biodiversity Framework》, adopted in 2022, established clearer implementation targets. Target 2 is to ensure that, by 2030, at least 30% of areas of degraded terrestrial, inland water, marine, and coastal ecosystems are under effective restoration in order to enhance biodiversity, ecosystem functions and services, ecological integrity, and connectivity. In support of this target, organizations including the World Wide Fund for Nature (WWF) and the World Business Council for Sustainable Development (WBCSD) launched the Nature Positive Initiative (NPI), whose vision is to halt and reverse nature loss by 2030 relative to a 2020 baseline and achieve full recovery by 2050. ASUS supports nature-positive targets and metrics for 2050, including zero net deforestation, no net loss of biodiversity, and net positive ecosystem impacts. However, it has not yet established a clear baseline year or measurement methodology. ASUS continues to monitor developments in international natural capital frameworks, progressively improve its baseline-setting and quantification methods, and plans to disclose related information in future reports once the methodology has matured.

As nature-related issues receive increasing attention, governments and businesses are progressively launching nature restoration actions. The ASUS Natural Capital and Biodiversity Strategy Map likewise distinguishes between management within the value chain and actions beyond the value chain to manage nature-related issues comprehensively and systematically. For management within the value chain, ASUS builds on its experience with the Environmental Profit and Loss (EP&L) Report by disclosing environmental materiality. This enables the company to manage and allocate resources appropriately for value chain impacts on the environment in accordance with resource-allocation principles. The analysis and disclosure received the Gold Award for Best Environmental Reporting at the Asia Sustainability Reporting Awards for two consecutive years.

In addition to strengthening management within the value chain to reduce environmental impacts, ASUS has developed actions beyond the value chain and committed to implementing ecosystem restoration projects to support nature recovery. In 2024, ASUS participated in the Forestry and Nature Conservation Agency's Carbon Sink and Biodiversity ESG Project Matching Platform and launched the Dasyuehshan Middle-Altitude Pangolin Habitat Enhancement and Conservation Project. In 2025, ASUS further collaborated with the Kuan-Shu Educational Foundation and Dr. Shih-Pin Huang of Academia Sinica on the Chenglong ricefish (Oryzias chenglongensis) Survey, Research and Conservation Project to conduct population and genetic surveys of a fish species endemic to Taiwan. To ensure that both projects deliver genuine benefits to nature, ASUS applies the International Union for Conservation of Nature (IUCN) Global Standard for Nature-based Solutions (NbS) in designing and managing its beyond-value-chain projects, ensuring that the projects generate positive environmental outcomes. Furthermore, as a technology leader, ASUS has long leveraged data-driven measurement and technology-enabled management as the foundation for evaluating its sustainability performance. For projects beyond its value chain, ASUS is currently applying the Social Return on Investment (SROI) methodology to assess the impacts of the Dasyueshan project, with the aim of establishing a benchmark for the quantitative measurement of project outcomes in the future.

2. Project Screening Mechanism

In response to multiple global crises—including climate change, food and water security, ecosystem degradation, and biodiversity loss—and to encourage organizations to generate tangible social benefits through actions that protect, sustainably manage, and restore nature, the International Union for Conservation of Nature (IUCN) developed the Guidance for Using the IUCN Global Standard for Naturebased Solutions. Its unified criteria and framework help organizations and companies design restoration actions. The guidance emphasizes that restoration actions should not only enhance environmental recovery but also consider economic and social well-being, enabling nature, the economy, and society to achieve genuine sustainable inclusion. The eight criteria for Nature-based Solutions are as follows:

- Solutions must address local environmental or social challenges.
- Understand the ecosystem and surrounding community conditions at the project site and determine whether the solution creates additional ecological risks.
- Achieve a net gain for nature while prioritizing the protection and restoration of native ecosystems.
- Analyze financial inputs and benefits.
- Adopt inclusive governance that enables stakeholder participation.
- Balance the positive and negative impacts of the solution on local ecosystems.
- Apply adaptive management, respond flexibly to the impacts of the solution, and encourage the establishment of monitoring, evaluation, and learning frameworks.
- Mainstream and scale up solutions by sharing experience and facilitating exchanges between the public and private sectors.

