



Sustaining an  
incredible future

# SUSTAINABILITY REPORT

# 2023





About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

## 06 Climate Actions

Climate Initiative	6-1
Governance	6-2
Strategy	6-4
Greenhouse Gas Inventory	6-4
Risk Management	6-5
Actions Taken	6-7
	6-12

## 07 Responsible Manufacturing

Sustainable Procurement	7-1
Risk Evaluation and Classification Management	7-2
Responsible Minerals	7-5
Reduce the Environmental Footprint of Suppliers	7-8
Strengthening Partnership	7-11
	7-13

## 08 Value Creation

Innovation Management	8-1
Innovation Actions	8-2
Industrial Talent Cultivation	8-2
AI Products and Services	8-6
Management of Intellectual Property Rights	8-8
	8-11

## 09 Social Engagement

Social Issues and Social Investment Strategy	9-1
Digital Inclusion	9-2
Community Involvement	9-4
Environmental Protection	9-7
Actions for Overseas	9-8
	9-9

## 10 Inclusive Workplace

Employee Policy	10-1
Employee Communication	10-2
Talent Cultivation and Development	10-4
Compensation and Benefits	10-5
Diversity, Equity, and Inclusion	10-11
Healthy Workplace	10-16
Safe Workplace	10-17
Operation Environment	10-18

## Appendix

Appendix A: GRI Content Index	Appendix A-1
Appendix B: SASB Index	Appendix B-1
Appendix C: Top 10 Principles of the United Nations Global Compact	Appendix C-1
Appendix D: Sustainability Disclosure Indicators -Computer and Peripheral Equipment Industry	Appendix D-1
Appendix E: AA1000AS & SASB Assurance Statement	Appendix E-1



## About This Report

### About This Report

- 00 Corporate Governance
  - 01 Sustainability Governance
  - 02 ESG Focus Case
  - 03 Identification of Material Issues and Sustainability-related Risk Management
  - 04 2025 Sustainability Goals
  - 05 Circular Economy
  - 06 Climate Actions
  - 07 Responsible Manufacturing
  - 08 Value Creation
  - 09 Social Engagement
  - 10 Inclusive Workplace
- Appendix

#### Report Structure

The 2023 ASUS Sustainability Report complies with the requirements of new GRI Standards (2021), as well as to the United Nations (UN) Global Compact, and the Sustainability Accounting Standards Board (SASB) Index.

#### Report Quality

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

#### Information Boundaries

The scope of the data is the same as the ASUS Group specified in the Annual Report, excluding subsidiary companies that publish their own Sustainability Reports (AAEON group, Askey group, and ASMedia Technology) and subsidiaries established for investment or finance and taxation purpose. The scope of data and information disclosed is consistent with the Annual Report (January 1 to December 31, 2023).

- Publication Date: July 2022 (annual issuance)
- Contact Information: To provide feedback or to contact us with questions, please email us at: [stakeholder@asus.com](mailto:stakeholder@asus.com)

#### Operational Information

Financial data and other related information, including financial summaries and annual reports of 2022, are available on the ASUS investor Relations website. For other sustainability-related information, please visit the [ASUS ESG website](#).



Investor Relations website



ASUS ESG website

ASUS 2023 Sustainability Report, in addition to following the GRI Standards (2021) and Sustainability Accounting Standards Board (SASB) Index, this year also references IFRS Sustainability Disclosure Standard (IFRS S1/S2) published by the International Sustainability Standards Board (ISSB) to assess the financial effects of significant sustainability-related risks, opportunities, and response strategies on ASUS entity.





## About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

## Message from the Chairman

The era of pandemic-driven market demand came to an end in 2023, resulting in global industries facing decreased demand and challenging economic conditions. ASUS views these challenges as incredible opportunities for a complete corporate transformation, especially amidst the explosive AI megatrend and is committed to embracing this once-in-a-lifetime paradigm shift to become a comprehensive AI enterprise. This includes actively recruiting AI talent, strategizing the transformation, and inspiring all ASUS employees to foster their collective wisdom. Together, the entire ASUS team will seize the opportunities presented by the AI revolution in pursuit of making ASUS the world's most admired innovative leading technology enterprise in the new digital era.

Global risks are becoming more diversified, as indicated in the *Global Risks Report 2024*, published by the World Economic Forum. Climate change, technological acceleration, and geopolitical shifts are currently influencing the global risk landscape. Therefore, sustainable operations should not only involve developing strategies and actions, but also include a meticulous and comprehensive evaluation of potential risks and their impact on the enterprise. To strengthen the ability to withstand risks, ASUS has established the Business Continuity Management Committee. Composed of independent directors, this committee facilitates consideration of perspectives from both internal and external stakeholders, implementation of interdepartmental risk management mechanisms, and proactive management of operational strategies. These measures ensure efficient long-term governance and risk mitigation. The International Sustainability Standards Board (ISSB) released its Sustainability Disclosure Standards (IFRS S1/S2) in 2023. These standards guide companies in disclosing sustainability and climate-related risks and opportunities that may impact financial performance. The standards focus on four key areas: governance, strategy, risk management, and metrics and targets. By following these standards, companies can develop management plans and address prominent issues that impact their financial performance.

In line with the principle of stakeholder communication, ASUS has released a *Task Force on Climate-Related Financial Disclosure* (TCFD) report for this fiscal year. The report incorporates cross-industry metrics of IFRS S2 *Climate-Related Disclosures* to improve the assessment of the financial effects of climate risks and opportunities. Additionally, ASUS has adopted the Task Force on Nature-Related Financial Disclosures (TNFD) framework and published a *Natural Impact Assessment* report. This report evaluates the impact and reliance of operational activities and supply chains on natural resources using the environmental profit and loss (EP&L) methodology, in compliance with the Natural Capital Protocol. It provides a vital basis for making informed decisions on the development of low-carbon products and the management of supply chains.

Guided by the "In Search of Incredible" brand spirit, ASUS has garnered widespread recognition in the global market for exceptional innovation and sustainable business practices. In 2023, ASUS was named one of the "World's Best Companies" by Time magazine, featured on Fortune magazine's "World's Most Admired Companies" list for the ninth time, and recognized by Interbrand as the most valuable global brand in Taiwan for the tenth year. Looking ahead, the ASUS team will continue to respond to industry turbulence and uncertainty with a strong and resilient corporate culture, identify global challenges and innovation opportunities, and translate them into concrete strategies that enhance the company's competitive advantage. Additionally, ASUS will integrate sustainable risk and opportunity management into operational policies, creating a more inclusive and growth-oriented enterprise. These efforts support the ASUS vision of becoming the world's most admired innovative leading technology enterprise in the new digital era.

ASUS Chairman  
Jonney Shih





## About This Report

- 00 Corporate Governance
  - 01 Sustainability Governance
  - 02 ESG Focus Case
  - 03 Identification of Material Issues and Sustainability-related Risk Management
  - 04 2025 Sustainability Goals
  - 05 Circular Economy
  - 06 Climate Actions
  - 07 Responsible Manufacturing
  - 08 Value Creation
  - 09 Social Engagement
  - 10 Inclusive Workplace
- Appendix

## Message from the Co-CEOs

In 2023, the PC industry underwent significant technological innovation and market-driven transformation. ASUS, guided by its pragmatic corporate spirit, viewed the various external challenges as opportunities for “transformation and evolution”, and continued to regard innovation as the cornerstone for enhancing its competitiveness.

ASUS has undergone significant transformation in its product development. Alongside its continuous innovation and growth in the personal computer and gaming industries, the Company is dedicated to expanding its portfolio of AI products, services, and solutions. This commitment aims to enhance the user experience and cater to the diverse needs of customers across a wide range of industries. These efforts highlight ASUS’s prominent role in the AI PC, AI server, and AIoT domains.

ASUS implements a sustainable strategy of “digitizing data, adopting scientific management practices” and integrates sustainable transformation into its core brand strategy. In 2023, ASUS Group’s carbon reduction target for 2030 was reviewed and approved by the Science Based Targets initiative (SBTi), an authoritative organization on international climate change. ASUS Group is dedicated to achieving its carbon reduction goal by following the 1.5°C reduction pathway.

ASUS is also dedicated to the development of low-carbon products. In 2022, it successfully obtained product carbon footprint certification for its first commercial notebook computer and subsequently introduced carbon-neutral certified notebook computers for both commercial and consumer use. To help customers achieve their carbon reduction targets, we launched the ASUS Carbon Partner Service in 2023. This service enables customers to buy high-quality carbon credits when purchasing products, thereby offsetting the remaining carbon emissions produced by the products.

In addition to prioritizing its own research and development, ASUS has embodied the spirit of leading by example and has assisted smaller entities with guidance on carbon reduction. In recent years, ASUS has actively promoted the Carbon Reduction Engagement and Counseling Program for its key suppliers. Furthermore, ASUS introduced the “A+ ESG Carbon Data Management Platform” in 2023, which aids its Group subsidiaries and supply chain in systematically collecting carbon emissions data and maintaining a greenhouse gas inventory.

ASUS is committed to driving sustainable transformation and evolution, and its performance in sustainable management has been widely recognized across the industry. In addition to being selected in multiple international ESG rating indexes, ASUS has been recognized as a climate leader in the Asia-Pacific region for two consecutive years (Climate Leaders Asia-Pacific, 2022-2023) by the Financial Times. In 2024, ASUS was ranked among the top 25 companies on the Clean200 list published by Corporate Knights. Additionally, the Company received high ratings for its leadership in the Carbon Disclosure Project (CDP) “Climate Change” and “Supplier Engagement” assessments.

2024 is a year filled with opportunities, and ASUS Group is confident in its ability to succeed. In the midst of the global AI revolution, ASUS will continue to embrace the principles of “fostering our collective wisdom” and “embracing an idea meritocracy” so that the Company can evolve into a comprehensive AI enterprise. With diverse growth engines and a strategic approach to corporate development, the goal of ASUS is to establish itself as a world-class leader among environmentally-friendly high-tech brands.



ASUS Co-CEO  
S.Y. Hsu

ASUS Co-CEO  
Samson Hu

## 2023 Award and Recognition

### About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

### Climate Leaders

Asia-Pacific

Selected as Climate Leaders Asia-Pacific for two consecutive years. (2022-2023)

### CLEAN200

Corporate Knights

Selected as Clean200 for two consecutive years (2023-2024)



Rated Leadership level scores from CDP Climate Change report and Supplier Engagement Rating (2024)



FTSE4Good

Selected as a constituent stock of the Financial Times FTSE4Good Emerging Index for eight consecutive years (2016-2023)



FTSE4Good



Selected as a constituent stock of the FTSE4Good Emerging Index and TIP Taiwan ESG Index for seven consecutive years (2017-2023)



Received Prime Level rating in the ESG Corporate Ratings from Institutional Shareholder Services (ISS) for three consecutive years (2021-2023)

### MSCI ESG RATINGS

Selected as a constituent stock of the MSCI Top ESG select index for three consecutive years (2021-2023)

Selected as a constituent stock of the MSCI AC Asia Pacific Top ESG Select index (2023)



Selected as World's Most Admired Companies by Fortune Magazine for the 9<sup>th</sup> year



Listed in the World's Best Companies for 2023 by TIME Magazine



Best Taiwan Global Brand Interbrand for the 10<sup>th</sup> year

• The year indicated is the year of the award evaluation announcement.



About This Report

**00 Corporate Governance**

About ASUS

Management Organization

Ethical Corporate Management

Risk Management

Information Security Management

Customer Satisfaction

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

# 00 Corporate Governance

## About ASUS

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

ASUS had about 70 operation offices located worldwide with a total of around 16,000 employees that included around 5,000 R&D professionals, and we are driven to become the world's most admired innovative leading technology enterprise.

ASUS Group consolidated revenue for 2023 was NT\$483.2 billion, and net profit after tax was NT\$17.9 billion.

### Business Philosophy

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

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

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

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



DISPLAYS



NETWORKING



NOTEBOOKS



MOTHERBOARDS



GRAPHIC CARD

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





About This Report

00 Corporate Governance

- About ASUS
- Management Organization
- Ethical Corporate Management
- Risk Management
- Information Security Management
- Customer Satisfaction

- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace

Appendix

## Management Organization

The foundation of an enterprise’s sustainable management is built on a robust governance system, which we believe coming from ASUS DNA - humility, integrity, diligence, agility, and courage. ASUS value governance and safeguard the rights and interests of various stakeholders in the environmental and social dimensions.

In order to strengthen the corporate governance, ASUS formulated its own “Best Practice Principles of Corporate Governance” according to “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies” and corporate governance principles by OECD<sup>1</sup>. Besides the provision and regulation regarding the governance, it also covers the contents such as protecting the rights of shareholders, strengthening the functions of the board of directors, exercising the functions of a supervisor, and respecting the rights and interests of stakeholders.

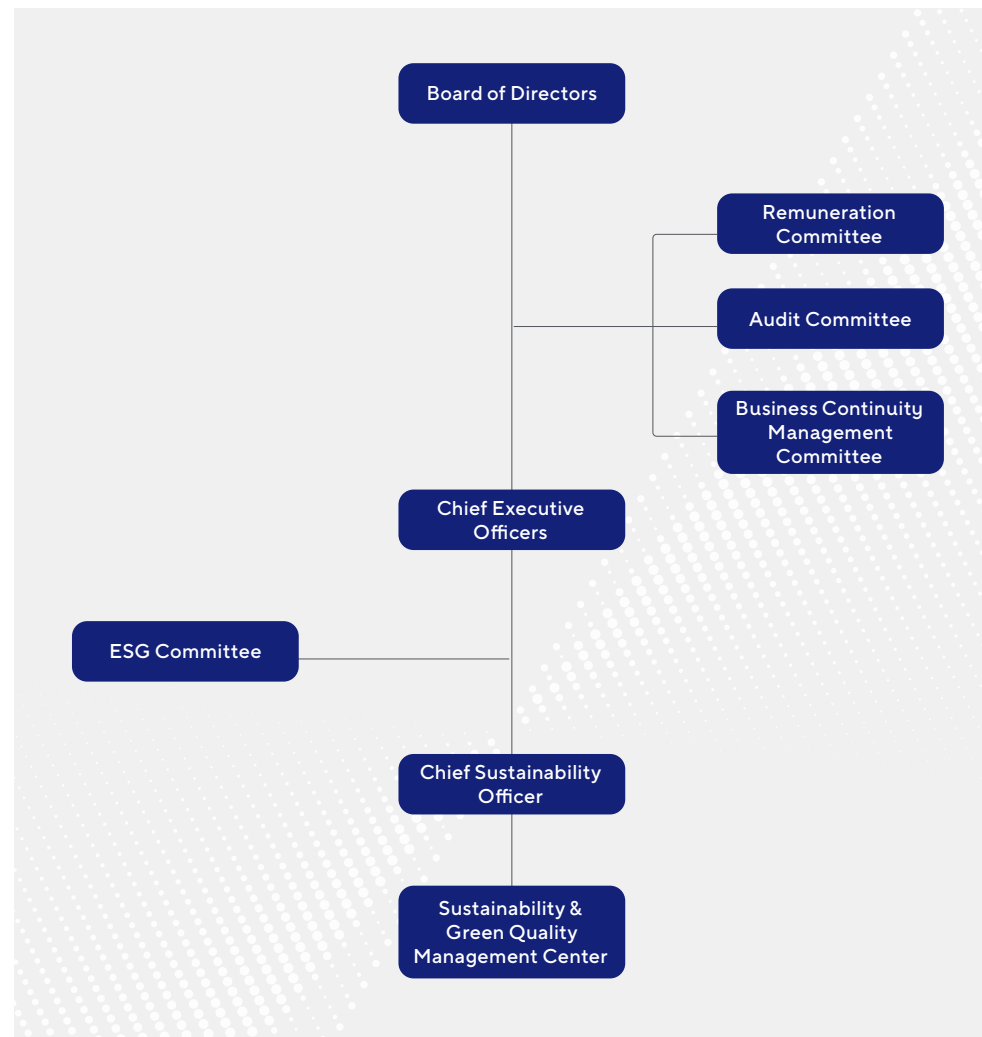
### Board of Directors

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

All members of the Company’s Board of Directors are elected based on a candidate nomination system. In the shareholders’ meeting held in June 2022, according to the “Rules for Election of Directors”, the 13<sup>th</sup> Board of Directors were elected, which was formed by 15 Directors<sup>2</sup> (includes 13 male and 2 female), and among which 5 were Independent Directors. We aim to leverage the professional knowledge of outstanding members of the industry to introduce the viewpoints of external stakeholders, and to improve the quality of business operations. The Chairman Jonney Shih does not serve as the President. ASUS requires an average attendance rate of 85% of board members, based on the Corporate Governance Evaluation Indicators. A total of 6 board meetings were held in 2023, with an average attendance rate of 97.78%.

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

<sup>1</sup> Organization for Economic Cooperation and Development  
<sup>2</sup> Please refer to P33-37 in the [2023 Annual Report](#) for the name and education of each Board member, as well as the holding positions of other companies.



**00 Corporate Governance**

- About ASUS
- Management Organization**
- Ethical Corporate Management
- Risk Management
- Information Security Management
- Customer Satisfaction

- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

**Remuneration Policy for Directors and Managers**

For the Directors’ compensation, Article 17 of the Company’s Articles of Incorporation states that “The Company shall pay remuneration to the directors of the Company for the performance of the duties of the Company regardless of profit or loss of the Company. The Board of Directors is authorized to determine the amount of such remuneration based upon the extent of his/her participation and contribution to the Company.” and the compensation is provided accordingly. In accordance with Article 20 of the Company’s Articles of Incorporation, which states that “The current year’s profit, if any, should be used first to cover accumulated deficit, and then the remaining balance shall be distributed: no more than 1% as directors’ remuneration”, the actual ratio allocated in 2023 is 0.3%.

Article 18 of the Company’s Articles of Incorporation states that “The Company may establish managers whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act, and whose compensation shall be paid in accordance with the provisions of the Company’s personnel management regulations. In accordance with Article 20 of the Company’s Articles of Incorporation, which states that “The current year’s profit, if any, should be used first to cover accumulated deficit, and then the remaining balance shall be distributed: no less than 1% as employees’ compensation, and no more than 1% as directors’ remuneration.”, the actual ratio allocated in 2023 is 5.7%. Each manager’s remuneration is evaluated on the common standards of remuneration and benefits in the industry, the Company’s operating conditions, the profit contribution of each business unit, and the achievement of targets.

**(1) Procedures for remuneration establishment**

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

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

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

The Company’s remuneration policy and related payment standards and system are reviewed based on the Company’s overall operating conditions, future risks and development trends of the industry, and sustainable operation of the enterprise, and the payment standards are approved based on the performance achievement rate and contribution, in order to enhance the effectiveness of the Board of Directors and the Company’s overall organizational team. The Company’s managers’ performance objectives are integrated with risk management to ensure that possible risks within their responsibilities are managed and prevented. Important decisions at the management level are made after weighing various risk factors, and the performance of the related risk management is reflected in the company’s profitability, which leads to correlation. The Company’s Remuneration Committee also regularly reviews and evaluates the remuneration system of directors and managers and submits relevant proposals to the Board of Directors for deliberation in order to maintain a balance between operational performance and risk management of the Company.





About This Report

00 Corporate Governance

- About ASUS
- Management Organization
- Ethical Corporate Management
- Risk Management
- Information Security Management
- Customer Satisfaction

- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

**Board Evaluation**

ASUS formulates the “Self-Evaluation of the Board of Directors” and requires the Board of Directors to organize the performance evaluation among itself, board members, and functional committees at least once each year, to implement corporate governance and improve its operation efficiency. The evaluation includes: the participation level in the operation of the Company, election and continuing education of the Directors, and internal control. The evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. The results of the 2023 board performance evaluation presented to the Board of Directors in Jan. 2024, were as follows:

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



**Audit Committee**

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

There were a total of 4 Audit Committee meetings in 2023, with an attendance rate of **100%**



**Remuneration Committee**

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

There were a total of 3 Remuneration Committee meetings in 2023, with an attendance rate of **100%**



**Business Continuity Management Committee**

The BCM Committee has 5 members. In addition to all independent directors bringing in issues of concern from external stakeholders for risk assessment, the co-CEOs and COO also hold regular cross-department risk management meetings to develop approaches regarding major cross-department risks, and report to the Board of Directors on a regular basis.

There was a total of 1 BCM Committee meeting in 2023, with an attendance rate of **100%**





**00 Corporate Governance**

- About ASUS
- Management Organization
- Ethical Corporate Management**
- Risk Management
- Information Security Management
- Customer Satisfaction

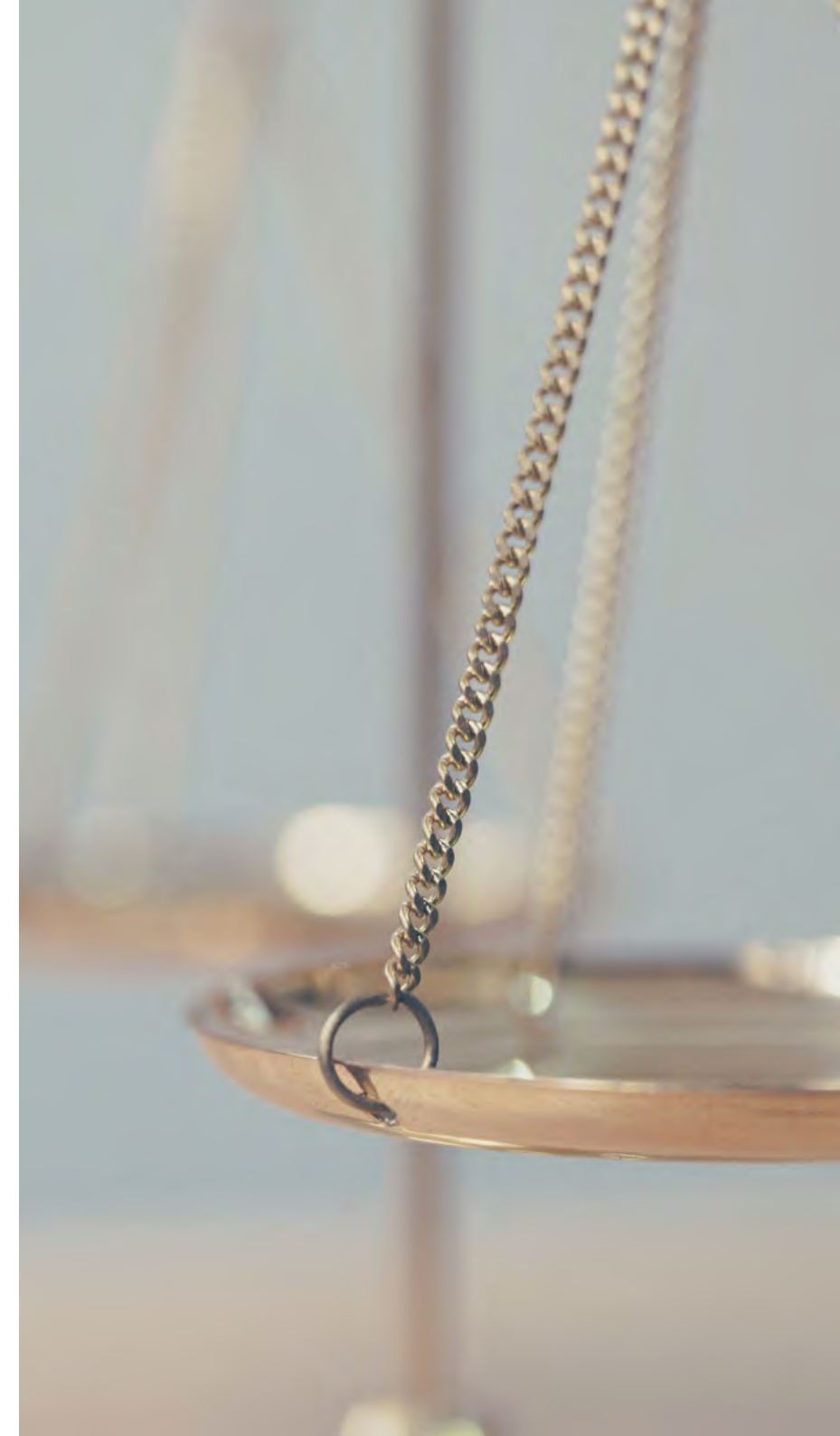
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

## Ethical Corporate Management

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

 <p><b>Board of Directors</b></p> <p>Report annually to the Board of Directors on the status of the ethical corporate management of the Company. The Board of Directors is responsible for overseeing the management responsibilities in ethical corporate management.</p>	 <p><b>Employee</b></p> <p>The “Employee Code of Conduct” is included in the mandatory course for all new employees, and it is required to be retrained every year to enforce good ethics of practice. The global completion rate reaches 100% in 2023.</p>	 <p><b>Supplier</b></p> <p>During the qualification assessment of new suppliers, we require them to issue the “Declaration of ASUS Group Contractor/ Supplier Conduct Compliance” and sign the “Code of Conduct Compliance Declaration” before the transaction.</p>
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ASUS has always engaged in all business activities with honesty and forbids corruption and any form of fraud. With a system of rewards and punishments, we make sure that employees do not accept any type of fraud regarding demands, contract, bribery, or any other improper benefits. Should anyone discover a potential violation of the Employee Code of Conduct of ASUS employees, a report can be made to us through our public mailbox (audit@asus.com). In accordance with the Occupational Safety and Health, the Sexual Harassment Prevention Act, and the Personal Data Protection Act, any personal information and other full-funded identification information of the whistleblower shall be kept confidential and shall not be provided to third parties not related to the investigation. To avoid unfair and unfavorable treatment, the whistleblower can also propose necessary precautions against possible damage in accordance with the law. Compliance with the Code of Ethical Conduct is also included in the employees’ annual performance evaluation criteria. Any violations will impact performance assessments and the distribution of rewards and compensation. Regarding cases that violate the “Code of Conduct”, they will be dealt with appropriately based on the severity. ASUS will severely punish illegal acts and transfer them to judicial authorities for investigation if necessary.





About This Report

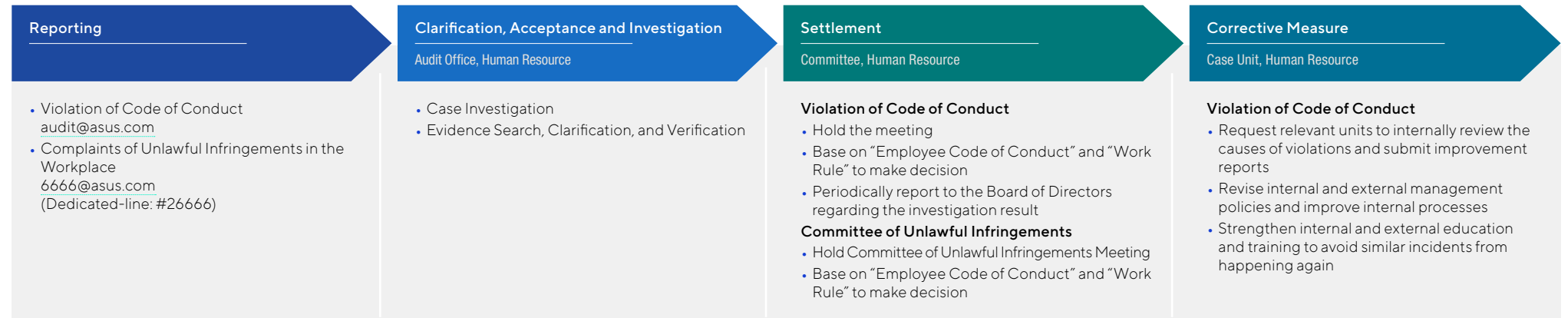
00 Corporate Governance

- About ASUS
- Management Organization
- Ethical Corporate Management**
- Risk Management
- Information Security Management
- Customer Satisfaction

- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace

Appendix

🔍 Whistleblowing Channels and Procedures



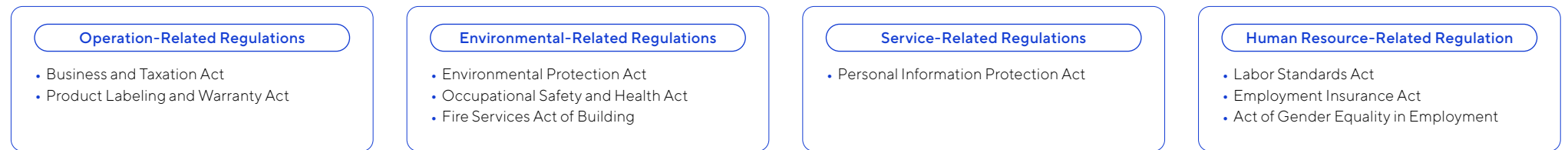
**Response to the Incidents in 2023**

For cases of violation of the “Employees Code of Conduct”, ASUS will handle them appropriately according to the severity of each case. There was one case of violation to Employees Code of Conduct in 2023. An employee was found to have received improper benefits from a supplier. In accordance with ASUS’ internal regulations “Employee Code of Conduct” and “Work Rules”, the employee was dismissed. Subsequently, we not only re-evaluated and selected new suppliers but also improved operational processes and reiterated and promoted correct internal practices. In 2023, there were no other incidents of conflicts of interest, money laundering, insider trading, or similar violations.

**Regulation Compliance**

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

ASUS has formulated the “ASUS Internal Regulation Identify Management Measures,” which identify and manage operational, environmental, and service-related regulations. We disclose public criminal or administrative law cases that involved fines of more than NT\$1.5 million or seriously affected the operation of the company’s major events in the sustainability report to comply with the balance and transparency principles of the GRI Standards. There was no major violation in regulation compliance in 2023.

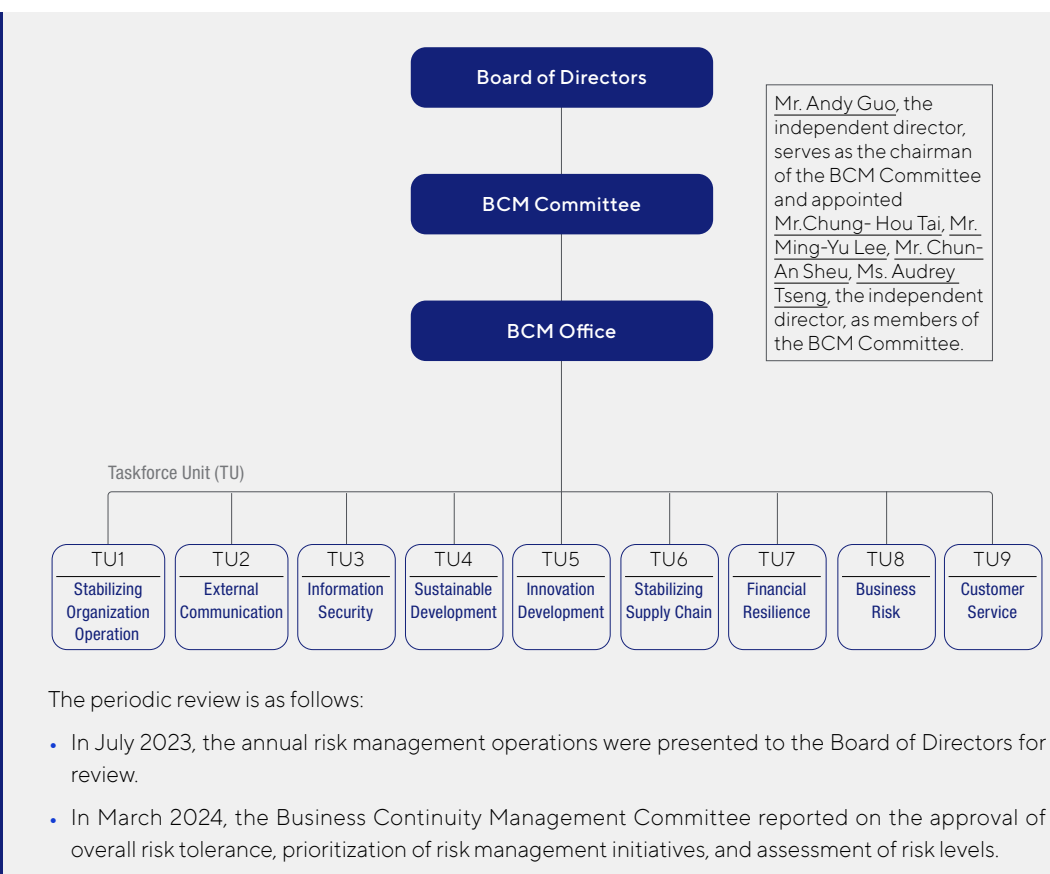
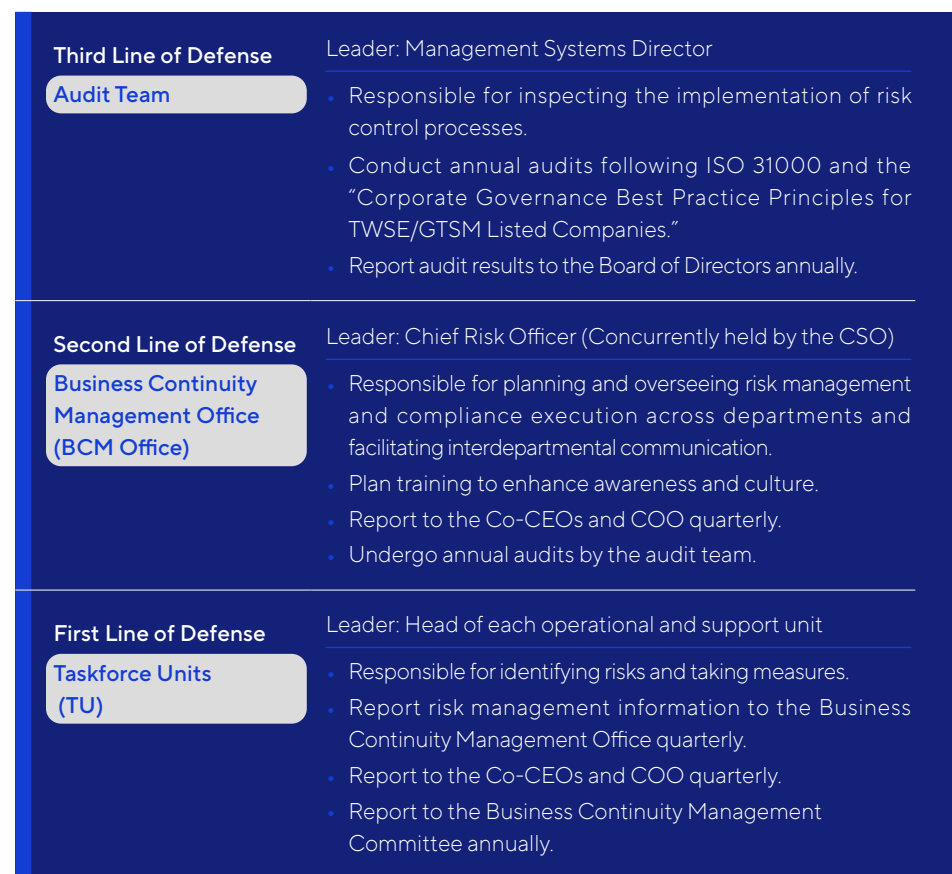


## Risk Governance

To ensure effective risk management, ASUS has established a Business Continuity Management (BCM) Committee, serving as a platform for communication between governance and operational units. ASUS also implements cross-departmental risk management mechanisms, breaking down departmental silos to transform risk response from reactive to proactive, thereby enhancing the Company's resilience against risks. In addition to establishing a regular review mechanism, ASUS adopts a three-line defense system to construct its internal control framework, and undergoes regular supervision at the board level.

### Board-Level Supervision and Three-Line Defense Internal Control

- Board of Directors: Responsible for overseeing the strategic direction of risk management, approving risk policies and procedures, serving as the highest decision-making body for risk management.
- Business Continuity Management Committee: Comprised of independent directors from the Board of Directors, responsible for determining overall risk tolerance, prioritizing risk management initiatives, and assessing risk levels. It reviews the operation of risk management and reports to the Board of Directors annually.



About This Report

### 00 Corporate Governance

- About ASUS
- Management Organization
- Ethical Corporate Management
- Risk Management**
- Information Security Management
- Customer Satisfaction

- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

**00 Corporate Governance**

- About ASUS
- Management Organization
- Ethical Corporate Management
- Risk Management**
- Information Security Management
- Customer Satisfaction

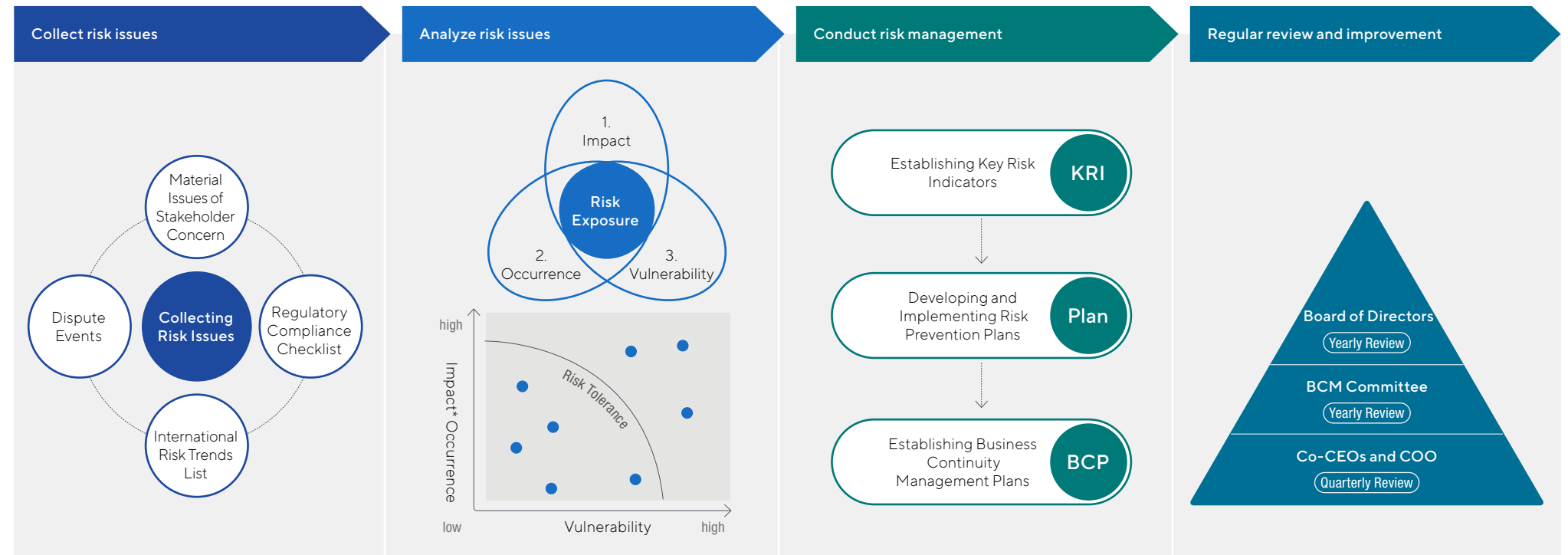
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

**2023 Major Accomplishments**

1. Establishment of the ASUS Group 360° Watch mechanism to monitor group dispute events. Risk reporting expanded to include the entire group and senior management, enhancing information transparency and risk awareness.
2. Cross-functional units jointly discussed responses to ASUS Top Risk, enhancing the integrity of risk management strategies.
3. Addition of a Business Continuity Plan (BCP) for severe infectious diseases. Scenario drills were conducted by the response team to enhance preparedness capability.
4. Development of courses on “International Risk Trends” and “Corporate Risk Assessment Tools” to enhance the risk management capabilities of control members.

**Risk Management Process**

By integrating the ISO 22301 Business Continuity Management System international standard and relevant tools, ASUS has developed a BCM management tool suitable for practical needs and company development. The BCM office and TU jointly gather risk issues from four main sources, including: 1. Material issues of stakeholder concern, 2. Regulatory compliance, 3. International risk trends, and 4. Controversy events, to comprehensively identify potential risks that may affect business operations. We analyze the Risk Exposure of each issue and implement tiered management based on risk levels. For medium and high-risk issues, we identify vulnerabilities in key resources and establish relevant Key Risk Indicators (KRIs) and risk prevention plans. We review the progress of risk control quarterly. In 2023, a total of 34 KRIs and related risk prevention plans were established. For risk issues where resources are already in place, we continue to monitor the KRIs. Additionally, for risk events that could potentially harm personnel safety, assets, or disrupt daily operations, we develop Business Continuity Plans (BCPs) and conduct drill. In 2023, BCPs for severe infectious diseases and war airstrikes were added, and 8 scenario drills and reviews were completed.





About This Report

00 Corporate Governance

- About ASUS
- Management Organization
- Ethical Corporate Management
- Risk Management**
- Information Security Management
- Customer Satisfaction

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

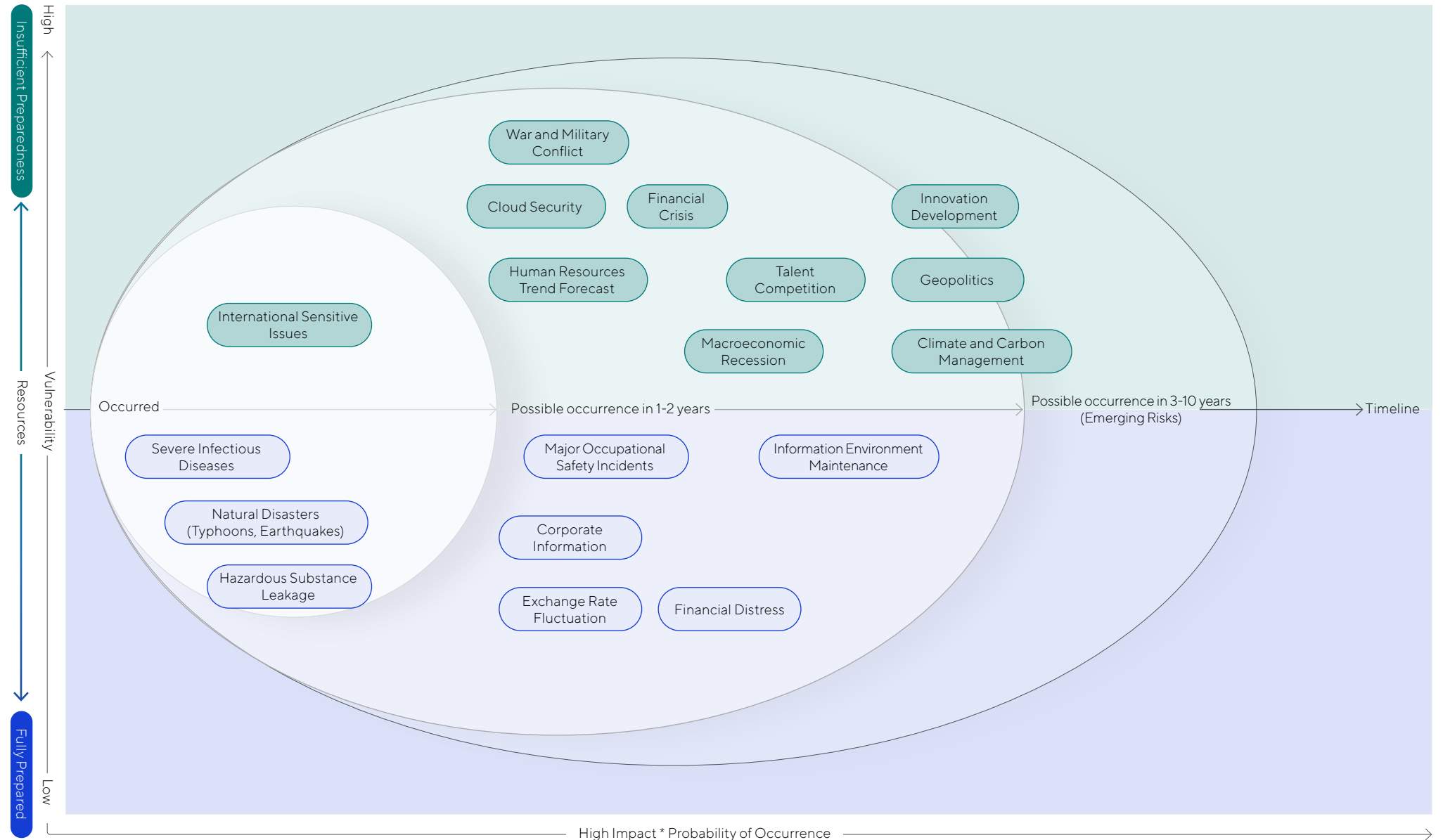
09 Social Engagement

10 Inclusive Workplace

Appendix

Risk Identification Results

ASUS Enterprise Risk Identification Matrix







## Major Risk Issues and Adjustment Actions in 2023

### 🔍 Short-Term Risks: 1-2 Years (2023-2024)

Risk Categories	Risk Issues	Potential Impact	Mitigation Actions
<b>Economy</b>	Macroeconomic Recession, Financial Crisis	<ul style="list-style-type: none"> <li>Challenges such as the Ukraine–Russia conflict, Chip war, trade tensions, and supply chain restructuring, which impact sales demand forecasting inaccuracies and channel inventory devaluation losses.</li> <li>Potential financial crisis in partner banks may result in unrecoverable financial assets.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening business intelligence and real-time information transparency to anticipate customer needs proactively.</li> <li>Establishing a bank risk assessment mechanism.</li> </ul>
<b>Society</b>	Talent Competition, Digital Transformation	<ul style="list-style-type: none"> <li>Industry talent wars resulting in talent shortages, impacting organizational and operational effectiveness.</li> <li>Operational processes not yet digitally transformed require significant human, material, and time resources, hindering real-time understanding of HR trends and the ability to make quick decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of talent readiness assessment mechanisms.</li> <li>Establishing professional job functions and optimize managerial job functions.</li> <li>Implementation of a global HR system.</li> </ul>
<b>Technology</b>	Cloud Security	<ul style="list-style-type: none"> <li>With the increasing total expenditure on cloud services and widespread adoption of remote services, it is essential to ensure the confidentiality, availability, and integrity of data processing/storage in the cloud environment.</li> </ul>	<ul style="list-style-type: none"> <li>Establishing cloud security management systems and auditing suppliers.</li> <li>Developing configuration security standards and detecting configuration security.</li> </ul>
<b>Geopolitics</b>	War and Military Conflict	<ul style="list-style-type: none"> <li>Sensitive Cross-Strait Relations: During air raid alerts, potential harm may occur.</li> <li>The Ukraine–Russia conflict and US sanctions may result in material shortages and banking restrictions.</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of an “Air Raid Emergency Response Plan.”</li> <li>Creation of a white-list for materials and expansion of collaboration with banks.</li> </ul>

### 🔍 Medium to Long-Term Risks: 3-10 Years (2025-2034)

Risk Categories	Risk Issues	Potential Impact	Mitigation Actions
<b>Economy</b>	Innovation development	<ul style="list-style-type: none"> <li>Failure to adapt to innovative technologies such as sustainability, artificial intelligence, and energy may result in decreased market competitiveness and exposure to cybersecurity vulnerabilities, posing compliance challenges.</li> </ul>	<ul style="list-style-type: none"> <li>Focus on research into sustainability, AI, energy, and battery technologies.</li> </ul>
<b>Environment</b>	Climate and Carbon Management	<ul style="list-style-type: none"> <li>ASUS commits to use 100% renewable energy in global operations centers. However, the domestic renewable energy market faces supply-demand imbalances. Failure to proactively strategize may lead to increased operational costs and even affect orders.</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of carbon reduction goals and the creation of a Carbon Data Management Platform.</li> <li>Planning for renewable energy pathways.</li> </ul>

### 🔍 Emerging Risks

Risk Categories	Risk Issues	Potential Impact	Mitigation Actions
<b>Economy</b>	Generative AI	Generative AI and other emerging technologies are rapidly advancing, bringing about business transformation and opportunities. However, they also present risks as hackers exploit these technologies for attacks. ASUS needs to proactively develop applications and defenses to prevent long-term impacts on its business operations.	<ul style="list-style-type: none"> <li>Establishment of the GAI Committee to drive cross-department exploration of application scenarios and develop GAI application projects.</li> <li>Creation of the GAI Intelligence Network to provide colleagues with various AI skills.</li> <li>Entering large enterprises through supercomputer computing power and cloud services, comprehensively deploying AI products, including servers, PCs, smartphones, AIoT and other devices</li> <li>Implementation of protection schemes for critical resource endpoints and optimization of the in-house threat intelligence platform.</li> </ul>
<b>Geopolitics</b>	Geopolitics	Geopolitical tensions causing supply chain disruptions pose risks, and the ever-changing regulatory landscape limits production and sales. ASUS must possess flexible operational capabilities to respond to the challenges of unforeseen events and ensure business continuity.	<ul style="list-style-type: none"> <li>Strengthening supplier risk management, plan and implement supply chain BCM control, and establish supply chain BCP.</li> <li>Diversification of production across regions to mitigate geopolitical risks.</li> <li>Establishment of compliance management processes related to geopolitics.</li> </ul>

About This Report

#### 00 Corporate Governance

About ASUS

Management Organization

Ethical Corporate Management

**Risk Management**

Information Security Management

Customer Satisfaction

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

**00 Corporate Governance**

- About ASUS
- Management Organization
- Ethical Corporate Management
- Risk Management**
- Information Security Management
- Customer Satisfaction

- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix



**Risk Culture and Risk Reporting**

We conduct annual international risk trend report and corporate risk assessment tool training courses to enhance risk awareness and master risk control skills. In 2023, we expanded the scope of risk reporting, providing specific risk information needs for different stakeholders. We established a dynamic reporting mechanism with open and transparent review to ensure timely control and gradually improve risk awareness.

Stakeholders	Communication Content	Communication Channels	Communication Frequency
<b>Group Companies and Members of Taskforce Units</b>	[Review of Group Controversy Events] Through the ASUS 360° Watch Finding monthly report, we promptly release information on group controversy events, covering four major aspects: environment, business ethics, labor and human rights, and sustainable procurement. This helps us understand the risks we face, conduct open and transparent reviews, thereby enhancing the group’s risk awareness and demonstrating the group’s operational resilience.	EMAIL	Monthly
<b>Senior Executives within the Company</b>	[Progress of Major Risk Control] Through Top-Down and Bottom-Up discussions on major risks affecting the company and adaptive actions, we align with the company’s strategic objectives. For the same risk issues, we integrate and coordinate cross-functional risk management and control.	BCM Quarterly Meeting	Quarterly
<b>Business Continuity Management (BCM) Committee</b>	[Supervision of Risk Control Effectiveness] Oversee ASUS risk management operations, approve risk tolerance levels, and communicate to guide resource allocation.	BCM Annual Meeting	Yearly
<b>Board of Directors</b>	[Supervision of Management Mechanism Operation] Communicate the effectiveness of risk control execution and future risk control planning, ensuring alignment with operational strategic direction.	Board of Directors	Yearly

About This Report

**00 Corporate Governance**

- About ASUS
- Management Organization
- Ethical Corporate Management
- Risk Management
- Information Security Management**
- Customer Satisfaction

- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace

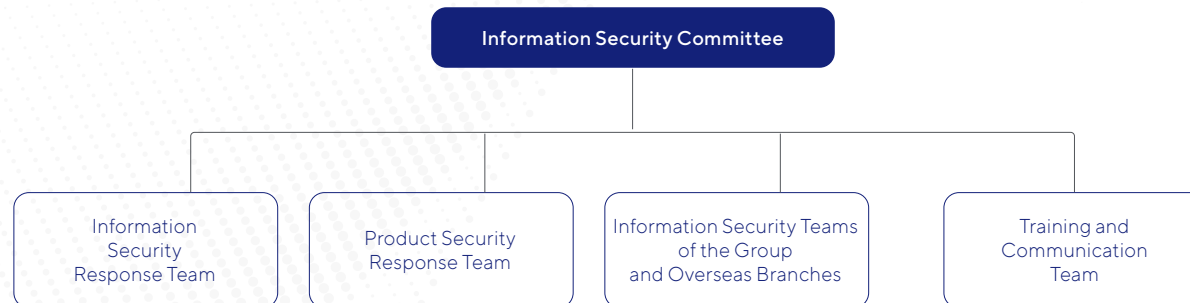
Appendix

## Vision for Information Security Management Organization

After the rapid progress of digital transformation, the application of emerging technologies, including cloud services, the Internet of Things, and generative AI, has expanded, creating new threats of cyberattacks, as well as the continuous impact of supply chain cybersecurity on enterprise business continuity. In addition, the evolution of attacks, such as ransomware and social engineering, has caused great damage to numerous organizations. Lastly, as the government and industry tighten their oversight measures, companies are required to comply with applicable laws, regulations, and standards. Against this backdrop, ASUS continues to implement risk assessment and management, strengthen internal control mechanisms and external collaboration, and raise cybersecurity awareness among employees. In response to the ever-changing cybersecurity challenges, the company is also constantly monitoring the development of emerging technologies and the threats they pose.

Jonney Shih, Chairman of ASUS, instructed the establishment of the Information Security Committee in May 2020, which reports to the Chairman and implements the information security strategy as directed by the Chairman. The Information Security Committee's monthly meeting is attended by Ted Hsu, Vice Chairman of ASUS, and S.Y. Hsu and Samson Hu, Co-CEOs of ASUS, who are all members of the Board of Directors. They are leading the Committee on several information security projects. The projects include supply chain information security, privacy protection and cloud service security based on the ISO management standards, and internal coordination required to achieve relevant information security compliance. In addition, in September 2021, ASUS appointed the Chief Information Security Officer (CISO). In the same year, the company also established a dedicated information security team, the Digital Security Center, which is responsible for comprehensive planning and strengthening of information security and product security. With the vision of "Building Digital Resilience, Enhancing Brand Trust. Pursuing Excellence in Security," the Digital Security Center serves as a powerful support for the company's subsidiaries, customers, and supply chain partners. The CISO reports annually to the Board of Directors on ASUS' information security risk and project performance and results delivered by the Digital Security Center.

As the global information security challenges are intensifying, requiring cross-border support and collaboration between the public and private sectors, Jonney Shih instructed the CISO to meet with public sector officials and expressed our willingness to take the lead in bringing various sectors together. Later, in July 2021, ASUS established the High-Tech Information Security Alliance with the help of the Taiwan Network Information Center (TWNIC) and Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC), and in April 2022, with the help of the Taipei Computer Association, the company established the Taiwan Chief Information Security Officer Alliance, which is currently the largest user-centric information security alliance with about 190 company members whose total annual revenue exceeds NT\$15 trillion.



## Four Main Action Themes and Policies





About This Report

00 Corporate Governance

- About ASUS
- Management Organization
- Ethical Corporate Management
- Risk Management
- Information Security Management
- Customer Satisfaction

- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace

Appendix

## 2023 Information Security Management Results

### Information Security Governance

The Information Security Committee promotes the Information Security Management System, establishing management procedures that comply with international standards. It plans, implements, and reviews internal information security activities, and verifies various activities and their related results to meet the objectives and requirements of the Information Security Management System.



- As of March 2024, the Committee has held 40 monthly information security meetings, totaling 80 hours, discussing 290 agenda items, engaging 27 teams.
- ASUS has held quarterly information security meetings of the ASUS Group and established an instant messaging platform for the 11 subsidiaries selected by ASUS to designate their information security specialists to attend the meetings, and so far, 7 regular quarterly meetings have been completed as scheduled.
- In 2023, revisions were made to the Information Security Contract Terms, adding new requirements for software outsourcing suppliers to ensure traceability of component usage.

### Information Security Program

Conducting information security incident investigations and improving protection and response drills to evaluate the level of the Group’s information security defenses. Additionally, the company implemented social engineering drills to prevent commercial email fraud, using the standards set by the Executive Yuan’s National Information and Communication Security Taskforce (NICST) as the benchmark. Security awareness training was provided to employees and new hires globally, with courses available in 18 languages. The company continually emphasized the Group’s Information Security Ten Rules, sending formal email reminders to employees who violated the rules, requesting improvements, and reporting these incidents to the highest department supervisors as part of individual performance evaluations.



#### Information Security Awareness

- In addition to raising general information security awareness, four social engineering drills were conducted in 2023, with the Executive Yuan’s National Information and Communications Security Reporting Standards as the drill objectives. The overall information security awareness of all staff was raised. All average indicators surpassed the qualified standards.
- In 2023, 100% of the approximately 15,000 employees worldwide have completed the online training and passed the post-training test, and new employees have been provided with extended hours of mandatory information security courses.
- In September 2023, ASUS organized the first Information Security Week, featuring 4 short seminars, 2 lengthy lectures, and a cybersecurity development competition.

#### Product Safety Engineering

- Continuously driving software development security, the software security policy principles, security development environment, and computer security maintenance requirements were incorporated into the “Security System Development and Maintenance Standard” announced and issued in 2019.
- Assisting the Open Platform - Internet and Wireless Device Division in obtaining the ISO 27001 certification, with router software development security management activities as the verification scope.
- In March 2024, the company adhered to the Secure Software Development Life Cycle (SSDLC) to ensure consistent security standards across system planning and requirements analysis, system design, development, testing, maintenance, security controls, and outsourced development operations. After revising and finalizing the management procedures, these will be formally announced and implemented.



About This Report

00 Corporate Governance

- About ASUS
- Management Organization
- Ethical Corporate Management
- Risk Management
- Information Security Management**
- Customer Satisfaction

- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace

Appendix

**Risk Management**

We pay attention to various digital security risks and help internal units to adopt and implement the BCM risk assessment, risk management, and crisis management plans and grasp the implementation status of various drills.



- Four quarterly Business Continuity Management (BCM) meetings were held, during which 111 risks were identified and 26 risk plans and 13 crisis management frameworks were developed.
- Built risk monitoring dashboards to systematically track information through an automated and collaborative platform with a risk dashboard that displays 14 risk items.

**Digital Resilience**

In 2021, the “High-Tech Information Security Alliance” was established, aiming to enhance defensive capabilities through regular exchanges within the alliance. In 2022, the cross-industry “Taiwan Chief Information Security Officer Alliance” was formed to improve industry cybersecurity resilience. To strengthen product security development, relevant Open Source testing mechanisms were introduced to research and development units, and policies were formulated and implemented. Additionally, Open Source SSDLC & License educational training was conducted for the R&D teams. In 2022, led the efforts in establishing the Taiwan Chief Information Security Officer Alliance, which now has more than 100119 publicly traded or OTC companies as members to improve the information security resilience of domestic industries jointly. In 2023, ASUS invested in the construction of national critical information infrastructure, including the establishment of the National Center for High-Performance Computing - “Taiwania-4” supercomputer project, ensuring that the country’s critical computing platforms meet the National Cybersecurity Grade A Protection level.



- The “High-Tech Information Security Alliance” collaborated with a 10 suppliers from upstream and downstream supply chain partners to collectively defend against cyber threats, having convened over 16 alliance meetings as of March 2024. The “Taiwan Chief Information Security Officer Alliance,” supported by the Taipei Computer Association, engages in discussions on various information security issues with 170 enterprises.
- Regularly worked with a team of information security professionals to conduct red team exercises, simulating real hacker attacks on the company’s information system. This helps assess the effectiveness of the company’s security protection, identify potential vulnerabilities, and make necessary improvements.
- ASUS Group’s CISO has been invited to participate in numerous government-organized national information security conferences in recent years and provided advice from the perspective of private enterprises and advocates for the industry.

**Case Study**

**ASUS Chief Information Security Officer jointly initiated and promoted the “Taiwan Chief Information Security Officer Alliance,” recognized with SGS Award.**

ASUS has deepened its commitment to cybersecurity sustainability, with the introduction of ISO 27701 Privacy Information Management, ISO 27017 Cloud Service Information Security Controls, and ISO 27018 Public Cloud Personal Data Protection in 2023. Actively enhancing information security operational norms, ASUS collaborated in the establishment of the “High-Tech Information Security Alliance” and “Taiwan Chief Information Security Officer Alliance,” reinforcing and enhancing digital operational resilience. At the SGS Annual Conference, ASUS was honored with the “IT Awards for Excellence in Cybersecurity Management.”