ASUS designs and manages nature restoration projects in accordance with these eight criteria, as described below.

Project 1: Dasyuehshan Middle-Altitude Pangolin Habitat Enhancement and Conservation Project

Issue identification: State-owned forestland leased along kilometers 14 to 16 of Dasyuehshan Forest Road faces environmental issues involving soil degradation, which in turn affects the habitat quality of endangered species, as well as community economic challenges resulting from changes in government policy.

Because Taiwan is densely populated and has limited arable land, agricultural development is based mainly on intensive cultivation. To improve crop quality and yields and facilitate field management, farmers in the Dasyuehshan Forest Road area use conventional agricultural practices, applying chemical fertilizers, pesticides, and herbicides to farmland. However, the use of pesticides and herbicides to prevent and control crop diseases and pests leaves chemical residues in agricultural products and soil. Through bioaccumulation, these substances may even affect species at higher trophic levels in the local food chain, including the Chinese pangolin, which is listed as Critically Endangered on the IUCN Red List.

The earliest residents along kilometers 14 to 16 of Dasyuehshan Forest Road can be traced back to the Japanese colonial period and to the Nationalist government's subsequent opening of mountain areas for settlement and cultivation. In choosing livelihood activities, residents prioritized high-value crops, including log-grown shiitake mushrooms, bananas, and, in more recent years, Asian pears and persimmons. As government forestland policy evolved, residents were required to work with the government to adopt more environmentally friendly cultivation methods. Along kilometers 14 to 16 of Dasyuehshan Forest Road, the National Land Conservation Plan—Specific Implementation Plan for Addressing Debris-Flow Disasters, approved in 2003, required leased land on which fruit trees had been planted in violation of regulations to be interplanted with afforestation trees. The Plan for Handling and Implementing Afforestation on Leased National Forestland Not Yet Fully Afforested, adopted in 2015, required 30% of leased land to be afforested and allowed existing fruit trees on the remaining 70% to remain under regulatory management, enabling lessees to renew their leases.

Increasingly stringent environmental policies created livelihood challenges for residents. The Forestry and Nature Conservation Agency, then the Forestry Bureau, invited the Kuan-Shu Educational Foundation, a nonprofit organization experienced in promoting environmentally friendly agriculture, to help local farmers transition to a more environmentally friendly cultivation method—herbaceous cultivation. Compared with conventional agriculture, herbaceous cultivation avoids herbicides and involves more frequent mowing. Weeds that do not obstruct cultivation are retained, while harmful or excessively tall weeds are removed, progressively reducing undesirable weed species and the impacts of chemicals on the land. During the transition to sod culture, farmers discovered Chinese pangolins. The Chinese pangolin is listed as Critically Endangered on the International Union for Conservation of Nature Red List of Threatened Species, also known as the IUCN Red List. Stable resident sighting reports have been recorded along kilometers 14 to 16 of Dasyuehshan Forest Road. ASUS therefore partnered with the Kuan-Shu Educational Foundation and invited Professor Jing-Min Sun of National Pingtung University of Science and Technology to conduct a three-year research project across selected areas along kilometers 14 to 16 of Dasyuehshan Forest Road and surrounding leased national forestland, covering approximately five hectares. The project examines how conventional farming and sod culture affect pangolin habitat quality, food resources, activity frequency, and other factors.

Surrounding Community and Ecological Surveys: Preliminary Results Demonstrate the Nature-Positive Potential of Sod Culture

Under the Forestry and Nature Conservation Agency's Carbon Sink and Biodiversity ESG Project Matching Platform, ASUS applied for its nature-positive action program by submitting its own research proposal. Since the project was launched in 2024, interviews with farmers, monitoring of pangolin activity frequency, sampling surveys of local vegetation, surveys of pangolin food resources, and other approaches have been used to understand the respective habitat impacts of conventional farming and herbaceous cultivation. Preliminary survey results indicate that herbaceous cultivation has positive habitat impacts. Interim research results through 2025 are as follows:

- **Pangolin activity frequency monitoring:** A cumulative total of 189 pangolin burrows were identified from 2024 to 2025. The findings indicate that pangolin activity in the Dasyuehshan area is concentrated mainly at mid-elevations, with most activity occurring above 1,000 meters and estimated to be near forests or herbaceous cultivation areas.
- **Analysis of soil pesticides and contaminants of emerging concern:** The types and quantities of pesticides reported in interviews with farmers practicing conventional agriculture differed substantially from the pesticides and contaminants of emerging concern actually detected in the soil and from official crop-specific pesticide guidance. One possible reason is that farmers use additional pesticides, chemical fertilizers, herbicides, and other substances to maximize yields, thereby affecting the ecological environment.
- **Survey of pangolin food resources (ant species and abundance):** Lophomyrmex taivanae was the most abundant ant species identified, accounting for 80% of all individual ants. Among termites, Reticulitermes flaviceps had the highest occurrence rate; however, only one termite record was found in orchards using conventional farming, indicating that conventional farming has a greater impact on termite populations. Reticulitermes flavice provides more favorable habitat conditions for pangolin prey species than conventional farming.
- **Ground vegetation survey:** Herbaceously cultivated orchards had the highest species richness and vegetation cover, followed by forest plots, while orchards using conventional farming had the lowest. This indicates that herbaceously cultivated orchards management supports groundcover species composition and growth and provides a favorable environment for ground-dwelling ants and termites to reproduce.

Project Management and Stakeholder Collaboration:

The research project brings together a comprehensive group of stakeholders from industry, government, academia, and nonprofit organizations. Their respective roles are integrated to advance the Dasyuehshan research project:

- **Project design recommendations:** During the development of the self-proposed project, the headquarters and Taichung Branch of the Forestry and Nature Conservation Agency provided assistance, while the latest policy directions were incorporated to ensure alignment with national requirements and international trends.
- **Project coordination and management:** ASUS serves as the project coordinator, consolidating stakeholder input and project progress and further providing funding and technological support. In 2025, the project introduced innovative radio-tracking technology to address the labor-efficiency challenges and reversed day-night schedules previously associated with pangolin tracking.
- **Project implementation:** The research team led by Dr. Ching-Min Sun of National Pingtung University of Science and Technology is responsible for the research content and implementation. A project assistant is stationed in the community to perform the planned research work and assist farmers with temporary placement of pangolins they encounter, provide consultations, and plan community capacity-building courses.
- **Local community engagement and environmental education:** The Kuan-Shu Educational Foundation, which has long assisted local residents with herbaceous cultivation techniques, works with the project assistant to provide local residents with agricultural knowledge, wildlife conservation knowledge, and related support. Drawing on its extensive environmental education design expertise, the Foundation also helped ASUS. design an employee volunteer experience in 2025. Through a one-day excursion, ASUS employees learned about the history and culture of Dasyuehshan Forest Road, enjoyed local agricultural products, and participated in a simulated field-tracking experience for pangolins.

Community Engagement Case

In April 2025, the research team led by Dr. Ching-Min Sun delivered a pangolin conservation training at Zhongkeng Elementary School in Heping District, Taichung City. In addition to covering pangolin ecology, behavior, and the research process, the presentation placed particular emphasis on practical matters. First, in response to an approximately 9.75% burrow misidentification rate in existing reports, the team explained the identifying characteristics of pangolin burrows to improve reporting accuracy. Second, the team shared wildlife rescue procedures and relocation experience, enabling residents to take appropriate action when encountering pangolins and avoid secondary harm caused by panic or misunderstanding.

Engagement Outcome:

When Mr. Hsieh, a farmer in the Dasyuehshan survey area, encountered a pangolin near his home, he applied the guidance to conduct a preliminary injury assessment. After confirming that the animal had no external injuries, he placed it in a low-disturbance environment for observation and allowed it to leave on its own. This case demonstrates that, through local engagement and knowledge transfer, the project has successfully translated conservation awareness into concrete action by community residents. It has not only deepened citizen participation in conservation but also strengthened mutual trust between the team and the local community.