About This Report

## 00 Corporate Governance

About ASUS

Management Organization

Ethical Corporate Management

Risk Management

**Information Security Management**

Customer Satisfaction

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Personal Data Protection Committee

ASUS established the “Personal Data Protection Committee” in 2021. The Personal Data Protection Committee has released the “General Personal Data Protection Policy” which is implemented internally and used as the guidelines on the collection, processing and use of personal data collected through ASUS products and services (such as computers, software, official websites, customer support services and others). The Committee also published the “[ASUS Privacy Policy](#)” on ASUS official website to let the general public and consumers be aware of how ASUS protects and manages their personal data. If ASUS’s partner vendors engage in the collection, processing, or use of personal data, ASUS ensures compliance with personal data protection regulations by signing relevant personal data agreements with these vendors.

To ensure the implementation of company policies, some of ASUS’s services newly adopted certifications such as ISO 27701 Privacy Information Management and ISO 27018 Public Cloud Personal Data Protection in 2023, strengthening the systematic management of privacy. The Personal Data Committee currently operates a risk management process that includes regular data inventories, improvement actions, reviewing the completeness of regulations, education and training, handling and responding to incidents, and conducting annual internal audits. The committee holds bi-weekly regular meetings to execute and review annual work and convenes ad-hoc meetings as needed to adjust execution methods and handle personal data-related incidents, accumulating 320 regular meetings by the end of 2023. ASUS employees are also committed to managing personal data properly according to personal data management regulations. In the event of significant violations of the aforementioned regulations, ASUS will impose penalties as required by these regulations. All personal data collected by ASUS is processed and utilized within the scope of the “Privacy Protection Policy” to protect the privacy rights of individuals and will not be used for other purposes. In 2023, there were no personal data incidents that required reporting to the competent authority or the data subjects.

## Main Accomplishments of the Personal Data Protection Committee in 2023

### ② Regulatory Compliance Management for the Personal Data Protection Laws

- **Data inventory review:**  
Continue to examine the nature of data collected, processed and used by the company to ensure the scope of regulatory compliance.
- **Process improvement:**  
The Committee elaborates to the relevant departments on the data processing procedures that shall be modified and improved to be in accordance with personal data protection laws in response to the update of products or services.
- **Privacy policy review:**  
Adjust the ASUS Privacy Policy for each country in response to regulations from different jurisdictions if needed.
- **Regular Education and training:** in 2023, 6 sessions were provided to employees in headquarters and in overseas offices.
  - In-person and online courses: Training courses on personal data protection are offered to all employees annually.
  - Non-scheduled classes: Provide specific sessions on personal data protection based on the needs of each department.
- **Handle the request and inquiry of data subjects and supervisory authorities:**  
The Committee is the central contact point for handling requests and inquiries of data subjects and supervisory authorities. ASUS shall respond to the requests from data subjects within the statutory period by law. The Committee collaborates with the relevant departments to handle requests and responds to the data subjects to fulfill the regulatory obligations. Inquiries from the supervisory authorities are also handled with the same approach to mitigate legal risks.
- **Annual internal audit:**  
The responsible departments involved in the management of personal data are included in the scope of audit to cooperate the company’s internal audit. With internal self assessment conducted by the departments, examination of service providers’ practices conducted by the departments, and audits conducted by auditors, the Committee provides corrective measures and improvement approaches on non-compliant items to assist the responsible departments or service providers to improve their practices to ensure the full implementation of the company’s policies and relevant management procedures.

## Main Plans of the Personal Data Protection Committee for 2024

- Review and improve the Company’s compliance procedures in response to new legislation in Asia-Pacific and Americas.
- Increase overseas audits and assist related authorities in performing supplier audits.



## Customer Satisfaction

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

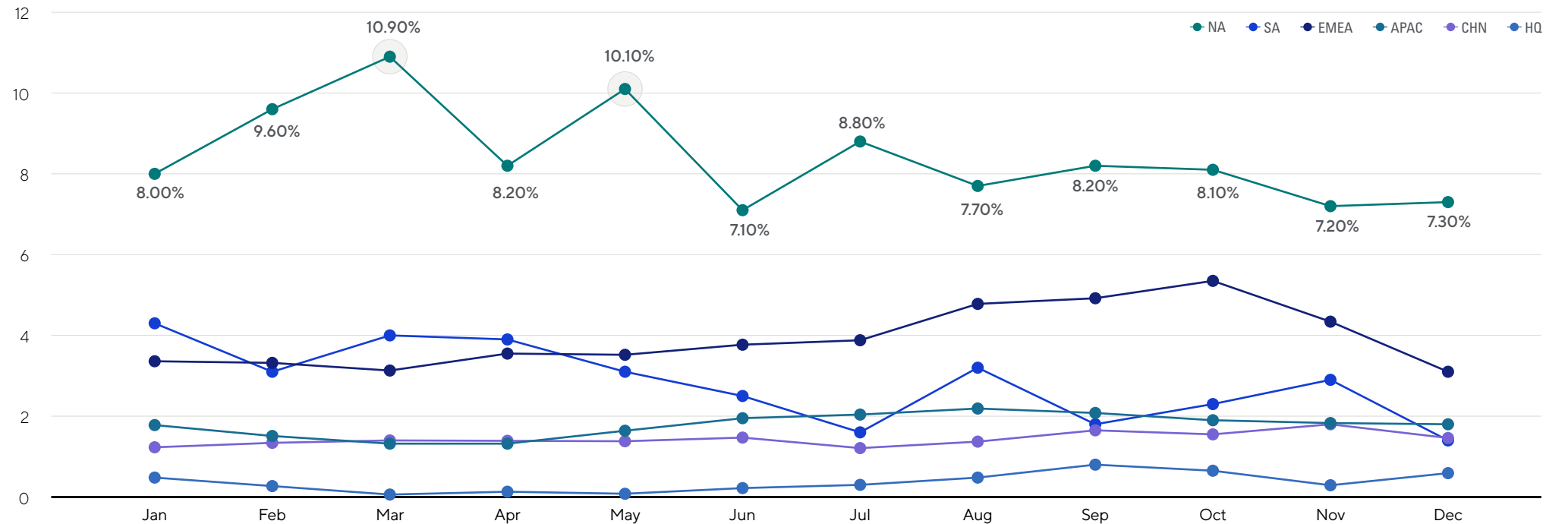
To create a better service experience, ASUS Service Center track and analyzed the results of the questionnaires every month to optimize telephone service quality or procedures. The customer satisfaction target is a dissatisfaction rate of lower than 10%.

For the entire year of 2023, a total of 52 weeks were counted. The dissatisfaction rate in all regions of the world ranged from 0.06% to 10.9%, and the average dissatisfaction rate is 2.33%. In North

America, dissatisfaction rates in March and May did not meet the target, scoring at 10.9% and 10.1%, respectively. To address this issue, we implemented educational training to ensure the quality of our personnel's service. This included solution training, knowledge transfer, technical support reviews, and validation of simulated contact services. Meanwhile, we transitioned the Contact Flow Standard Operating Procedures (SOP) from traditional electronic documents to cloud-based information. This change is designed to ensure that our service personnel possess adequate professional knowledge and can access information more intuitively and rapidly.

Following the implementation of these measures, the dissatisfaction rate has met the target, averaging 7.7%. We will continue to strive for improvements to provide a superior service experience.

2024 Call Center Customer Satisfaction Survey - DSAT%



About This Report

### 00 Corporate Governance

- About ASUS
- Management Organization
- Ethical Corporate Management
- Risk Management
- Information Security Management
- Customer Satisfaction**

### 01 Sustainability Governance

### 02 ESG Focus Case

### 03 Identification of Material Issues and Sustainability-related Risk Management

### 04 2025 Sustainability Goals

### 05 Circular Economy

### 06 Climate Action

### 07 Responsible Manufacturing

### 08 Value Creation

### 09 Social Engagement

### 10 Inclusive Workplace

### Appendix



About This Report

00 Corporate Governance

**01 Sustainability Governance**

Sustainability Strategy

Sustainability Management Organization

ESG Impact

Taxonomy Information Disclosure

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

# 01 Sustainability Governance

## Sustainability Strategy

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

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

### Our Philosophy

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

### Our Vision

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

### Our Support for SDGs

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

### Our Strategy

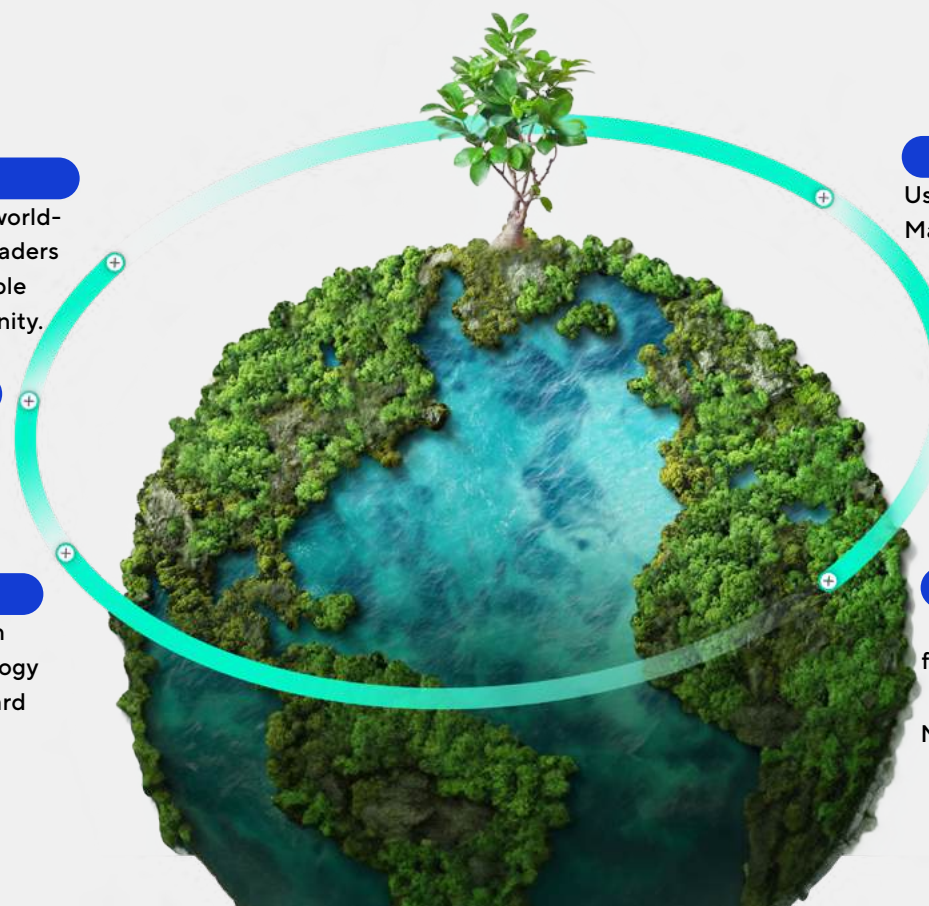
Using Digitized Data and Scientific Management Practices to Support Sustainable Value Creation through Core Competencies.

### Our Priority

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

### Our Goals

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







About This Report

00 Corporate Governance

**01 Sustainability Governance**

Sustainability Strategy

Sustainability Management Organization

ESG Impact

Taxonomy Information Disclosure

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

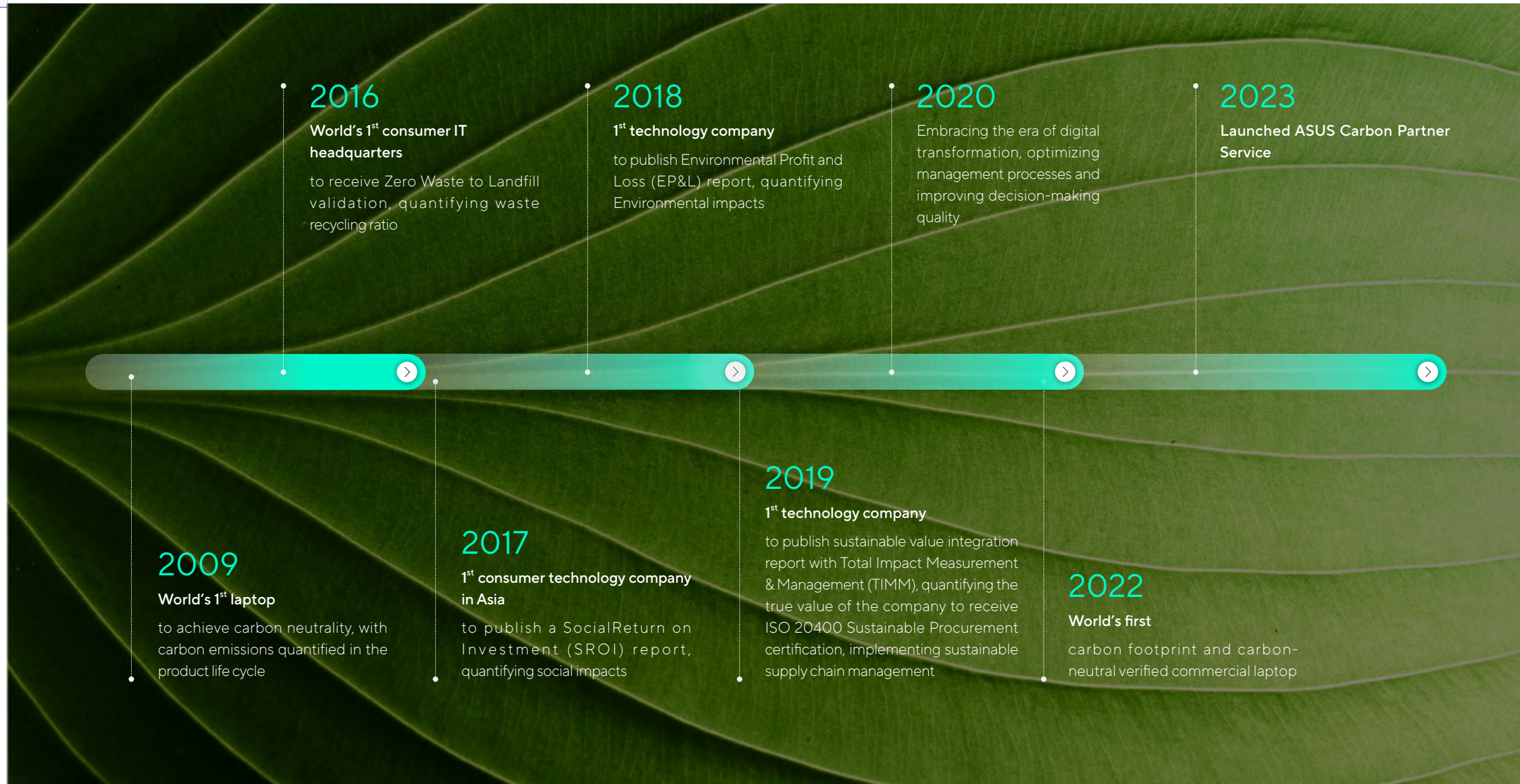
09 Social Engagement

10 Inclusive Workplace

Appendix

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

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





## Sustainability Management Organization

About This Report

00 Corporate Governance

**01 Sustainability Governance**

Sustainability Strategy

**Sustainability Management Organization**

ESG Impact

Taxonomy Information Disclosure

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

### Sustainability and Green Quality Management Center

ASUS established a unit dedicated to sustainable development in 2009 to monitor global sustainable development trends, analyze sustainability issues in governance, environment, and society. It integrated the core of operation with our innovation in product and service to form strategic sustainable direction to execute relevant programs. The Sustainability and Green Quality Management Center is established with the CEO serving as the highest-level manager, as mandated by the Chairman. The CEO is responsible for overseeing the sustainability projects and ensuring the achievement of goals related to material issues. The unit is led by the Chief Sustainability Officer (CSO) who is responsible for analyzing the trend of global sustainability, managing sustainability policy, objectives, and actions. The CSO regularly reports to the Board of Directors each year and submits the policies and targets, key sustainability projects and the performances for review.

### GreenASUS and SERASUS Committee

To horizontally implement the ESG-related ISO management system standards across various departments within the Company, we have established the "GreenASUS and SERASUS Management Committee." Senior management has appointed a management representative responsible for the Company's ISO 9000 Quality Management System, QC 080000 Hazardous Substance Process Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System. It holds periodic meetings and sends e-newsletters with contents including but not limited to company-wide sustainable development information, the recent activities of managementsystem, and the latest legal announcements. The members of the Committee come from the business units, procurement department, customer service, administration, legal and other departments. The communication and coordination are carried out across the units, and the resources can be effectively allocated throughout the company. All ASUS people can work together in a consistent direction to combine the sustainability and core of operation to become one of the competitiveness advantages.

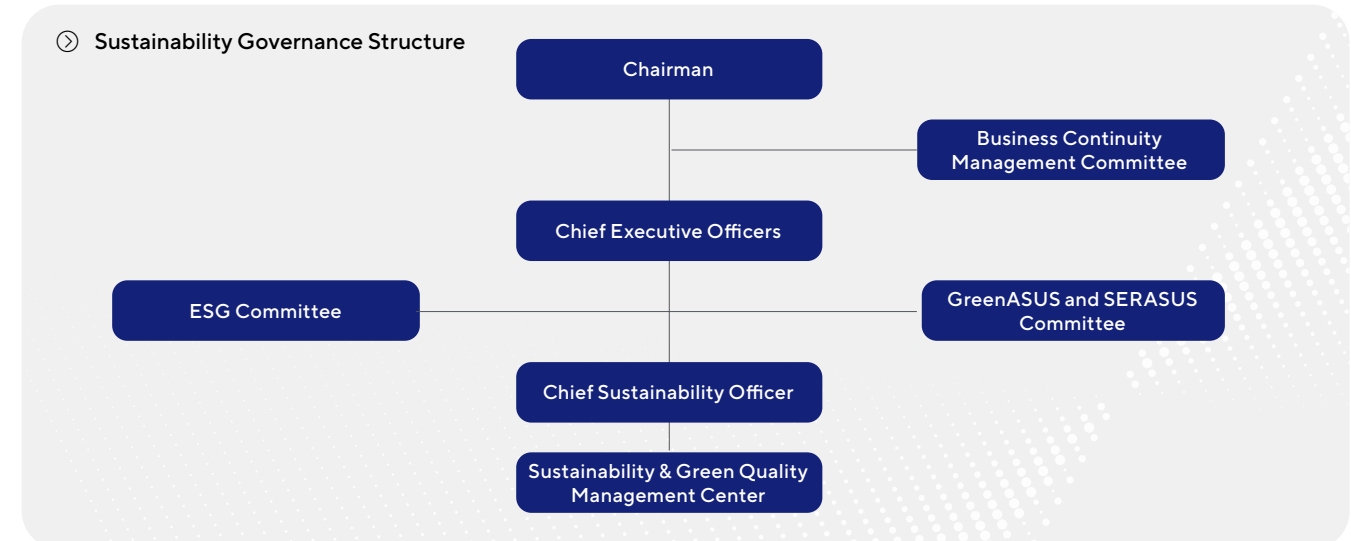
### ESG Committee

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

#### Sustainability Issues reported to the Board of Directors in 2023

1. Progress and achievement of 2025 sustainability goals.
2. Sustainability report and materiality analysis results: Including theme reports such as TCFD and TNFD report.
3. Climate action: greenhouse gas inventory, renewable energy usage, and supply chain carbon reduction effectiveness.
4. Sustainable supply chain: responsible minerals program, RBA Supply Chain Management.
5. Risk management by the Business Continuity Management (BCM) committee: overview of the risk management operations.
6. Annual achievements of social engagement projects

#### Sustainability Governance Structure



## ESG Impact

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

ASUS integrated sustainability strategy into our operational plans and set mid- to long-term sustainability goals. We believe that managing sustainability performance should be the same as managing financial performance, using a quantified assessment tool to understand and measure the progress of the plan to provide guidelines to decision makers, as well as establishing a communication bridge among stakeholders from different fields to jointly create the sustainability of the enterprise and society. ASUS follows the sustainability strategy of “digitizing data, adopting scientific management practices, and optimizing core competencies”, and builds up the basic evaluation capability<sup>1</sup> for monetization by quantifying the impacts of our environmental and social projects over the years, together to construct the sustainable value management model based on the Triple Bottom Line (TBL) which consists of society, economic, and environmental factors. The true value of corporate activities surveyed by a systematic management makes the overall sustainable performance easy to track, manage, and seek for continuously improve.

In recent years, major international organizations promoting impact measurement have been committed to developing standardized methodologies to ensure and optimize the transparency and comparability of sustainable impact among companies. In the past, the core of impact assessment was “Impact Measurement and Management (IMM)”. ASUS has long been committed to using effective impact assessment tools to monetize the value of enterprises in economic, tax, environmental and social aspects to demonstrate the true value of the enterprise beyond financial results. Since 2019, ASUS has been based on the Total Impact Measurement & Management (TIMM) methodology to take the impact value on stakeholders and measure the sustainable value that ASUS’ operations bring to the society to understand the cost and value to the environment and society from a macro perspective, and then monetize our value creation.

However, in recent years, regulatory authorities in various countries’ capital markets have gradually begun to demand different sustainable reporting frameworks, expecting companies to disclose useful information on significant sustainability-related risks and opportunities to the primary users of financial statements to facilitate their decisions on whether to provide resources to the company. In response to this trend, our country has also begun to align with the International Financial Reporting Standards (IFRS) sustainability disclosure framework blueprint, shifting from focusing on the value of influence generated by a wide range of stakeholders to enabling investors to understand the impact of significant sustainability issues on financial condition, financial performance, and cash flows through the new sustainability reporting framework.

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

<sup>2</sup> ASUS’ influence in sustainable development was converted into a monetary value to measure and express the performance from the perspective of stakeholders. It is very different from the preparation of financial statements and the measurement of financial performance used in the past, present, and future. Data related to sustainable value creation in 2023 are not applicable to analysis or forecast using the perspective of financial statements, nor as benchmarks for investment targets or stock measurement and judgment.

## Shared Value

In 2023, ASUS’s overall sustainable value creation was nearly NT\$27.5 billion<sup>2</sup>. This represents a slight decrease compared to the previous year. The positive impact factors include reduced investments and operating income taxes. The negative impact factors are greenhouse gases, water resources, and water pollution. ASUS believes that by continuing to use the same methods and standards for data collection and analysis, it should be able to obtain comparative assessments of annual trends and further optimize the company’s operational management.

ASUS has shifted from an early focus on legal compliance to further integrating sustainability goals and leveraging core competencies such as technological, innovative, and data capabilities to strategically drive sustainability. Compliance with local regulations was previously considered one of the aspects of ASUS’s sustainable value. After optimizing value recognition, regulatory compliance is now viewed as the baseline for corporate sustainable development. Through routine management and auditing of the value chain, compliance with regulations no longer receives positive value. However, this does not mean that regulatory compliance is excluded from our management approach. Instead, compliance with regulations within the value chain is considered the most basic core management data.

Furthermore, ASUS has optimized and redefined the concept of shared value creation, measuring the sustainable shared value created by ASUS’s sustainability actions and management activities. This allows stakeholders and ASUS management to observe and track changes in the company’s shared value.



In the social aspect, with the continuous development of supply chain integration, smart medical and refurbished computer recycling programs, the positive impact on the value chain from the supply chain, consumers to society continues to ferment, with a total impact value of NT\$216,586 thousand.



In the environmental aspect, ASUS continues to focus on the negative impact of greenhouse gases on the supply chain and consumers, and expand the establishment of impact methodology and strengthening the objectivity of data through sustainable actions such as circular economy, responsible manufacturing and climate action, with a total impact value of NT\$263,720 thousand.

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



About This Report

00 Corporate Governance

01 Sustainability Governance

Sustainability Strategy

Sustainability Management Organization

ESG Impact

Taxonomy Information Disclosure

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Economy

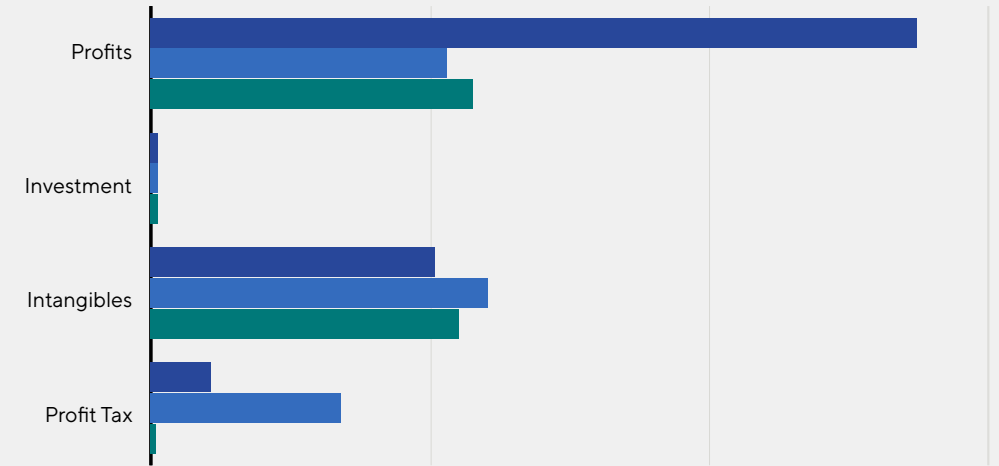


### Value Sharing and Impact Management:

In December 2021, ASUS and NTU College of Electrical Engineering and Computer Science jointly established the ASUS-NTU Joint R&D Center to encourage business units to actively lay out key technologies and expand new business fields through academia-industry cooperation or strategic alliances. It is expected to focus on the fields of advanced electromagnetism, next generation computers, Internet of Things and artificial intelligence. We hope to set a new example of academia-industry cooperation in Taiwan, not only to lead Taiwan to enhance its R&D capabilities and establish its international technological status, but also to nurture new-generation technological R&D talents. In 2023, a total of 15 research projects were conducted, including the "Next-Generation Intelligent IoT Key Technologies and Applications" project, which consists of seven sub-projects, and eight individual research projects. These were part of the National Science and Technology Council's "Academia-Industry Research Center (AIR Center)" program, which approved a three-year grant. In addition to the priority areas, the collaboration extended to smart image processing, quantum technology applications, and generative AI, further advancing ASUS's product and technology development.

### Positive Impact Over the Years

■ 2021 ■ 2022 ■ 2023



Six Main Capitals	Input	Outcome/Output	Impact Factor	Impact Creation	Impact Summary	Stakeholder	Reference
Finance	<ul style="list-style-type: none"> <li>Total assets: NTD \$480,081,800 thousand</li> <li>Number of shares issued: 742,760,280 shares</li> </ul>	<ul style="list-style-type: none"> <li>Taiwan's International Brand Value: USD \$2.201 billion</li> <li>Consolidated revenue NTD \$482.3 billion</li> <li>Cash dividend per share NTD \$17</li> <li>EPS NTD \$21.44</li> </ul>	Profits	NTD \$31,840,594 thousand	In 2023, affected by the decline in the PC industry, overall performance decreased compared to the previous year. Although ASUS's operating profit declined in 2023, with the help of non-operating income, the overall net profit after tax still showed an upward trend. Additionally, employee salary distribution, capital expenditure, tax contributions, and financial investment activities created economic benefits for employees, government, and industry, continuing to drive overall social economic development.	Shareholders Customers Supply chain Employees	Please refer to ASUS Annual Report
			Investment				
Intangibles							
Profit Tax							
Intelligence	<ul style="list-style-type: none"> <li>5,000 R&amp;D talents</li> <li>Invest NTD \$21.6 billion in R&amp;D</li> <li>Established a joint R&amp;D center with National Taiwan University</li> </ul>						



## Environment

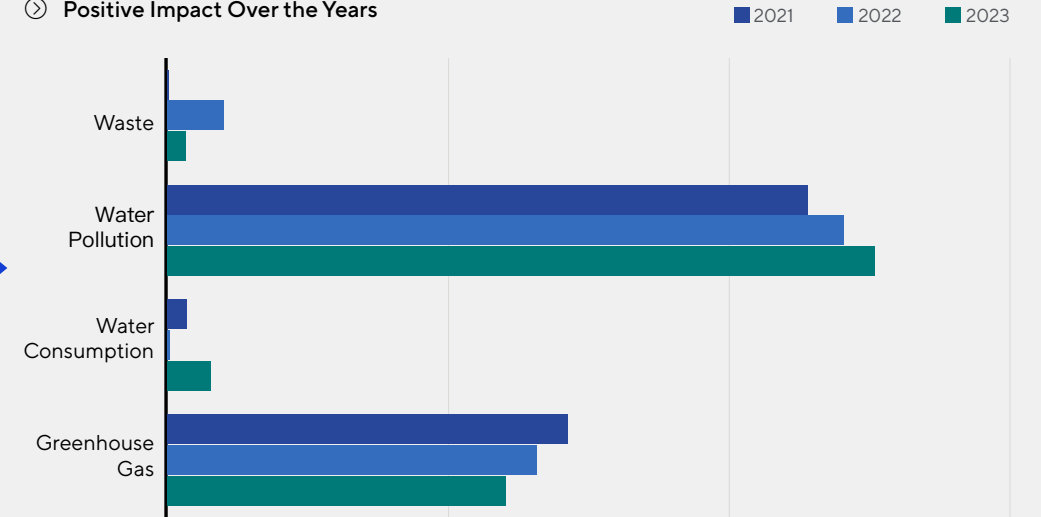


### Value Sharing and Impact Management:

Among ASUS products, mainstream products contain more than 30% plastic of total weight. Therefore, we cooperate with the suppliers to explore the opportunities that increase the use of post-consumer resin (PCR) as much as possible without compromising quality, function, and durability. The average PCR content of ASUS's business laptops is 5%. ASUS's advantages in innovative R&D are used to develop PCR with antibacterial functions. Since 2017, we have used more than 2,400 tonnes of PCR and reduced carbon emissions by 17,000 tonnes CO<sub>2</sub>e.

Starting from 2019, ASUS has replaced PE bags with PET non-woven fabric. We increased the use of recycled pulp for the paper packaging of certain products to 90%. Approximately 23,000 tonnes of recycled paper were used for main products in 2023, which was an increase of 2% from 2021. To become more active in resource protection and the ecology, ASUS has started to use paper materials certified by the Forest Stewardship Council (FSC) since 2020. We used 300 tonnes in 2023.

### Positive Impact Over the Years



- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance**
  - Sustainability Strategy
  - Sustainability Management Organization
  - ESG Impact
  - Taxonomy Information Disclosure
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management

### 04 2025 Sustainability Goals

### 05 Circular Economy

### 06 Climate Action

### 07 Responsible Manufacturing

### 08 Value Creation

### 09 Social Engagement

### 10 Inclusive Workplace

### Appendix

Six Main Capitals	Input	Outcome/Output	Impact Factor	Impact Creation	Impact Summary	Stakeholder	Reference
Environment	<ul style="list-style-type: none"> <li>Since 2017, we have used more than 2,400 tonnes of PCR plastics</li> </ul>	<ul style="list-style-type: none"> <li>Average energy efficiency of laptops exceeded ENERGY STAR® by 42%</li> </ul>	Greenhouse Gas	- NTD \$21,150.269 thousand	ASUS has invested in developing energy-efficient software and hardware to enhance the overall energy performance of its products. The laptops introduced in 2023 demonstrated remarkable improvement, boasting an average energy efficiency 426% higher than those meeting the minimum ENERGY STAR® requirements. By adopting the ENERGY STAR® standards, ASUS has successfully reduced the total carbon emissions from product usage by an impressive 21,657 tonnes this year.	Supply chain Employees Consumers Society	Please refer to <a href="#">05 Circular Economy</a> and <a href="#">06 Climate Actions</a>
	<ul style="list-style-type: none"> <li>Main products use 90% recycled paper, totaling more than 23,000 tonnes</li> </ul>	<ul style="list-style-type: none"> <li>LEED Green Building certification at Corporate Headquarters</li> </ul>	Water				
Intelligence	<ul style="list-style-type: none"> <li>40,172 MWH of electricity consumed in global operations</li> <li>R&amp;D on Green Eco-Design Products</li> </ul>	<ul style="list-style-type: none"> <li>The total weight of recycled products was 13% of the total weight of products sold worldwide</li> </ul>	Water				Please refer to <a href="#">10 Inclusive Workplace</a>
Manufacturing	<ul style="list-style-type: none"> <li>Implementation of green product management and low carbon manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>Eco Friendly Product revenue exceeded 90%</li> </ul>	Waste		New suppliers need to obtain ISO 14001 environmental management system.		Please refer to <a href="#">10 Inclusive Workplace</a>
	<ul style="list-style-type: none"> <li>Implement sustainable value chain Workplace management</li> </ul>						



About This Report

00 Corporate Governance

**01 Sustainability Governance**

Sustainability Strategy

Sustainability Management Organization

ESG Impact

Taxonomy Information Disclosure

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Society



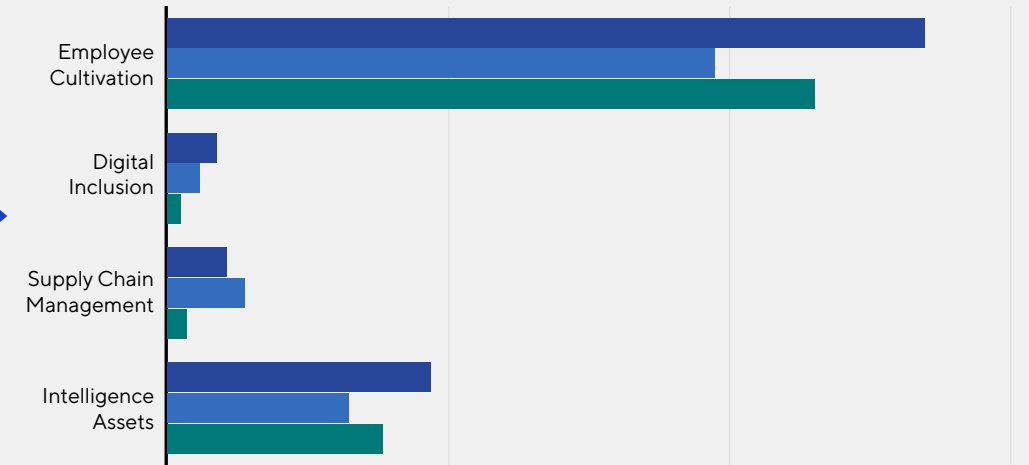
### Value Sharing and Impact Management:

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

To enhance suppliers’ awareness of sustainability issues and their ability to respond to risks, ASUS organizes supply chain conferences and training for individual suppliers on a regular basis to convey its management requirements in the interests of strengthening the partnership with the supply chain. ASUS also organized quarterly support meetings to help suppliers improve audit deficiencies. We invited qualified RBA auditors from impartial third-party institutions to analyze the causes of deficiencies and share best-practice cases in the industry to increase the suppliers’ management awareness and help suppliers implement improvements. The supplier conference and training have benefited more than 6,552 person-times and in more than 772 hours.

### Positive Impact Over the Years

■ 2021 ■ 2022 ■ 2023



Six Main Capitals	Input	Outcome/Output	Impact Factor	Impact Creation	Impact Summary	Stakeholder	Reference
Intelligence	<ul style="list-style-type: none"> <li>5,000 R&amp;D talents</li> </ul>	<ul style="list-style-type: none"> <li>Receive ISO 20400 Sustainable Procurement Certification</li> <li>100% of gold, tantalum, tin and tungsten sourced from qualified smelters</li> <li>Salary and benefit are beyond the regulations, ranked among the top 100 high-paying companies in Taiwan</li> <li>Top 100 Global Innovators, Clarivate</li> </ul>	Intelligence Assets	NTD \$16,834,909 thousand	The Smart Medical Care Flagship Team represents a crucial innovative domain for ASUS as it enters the next generation of technology. Building upon the previous two-phase strategy of infrastructure development and data platform integration, ASUS has launched cutting-edge medical applications. These include wearable smart medical watches and handheld ultrasound devices, which aim to enhance life satisfaction through autonomous health management. Additionally, these innovations serve as financial proxies for value transformation by reducing the waste of medical resources	Supply chain Employees Community	Please refer to <a href="#">08 Value Creation</a>
	<ul style="list-style-type: none"> <li>Invest NTD \$21.6 billion in R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>As of the end of 2023, we have obtained 6,711 intellectual property rights worldwide</li> <li>100% Key suppliers pass audit</li> <li>Conferred Social Education Contribution Award by the Ministry of Education for endeavors in digital inclusion</li> </ul>					
Society	<ul style="list-style-type: none"> <li>Provide 2-day full-paid leave for volunteer services</li> </ul>	<ul style="list-style-type: none"> <li>More than 500 digital opportunities centers and computer classrooms have been established in more than 39 countries and more than 20,000 computers have been donated</li> </ul>	Digital Inclusion		The Digital Inclusion program addressed the key social issues arising from the digital gap and was monetized based on the SROI methodology. Additionally, charitable donations resulted in a reduction of expenses by approximately 40.76 million NTD.		Please refer to <a href="#">09 Social Engagement</a>
	<ul style="list-style-type: none"> <li>Donated 2,631 refurbished computers in the Digital Inclusion program</li> </ul>						
Human Resource	<ul style="list-style-type: none"> <li>Number of Global employees 16,332</li> </ul>	<ul style="list-style-type: none"> <li>Academic-industry collaborations and human cultivation</li> <li>Partnering with more than 755 suppliers globally</li> </ul>	Supply Chain Management		ASUS requires the supply chain to establish the ISO 14001 environmental management system to measure the impact on the supply chain in terms of the procurement policy, effectiveness of energy conservation, and employee conduct.		Please refer to <a href="#">07 Responsible Manufacturing</a>
	<ul style="list-style-type: none"> <li>Key talent development and succession plans</li> </ul>						
Manufacturing	<ul style="list-style-type: none"> <li>Implementation of sustainable procurement management such as human rights protection in the supply chain</li> </ul>						



About This Report

00 Corporate Governance

01 Sustainability Governance

Sustainability Strategy

Sustainability Management Organization

ESG Impact

Taxonomy Information Disclosure

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Taxonomy Information Disclosure

To promote sustainable development, the European Commission proposed the Action Plan: Financing Sustainable Growth in 2018. The plan aims to establish a common set of standards for sustainable finance to guide capital flows to economic activities that make a real contribution to sustainable development. The plan includes three frameworks: the EU Taxonomy, non-financial reporting disclosure requirements, and sustainable investment solutions tools. Among them, the EU Taxonomy is a classification system for economic activities. The main purpose is to establish a common legal framework to identify whether economic activities that can be considered environmentally sustainable and achieve the objectives of the European Green Deal.

In 2020, the EU launched the EU Taxonomy Regulation and defined six environmental objectives and their technical screening criteria (TSC). To be considered as a “sustainable economic activity”, an economic activity must be able to apply the technical screening criteria and contribute to at least one of six environmental objectives listed in the Taxonomy. It also do no significant harm (DNSH) to other objectives under the minimum social governance safeguards (Minimum Safeguard, MS) premise. It can be considered to comply with “sustainable economic activities”.

### ④ Six environmental objects defined by the EU:

- |   |  |
|---|--|
| 1. Climate change mitigation                                    | 4. Transition to a circular economy                          |
| 2. Climate change adaptation                                    | 5. Pollution prevention and control                          |
| 3. Sustainable use and protection of water and marine resources | 6. Protection and restoration of biodiversity and ecosystems |

The economic activities of enterprises corresponding to the list of economic activities set out for each environmental objective are distinguished as either “Eligible” or “Aligned”. An economic activity that is eligible and does not meet the technical screening criteria and minimum social safeguards is not aligned. Economic activities listed as “Eligible” meet the technical screening criteria (TSC) and minimum social governance assurances (MS) for the environmental objectives and do not cause significant harm to other objectives (DNSH). Those listed as “Aligned” meet the same criteria but also align with the broader environmental objectives. Enterprises are required to disclose financial information for the economic activities covered under “Eligible” and “Aligned”, including the percentage of operating income, capital expenditure, and operating expenses.

By the end of 2022, the Financial Supervisory Commission (FSC) announced the “Reference Guidelines for Sustainable Economic Activities” to promote the integration of green finance and drive the transition to net-zero emissions. These guidelines encourage companies to voluntarily disclose the extent to which their economic activities align with the guidelines. The “Reference Guidelines for Sustainable Economic Activities” are based on the framework of the EU taxonomy. Under this framework, economic activities are considered sustainable if they make a substantial contribution to one of the six environmental objectives, do

not cause significant harm to the other objectives, and comply with minimum social governance safeguards.

ASUS, within its computer and peripheral equipment manufacturing and service industry, has undertaken an early examination and assessment of its economic activities. These activities have been found to make a substantial contribution to two major environmental objectives: “Climate Change Mitigation” and “Transition to a Circular Economy”. Moreover, they do not cause significant harm to other environmental objectives or social safeguards. Therefore, they meet the definition of sustainable economic activities.

### Climate Change Mitigation

The current EU Taxonomy do not yet include a comprehensive list of industries and their economic activities<sup>3</sup>. The climate change mitigation objective does not encompass the computer and peripheral equipment manufacturing industry to which ASUS belongs. Additionally, the FSC’s “Reference Guidelines for Sustainable Economic Activities” - specifically targeting climate change mitigation - have set forth draft technical screening criteria for the computer and peripheral equipment industry, intending to use an environmentally friendly label<sup>4</sup> as the certification standard.

ASUS has been actively involved in the long-term development of green products, progressively expanding the use of environmentally friendly materials, implementing low-carbon processes, and improving product energy efficiency. Through stringent international environmental certifications, ASUS has obtained green product certifications. In 2023, ASUS voluntarily disclosed that 60%<sup>5</sup> of its revenue came from economic activities aligned with the “Reference Guidelines for Sustainable Economic Activities” - specifically targeting climate change mitigation.

### Transition to a Circular Economy

According to the EU Taxonomy Regulation, ASUS voluntarily evaluates economic activities applicable to the “Transition to a Circular Economy” environmental objective, including “IT/OT Data Empowerment Solutions,” “Maintenance, Refurbishment, and Remanufacturing,” “Reuse of Waste Products and Components,” and “Product as a Service.” ASUS incorporates circular economy thinking into product and service design, integrating circular supply chains, product lifecycle extension, device-as-a-service, shared platforms, and recycling services into its operational framework. Additionally, ASUS continues to assist in transforming industry manufacturing models from automation to digitization to intelligence. In 2023, ASUS’s economic activities aligned with the “Transition to a Circular Economy” environmental objective accounted for less than 1% of its operating income. However, operating expenses and capital expenditures are not currently disclosed due to the lack of a comprehensive calculation definition, but efforts are being made to improve disclosure in the future.

The EU Taxonomy Regulation is still undergoing continuous refinement, and ASUS will continue to monitor the development of its technical screening criteria. Additionally, ASUS will gradually improve the definition and calculation of operating expenses and capital expenditures in accordance with these evolving standards.

<sup>3</sup> As of the publication date of ASUS’s sustainability report in 2023, the EU classification standards only cover 16 industries, comprising a total of 155 economic activities.

<sup>4</sup> To meet the criteria outlined, ASUS’s products must fulfill one of the following standards: 1. Obtain the EPEAT label for products. 2. Obtain the first category of eco-label certified by ISO 14024. 3. Obtain the third category of environmental declaration certified by ISO 14025, which requires third-party verification and a plan to reduce lifecycle carbon emissions. 4. Obtain Energy Star<sup>®</sup> or Energy Label certification, or any other equivalent energy-saving label. 5. Obtain the second category of eco-label with environmental claims, which must include either “resource-saving in production processes” or “energy-saving during usage stages”, verified by a third party.

<sup>5</sup> The numerator consists of the revenue generated by products compliant with the environmental certifications established for the computer and peripheral equipment manufacturing industry by the Financial Supervisory Commission’s “Reference Guidelines for Sustainable Economic Activities”. These certifications include EPEAT, TCO, Green Mark, Energy Star<sup>®</sup>, Japan ECO mark, Energy Label, and China’s Ten Rings, among others. The denominator comprises the total consolidated revenue of the ASUS Group for the year 2023.

ASUS Group's Near-Term Science-Based Emission Reduction Targets have been Validated by the Science Based Targets initiative (SBTi), Committing the Group Towards Net Zero.

ASUS A ESG Carbon Data Management Platform: Data-Driven Toward Twin Transformation

ASUS Carbon Partner Services: To Help Business Reduce Organizational Carbon Emissions

Initiating Biodiversity Assessment and Project to Extend Environmental and Climate Commitments

## 02 ESG Focus Case

### 01 ASUS Group's Near-Term Science-Based Emission Reduction Targets have been Validated by the Science Based Targets initiative (SBTi), Committing the Group Towards Net Zero

In accordance with the IPCC Special Report on Global Warming of 1.5°C, global temperature rise must be limited to 1.5°C and achieve net-zero emissions by 2050 to avoid catastrophic climate change. The Science Based Targets Initiative (SBTi) was jointly established by leading organizations including the Carbon Disclosure Project (CDP), We Mean Business Coalition, UN Global Compact, and World Wide Fund for Nature (WWF). SBTi aims to align with a 1.5°C global carbon budget scenario and encourages global enterprises to set science-based carbon reduction targets verified by third-party validation, to collectively realize the vision of limiting global warming to below 1.5°C by 2050.

Assuming a cumulative removal of carbon of 200 to 400 billion tonnes by 2050, within a carbon budget not exceeding 500 billion tonnes for the 1.5°C pathway, SBTi considers social and economic emission scenarios. These scenarios primarily stem from the Integrated Assessment Modeling Consortium (IAMC) and the International Energy Agency (IEA), taking into account social and economic factors such as population growth, technological advancements, and economic development. This assessment evaluates potential influences on future emission trends and mitigation capabilities, and sets reduction pathways based on industry characteristics.

In accordance with the SBTi framework, ASUS group's goal setting aligned with the scope of its consolidated financial statement. By following SBTi 1.5°C reduction pathway. The Near-Term targets commits to reducing 50% of Scope 1 and Scope 2 carbon emissions by 2030, as well as reducing 30% of Scope 3 emissions related to "purchased goods and services" and use of sold products. ASUS has also committed to setting long-term emission reduction targets with the SBTi in line with reaching net-zero by 2050.

#### Outcome and Performance:

- Aligning with the international decarbonization pathway, establishing benchmarks for capital market communication.
- Driving the Group's net-zero carbon reduction actions through verification of SBTi near-term science-based reduction targets.



ASUS Group's Near-Term Science-Based Emission Reduction Targets have been Validated by the Science Based Targets initiative (SBTi), Committing the Group Towards Net Zero.

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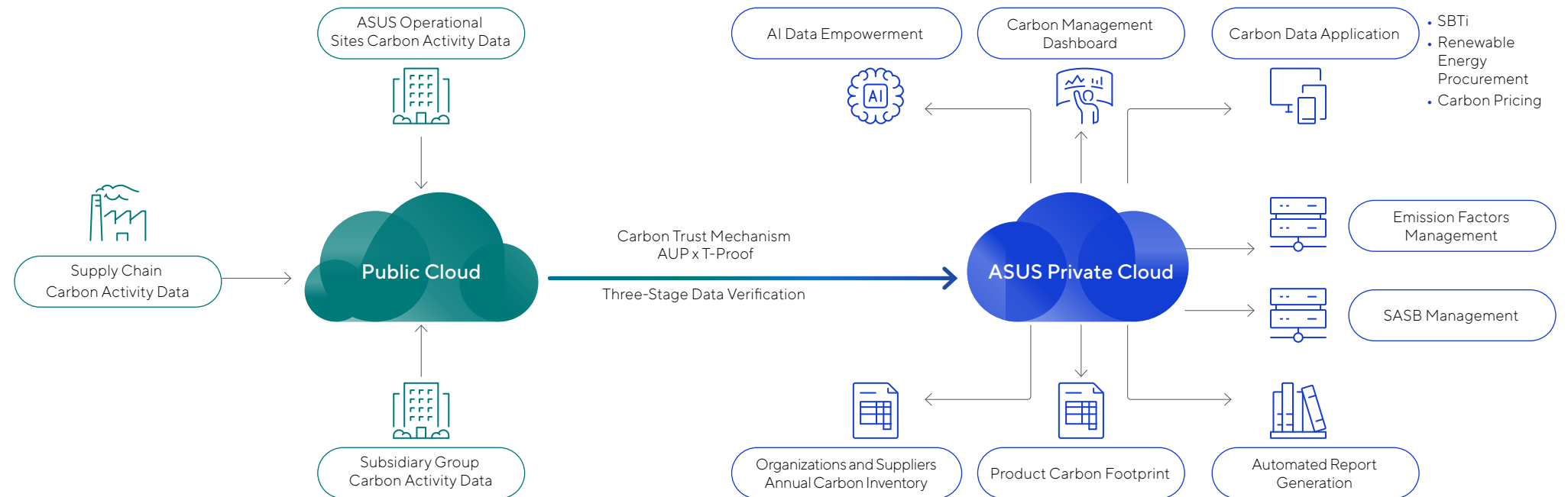
## 02 ASUS A+ ESG Carbon Data Management Platform: Data-Driven Toward Twin Transformation

In the era of “carbon pricing,” carbon emissions have become a critical cost in corporate economic activities, driving companies to manage carbon risks. To manage carbon emission issues more effectively, ASUS launched ASUS A+ ESG Carbon Data Management Platform in March 2024, which facilitates the generation of inventory lists and reports with a single click. Through this platform, subsidiary companies can easier to manage their carbon emission and easier to complete the third-party verifications.

ASUS A+ ESG Carbon Data Management Platform integrates blockchain technology and third-party validation (Agreed Upon Procedure, AUP) to establish a “Carbon Trust Mechanism.” By ensuring the quality of each carbon data, the platform lays the foundation for transparent and reliable digital management. This not only guarantees the authenticity of the data but also strengthens the

responsibility of enterprises and the entire value chain for transparent carbon data.

The platform’s enhances ASUS Group’s adaptability to dynamic carbon data across the entire value chain, supporting more effective and intelligent decision-making. It also represents a crucial step for ASUS and its global supply chain partners towards achieving net-zero goals. Through ASUS’s carbon management experience, assisting smaller entities with guidance on carbon reduction building mutual benefit. In the future, with the integration of AI technology, carbon data management will be further precise and efficient. AI will improve data analysis and application patterns, effectively identifying carbon risks and trends. Generative AI will assist enterprises and supply chains in optimizing emission reduction strategies, realizing the next step of “AI empowerment” in data value.



**Outcome and Performance:**

- Comprehensive digital management of carbon data across the entire enterprise value chain.
- Establishment of a reliable carbon data trust mechanism.
- Assisting 117 subsidiary companies of ASUS Group digitizing their platforms and providing guidance on greenhouse gas inventory.



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

ASUS Group's Near-Term Science-Based Emission Reduction Targets have been Validated by the Science Based Targets initiative (SBTi), Committing the Group Towards Net Zero.

ASUS A+ ESG Carbon Data Management Platform: Data-Driven Toward Twin Transformation

ASUS Carbon Partner Services: To Help Business Reduce Organizational Carbon Emissions

Initiating Biodiversity Assessment and Project to Extend Environmental and Climate Commitments

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

### 03 ASUS Carbon Partner Services: To Help Business Reduce Organizational Carbon Emissions

Following the "Focus on Fundamentals & Results" principle, ASUS dedicates to reduce carbon emission in its business operation. Moreover, it aims to produce low-carbon products by integrating circular economy principles during the product design phase, leveraging ASUS's eight principles of sustainable innovation to reduce product carbon footprint.

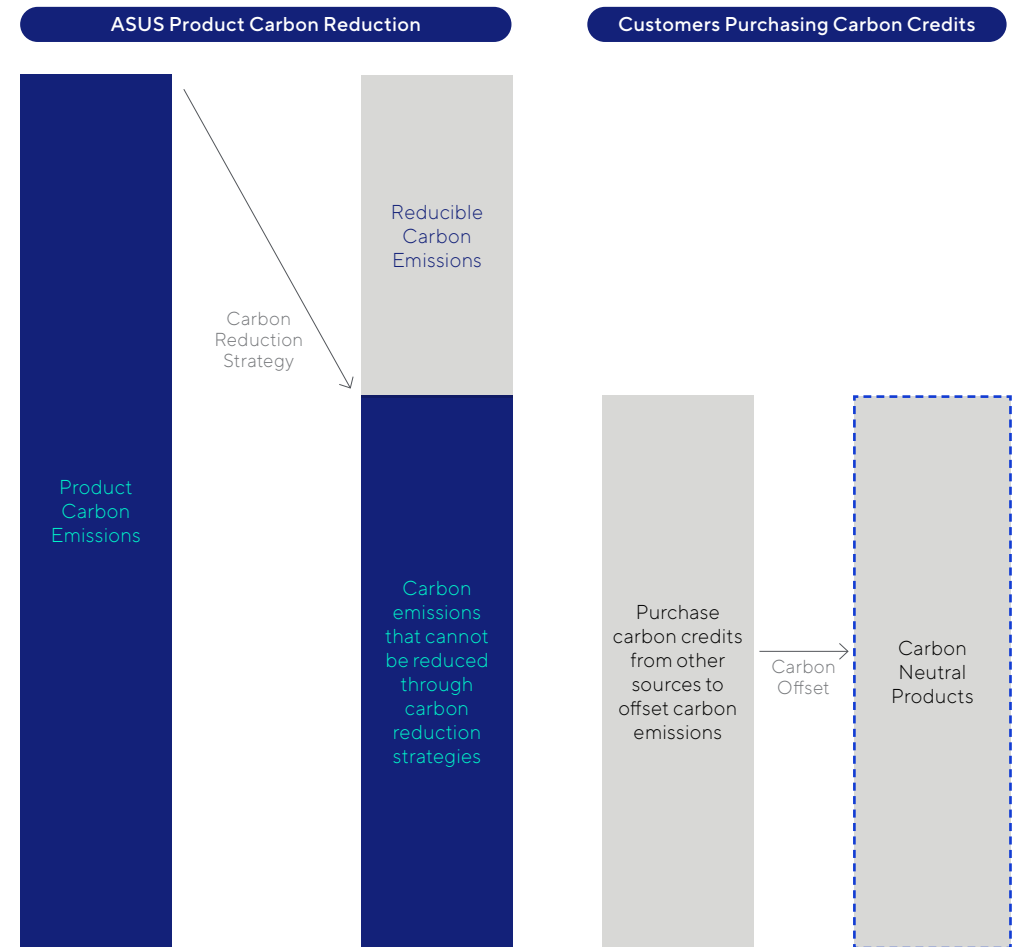
Following the successful completion of the world's first commercial laptop (B9400CE) to achieve ISO 14067:2018 product carbon footprint verification in 2022, ASUS has continued to utilize environmental friendly materials, promote supply chain carbon reduction, and enhance product energy efficiency to achieve low-carbon products. For the emissions that cannot be reduced through technical means, ASUS offsets the carbon emissions through forest carbon sequestration projects, primarily reforestation, to help the products achieve carbon neutrality. By the end of 2022, ASUS completed third-party verification for its commercial laptop (B9400CB), meeting both the ISO 14067:2018 product carbon footprint and PAS 2060:2014 carbon neutrality standards. In its ongoing efforts to introduce carbon-neutral products and assist customers in meeting their carbon reduction needs, ASUS launched the "ASUS Carbon Partner Services" in 2023. The initial focus is on two high-end commercial products: the ExpertBook B9 OLED and the ExpertCenter D9. After product purchasing, customers can choose for high-quality carbon credits to offset the remaining carbon emission, thereby assisting them in mitigating environmental impact.

To ensure that the procurement of carbon credits has an essential impact on achieving net-zero carbon emissions, ASUS has established internal carbon credit procurement guidelines based on the Core Carbon Principles (CCP) issued by the Integrity Council for the Voluntary Carbon Market. The guidelines prioritize the procurement of removal-type carbon credits (such as reforestation and direct air capture). Additionally, ASUS adheres to the Gold Standard requirements for carbon credit projects, ensuring that the purchased carbon credits deliver at least three sustainable development benefits. These benefits aim to contribute to human well-being, ecological preservation, and job security, in addition to carbon reduction.

Starting in 2024, all commercial products will come with carbon neutrality services for customers to purchase. Customers can choose between lifecycle and cradle-to-gate carbon neutrality options according to their needs. Regarding carbon credit selection, customers can choose different types of carbon credits based on their company's requirements to achieve product carbon neutrality.

#### Outcome and Performance:

- Offering comprehensive carbon neutrality services, providing high-quality carbon credits to offset product carbon emissions.
- Offering customized carbon credit offsets for the entire product lifecycle or cradle-to-customer-gate, ensuring tailored solutions to meet customer needs.



Learn more about ASUS Carbon Partner Service



About This Report

00 Corporate Governance

01 Sustainability Governance

**02 ESG Focus Case**

ASUS Group's Near-Term Science-Based Emission Reduction Targets have been Validated by the Science Based Targets initiative (SBTi), Committing the Group Towards Net Zero.

ASUS A+ ESG Carbon Data Management Platform: Data-Driven Toward Twin Transformation

ASUS Carbon Partner Services: To Help Business Reduce Organizational Carbon Emissions

[Initiating Biodiversity Assessment and Project to Extend Environmental and Climate Commitments](#)

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## 04 Initiating Biodiversity Assessment and Project to Extend Environmental and Climate Commitments

Since 2011, biodiversity has been listed in the World Economic Forum's Global Risks Report as a matter of global concern. The risk assessment report released in January 2024 identified biodiversity as a significant risk for the next decade. Additionally, the United Nations Biodiversity Conference (COP15), concluded in 2022, announced "Kunming-Montréal Global Biodiversity Framework," which replaced the 2010 "Aichi Biodiversity Targets." This framework sets goals for 2030 and long-term objectives for 2050, aiming to mitigate biodiversity loss.

In recent years, the external attention and regulations of biodiversity have increased. As a company highly attentive to climate change issues, ASUS extends its environmental management and commitments to include natural ecosystems.

Since 2023, ASUS has joined the Climate Alliance of the Forest Stewardship Council (FSC), engaging in mutual learning and discussions on climate change, nature, and biodiversity issues. ASUS also participates in the Biodiversity Platform advocated by the Business Council for Sustainable Development Taiwan (BCSD), utilizing the WBCSD Nature Readiness Assessment methodology to generate reports assessing natural readiness levels. ASUS voluntarily became an early adopter of the Task Force on Nature-related Financial Disclosures (TNFD), planning to publish a nature-related financial disclosure report for the fiscal year 2025. In 2024, ASUS will evaluate the dependency and impact of its operation center and upstream suppliers by adopting the Nature-related Financial Disclosure Framework and LEAP methodology.

Simultaneously, ASUS will collaborate with organizations such as the Guanshu Foundation and the Forestry and Nature Conservation Agency, Ministry of Agriculture to conduct biodiversity projects. The project will be held in Chenlong Wetland and Dasyueshan area in Taiwan. These initiatives aligns with ASUS's corporate mission of "striving to be among the world-class green high-tech leaders and to provide valuable contributions to humanity."

### Outcome and Performance:

- Established the "ASUS Biodiversity Policy"
- In 2024, ASUS will reference the Task Force on Nature-related Financial Disclosures (TNFD) to issue an independent report. This report will assess ASUS's value chain's reliance and impact on the environment, evaluating risks and opportunities.