Project Impacts:

Employee

1. **Pangolin conservation capacity-building course:**
   Following the first interactive employee lecture in 2024, Taiwan's Pangolin: The Last Hope for Pangolins Worldwide—Documentary Screening and Post-Screening Discussion, ASUS organized a further pangolin conservation capacity-building course in 2025. Dr. Ching-Min Sun of National Pingtung University of Science and Technology introduced pangolin biology, behavior, global distribution, and current conservation status. Hands-on activities—including a photo-based survey of ants as pangolin prey and a tracking-device experience—provided employees with an experience distinct from conventional classroom lectures and increased their engagement.
2. **Employee volunteer experience:**
   Building on indoor exercises, ASUS took employees to the project site for field simulations. The morning session consisted of an environmental education tour of the Dasyuehshan forest area. The Kuan-Shu Educational Foundation guided ASUS employees through areas near the indigenous cinnamon forest and Dasyuehshan Suspension Bridge and explained the area's environmental history. At midday, ASUS collaborated with the Dasyuehshan Ecotourism Association to prepare meals using local ingredients, including indigenous cinnamon. This helped employees understand the Foundation's process for assisting farmers and the economic transition through which agricultural products are developed into mature commercial products. In the afternoon, employees participated in a simulated pangolin field-tracking exercise. Foundation staff experienced in field monitoring taught them how to use radio receivers to locate tracking devices. By carefully listening to signal tones and narrowing down the direction, the employees successfully found a simulated wildlife hiding place and completed the tracking experience.

Society

Offline Communications:

- **Press conference**: ASUS participated in the Forestry and Nature Conservation Agency's second-year press conference for the Carbon Sink and Biodiversity ESG Project Matching Platform, which focused this year on community management. Tsei-Jai, Hong, Chief Executive Officer of the Kuan-Shu Educational Foundation, spoke on behalf of the ASUS. project and shared with participating companies and teams the local team's experience in assisting farmers. The presentation explained how three stages—guidance on herbaceous cultivation, promotion of new cash crops through the launch of indigenous cinnamon products with companies, and ASUS's participation in local habitat enhancement and pangolin research—have supported harmonious coexistence among communities, the economy, and the environment in the mid-elevation Dasyuehshan area. This approach also aligns with the International Union for Conservation of Nature (IUCN) expectation that all ecosystem restoration projects under Nature-based Solutions should address both nature and social development.
- **Policy consultation:** As a corporate partner in the Forestry and Nature Conservation Agency's Carbon Sink and Biodiversity ESG Project Matching Platform, ASUS regards the provision of corporate perspectives as an important engagement function. In 2025, ASUS participated in the Agency's policy consultation on local guidance for corporate participation in biodiversity and nature-related financial disclosures. Drawing on its position as an Early Adopter of the international Taskforce on Nature-related Financial Disclosures (TNFD) framework, ASUS provided practical implementation recommendations.

Online Communications

Using corporate resources, ASUS communicates its perspective on natural capital and biodiversity to investors, the media, and the public through diverse channels, including thematic reports, news releases, feature articles, internal newsletters, and social media. Content of varying depth and focus demonstrates ASUS's professional capabilities and the possibilities presented by diverse projects.