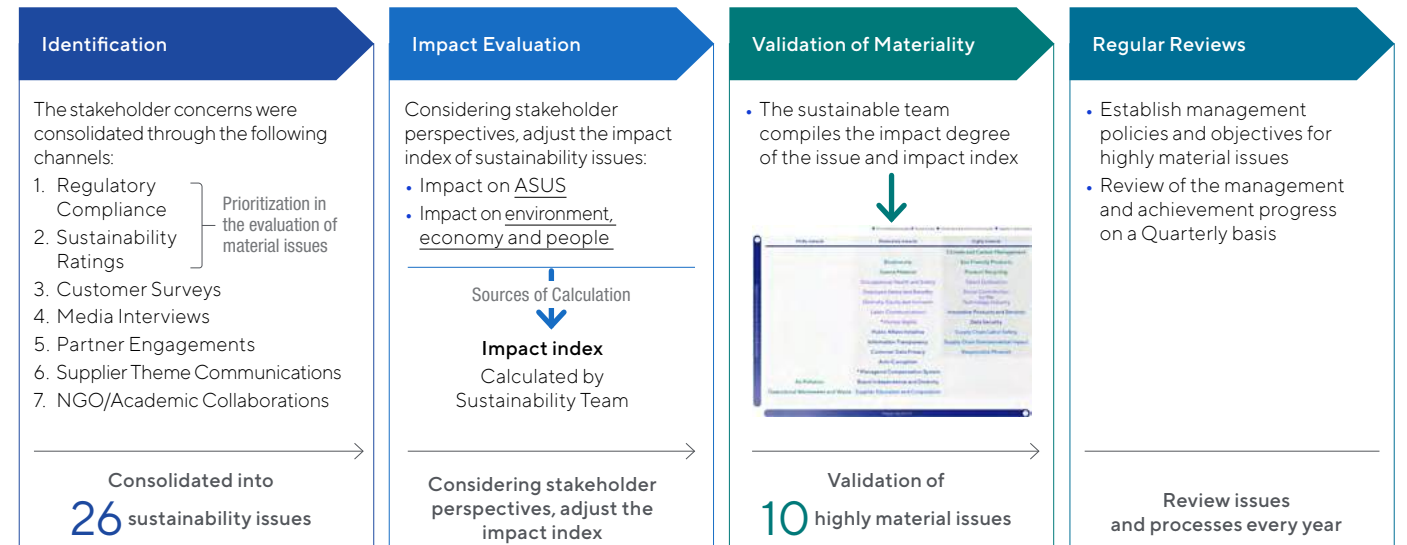
# 03 Identification of Material Issues and Sustainability-related Risk Management

## Identification Process

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

ASUS conducts an annual analysis of material sustainability issues, ASUS used a two-year cycle to review materiality issues and their impact. In the first year, we extensively collect changes in external attention to issues and stakeholder's opinions to evaluate the impact of the issues. In the second year, in addition to regularly reviewing material issues, we place greater emphasis on using qualitative research methods (such as interviews and data analysis) to gain a deeper understanding of stakeholders' perspectives.

2023 marks the second year of our materiality analysis cycle. This year, we monitored sustainability regulations and ratings, while also integrating engagement results from external stakeholders, including customer questionnaires, media interviews, supplier thematic communications, and exchanges with NGOs and academic institutions. This process allowed us to understand changes in issue impacts from stakeholders' perspectives. Based on these findings, our sustainability team adjusted the impact index of the issues. The conclusion is that there are 10 highly material sustainability issues this year. The results of the materiality assessment were approved and signed by the chairman.



## Stakeholders Engagement

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

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

**03 Identification of Material Issues and Sustainability-related Risk Management**

Identification Process

Stakeholders Engagement

Identification Results of Material Issues

Impact of Material Issues

Sustainable Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

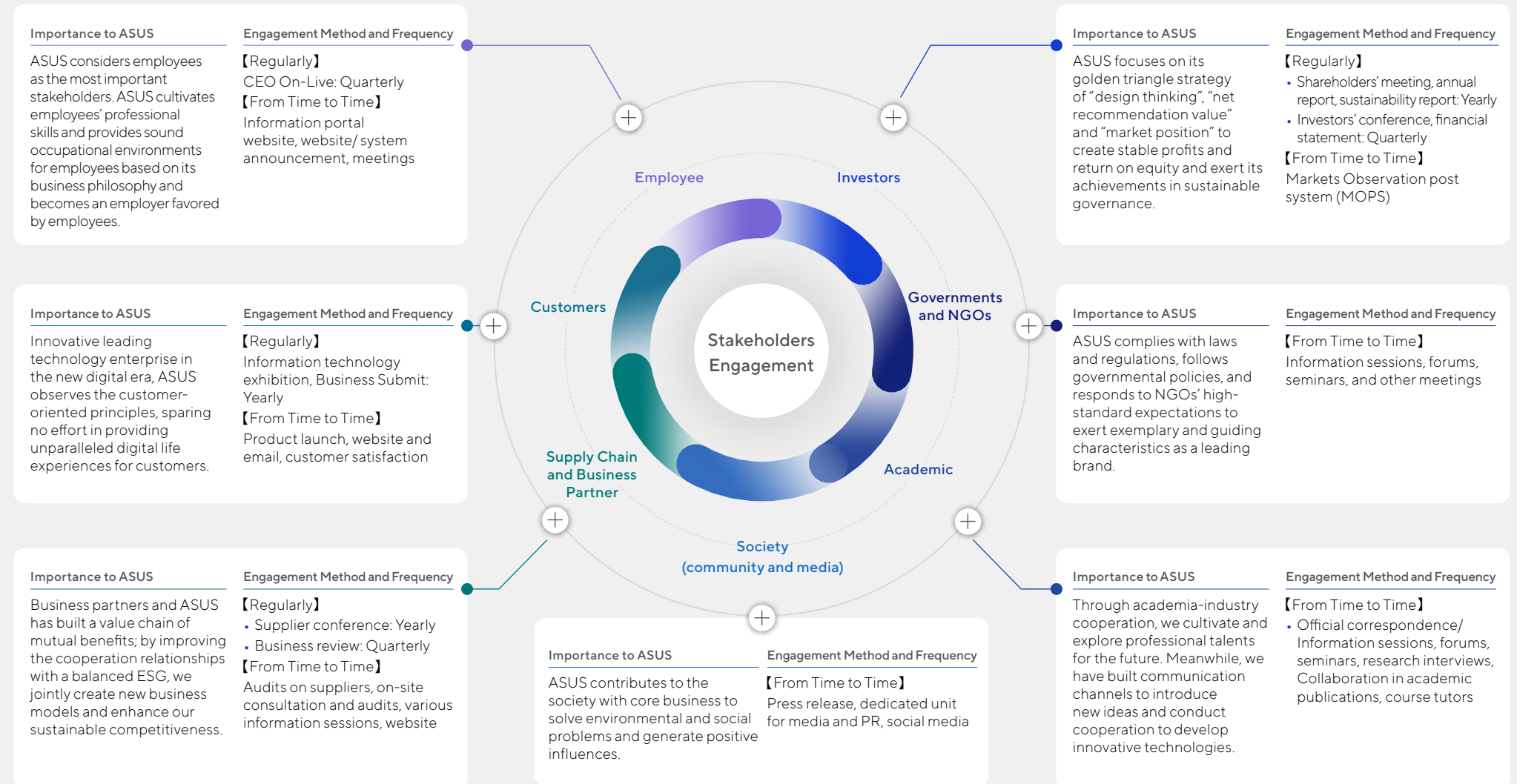
07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

**03 Identification of Material Issues and Sustainability-related Risk Management**

Identification Process

**Stakeholders Engagement**

Identification Results of Material Issues

Impact of Material Issues

Sustainable Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Case Study and Results of Stakeholder Engagement in 2023

### Key Supplier Carbon Reduction Engagement and Counseling Program: Establish a Low-Carbon Supply Chain

Stakeholder Category: Suppliers

In order to drive key suppliers to take proactive carbon reduction actions, ASUS initiated the Key Supplier Carbon Reduction Engagement and Counseling Program. In 2023, at the Sustainable Supplier Conference, ASUS presented its supply chain sustainability management goals and the strategy for the supply chain to transition towards net zero emissions. Simultaneously, ASUS's sustainability team engaged in one-on-one discussions and key issue forums with suppliers to develop tailored carbon reduction actions and targets that align with each supplier's business model. Quarterly surveys of greenhouse gas emissions data were conducted to monitor carbon reduction progress. Through proactive technical guidance, ASUS led suppliers to align with international standards by meeting Science Based Targets (SBT) reduction goals. The following targets are expected to be achieved by 2025: 75% of key suppliers setting SBT-aligned carbon reduction targets, the use of renewable energy reaching between RE40 - RE65, and key suppliers obtaining ISO 50001 certification.

### Exchange with the Asia Director of the World Business Council for Sustainable Development (WBCSD)

Stakeholder Category: NGO

Jonney Shih, Chairman of ASUS, serves as the Chairman of the Business Council for Sustainable Development Taiwan (BCSD Taiwan), a partner of the World Business Council for Sustainable Development (WBCSD) in Taiwan. In 2023, the Regional Director for Asia of WBCSD visited ASUS to exchange insights on the latest key sustainability issues. In addition to the globally prominent issues of climate change and carbon reduction, WBCSD highlighted areas such as human rights, diversity, equity, and inclusion (DEI), and biodiversity as priority action domains for companies facing various external ESG challenges. ASUS will duly incorporate these exchange insights into its assessment of sustainability risks and opportunities.

## Stakeholder Consensus Summary

Category	Issue	Stakeholder Concern Sub-issues	Source of Concern	Impact on ASUS	Impact on environment, economy, and society
Increased issue importance	Climate and carbon management	<ul style="list-style-type: none"> <li>Science-based targets</li> <li>Internal carbon pricing</li> <li>Carbon Credit Procurement</li> <li>Supply chain decarbonization</li> </ul>	Legal compliance Customers Media Business partnerships Academic institutions NGO	Positive Impact ↑ Negative Impact ↑	Positive Impact ↑
	Eco friendly products	<ul style="list-style-type: none"> <li>Product carbon footprint and life cycle assessment</li> <li>Circular economy design principles</li> <li>Eco-label products</li> <li>Carbon neutrality services</li> </ul>	Legal compliance Customers Media Academic institutions	-	Positive Impact ↑
	Biodiversity	<ul style="list-style-type: none"> <li>Value chain biodiversity impact assessment</li> </ul>	Legal compliance Sustainability rating NGO	Positive Impact ↑ Negative Impact ↑	Negative Impact ↑
	Diversity, equity, and inclusion	<ul style="list-style-type: none"> <li>Ensure diversity in employee gender, age, ethnicity, and other backgrounds</li> <li>Provide equal resources, remuneration, and opportunities</li> <li>Foster open communication and respect for diverse perspectives</li> </ul>	Legal compliance Sustainability rating NGO	Positive Impact ↑	Positive Impact ↑
New issue	Labor-management communication and collective bargaining	<ul style="list-style-type: none"> <li>Establish transparent and equitable communication channels and mechanisms for labor conditions</li> </ul>	Legal compliance	Positive Impact ↑	Positive Impact ↑
	Human rights	<ul style="list-style-type: none"> <li>Value chain human rights risk assessment</li> </ul>	Legal compliance Sustainability rating NGO	-	-
	Executive remuneration policy	<ul style="list-style-type: none"> <li>Linking remuneration to sustainability performance</li> </ul>	Legal compliance Sustainability rating	-	-



## Identification Results of Material Issues

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

**03 Identification of Material Issues and Sustainability-related Risk Management**

Identification Process

Stakeholders Engagement

Identification Results of Material Issues

Impact of Material Issues

Sustainable Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

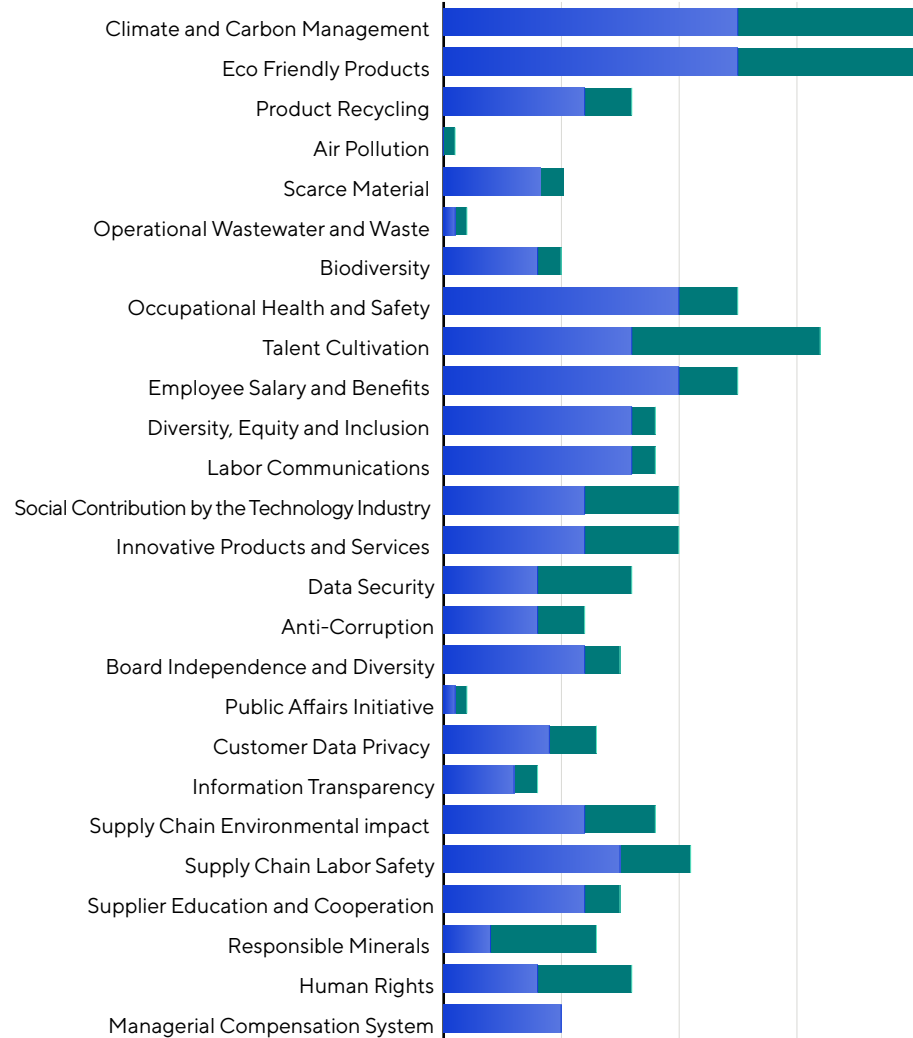
09 Social Engagement

10 Inclusive Workplace

Appendix

### Impact on ASUS

Positive impact Negative impact

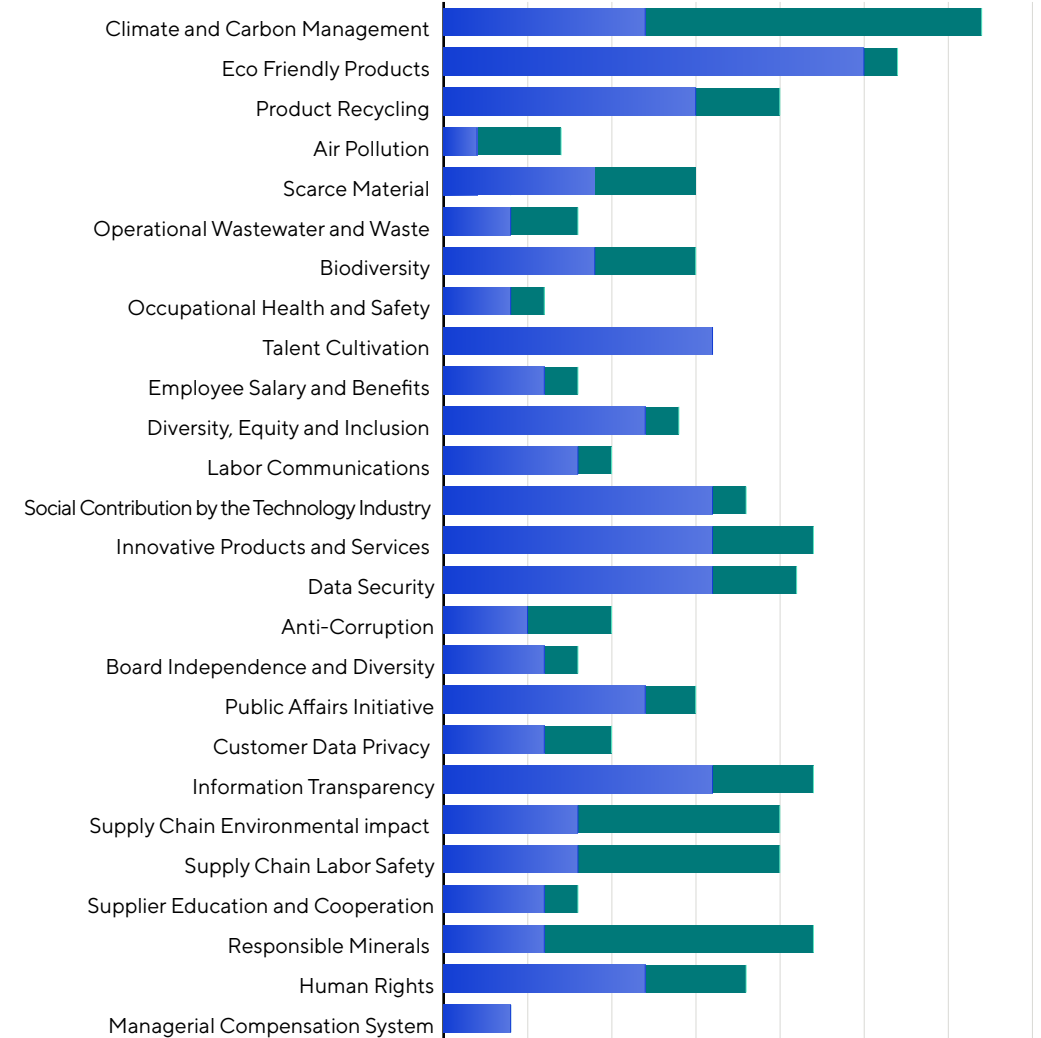


Positive impact: Increase revenue, enhance brand reputation

Negative impact: Cost increase, damage to brand reputation

### Impact on Environment, Economy and People

Positive impact Negative impact



Positive impact: Creating Overall External Influence

Negative impact: The externality of illegal events, the neglect of environmental, social, human rights and other conflicts due to economic incentives

**Materiality Matrix**

Combining the calculation of impact indexes and the results of stakeholder engagement, we defined issues with significant impacts on “ASUS” and “economies, environments, people” as “highly material issues.” The following are definitions and management strategies for materiality:

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

● Environmental Issues ● Social Issues ● Governance and Economy Issues ● Supply Chain Issues

	Mildly material	Moderately material	Highly material
Impact on economy, society and people		<p><b>Biodiversity</b></p> <p><b>Scarce Material</b></p> <p>Occupational Health and Safety</p> <p>Employee Salary and Benefits</p> <p>Diversity, Equity and Inclusion</p> <p>Labor Communications</p> <p>*Human Rights</p> <p>Public Affairs Initiative</p> <p>Information Transparency</p> <p>Customer Data Privacy</p> <p>Anti-Corruption</p> <p>*Managerial Compensation System</p> <p>Board Independence and Diversity</p> <p>Supplier Education and Cooperation</p>	<p><b>Climate and Carbon Management</b></p> <p><b>Eco Friendly Products</b></p> <p><b>Product Recycling</b></p> <p><b>Talent Cultivation</b></p> <p><b>Social Contribution by the Technology Industry</b></p> <p><b>Innovative Products and Services</b></p> <p><b>Data Security</b></p> <p><b>Supply Chain Labor Safety</b></p> <p><b>Supply Chain Environmental Impact</b></p> <p><b>Responsible Minerals</b></p>
	<p><b>Air Pollution</b></p> <p><b>Operational Wastewater and Waste</b></p>		

Impact on ASUS

\* New issue in 2023





## Impact of Material Issues

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

Sustainability Focus	Material Issues	Impact Hotspots and Descriptions on Value Chain				Impact Evaluations				ASUS Actions	Contributions to SDGs
		Upstream	Corporate Operation	Downstream		On ASUS		On Environment, Economy and People			
		Raw Material Description Procurement / Product Manufacturing		Customer Usage	Recycling	Positive	Negative	Positive	Negative		
Climate Action	Climate and Carbon Management	○	○	○		5	3.2	2.4	4	<ul style="list-style-type: none"> <li>Supplier Carbon Reduction Project</li> <li>Introduce renewable energy</li> <li>Increase the product energy efficiency</li> </ul>	 
	Eco Friendly Products	○	○	○	○	5	3.2	5	0.4	<ul style="list-style-type: none"> <li>Conduct chemical material management</li> <li>Use environment friendly materials</li> </ul>	
Circular Economy	Product Recycling			○	○	2.4	0.8	3	1	<ul style="list-style-type: none"> <li>Global Recycling Service System</li> <li>Recycling of refurbished computers</li> <li>Introduce International Information Security Standards in operations</li> </ul>	  
	Data Security		○	○		1.6	1.6	3.2	1		
Responsible Manufacturing	Supply Chain Environmental Impact	○			○	2.4	1.2	1.6	2.4	<ul style="list-style-type: none"> <li>Add additional security provisions to Supplier contracts</li> <li>Supplier Human Rights Due Diligence</li> </ul>	 
	Supply Chain Labor Safety	○			○	3	1.2	1.6	2.4	<ul style="list-style-type: none"> <li>Supplier Environmental Survey and Management</li> </ul>	 
	Responsible Minerals	○				0.8	1.8	1.2	3.2	<ul style="list-style-type: none"> <li>Responsible minerals from qualified smelters</li> </ul>	
Value Creation	Talent Cultivation	○	○	○	○	3.2	3.2	3.2	0		
	Social Contribution by the Technology Industry		○		○	2.4	1.6	3.2	0.4	<ul style="list-style-type: none"> <li>Academia-industry cooperation with colleges and universities</li> <li>Employer Branding Campus Program</li> <li>Digital Inclusion Program</li> </ul>	  
	Innovative Products and Services	○	○	○		2.4	1.6	3.2	1	<ul style="list-style-type: none"> <li>Develop Smart Healthcare</li> </ul>	

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

**03 Identification of Material Issues and Sustainability-related Risk Management**

Identification Process

Stakeholders Engagement

Identification Results of Material Issues

Impact of Material Issues

Sustainable Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

**03 Identification of Material Issues and Sustainability-related Risk Management**

Identification Process

Stakeholders Engagement

Identification Results of Material Issues

Impact of Material Issues

Sustainable Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

**Material issues primarily entail positive and negative impacts**

ⓘ Positive impact ⓘ Negative impact

Material issues	Impact on ASUS	Impact on environment, economy, and society
<b>Climate and Carbon Management</b>	<ul style="list-style-type: none"> <li>ⓘ Seizing low-carbon product opportunities</li> <li>ⓘ Reducing carbon tax risk</li> <li>ⓘ Increasing supply chain management costs</li> <li>ⓘ Increasing energy costs due to the use of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>ⓘ Reducing overall value chain carbon emissions</li> <li>ⓘ Enhancing supplier carbon reduction capabilities</li> <li>ⓘ Promotion of low-carbon innovation development</li> <li>ⓘ Ecological impacts from operating or investing in renewable energy plants</li> </ul>
<b>Eco Friendly Products</b>	<ul style="list-style-type: none"> <li>ⓘ Seizing green procurement opportunities</li> <li>ⓘ Environmental tax exemptions and incentives</li> <li>ⓘ Increasing research and development and material costs</li> <li>ⓘ Reputation loss due to violations of various countries' regulatory laws</li> </ul>	<ul style="list-style-type: none"> <li>ⓘ Reducing product carbon footprint</li> <li>ⓘ Enhancing resource use efficiency</li> <li>ⓘ Reducing the impact of chemicals on production line workers</li> </ul>
<b>Product Recycling</b>	<ul style="list-style-type: none"> <li>ⓘ Fulfillment of producer responsibilities to enhance company brand image</li> <li>ⓘ Increasing recycling operator management costs</li> </ul>	<ul style="list-style-type: none"> <li>ⓘ Promotion of valuable resource recycling</li> <li>ⓘ Addressing digital divide issues with refurbished computers</li> </ul>
<b>Data Security</b>	<ul style="list-style-type: none"> <li>ⓘ Enhancing overall cybersecurity alertness and prevention capabilities</li> <li>ⓘ Maintaining the security of the product development environment</li> <li>ⓘ Occurrence of product information security incidents leading to reduced consumer brand trust</li> </ul>	<ul style="list-style-type: none"> <li>ⓘ Establishing an industry cybersecurity defense system</li> <li>ⓘ Strengthening product security development to protect customer information privacy</li> </ul>
<b>Supply Chain Environmental impact</b>	<ul style="list-style-type: none"> <li>ⓘ Enhancing suppliers' carbon reduction capabilities through collaborative technological solutions</li> <li>ⓘ Occurrence of environmental violations by suppliers leading to brand reputation damage</li> </ul>	<ul style="list-style-type: none"> <li>ⓘ Reducing environmental impacts of production sites, including greenhouse gases, water, waste, and air pollution</li> </ul>
<b>Supply Chain Labor Safety</b>	<ul style="list-style-type: none"> <li>ⓘ Reducing reputation impact and disruption risks caused by supplier labor safety and human rights incidents</li> <li>ⓘ Supplier human rights disputes resulting in brand reputation damage</li> </ul>	<ul style="list-style-type: none"> <li>ⓘ Reducing labor rights infringements resulting from inadequate management</li> </ul>
<b>Responsible Minerals</b>	<ul style="list-style-type: none"> <li>ⓘ Anticipating international conflict minerals management requirements in advance to reduce regulatory risks</li> </ul>	<ul style="list-style-type: none"> <li>ⓘ Reducing potential risks of armed conflict and human rights violations associated with conflict minerals</li> </ul>
<b>Talent Cultivation</b>	<ul style="list-style-type: none"> <li>ⓘ Enhancement of company growth and innovation capabilities</li> <li>ⓘ Enhancing employer brand image</li> </ul>	<ul style="list-style-type: none"> <li>ⓘ Enhancement of employee professional skills</li> <li>ⓘ Advancement of industry research and development capabilities</li> </ul>
<b>Social Contribution by the Technology Industry</b>	<ul style="list-style-type: none"> <li>ⓘ Increasing consumer and public recognition</li> <li>ⓘ Enhancing employee identification and cohesion</li> <li>ⓘ Difficulty in comprehensively assessing the effectiveness of resource allocation</li> </ul>	<ul style="list-style-type: none"> <li>ⓘ Addressing digital divide issues with refurbished computers</li> <li>ⓘ Reduction of electronic waste</li> <li>ⓘ Shortening the digital divide and nurturing digital talent</li> </ul>
<b>Innovative Products and Services</b>	<ul style="list-style-type: none"> <li>ⓘ Expanding into new product and professional domains</li> <li>ⓘ Increasing opportunities for external institutional collaboration</li> <li>ⓘ High investment risk in the innovative product market</li> </ul>	<ul style="list-style-type: none"> <li>ⓘ Contributing to smart healthcare and smart manufacturing to promote production efficiency and health and well-being.</li> </ul>

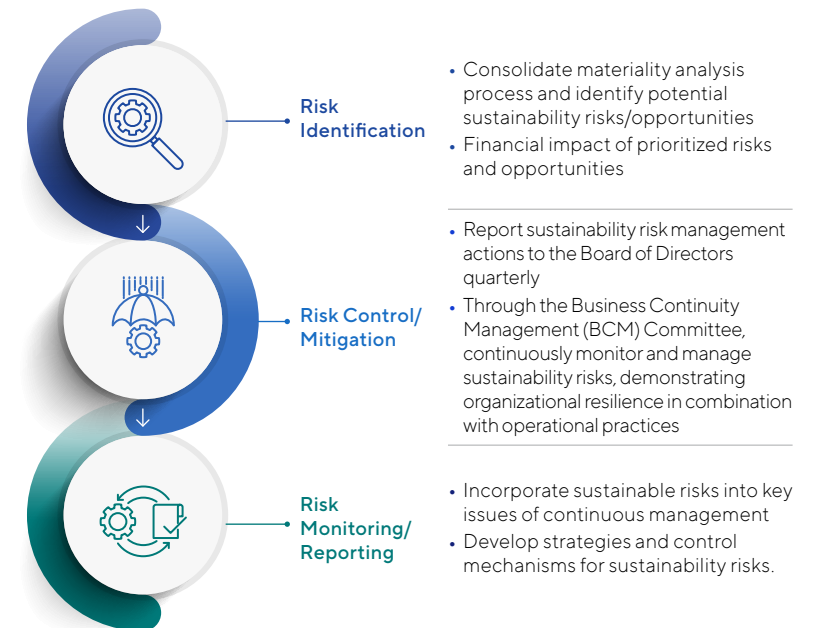
**Sustainability Risk Management**

According to the «Global Risk Report 2023» published by the World Economic Forum (WEF), the majority of the top ten global risks for the next decade are in the categories of environment, economy, and society. In order to incorporate sustainable risk management into the company's strategic development, ASUS has introduced a risk management process to identify the potential reputational and financial impacts of ESG issues on the company's operations, as well as to explore opportunities for sustainable transition and integrate risk response actions into the corporate development strategy.

ASUS's Board of Directors acts as the highest governance body of sustainability risk management. The sustainability team annually evaluates the positive and negative impacts of material issues on ASUS, while identifying potential sustainability risks and opportunities. The analysis results and risk mitigation actions are reported to the Board of Directors quarterly.

Meanwhile, "sustainable development" is also included as one of the management topics in ASUS's BCM Committee, which conducts regular reviews of risk control progress. The BCM Committee reports to the board of directors on the status of the risk management review at least once a year.

ⓧ **Sustainability Risk Management Process**



•For BCM Committee's operational status and risk identification results, please refer to:00 Corporate Governance

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

**03 Identification of Material Issues and Sustainability-related Risk Management**

Identification Process

Stakeholders Engagement

Identification Results of Material Issues

Impact of Material Issues

[Sustainable Risk Management](#)

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix



To properly assess the impact of sustainability risks and opportunities on the company, ASUS has referred to the IFRS S1/S2 this year. We assessed the impact of material sustainability risks and opportunities on ASUS as an entity. In response to the impacts brought by these sustainability risks and opportunities, we proposed corresponding strategies and measures. For details on the financial impact assessment of these strategies on ASUS, please refer to the [TCFD Report](#). ASUS will continue to expand the scope of issue assessment and enhance the calculation of quantitative data for short-term, medium-term, and long-term financial impacts.