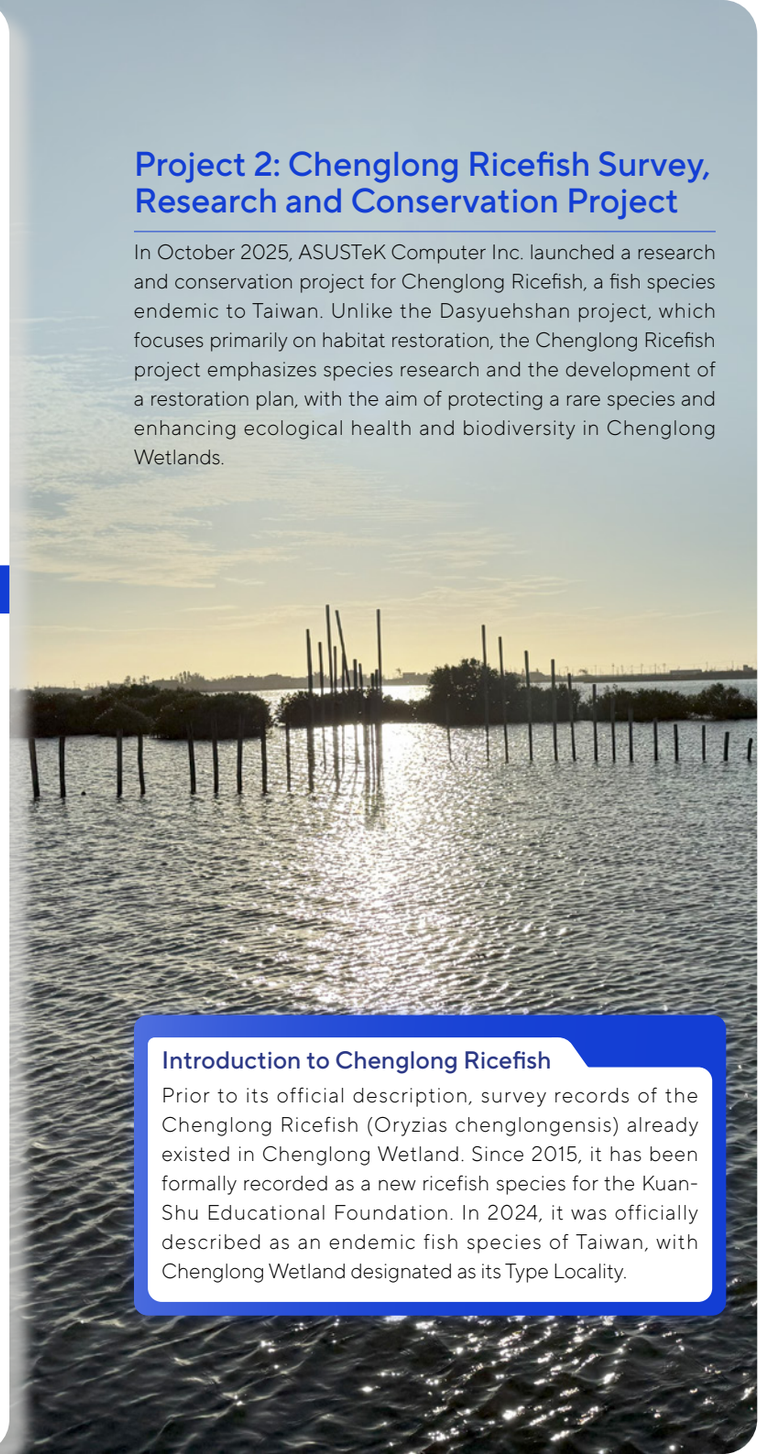
Item	Quantity	Content
News/Article Publications	4	ASUS Is Among the First to Earn Biodiversity Certification for Pangolin Habitat Project Celebrating Biodiversity Day, ASUS Hosted Pangolin Conservation Training to Increase Employee Engagement in Sustainability ASUS Releases Natural Impact Assessment Report, Optimizing Freshwater Resource Management within the Value Chain ASUS Employee Nature Experience: Pangolin Tracking in Daxueshan
Global Social Media Promotion	2	ASUS Dasyuehshan Project Receives Certificate from the Forestry and Nature Conservation Agency: #asus #asusesg #asusgreenertomorrow LinkedIn: ASUS Sustainability Report Released
Employee Newsletter	4	ASUS Is Among the First to Earn Biodiversity Certification for Pangolin Habitat Project Celebrating Biodiversity Day, ASUS Hosted Pangolin Conservation Training to Increase Employee Engagement in Sustainability ASUS Natural Impact Assessment Report Released Employee Volunteer Experience—Pangolin Tracking in Dasyuehshan

Performance and Future Plans:

This year's results from the Dasyuehshan Middle-Altitude Pangolin Habitat Enhancement and Conservation Project were again recognized by the Forestry and Nature Conservation Agency through the issuance of a biodiversity certificate. In addition to continuing to improve project implementation, ASUS will initiate quantitative impact measurement. The Company plans to integrate the project's environmental and social outcomes using the Social Return on Investment (SROI) methodology to assess natural capital and social impacts and calculate their monetized value, providing a reference for future project implementation and scaling.

Project 2: Chenglong Ricefish Survey, Research and Conservation Project

In October 2025, ASUSTeK Computer Inc. launched a research and conservation project for Chenglong Ricefish, a fish species endemic to Taiwan. Unlike the Dasyuehshan project, which focuses primarily on habitat restoration, the Chenglong Ricefish project emphasizes species research and the development of a restoration plan, with the aim of protecting a rare species and enhancing ecological health and biodiversity in Chenglong Wetlands.



Introduction to Chenglong Ricefish

Prior to its official description, survey records of the Chenglong Ricefish (Oryzias chenglongensis) already existed in Chenglong Wetland. Since 2015, it has been formally recorded as a new ricefish species for the Kuan-Shu Educational Foundation. In 2024, it was officially described as an endemic fish species of Taiwan, with Chenglong Wetland designated as its Type Locality.

Issue identification:

Chenglong Wetlands is known to be the principal habitat of Chenglong Ricefish. However, the species is currently known to occur only in the southern pond of Chenglong Wetlands, with just one population and one habitat, making it highly vulnerable overall. Within the local ecosystem, Chenglong Ricefish can improve water quality by removing organic matter such as phytoplankton and can also serve as prey for predators in the aquatic ecosystem. It therefore has value for both the aquatic ecology of Chenglong Wetlands and the local fisheries economy.

Surrounding Community and Ecological Surveys:

Chenglong Wetlands is located in Kouhu Township, Yunlin County, and covers 56.45 hectares. It can be subdivided into marshes, aquaculture ponds, irrigation ponds, irrigation channels, and paddy fields. Chenglong Village and Taizi Village are located nearby, and the local farming and fishing populations are aging. A population survey of Chenglong Ricefish will be conducted from June to August 2026, and the subsequent findings are expected to be disclosed in the following year's report.

Appropriate conservation actions for rare species must be formulated on the basis of their genetic diversity and genetic structure. However, because Chenglong Ricefish is a newly discovered species, information on its population genetics has not yet been established. The project implementation team is therefore responsible for analyzing the genetic diversity of Chenglong Ricefish in the southern pond of Chenglong Wetlands. Preliminary research results have now been obtained and provide a scientific reference for restoration work involving the species.

Project Management and Stakeholder Collaboration:

The research project brings together a comprehensive group of stakeholders from industry, academia, and nonprofit organizations. Their respective roles are integrated to advance the Chenglong Ricefish research project. As the project has only recently been launched, related research findings will be disclosed in the following year's report.

- Project coordination and management: ASUS. serves as the project coordinator, consolidating stakeholder input and project progress. In addition to providing research funding, the Company plans to support the research surveys through employee participation.
- Project implementation: The research team led by Dr. Shih-Pin Huang of Academia Sinica is responsible for the research content and implementation and will collaborate with the Kuan-Shu Educational Foundation.
- Local community engagement and environmental education: With assistance from the Kuan-Shu Educational Foundation, the project plans to coordinate community participation in Chenglong Ricefish population conservation and interpretation activities and to hold a special medaka exhibition at Chenglong Wetlands. In addition to presenting research and conservation results for Chenglong Ricefish, the exhibition will be the first in Taiwan to showcase three rare native medaka species, giving it considerable significance for science education and environmental education.

Future Plans:

ASUS will continue to advance the Chenglong Ricefish research and conservation project. It plans to conduct a population survey from June to August 2026 and to continue tracking population changes and habitat conditions, with the results to be disclosed in subsequent annual reports. ASUS will also continue analyzing genetic diversity and population structure to strengthen the fundamental scientific information available for the species and provide a basis for subsequent conservation and restoration strategies. Through collaboration among industry, academia, and the local community, the Company will promote the integration of long-term monitoring and environmental education.

08 Future Outlook

As nature-related issues receive increasing attention from capital markets, integrating them into assessment and management processes will require continued effort by companies. ASUS will continue to monitor international reporting frameworks and initiatives, further deepen its research methodologies, expand the range of natural capital assessment results, and continue investing in biodiversity restoration projects to mitigate environmental impacts and enhance nature's resilience.

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IN SEARCH OF INCREDIBLE