Issue	Interval	Impact on ASUS	Response measures	Financial impact
① <b>Carbon tax implemented in Mainland China</b>	Mid-term	The electronic industry is expected to be included in Mainland China's carbon tax regulations, and suppliers may pass on the carbon tax costs to ASUS	<p><b>Supplier Carbon Reduction Engagement and Counseling Program:</b> Issues to be addressed ① ② ③</p> <ul style="list-style-type: none"> <li>Manpower Investment in Supplier Carbon Reduction Engagement and Counseling Program</li> <li>Regulating suppliers for process optimization, equipment efficiency, and renewable energy use</li> </ul>	Increase in operating costs/ expenses
② <b>Carbon Border Adjustment Mechanism (CBAM)</b>	Mid-term	Electronic products are expected to be included in the second batch of the CBAM regulated list, and importers of regulated products will be required to pay carbon tax	<p><b>Use of Renewable Energy at the Operating Locations:</b> Issues to be addressed ② ③</p> <ul style="list-style-type: none"> <li>Self-built cost of solar photovoltaic</li> <li>Corporate Power Purchase Agreement (CPPA)</li> <li>Procurement of renewable energy certification</li> </ul>	<ul style="list-style-type: none"> <li>Increase in operating costs/ expenses</li> <li>Increase in investment in property, plant and equipment</li> </ul>
③ <b>Green product management</b>	Short-term	Failure to obtain voluntary eco-labels or meet energy efficiency standards for products, and inability to meet customer energy-saving requirements, will result in loss of competitiveness in the green market, leading to revenue loss	<p><b>Use of Environmentally Friendly Materials:</b> Issues to be addressed ② ③</p> <p><b>Improving Product Energy Efficiency:</b> Issues to be addressed ② ③</p> <ul style="list-style-type: none"> <li>Increase in self-purchased/consignment material costs</li> <li>Manpower investment in R&amp;D</li> <li>Application fees for eco labels</li> </ul>	Increase in operating costs/ expenses

- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

# 04 2025 Sustainability Goals

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



## Climate Action

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

✔ Achieved ✘ Not achieved

2025 Goals	2023 Goals	2023 Executive Highlights	2023 Performance	Annual Performance
<b>Reduce 50% of carbon emissions from ASUS global operations centers by 2030</b>	Reduce 15% of carbon emissions from ASUS global operations centers	<ul style="list-style-type: none"> <li>Replace high-energy-consuming equipment</li> <li>Utilize renewable energy</li> </ul>	25%	✔
<b>Use 100% renewable energy in Taiwan-based operations centers by 2030.</b>	Sign Corporate Power Purchase Agreement (CPPA)	Sign Corporate Power Purchase Agreement (CPPA)	100% achievement	✔
<b>Use 100% renewable energy in global operations centers by 2035.</b>	Global RE30	Procure renewable energy certificates for overseas centers	100% achievement	✔
<b>Ensure that each year's key products demonstrate energy efficiency that's 30% above the ENERGY STAR® standard</b>	Exceed the ENERGY STAR® standard by 30%	Optimize power management mode to reduce product energy consumption	42%	✔
<b>Ensure that key suppliers achieve a 30% reduction in carbon intensity by 2025</b>	Key suppliers achieve a 18% reduction in carbon intensity	<ul style="list-style-type: none"> <li>Assist in developing reduction plans and reduction targets</li> <li>Facilitate the adoption of renewable energy by suppliers</li> </ul>	26%	✔

## Circular Economy

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

✔ Achieved ✘ Not achieved

2025 Goals	2023 Goals	2023 Executive Highlights	2023 Performance	Annual Performance
<b>Promote sustainable procurement and increase the use of environmentally friendly materials in products and packaging by 100%</b>	Increase the use of environmentally friendly materials for products and packaging to ratio 50%	Expand the scope of environmentally friendly materials to include Post-Industrial Recycled (PIR) metals	<p>Increase the use of environmentally friendly materials for products and packaging to ratio 40%</p> <ul style="list-style-type: none"> <li>Recycled plastic usage increased 2.6 times compared to 2020</li> <li>Main products utilize 90% recycled paper</li> <li>Paper materials from Forest Stewardship Council (FSC) usage over 300 tonnes in 2023</li> <li>9 tonnes of Post-Industrial Recycled (PIR) metals used</li> </ul>	✘
<b>Boost green competitiveness and increase the proportion of Eco Labels in revenue by more than 50%</b>	Generate revenue from Eco Labels accounted for over 25%	Expand the acquisition of eco-label to gaming laptops	<p>Material usage is influenced by overall shipment volume</p> <p>24%</p> <p>In 2023, ASUS had gaming laptops that acquire eco-labels registered as EPEAT products. The revenue contribution from these certified products is expected to increase significantly in 2024.</p>	✘
<b>Enhance safety in the R&amp;D system and attain 100% coverage of international information security standards by 2025</b>	Attain 30% coverage rate of international information security standards	<ul style="list-style-type: none"> <li>Conduct an inventory of suitable information security standards or management procedures for each unit</li> <li>Expand the scope of ISO 27001 certification and incorporate relevant information security standards</li> <li>Develop the management system to be in line with the requirements of the new ISO 27001:2022</li> </ul>	<p>29%</p> <p>In 2024, we will extend ISO 27001 management requirements to R&amp;D teams not pursuing certification, expanding the scope of compliance.</p>	✘
<b>Encourage a circular economy by achieving a global recycling rate of 20% for ASUS products</b>	Achieve global product recycling rate of 15%	<ul style="list-style-type: none"> <li>Expand recycling service mode and strengthen product trade-in</li> </ul>	<p>13%</p> <p>Lack of significant recycling performance in new markets</p>	✘

- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals**
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

## Responsible Manufacturing



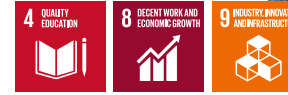
Sustainability is no longer limited to the enterprise itself, but should also be expanded to the supply chain, to work with upstream and downstream business partners in creating shared value and bring about positive changes to the society. ASUS includes the sustainability performance of the suppliers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

✔ Achieved ✘ Not achieved

2025 Goals	2023 Goals	2023 Executive Highlights	2023 Performance	Annual Performance
<b>Achieve labor and human rights goals by completing 100% of RBA third-party audits of key suppliers and ensure that any necessary corrective actions are taken</b>	100% of suppliers complete the third-party audits and improvements for deficiencies	<ul style="list-style-type: none"> <li>Identify key suppliers with potential risks</li> <li>Complete third-party on-site audits</li> <li>Assist the improvements for deficiencies</li> </ul>	100% compliant with annual goals	✔
<b>Use responsible mineral by sourcing 100% tantalum, tin, tungsten, gold, and cobalt from qualified smelters</b>	<ul style="list-style-type: none"> <li>Maintain 100% of tantalum, tin, tungsten, and gold sourced from qualified smelters</li> <li>Achieve 60% of cobalt sourced from qualified smelters</li> </ul>	<ul style="list-style-type: none"> <li>Conduct annual supply chain due diligence</li> <li>Review the list of qualified smelters</li> <li>Identify key suppliers of cobalt and require annual plans for transition to qualified smelters</li> </ul>	<ul style="list-style-type: none"> <li>Maintain 100% of tantalum, tin, tungsten, and gold sourced from qualified smelters</li> <li>Achieve 60% of cobalt sourced from qualified smelters</li> </ul>	✔
<b>Strengthen information security across the supply chain by ensuring that key suppliers demonstrate 100% compliance with information security regulations</b>	40% of suppliers comply with Information Security Clauses	<ul style="list-style-type: none"> <li>Develop a supplier classification and grading system to identify critical supply chains</li> <li>Implement information security contract clauses, primarily targeting contract manufacturers</li> <li>Complete the revision of ASUS' Information Security Clauses</li> </ul>	23%	✘
			Identify contract manufacturers requiring information security contract clauses, with signing expected to be completed in 2024	



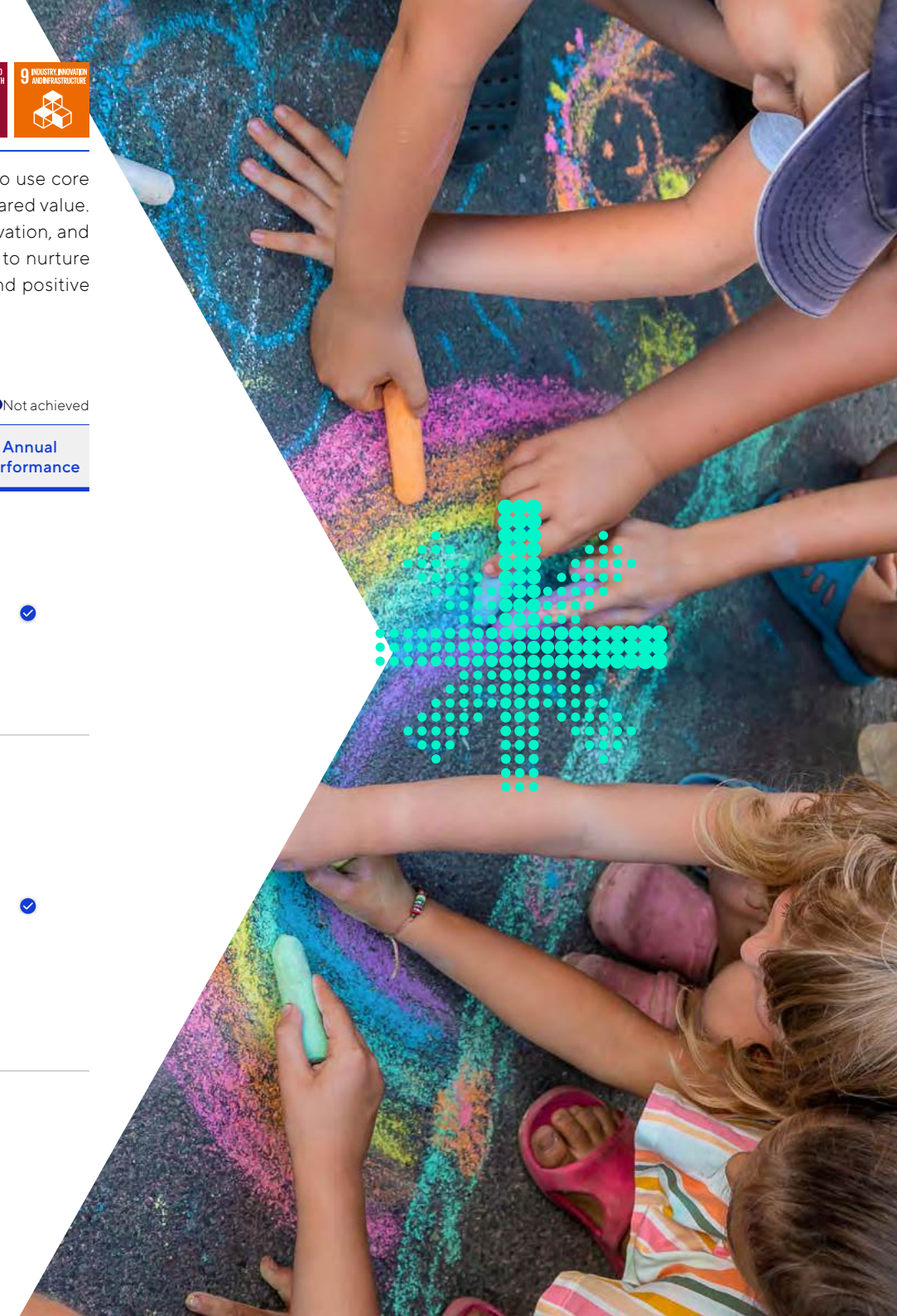
## Value Creation



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

✔ Achieved ✘ Not achieved

2025 Goals	2023 Goals	2023 Executive Highlights	2023 Performance	Annual Performance
<b>Intensify digital transformation and innovation efforts with the goal of a 100% increase in sustainable value creation</b>	Complete one case of the Sustainable Digitalisation Project	<ul style="list-style-type: none"> <li>Establish the A+ESG Carbon Data Management Platform, integrating blockchain technology with third-party data verification mechanisms (AUP) to ensure data authenticity</li> <li>Evaluate projects on innovative technologies for recycling waste plastics</li> </ul>	<ul style="list-style-type: none"> <li>Launch the ASUS Carbon Data Management Platform</li> <li>Guide 117 subsidiary companies in launching carbon data management platforms</li> </ul>	✔
<b>Strengthen industry/academia cooperative projects to cultivate more than 1,000 talents</b>	Connected with 800 potential talents annually <ul style="list-style-type: none"> <li>Organize 8 career talks on campus with 800 participants</li> <li>Organize 4-6 academia-industry cooperation programs</li> <li>Organize 1 session of other inter-collegiate activity</li> </ul>	Connect with potential talent through inter-school collaboration and academia-industry partnerships	Organize 15 connecting events in the year with a total of 1,068 people bonded <ul style="list-style-type: none"> <li>Hold 14 campus events with 951 participants</li> <li>Organize 4 academia-industry collaboration programs with 84 people recruited</li> <li>Organize other Inter-collegiate activities: The 7<sup>th</sup> NTUST Enterprise College (31 students enrolled, 11 classes conducted)</li> </ul>	✔





# 05 Circular Economy

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

### Actions

- Increase the use of environmentally friendly materials to reduce carbon emissions over the product life cycle
- Increase the number of international eco labels to expand green competitiveness
- Introducing ASUS Carbon Partner Services for commercial laptops

### Performance



Recognized as an **EPEAT Climate+ Champion**



Eco Friendly Product revenue exceeded **90%**



Halogen-free components accounted for **91%**



Achieved global product recycling rate of **13%**





## Circular Economy Model

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

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

**05 Circular Economy**

Circular Economy Model

Safer Chemicals

Environmentally Friendly Materials

Product Energy Efficiency

Product Lifecycle Extension

Resource Regeneration

Eco Labels

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

Circular Economy Model

Safer Chemicals

Environmentally Friendly Materials

Product Energy Efficiency

Product Lifecycle Extension

Resource Regeneration

Eco Labels

06 Climate Actions

07 Responsible Manufacturing

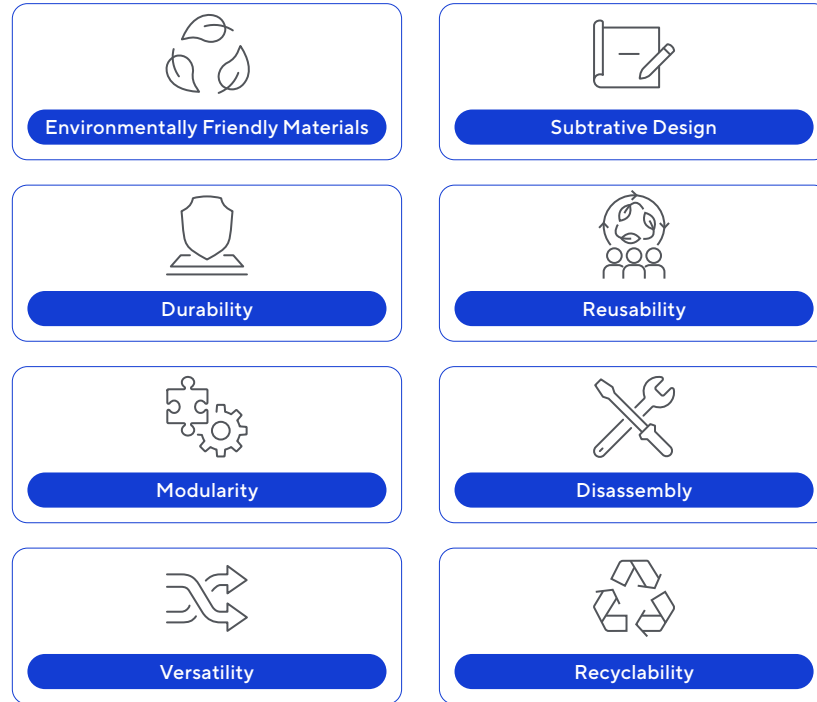
08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

ASUS believes that the circular economy is the true driving force for achieving sustainable product development. Therefore, through a design thinking approach, we create products that closely align with user needs by considering consumer demand, technological feasibility, and business viability. Additionally, we incorporate ASUS's eight sustainable design principles wherever possible, depending on the product characteristics, to enhance product circularity:



ASUS has established an ESG Committee, bringing together members from various business units, design centers, certification, marketing, sales, and other support units. Through regular communication and training mechanisms, the committee ensures the implementation of sustainable product design and environmentally friendly material policies. In 2023, ASUS convened a total of four times for ESG Management Committee and Sustainable Marketing meetings. These meetings focused on sharing international sustainability trends, discussing the company's sustainability policies, reporting on implementation progress, consolidating the sustainability and marketing progress and needs of various units, and integrating resources.

Application of Circular Economy: Product Carbon Footprint, Carbon Neutrality, and ASUS Carbon Partner Services

ASUS conducts Product Life Cycle Assessment (LCA) for all product designs in accordance with ISO 14040:2016 standards. The product life cycle encompasses the entire process from raw material extraction, manufacturing, use, to final disposal, every element of this cycle influences the product's environmental impact index. To effectively reduce the impact index, ASUS utilizes ISO 14067:2018 Product Carbon Footprint verification to identify the carbon emission hotspots in the product life cycle, further improving product design, while formulating supply chain carbon reduction plans and objectives.





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

**05 Circular Economy**

Circular Economy Model

Safer Chemicals

Environmentally Friendly Materials

Product Energy Efficiency

Product Lifecycle Extension

Resource Regeneration

Eco Labels

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

In 2022, ASUS achieved a significant milestone by having the world’s first commercial laptop verified with ISO 14067:2018 Product Carbon Footprint by the third party. In 2023, ASUS accomplished product carbon neutrality and obtained third-party verification under PAS2060:2014. To achieve the goal of low-carbon products, ASUS integrates environmentally friendly materials, implements low-carbon processes through supply chain management planning, and enhances product energy efficiency during the R&D design phase. In 2023, laptops utilizing over 5% post-consumer recycled (PCR) plastic witnessed approximately an 18% reduction in overall carbon emissions compared to laptops without any post-consumer recycled (PCR) plastic. Additionally, models exhibiting energy efficiency exceeding ENERGY STAR® standards by over 40% recorded an average reduction of 18% in carbon footprint compared to ENERGY STAR® compliant products. ASUS consistently integrates carbon reduction designs into product development, striving for low-carbon product objectives.

In 2023, ASUS also launched ASUS Carbon Partner Services, where customers have the option to purchase high-quality carbon credits to offset the remaining carbon emissions of their products, thereby assisting customers in achieving ESG performance and carbon reduction goals. For detailed information on ASUS Carbon Partner Services, please refer to [CH02 ESG Focus Case](#).

⑤ **ASUS Low-Carbon Product Innovation Path**

The diagram illustrates the ASUS Low-Carbon Product Innovation Path through three stages:

- Stage 1: The World First Carbon Footprint Verified Commercial Laptop** - Features the ASUS ExpertBook B9400CE.
- Stage 2: ASUS Commercial and Consumer Laptops Achieve Carbon Neutral Verification** - Features the ASUS Zenbook S UX5304 and the ASUS ExpertBook B9400CB.
- Stage 3: ASUS Carbon Partner Services** - Features the ASUS ExpertBook B9403 and the ASUS D900MDR/D900SDR server.



- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy**
  - Circular Economy Model
  - Safer Chemicals
  - Environmentally Friendly Materials
  - Product Energy Efficiency
  - Product Lifecycle Extension
  - Resource Regeneration
  - Eco Labels
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

**Environmental Performance**

Energy efficiency performance better than ENERGY STAR® standard by **66%**

External power supply exceeds the EEI VI specification set by US DOE by **1%**

Retains more than **65%** of original battery capacity after 1,000 cycles of charging

**Low-carbon Products**

ISO 14067: 2018 Product Carbon Footprint Verification

PAS 2060: 2014 Product Carbon Neutral Verification



**Recycled Materials**

- **Case**  
Post-industrial recycled Aluminum
- **Keyboard case**  
Post-industrial recycled Magnesium Aluminum Alloy
- **Keycaps**  
Post-consumer recycled plastics
- **Speaker case**  
Ocean Bound Plastic+Post-consumer Recycled Plastic
- **Motherboards**  
Halogen-free material

**Sustainable Packaging Materials**

Zero plastic packaging materials design - We used FSC™ -certified handles and paper tape for the outer case.

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

**05 Circular Economy**

Circular Economy Model

Safer Chemicals

Environmentally Friendly Materials

Product Energy Efficiency

Product Lifecycle Extension

Resource Regeneration

Eco Labels

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

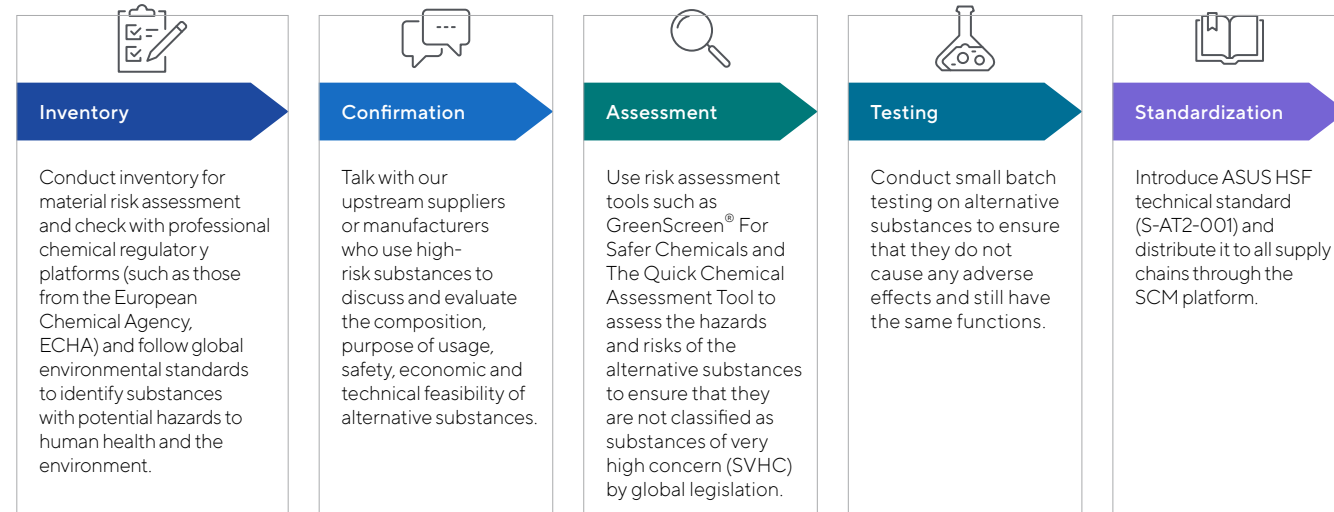
## Safer Chemicals

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

### Chemical Substance Management in Products

With the advancement of science, some chemicals that are currently approved or use may be determined as necessary to control in the future, which could interrupt the circularity of the products or components. In addition to compliance with legal regulations, ASUS imposes voluntary control requirements on the restriction and prohibition of hazardous substances. This measure will help the circulation of resources and reduce environmental pollutions at the end of the product's life cycle, and create a safer disposal process to protect the personnel.

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



#### Full material Disclosure (FMD)

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





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

- Circular Economy Model
- Safer Chemicals
- Environmentally Friendly Materials
- Product Energy Efficiency
- Product Lifecycle Extension
- Resource Regeneration
- Eco Labels

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

Electronic products are complex products that require the addition of various chemical substances to achieve product functionality, quality, or safety in use. To ensure the safety of ASUS products to the environment and users during various stages of manufacturing, transportation, use, and disposal, ASUS has established Hazardous Substances Free (HSF) standards. Since 2002, all products have been in compliance with the Restriction of Hazardous Substances Directive (RoHS) of the European Union. In addition to controlling substances that are prohibited by laws and regulations, we have also follow the requirements of international environmental standards and the electronic industry standard IEC 62474<sup>1</sup>. The substances used in our products have been disclosed and declared in accordance with IEC and legal requirements.

Hazardous Substances Free (HSF) standards far surpass international mandatory regulations, By 2023, the number of controlled chemical substances has exceeded 450. For detailed information on chemical substance control, please refer to the “[ESG Website](#).”



ASUS’s proactive chemical substance management actions exceed legal requirements:

Item	Product		Process	Packaging Materials
<b>Prohibited Substances</b>	Skin Sensitizers	Per- and polyfluoroalkyl substances (PFAS)	Trichloromethane (Chloroform) Cleaning Solvents	Chlorine, PVC
<b>Explanation</b>	Considering that skin sensitizers can easily trigger dermatitis, ASUS has prohibited the use of sensitizing substances listed by the European Chemicals Agency (ECHA) since 2023, thereby enhancing the safety of ASUS wearable products or electronic products frequently used in general operations.	Perfluoroalkyl and polyfluoroalkyl substances (PFAS) pose hazards to both the environment and human health. By 2024, PFAS has been completely phased out from textiles that may come into extensive contact with the skin, replaced by safer silicone-based compounds.	The removal of trichloromethane (chloroform) containing cleaning solvents has been implemented, replaced by water-soluble cleaning agents to reduce environmental pollution caused by volatile organic compounds and decrease health risks for production line personnel.	<ul style="list-style-type: none"> <li>• Chlorine is prohibited as a bleaching agent in the paper packaging manufacturing processes, to eliminate the possibility of generating toxic chlorinated organic compounds, including carcinogens, during paper packaging production.</li> <li>• The use of PVC is prohibited in plastic packaging materials.</li> </ul>
<b>Target</b>	Reducing the variety and quantity of hazardous substances to facilitate recycling and reuse.		Improving operational safety to ensure non-toxic production.	Reducing single-use packaging and simplifying material composition to facilitate recycling.

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

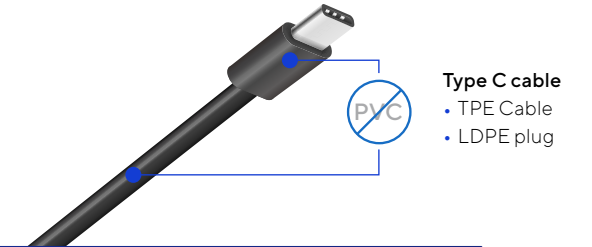


- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy**
  - Circular Economy Model
  - Safer Chemicals
  - Environmentally Friendly Materials
  - Product Energy Efficiency
  - Product Lifecycle Extension
  - Resource Regeneration
  - Eco Labels
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

### Halogen-Free Regulatory

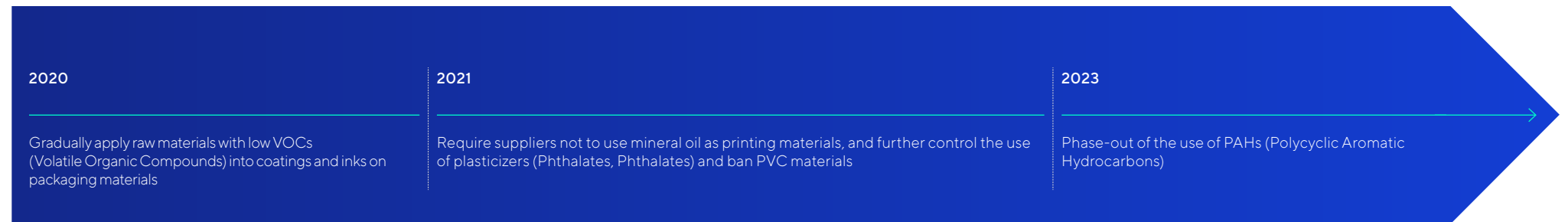
The issue of plastic pollution continues to receive attention from all industries. In order to maintain user safety, improve fire resistance characteristics, and achieve recyclability of plastics, ASUS uses flame retardants in plastic components of product appearance structures that have been scientifically evaluated (such as using GreenScreen) to be safer for the human body and less harmful to the environment.

Since 2010, ASUS has proactively implemented a gradual halogen-free policy, even requiring the prohibition of halogenated flame retardants in plastic housings of products as early as 2017, ahead of regulatory mandates. By 2023, ASUS shipped products with components meeting 91% of the halogen-free standard IEC 61249-2-21 set by the International Electrotechnical Commission (IEC).



### Chemical Substance Management in Packaging

International regulations on hazardous substances are constantly evolving. In addition to compliance with the EU Packaging and Packaging Waste Directive (94/62/EC, PPWD), proactive measures over the years have been taken to address future international standards on hazardous substances. These efforts aim to mitigate environmental risk factors directly impacting human health.



### Chemical Substance Management in Manufacturing

In addition to controlling harmful substances in products, ASUS also concerns about whether the materials or auxiliary solvents used in the product manufacturing process pose hidden hazards to production line personnel and the environment. Especially as process chemicals used for cleaning purposes tend to have volatile properties, prolonged exposure of production line personnel to these chemicals may lead to symptoms such as dizziness, headaches, and nausea. In addition to prohibiting the use of benzene and n-hexane in cleaning solvents and degreasing functions during the manufacturing process, ASUS also pays attention to voluntary standards internationally concerning toxic chemical substances encountered in the manufacturing processes of electronic products and keeps monitoring them. Moving forward, ASUS will continue to monitor the impact of hazardous substances in the manufacturing process and explore alternative technologies. Reducing hazardous substances in the manufacturing process will be incorporated into ASUS's reduction plans, gradually increasing the number of controlled items as part of its corporate responsibility efforts. For detailed information on the control of process chemical substances, please refer to the "ESG website."

## Environmentally Friendly Materials

In 2019, the European Commission released the European Green Deal, aiming to promote a circular economy and reduce material and resource consumption, ensuring materials are reusable and recyclable. At ASUS, our core operational philosophy is to “strive to be among the world-class green high-tech leaders and provide valuable contributions to humanity”. While strengthening corporate competitiveness, we uphold a responsible attitude towards the environment, promoting sustainable and circular material design to protect the Earth’s ecology and reduce environmental impact. To implement product sustainability, ASUS has established a “Sustainable Raw Materials Policy” aimed at enhancing the use of environmentally friendly materials in products and packaging. The policy prioritizes the selection of low-toxicity, renewable, recycled, or sustainably certified materials as specific policy guidelines.

### Case Study | Analysis of Critical Minerals and Rare Earth Metals: Taking Laptops as an Example

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

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







About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy**

- Circular Economy Model
- Safer Chemicals
- Environmentally Friendly Materials
- Product Energy Efficiency
- Product Lifecycle Extension
- Resource Regeneration
- Eco Labels

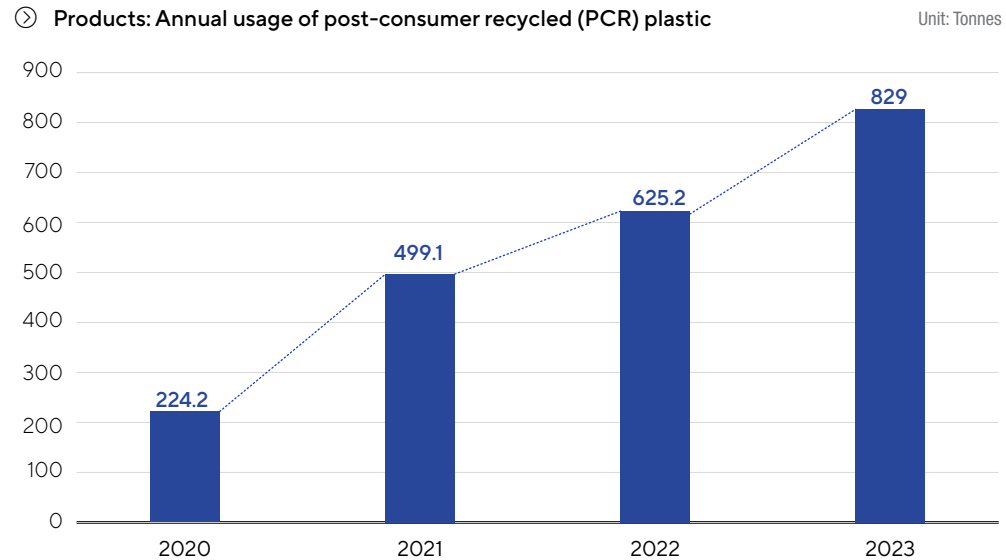
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

## Product Application

Among ASUS products, mainstream products contain more than 30% plastic of total weight, which accounts for the largest amount of materials used. Therefore, we cooperate with the suppliers to explore the opportunities that increase the use of post-consumer recycled (PCR) plastic as much as possible without compromising quality, function, and durability. The average PCR plastic content of ASUS' business laptops is 5%. Moreover, ASUS developed PCR plastic with antibacterial functions by applying our innovative R&D skills. In 2023, ASUS's core products utilized approximately 12,643 tonnes of plastic, of which approximately 829 tonnes were sourced from post-consumer recycled plastic. Since 2017, the cumulative use of post-consumer recycled plastic has exceeded 2,400 tonnes, resulting in a cumulative reduction of over approximately 17,000 tonnes of CO<sub>2</sub>e carbon emissions.<sup>2</sup>

In 2022, we began to try a more diverse range of eco-friendly materials in the products. For example, we used 30% post-industrial recycled metal in the metal casing of our business laptop ExpertBook B9 for its lightweight design, and a total of more than 9 tonnes of industrial recycled metal was used (including 8.3 tonnes of post-industrial recycled aluminum and 0.8 tonnes of post-industrial recycled magnesium) in 2023. The speaker case of the consumer laptops UX5304 is made of ocean-bound plastic, while the entire shell of the ROG gaming mouse is made of bio-based resin made from castor oil, and a total of 11.7 tonnes of bio-based resin was used in 2023.

In collaboration with suppliers, ASUS is actively engaged in the development of recycling applications for other key materials, focusing on the critical role of cobalt, a key material in laptop batteries, aiming to recycle and reuse cobalt in the production of batteries. ASUS will continue to explore a wider variety of eco-friendly materials in our products by taking actions to support the circular economy and fulfill ESG.

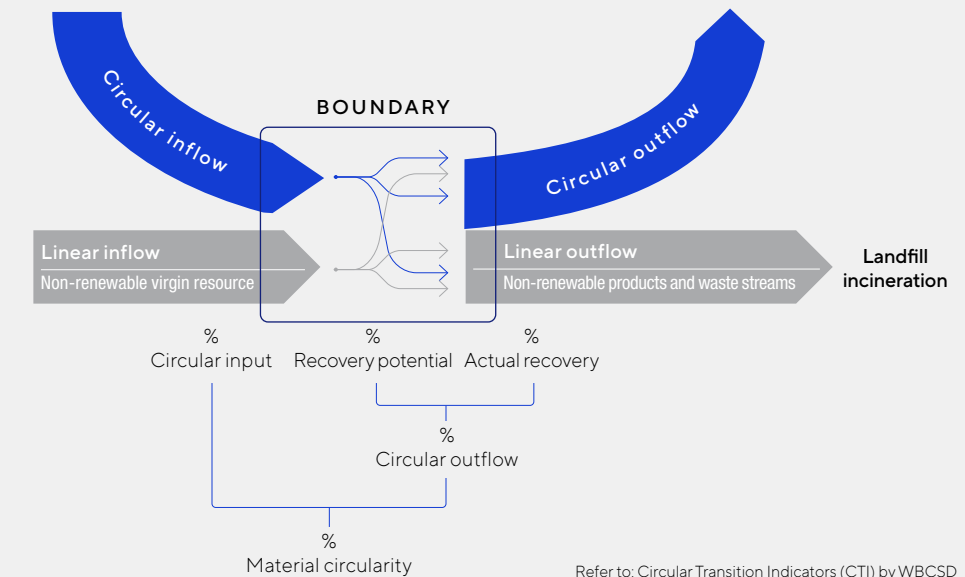


<sup>2</sup> Refer to the data from Ecoinvent ver.3.8 (2021/11) in Simapro.

## Case Study | Asia's first WBCSD CTI (Circular Transition Indicator) Case

In response to the global trend of sustainable development, ASUS recognizes that the circular economy is one of the key solutions to achieving sustainability goals. The circular economy aims to reduce the use of natural resources by promoting the recycling and reuse of materials after disposal, thereby maximizing resource value, minimizing waste, creating new business models, and reducing the risks associated with a linear economy. This transformation is not only about waste reduction but also about creating new economic development opportunities for businesses, enhancing environmental and social benefits, and increasing business resilience. Therefore, ASUS has introduced the Circular Transition Indicator (CTI), a global standard jointly developed by the World Business Council for Sustainable Development (WBCSD) and 30 member companies. The CTI aims to help businesses measure and evaluate their circular performance using standardized calculation methods, assisting in the formulation of appropriate improvement strategies.

The CTI tool is material flow-based, capturing and evaluating the correlation between inputs and waste within enterprises, and conducting in-depth analysis to identify opportunities for enhancing circularity. ASUS, as a pioneer, integrates the Circular Transition Indicator with design thinking. This integration has led to the successful enhancement of product circularity in the Zenbook S 13 OLED laptop. ASUS became the first company in Taiwan to leverage the CTI tool to optimize product circularity, and in September 2023, it officially became the first demonstration case of circularity in the Asian IT industry recognized by the WBCSD.





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

**05 Circular Economy**

Circular Economy Model

Safer Chemicals

**Environmentally Friendly Materials**

Product Energy Efficiency

Product Lifecycle Extension

Resource Regeneration

Eco Labels

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Packaging Material Application

According to the WEF and research report from Ellen MacArthur Foundation in 2016, most of the packaging was only used once; where the massive plastic junk produced after use was only recycled effectively at a mere 5%. Therefore, countries around the world have been imposing plastic reduction policies since 2018 to realize the vision of plastic circulation. Starting from 2019, ASUS has replaced PE bags with PET non-woven fabric. We increased the use of recycled pulp for the paper packaging of certain products to 90%. Approximately 23,000 tonnes of recycled paper was used for main products in 2023. In terms of resource protection and the ecology, ASUS has started to use paper materials certified by Forest Stewardship Council (FSC), and more than 300 tonnes were used in 2023. In addition to using over 90% recycled paper in its main product line of laptops, ASUS has also progressively introduced more environmentally friendly paper materials.

ASUS has not only been innovative in materials, but also recognized by FSC, for our efforts in designing packaging materials with longer lifecycle. In October, 2023, ASUS was invited to the FSC Asia-Pacific Summit to share our views on sustainability. In the future, ASUS aims to not only use FSC™ sustainable forest materials for packaging in more of its products to reduce the use of virgin plastics but also to continue expanding the design concept of packaging material reuse.

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

## Case Study

## Green Packaging Design

### 1. Zero plastic and adhesive free design - ROG Phone 7

Packaging is designed for easy recycling and biodegradation without the addition of plastics.

- Materials such as bagasse and wood pulp, derived from native agricultural waste, are utilized for paper-plastic materials that are both recyclable and decomposable, achieving 100% harmless and rapid degradation.
- The packaging is 100% free of plastic additives, utilizing low-halogen hot stamping technology to ensure environmental friendliness during recycling and decomposition. Additionally, soy-based ink printing is employed to minimize environmental impact.



### 2. Circular use - ASUS Monitor VU Series

The cardboard packaging can be reused by cutting it into various screen peripheral accessories or folding it into storage containers for office desks, such as organizers for cables, power adapters, or other accessories. It can also be folded into phone stands for placement on desktops. This clever design reduces immediate packaging waste and extends the lifecycle of packaging through reuse.

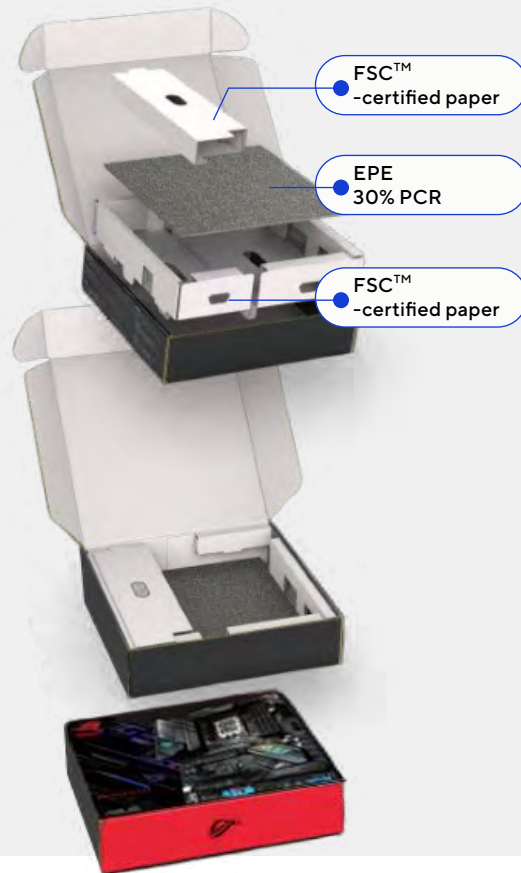


About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 **Circular Economy**
- Circular Economy Model
- Safer Chemicals
- Environmentally Friendly Materials
- Product Energy Efficiency
- Product Lifecycle Extension
- Resource Regeneration
- Eco Labels
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

**3. Cultivation of Recyclable Resources - MB ROG STRIX Series**

Our comprehensive packaging solutions employ FSC™-certified paper, integrating 30% Post-Consumer Recycled (PCR) content within electrostatic bags and cushioning materials such as Expanded Polyethylene (EPE).



**4. Patented Paper Handles-ASUS Vivobook K6604**

The carton packaging is crafted from 100% recycled and FSC™-certified paper.

The handles on the carton are designed with patented paper handles, which can be recycled with the carton.

The cardboard at the top of the carton is designed for versatile reuse. It can be folded post-product removal to serve as a computer stand, enhancing consumer ergonomics and aiding in heat dissipation. Additionally, it can be repurposed as a base for external monitors, thereby enhancing product usability and granting the packaging a second life.



**5. Lightweight packaging materials - ZenFone 11**

Considering the increasing prevalence of wireless charging experiences, adhering to sustainable design principles, we have decisively removed physical charging adapters from the packaging of the next generation of mobile communication products. This subtraction design approach has resulted in a 31% reduction in packaging volume compared to the previous generation. This reduction optimizes transportation container space allocation, consequently enhancing transportation efficiency by 4%.





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

**05 Circular Economy**

Circular Economy Model

Safer Chemicals

Environmentally Friendly Materials

Product Energy Efficiency

Product Lifecycle Extension

Resource Regeneration

Eco Labels

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix



## Product Energy Efficiency

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

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

### Superior to the ENERGY STAR® Standard

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

The commercial and consumer laptops launched by ASUS in 2023 exceed the ENERGY STAR® standard by an average of 42%. Products that meet ENERGY STAR® standard account for 78%<sup>3</sup>. According to the 2023 “Most Efficient” criteria proposed by the US Environmental Protection Agency, all display products should be able to save 15kWh a year. Only 10% of the products from ENERGY STAR® meet this criteria. Products rated as the Most Efficient can reduce energy consumption by more than 27% on average compared with ENERGY STAR® products. In 2023, 8 of our display products are rated as “2024 ENERGY STAR® Most Efficient Product.”

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

## Product Lifecycle Extension

### Easy to Disassemble and Repair

The recycling and reuse are considered during the design phase in order to improve the efficiency of resource usage and to facilitate circular economy. Through the easy disassembly for recycling, the consumer can update spare parts to accommodate with the usage when the product needs to upgrade for improving the computing performance, thus there is no need to replace the entire product. When the product failure occurs, it can be repaired and replaced with new components easily, extending the life of the product. When the product has to be eliminated, it can be classified by the recycling industry and thus reducing the processing costs for recycling and increasing the recycling value of waste electronic products. ASUS products perform better than other competing products in terms of availability of information related to maintenance, ease of product disassembly, availability of spare parts on the market, price difference between spare parts and finished products, and the subsequent maintenance and upgrade of products. The Repairability Index in France for the ROG Strix G18 was 8.6.





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

**05 Circular Economy**

Circular Economy Model

Safer Chemicals

Environmentally Friendly Materials

Product Energy Efficiency

**Product Lifecycle Extension**

Resource Regeneration

Eco Labels

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Modular Design

In the ever-evolving landscape of IT products, maintaining high quality and low costs within limited design timeframes while meeting diverse user demands for versatility, interchangeability, and compatibility is crucial. This is where modular design plays a pivotal role. During product design, components are structured based on functionality, enabling the assembly of individual modules into the final product through integration and stacking. Products designed with modularity not only facilitate rapid assembly or disassembly akin to building blocks but also streamline the process of upgrading, replacing, or repairing functional components. This approach ensures ease of product assembly, servicing, reusability, and recycling, thereby extending the product lifecycle.



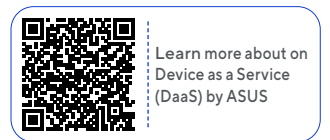
## Device as a Service

The market research think tank Euromonitor International recently published the “Top 10 Global Consumer Trends” report, which states that products or services for the circular economy such as shared use or lease in lieu of ownership are attractive to consumers. They can also be used to ensure good use of resources and expand new business opportunities for sustainability. The Device as a Service (DaaS) launched by ASUS replaces the traditional “buy to own” concept through a subscription-based model that offers flexible leasing arrangements, assisting enterprise customers reduce hardware expenditures, deployment costs, and support service costs, providing complete leasing solutions for the use of IT hardware and services. ASUS Device-as-a-Service Advantages:

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

ASUS actively promotes product leasing services. Taking ASUS laptops (with a product lifecycle of 4 years) as an example, instead of outright purchase, customers lease the product to achieve following environmental benefits:

- Continuous use of the most energy-efficient products: Upon lease expiration, customers can choose more energy-efficient new products.
- Resource recycling: Products at the end of their lease can undergo refurbishment and enter the next usage cycle.





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

Circular Economy Model

Safer Chemicals

Environmentally Friendly Materials

Product Energy Efficiency

Product Lifecycle Extension

Resource Regeneration

Eco Labels

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Resource Regeneration

According to the third edition of "The Global E-Waste Monitor 2020"<sup>4</sup>, 53.6 million metric tonnes of e-waste were generated worldwide in 2019, with only 17.4% recycling rate. It is projected to increase to 74.3 million metric tonnes by 2030. The rapid pace of economic development and technological advancements has led to a continuous rise in electronic waste, posing a significant threat to the environment.

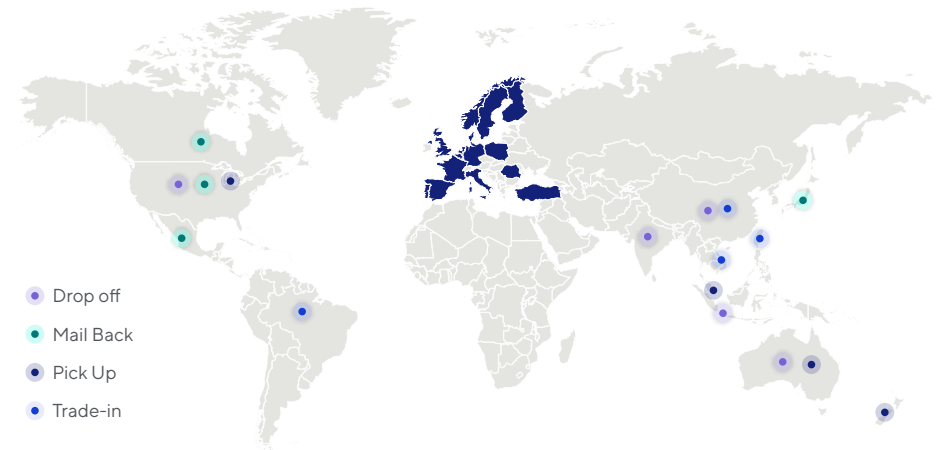
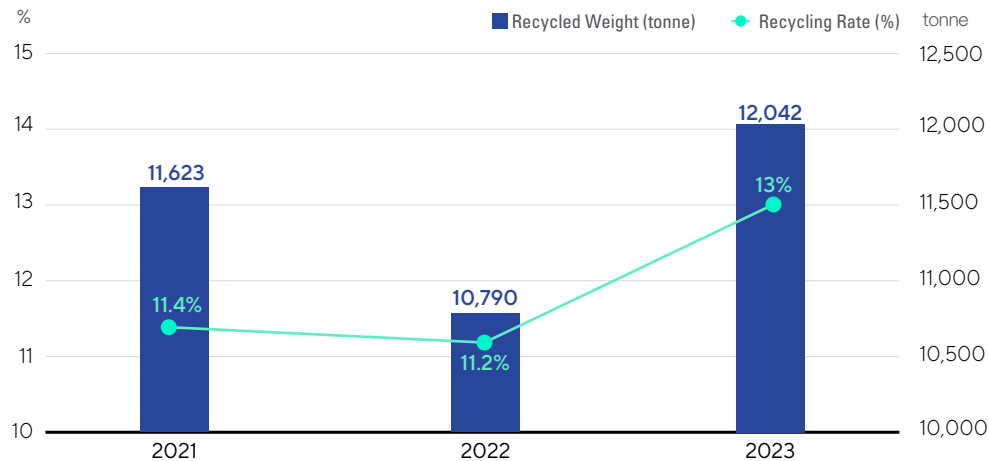
E-waste contains high-value or critical raw materials<sup>5</sup>. If these raw materials are properly recycled, reused and processed, a green circular industry can be formed through the resource regeneration process, which has great impact on economic development, human rights and environmental protection.

Furthermore, the "2022 Report on the Transboundary Movement of Electronic Waste"<sup>6</sup> delves deeper into the global flow of transboundary electronic waste. It reveals that the handling of electronic waste is often unknown, with the majority being disposed of, traded, or recycled in non-compliant or environmentally harmful ways. It is recommended that governments and businesses strengthen international supervision, management, and cooperation to enhance the efficiency of resource recycling. With the establishment of robust regulatory frameworks, ensuring proper treatment of electronic waste is essential.

### Global Take Back Service

ASUS supports the circular economy based on its producer responsibility. We meet the waste recycling regulations in each country, and have created free product recycling services in major sales markets including Asia-Pacific, Europe, the Americas, India, and Oceania. We established the ASUS Hardware Recycling Guidelines with stricter requirements than laws and regulations. We use this to ensure that waste can be disassembled into resources with value for reuse and prevent inappropriate disposal or illegal processing. In 2023, ASUS joined the PREVENT Waste Alliance<sup>7</sup> and participated in its working groups. Embracing the principles of sustainable development, ASUS collaborates with stakeholders worldwide through the alliance to advance the circular economy.

ASUS provided recycling services in 30 countries in 2023, which covered 82% of the sales market. We provided diverse recycling services based on the sales model in each country, including setting up drop off, mail back, trade-in, and pick up services. In 2023, we recycled more than 12,042 tonnes of e-waste and 13% total weight of ASUS products sold worldwide.



### Case Study | Mobile Phone Recycling Program

Every October, ASUS participates in the mobile phone recycling month organized by the Ministry of Environment. By introducing information security equipment, ASUS reduces public concerns about information security during the recycling of mobile phones and tablets, thus increasing the willingness to recycle. In addition to consistently adhering to the "ASUS Privacy Policy" and "Customer Property Protection Operating Regulations," in 2023, we continued our efforts from 2022. We collaborated with the Ministry of Environment to introduce information security equipment at ASUS Royal Club Guanghua and ASUS Royal Club Banqiao, respectively. These devices provide operators with a secure and stable environment to perform destruction procedures on discarded mobile phones, tablets, switches, power sockets, SIM/SD cards, making the recycling process more secure and reliable.

Through the joint efforts of the public and the ASUS team, the frontline Royal Club saw a 64% increase in the recycling weight of discarded mobile phones in 2023 compared to 2022. Since 2021, we have accumulated over 2 tonnes of discarded mobile phones and related products for recycling.

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

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

6 A report published by the United Nations Environment Program (UNEP) examining the flow of global cross-border e-waste and highlights the environmental and health impacts of this issue.

7 The PREVENT Waste Alliance serves as a platform for exchange and international cooperation. Organizations from the private sector, academic, civil society, and public institutions jointly engage for a circular economy. The alliance aims to minimize the waste of environmental resources, eliminate pollutants, and reuse resources.



For details of recycling services, please visit [ASUS ESG website.](#)



- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- Circular Economy Model
- Safer Chemicals
- Environmentally Friendly Materials
- Product Energy Efficiency
- Product Lifecycle Extension
- Resource Regeneration
- Eco Labels
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

## Recycling Company Management

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

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

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

### Management of downstream companies and compliance:

Verify that first-tier recycling companies have contractual relationships with downstream companies to ensure compliance with local and international regulations

### Plant environment and operational safety:

Have work environment protection systems to ensure the safety of employees

### Management system:

Ensure environmental, health, safety and other management plans in place

### Waste storage environment:

Ensure proper storage of waste electronics and materials containing substances of very high concern

### Hazardous material handling and tracking:

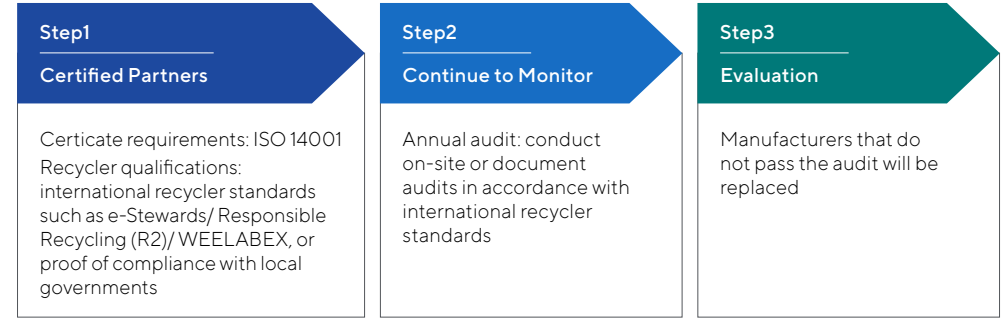
Ensure hazardous materials are properly handled and tracked to their final destination

### Documentation and management of records:

Ensure recycling companies retain all necessary documentations and records to prove their compliance status

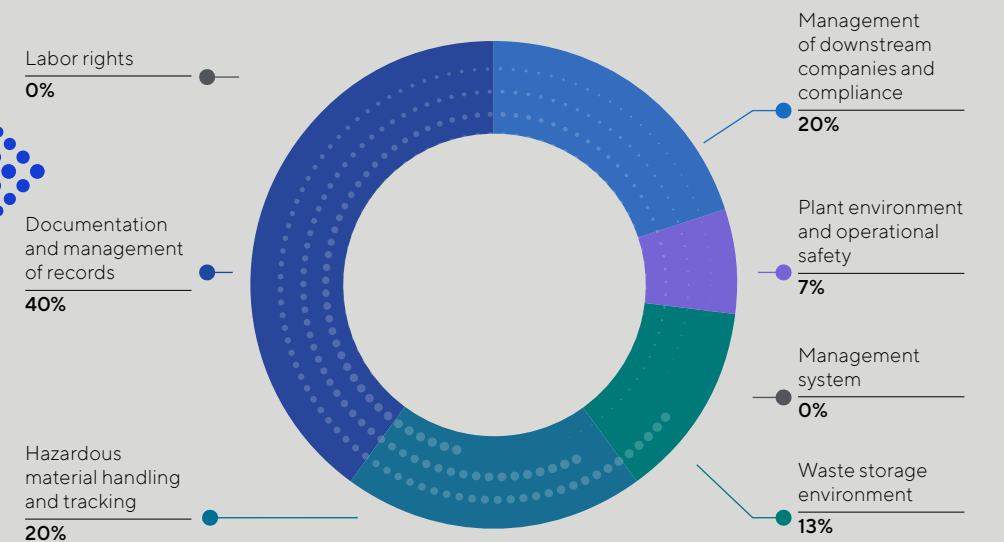
### Labor rights:

Ensure employees are not forced laborers, prisoners, or children, and that employees are treated equally and provided with due benefits



In 2023, ASUS conducted 15 annual audits on recycling vendors and found no significant deficiencies. The main issues identified were incomplete document and record management. Under the requirement to provide improvement plans within 30 days and complete the improvements within three months, all identified issues were successfully rectified.

Percentage of Deficiencies in Management Dimension of Recycling Vendors in 2023





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

**05 Circular Economy**

Circular Economy Model

Safer Chemicals

Environmentally Friendly Materials

Product Energy Efficiency

Product Lifecycle Extension

Resource Regeneration

**Eco Labels**

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

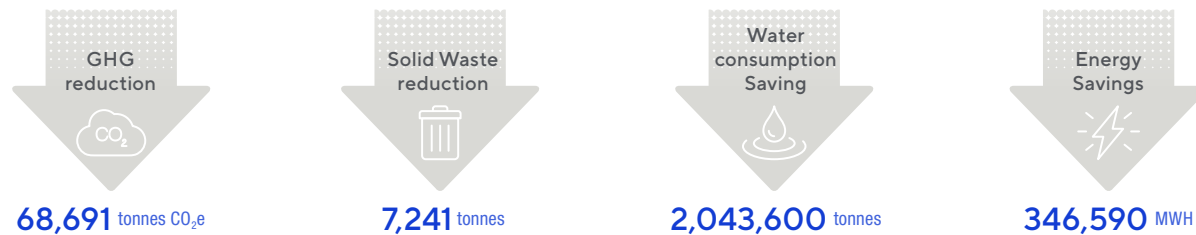
## Eco Labels

ASUS has been long investing in the R&D of green products. Through the use of safer chemicals, environmentally friendly and recycled materials, lightweight packaging, and outstanding products energy efficiency, and along with the design of products that are easy to disassemble and repair, the revenue from ASUS Eco Friendly Products was now account for 90%<sup>8</sup> of qualified revenue. Furthermore, we demonstrate our green competitiveness by obtaining strict certification of international environmental eco-labels. We also adopt the method of Sustainability Accounting Standards Board (SASB) to calculate the proportion of sales on eco-label products over corporate revenue as one of the reference indicators for investors and an important part for demonstrating ASUS's green competitiveness. Annual revenue from sold products compliant with EPEAT or equivalent standard was account for 24 %<sup>9</sup> of the qualified revenue.

### EPEAT Environmental Performance

ASUS has been committing to R&D of green products and obtained green product certification after undergoing strict review by international environmental standards. Taking the EPEAT<sup>10</sup> ecolabel as an example, this standard is one of the most rigorous product environmental protection standards in the world. It is divided into ten categories such as: substance management, materials selection, product design, energy use, product and corporate footprint, etc. Its focus is to minimize environmental impact throughout the entire lifecycle of the product.

After the revision of the EPEAT 2.0 standard in 2018, its requirements became more stringent. ASUS continues to register products for certification, such as obtaining EPEAT, TCO environmental protection label from Sweden and Eco Mark from Japan for our laptops, desktop computers, LCD displays. For products that have obtained the EPEAT label in 2023, the environmental benefits calculated through the Green Electronics Council (GEC) assessment tool are as below. These performances show how the EPEAT has done a great job in reducing carbon emission and to demonstrate our determination to reduce the environment load.



The Global Electronic Council (GEC), the governing body of EPEAT, launched the EPEAT Climate+ to encourage enterprises to take concrete actions towards climate change mitigation. In response, ASUS established science-based carbon reduction targets (SBTs), implemented renewable energy usage, initiated supply chain carbon reduction programs, and conducted product carbon footprint assessments. As a result, ASUS's products were promptly attained the new EPEAT Climate+. Additionally, ASUS was recognized as an EPEAT Climate+ Champion for its outstanding performance in overall corporate carbon reduction efforts. Continuously expanding its portfolio of products registered under EPEAT Climate+, ASUS not only provides purchasers with a pathway to identify low-carbon products but also reduces carbon emissions throughout the product lifecycle. This underscores ASUS's unwavering commitment to carbon reduction.

<sup>8</sup> For information on the revenue of Eco Friendly Products please refer to the Remark: The calculation base of environmental indicators. (Appendix, A-12)

<sup>9</sup> For information on the revenue of EPEAT certification or equivalent standards, please refer to the Remark: The calculation base of environmental indicators. (Appendix, A-12)

<sup>10</sup> The EPEAT (Electronic Product Environmental Assessment Tool) was jointly initiated by the US Environmental Protection Agency (EPA) and Institute of Electrical and Electronics Engineers (IEEE). The Tool follows ISO 14024 structure and serves as a symbolic of global eco-label for the IT industry.







# 06 Climate Actions

In the 28<sup>th</sup> United Nations Climate Change Conference (COP28) held in 2023, a pivotal resolution was passed, urging global “transition away” from fossil fuels, with all nations mandated to take immediate action to curb emissions. This marks the first instance of fossil fuels becoming a subject of agreement within the COP as a contracting party conference. Furthermore, during the COP28 deliberations, it was decided that by the year 2030, global renewable energy installed capacity would double, energy efficiency would increase by a factor of one, reaffirming the imperative of developing renewable energy sources to control global warming within 1.5°C.

As net zero emissions become a global consensus, a series of regulatory reforms are unfolding in the global ESG landscape. For instance, the European Union’s Carbon Border Adjustment Mechanism (CBAM) reflects this trend. Amid the global sustainability wave, climate issues are progressively amplifying in importance for corporate operations. ASUS is committed to supporting the goals of the Paris Agreement and the science-based target. Apart from fostering innovation to contribute to environmental and social causes, ASUS integrates climate action into its operational strategies. This involves identifying significant climate risks and opportunities, devising response strategies, and tracking management both qualitatively and quantitatively.

### Actions

- > ASUS Group’s near-term science-based emissions reduction targets have been validated by SBTi.
- > Established ASUS Taiwan and global operations centers RE100 Path by 2035
- > Conduct carbon reduction projects for key suppliers
- > Established A+ESG Carbon Data Management Platform for the entire ASUS Group and its subsidiaries.

### Performance



Received **Leadership Ratings** in CDP’s Climate Change and Supplier Engagement assessments.



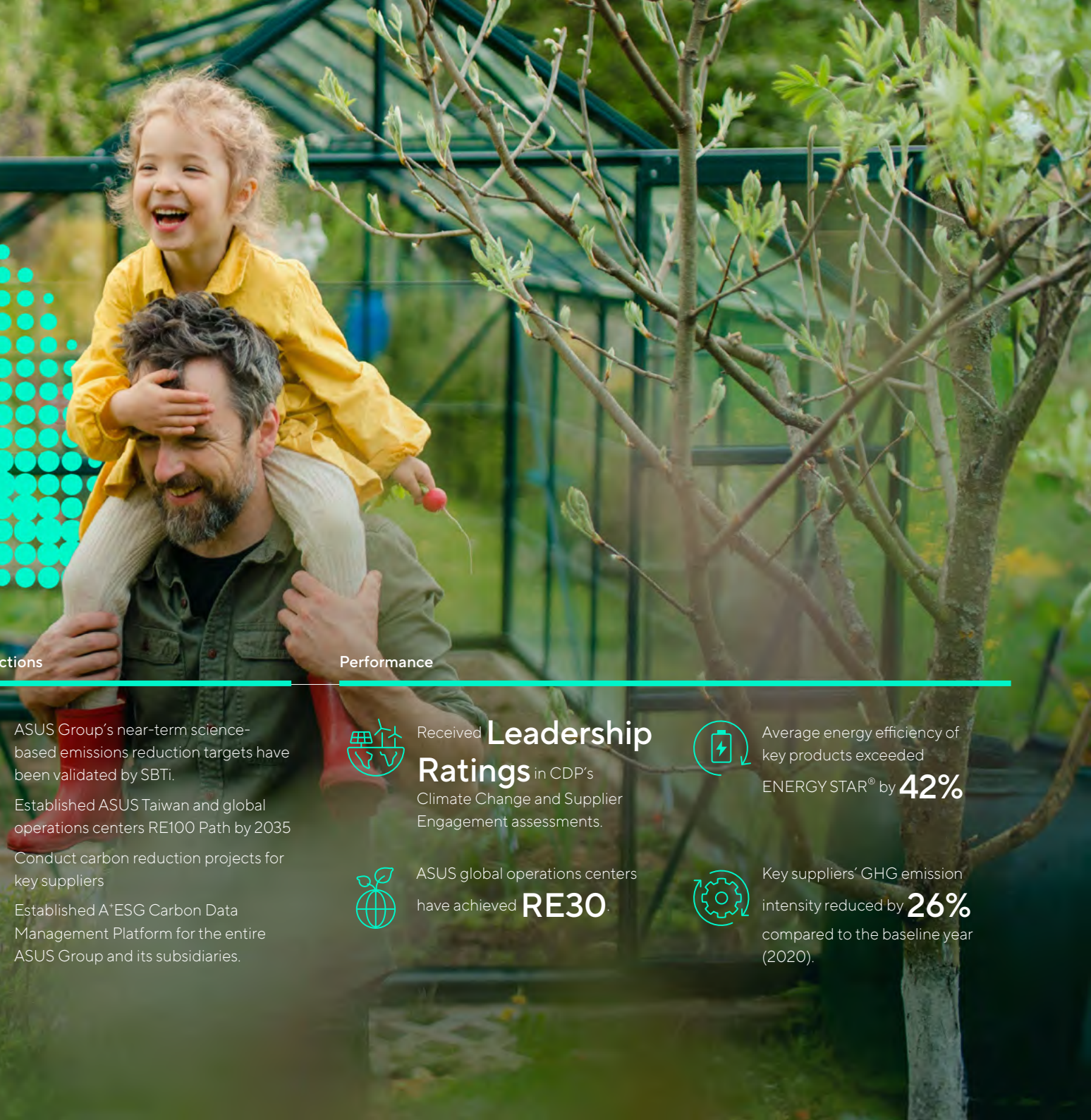
ASUS global operations centers have achieved **RE30**.



Average energy efficiency of key products exceeded ENERGY STAR® by **42%**



Key suppliers’ GHG emission intensity reduced by **26%** compared to the baseline year (2020).



- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions**
  - Climate Initiative
  - Governance
  - Strategy
  - Greenhouse Gas Inventory
  - Risk Management
  - Actions Taken
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

## Climate Initiative



### SBTi

SBTi is a third-party certified, scientific, method based on the global carbon budget scenario of limiting global warming to 1.5°C. It is a method that businesses can use to develop their carbon reduction targets. ASUS Group's near-term science-based emissions reduction targets have been validated by SBTi, following a reduction pathway aligned with a 1.5°C scenario, committing to transition towards net zero emissions.



### RE100

ASUS joined RE100, joining over 300 companies globally in committing to 100% renewable energy usage. In April 2021, ASUS announced plans to achieve 100% renewable energy usage in its operations in Taiwan by 2030, with a global target set for 2035. In 2023, ASUS achieved RE30 for renewable energy adoption at its global operations centers.



### Taiwan Climate Partnership

The Taiwan Climate Partnership was jointly initiated and established by eight major technology companies, with the aim of leveraging the carbon management capabilities of these major technology companies within the alliance to assist the industry toward net zero by elevating energy efficiency and low-carbon manufacturing. ASUS Chief of Sustainability Officer was invited to serve as a committee member for the Taiwan Climate Partnership Climate Institute, contributing industry perspectives to curriculum planning. In 2023, the Climate Academy organized the "Climate Sustainability Decision-Making Forum" focused on climate technology, providing practical exchanges for corporate leaders.

## ASUS Disseminated its Visionary Blueprint for the Carbon Pricing Era in COP28

The COP28 conference took place in the United Arab Emirates in December 2023, where consensus was reached through negotiations within the primary framework of the Paris Agreement. This achievement elevated global ambitions for climate action, reinforced capacities for climate change adaptation, increased climate financing, and advanced technology transfer and capacity-building efforts.

Invited by the Taiwan Climate Partnership, ASUS participated in the "High-Tech Net Zero Initiative" and the "Digital & Green" forum at the 28<sup>th</sup> United Nations Climate Change Conference (COP28) to the United Nations Framework Convention on Climate Change in 2023. ASUS shared its 20-year sustainability transformation journey, illustrating how it employs strategies of "Using Digitized Data and Scientific Management Practices to Support Sustainable Value Creation through Core Competencies" to gradually mitigate climate risks. Through comprehensive assessments of the transformational and physical risks posed by climate change to ASUS operations, our greatest challenges arise from increasingly stringent international carbon policies, such as the cost escalation resulting from the Carbon Border Adjustment Mechanism (CBAM), and supply chain disruptions caused by extreme weather events. By conducting climate risk assessments helps us gain deeper insights into financial impacts and the cost of carbon reduction initiatives. Mitigating and adapting to climate change effects may also yield substantial financial returns in clean technology development, including renewable energy, energy storage, hydrogen energy, low-carbon materials, circular economy practices, carbon capture and utilization, as well as emerging technologies like blockchain and AI applications.



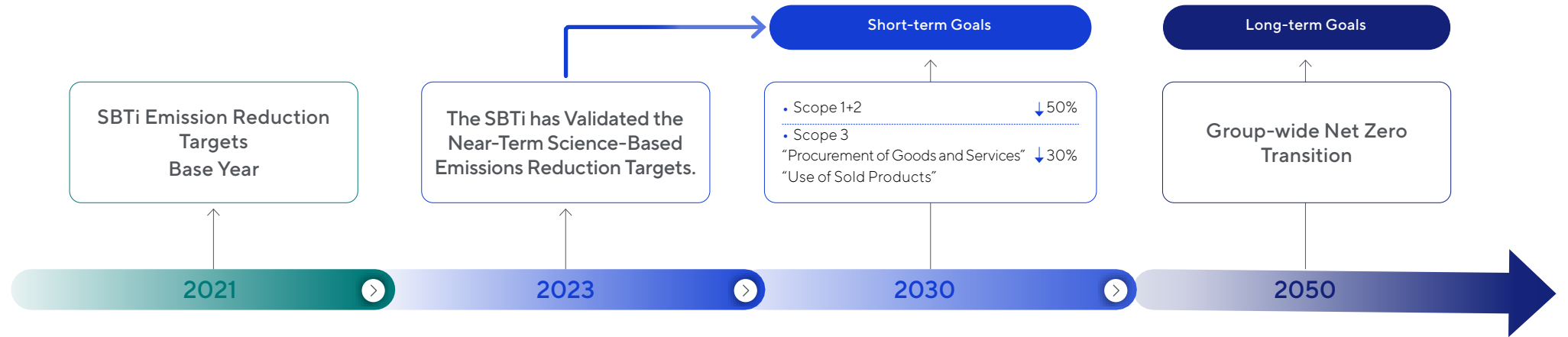


About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions**
- Climate Initiative
- Governance
- Strategy
- Greenhouse Gas Inventory
- Risk Management
- Actions Taken
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

### SBT (Science-Based Targets)

ASUS, in accordance with the SBTi framework standards, aligned our scope with the consolidated financial statements of the Company. In 2023, ASUS Group, serving as the boundary, achieved validation of SBTi Near-Term emissions reduction targets. Following a reduction pathway aligned with a 1.5°C scenario, with the base year set in 2021, ASUS commits to reducing absolute Scope 1 and 2 GHG emissions by 50% by 2030 from a 2021 base year. ASUS also commits to reducing absolute Scope 3 GHG emissions, which cover purchased goods and services and the use of sold products, by 30% within the same time frame. ASUS plans to further commit to the more ambitious SBTi Net-Zero pledge, guiding the entire group towards the net-zero target by 2050.



Furthermore, ASUS acknowledges that emission reductions within the value chain may be constrained by factors such as the feasibility and commercial viability of carbon reduction technologies. Therefore, achieving net-zero goals necessitates the importance and necessity of engaging in emission reduction actions beyond the value chain. In alignment with the recommendations outlined in the "Beyond Value Chain Mitigation" (BVCM) guidance released by SBTi in February 2024, ASUS plans to participate in carbon reduction projects that adhere to BVCM criteria.

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

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

1. Establish BVCM objectives: Enterprises can set targets for reducing emissions beyond their value chains, which should align with the climate goals committed to by the company.
2. Identify BVCM opportunities: Collaborate with other companies, non-governmental organizations, and governments to examine and identify opportunities for emission reductions beyond the company's value chain.
3. Invest in BVCM projects: Enterprises can invest in BVCM projects to help reduce emissions beyond their value chains. These projects may include renewable energy, afforestation, carbon capture and storage technologies, etc.

To ensure investors and stakeholders understand our climate change response actions, ASUS has been publishing Climate-Related Financial Disclosure Reports since 2021, adopting the framework set forth by the Financial Stability Board (FSB) known as the Task Force on Climate-related Financial Disclosures (TCFD). In 2023, the International Sustainability Standards Board (ISSB) released the "IFRS Sustainability Disclosure Standards," providing globally recognized, comparable, and high-quality sustainability reporting. This year, ASUS has taken the lead in adopting the IFRS S2 "Climate-related Disclosures" as the reporting framework for climate-related financial disclosure reports. Outlined in IFRS S2, in addition to governance, strategy, risk management, indicators, and goals related to climate change, we have further disclosed the seven "Cross-Industry Metric Categories".

For detailed information, please refer to ASUS's [TCFD report](#).

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

**06 Climate Actions**

Climate Initiative

Governance

Strategy

Greenhouse Gas Inventory

Risk Management

Actions Taken

07 Responsible Manufacturing

08 Value Creation

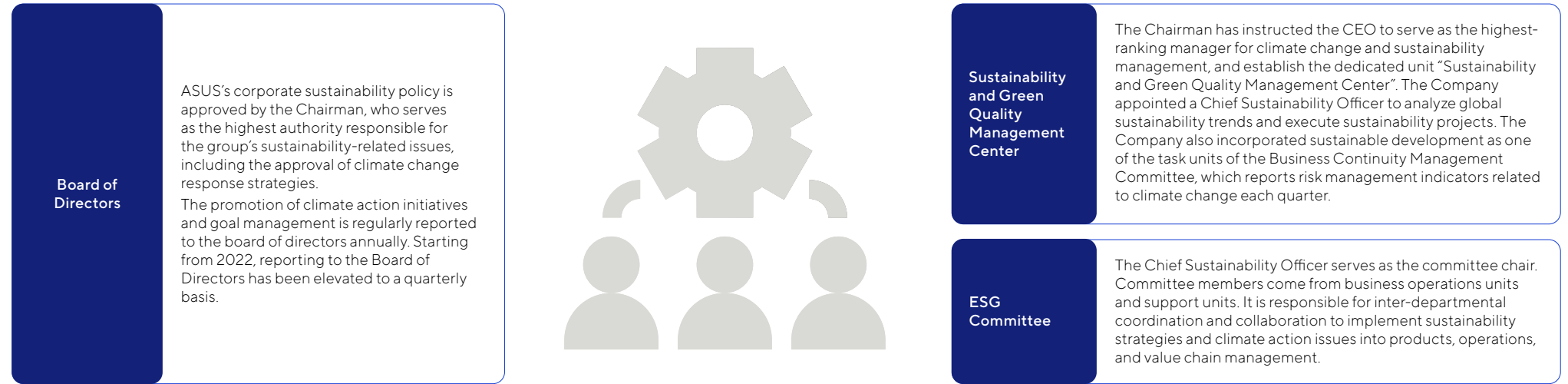
09 Social Engagement

10 Inclusive Workplace

Appendix

## Governance

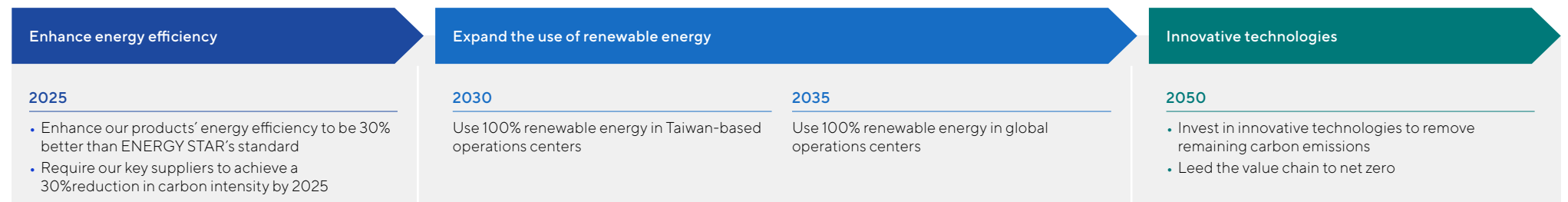
As climate change affects product development and business operations, we continue to focus on the implementation of our climate action and goals after the Paris Agreement and incorporate them into the sustainability strategy.



## Strategy

As the threat of climate change intensifies, "net zero emissions by 2050" has become a consensus in global climate actions. Nearly 140 countries across the world that produce 88% of global carbon emissions have promised to achieve net zero emissions by 2050. According to the "Net Zero Economy Index 2021" published by PwC, achieving net zero emissions by 2050 will be difficult, unless carbon emissions by half by 2030 and achieving net zero emissions by 2050 require a five-fold increase in the rate of global decarbonization. It means that every industry across the world must accelerate their transformation to achieve net zero emissions. ASUS has set science-based targets (SBT) for carbon emission reduction and initiated its climate actions in three stages: enhancing energy efficiency, expanding the utilization of renewable energy, and reducing emissions by means of innovative technologies to lead the value chain to net zero.

### ASUS Net Zero Vision





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

**06 Climate Actions**

Climate Initiative

Governance

Strategy

Greenhouse Gas Inventory

Risk Management

Actions Taken

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

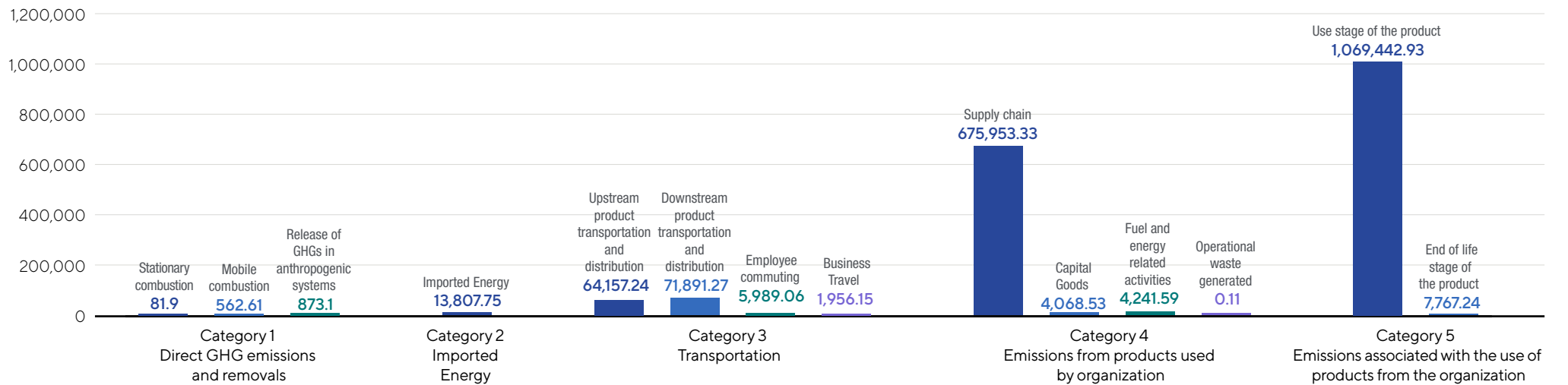
## Greenhouse Gas Inventory

Since 2007, ASUS has conducted annual GHG inventories using the operational control approach for establishing organizational boundaries. Scope includes: direct greenhouse gas emissions, indirect greenhouse gas emissions from purchased energy, indirect greenhouse gas emissions from organizational product use (supply chain, capital goods, fuel and energy related activities, operational waste), indirect greenhouse gas emissions associated with the use of organizational products (product use, end-of-life disposal of sold products), and indirect greenhouse gas emissions from transportation (upstream transportation and distribution, business travel, employee commuting, downstream transportation and distribution of products). Global warming potentials (GWPs) from IPCC AR6 are utilized for calculations, with verification conducted by third parties in accordance with ISO 14064-1:2018.<sup>1</sup>

In 2023, ASUS's greenhouse gas inventory data revealed a total carbon emissions of 1,920,792.81 tonnes CO<sub>2</sub>e, with an emission intensity of 149.14 tonnes CO<sub>2</sub>e/Million USD.

### Greenhouse Gas Emissions

Unit: Tonnes CO<sub>2</sub>e



#### Category 1: Direct GHG Emissions and Removals

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

Category	Type of Energy	Activity Data	Carbon Emission (tonnes CO <sub>2</sub> e)	Total Carbon Emission (tonnes CO <sub>2</sub> e)
Direct emissions from stationary combustion	(Emergency generator) Diesel	2,826.56 L	7.54	1,517.60
	(Boiler) Natural gas	20,246 M <sup>3</sup>	43.73	
	(Heating) Natural gas	14,581.29 M <sup>3</sup>	30.62	
Direct emissions from mobile combustion	(Office vehicle) Diesel	87,130.08 L	230.54	1,517.60
	(Office vehicle) Gasoline	133,017.38 L	332.07	
Direct fugitive emissions arise from the release of GHGs in anthropogenic systems	Including refrigerant equipment	9,447.20 Kg	873.10	

<sup>1</sup> [https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC\\_AR6\\_WGI\\_Chapter07\\_SM1.pdf](https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Chapter07_SM1.pdf)



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

**06 Climate Actions**

Climate Initiative

Governance

Strategy

[Greenhouse Gas Inventory](#)

Risk Management

Actions Taken

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

**Category 2:  
Indirect GHG  
Emissions from  
Imported Energy**

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

	Headquarters	Mainland China	Overseas	Total
<b>Electricity Usage (MWH)</b>	27,684	7,517	4,978	40,179
<b>Location-based Carbon Emission (tonnes CO<sub>2</sub>e)</b>	13,676.03	4,466.38	2193.08	20,335.49
<b>Market-based Carbon Emission (tonnes CO<sub>2</sub>e)</b>	13,671.09	0	136.65	13,807.75

**Category 3:  
Indirect GHG  
Emissions from  
Transportation**

**Emissions from upstream product transportation and distribution:**

The carbon emissions from laptops, desktop computers, all-in-one computers, and monitors product lines from the parts factory to the HUB, and finally to the EMS factory, are 64,157.24 tonnes CO<sub>2</sub>e.

**Emissions from downstream product transportation and distribution <sup>2</sup>:**

The carbon emissions from laptops, desktop computers, all-in-one computers, and monitors product lines from shipping products from EMS factories to global destinations, are 71,891.27 tonnes CO<sub>2</sub>e

**Emissions from employee commuting includes emissions:**

In 2023, the carbon emissions generated by commuting of employees at ASUS Headquarters were 5,989.06 tonnes CO<sub>2</sub>e

**Business travels:**In 2023, the total carbon emissions from business travels<sup>3</sup> of employees at ASUS Headquarters were 1,956.15 tonnes CO<sub>2</sub>e

**Category 4:  
Indirect GHG  
Emissions from  
Products Used by  
Organization**

**Supply chain:**

The total carbon emissions from our key suppliers<sup>4</sup> amount to 675,953.33 tonnes CO<sub>2</sub>e, with an emissions intensity of 86.26 tonnes CO<sub>2</sub>e/MillionUSD, representing a reduction of approximately 26% in emissions intensity compared to the baseline year.

**Capital goods:**

In 2023, ASUS's procurement of capital goods resulted in carbon emissions of 4,068.53 tonnes CO<sub>2</sub>e.

**Fuel and energy related activities:**

The total carbon emissions from upstream fuel and electricity procurement are 4,241.59 tonnes CO<sub>2</sub>e

**Operational waste generated:**

In 2023, ASUS's operational waste resulted in carbon emissions of 0.11 tonnes CO<sub>2</sub>e.

**Category 5:  
Indirect GHG  
Emissions Associated  
with the use of  
Products from the  
Organization**

**Emissions from the use stage of the product:**

ASUS has expanded its recognition of carbon emissions during the usage stage, with a total carbon emission of 1,069,442.93 tonnes CO<sub>2</sub>e and an emission intensity of 83.04 tonnes CO<sub>2</sub>e / Million USD. This represents a decrease of approximately 13.81% in emission intensity compared to last year.

**Emissions from end-of-life stage of the product:**

The final disposal of products sold globally includes the transportation stage from recycling stations to treatment plants, as well as the disposal stage. Total carbon emissions are 7,767.24 metric tonnes of CO<sub>2</sub>e.

<sup>2</sup> ASUS follows the methodology outlined in "EPEAT-CCM-2023\_4.1.3 Optional-Product transport carbon footprint and goal". Using emission factors for various transportation modes based on a well-to-wheel approach, verified according to ISO 14064-1, ASUS evaluates the weight of transported products and shipping distances to calculate carbon emissions.

<sup>3</sup> Business travels on land are not included in the calculation due to low significance on results.

<sup>4</sup> Key suppliers are makers of IC base(CPU, GPU), hard drives(SSD, HDD), panels, power supplies, motherboards, memory as well as EMS.

About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions**
  - Climate Initiative
  - Governance
  - Strategy
  - Greenhouse Gas Inventory
  - Risk Management**
  - Actions Taken
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace

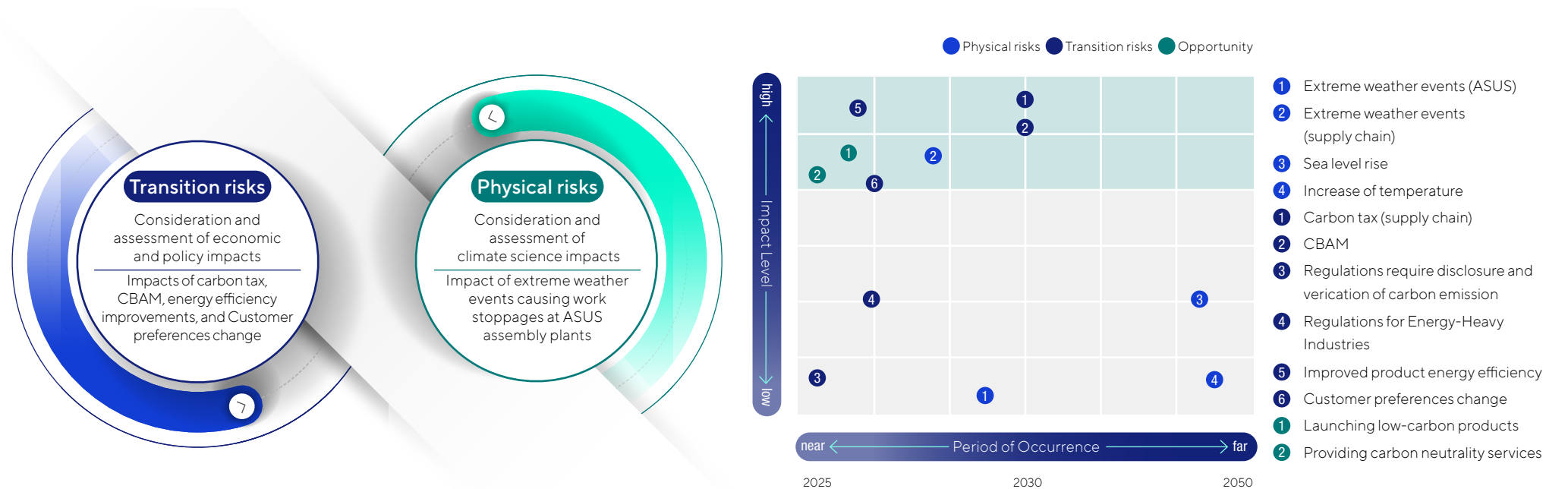
Appendix

## Risk Management

The World Meteorological Organization (WMO)<sup>5</sup> stated that “continuing climate change, an increasing occurrence and intensification of extreme events, and severe losses and damage, affect economy, society, and the environment. On the other hand, after the Paris Agreement came into effect, the world has accelerated its pace towards a low-carbon economy with a common goal of limiting earth’s warming to 2°C by the end of the century, with efforts directed towards keeping it below 1.5°C. This means that regardless the success of actions in response to climate change around the world, companies will face certain risks.

### Climate Risk and Opportunity Identification

ASUS identifies priority physical and transition risks based on the impact magnitude and frequency/probability of risk occurrences. These include:



### Scenario Simulation Methodology for Climate Change Risks and Opportunities

#### Risk

ASUS fully understands that transformation risks and physical risks will have varying degrees of impact on sustainable operations. Transition risks are analyzed based on the “Current Policies” and “Net Zero” scenarios defined by the transition scenario database established by the Network for Greening the Financial System (NGFS)<sup>6</sup>, as follows.

NGFS	Scenario description	Corresponding transition risk simulation scenarios
<b>Current Policies Scenario (Current policies)</b>	This includes announced policy content, aiming to highlight the impact of these announced policies on future global economic, environmental, and social systems.	CP Scenario
<b>Net Zero Scenario (Net zero)</b>	The scenario of achieving net zero emissions by 2050.	NZ Scenario

<sup>5</sup> <https://public.wmo.int/en/media/press-release/climate-change-indicators-and-impacts-worsened-2020>

<sup>6</sup> The World Climate Research Programme of the WMO activated the Coupled Model Intercomparison Project (CMIP) in 1995 to integrate the climate simulation capacity of major meteorological research centers across the world. They followed internationally recognized modeling protocols to systematically conduct climate change simulations and projections using their own developed climate models. These results were the primary scientific basis for writing the IPCC’s climate change assessment reports. AR6 used data from the CMIP. Source: <https://newsletter.sinica.edu.tw/1468/>



About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions**
- Climate Initiative
- Governance
- Strategy
- Greenhouse Gas Inventory
- Risk Management
- Actions Taken
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

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

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

**Opportunity**

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

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

**Risk and Opportunity Sources and Scenario Simulation Results**

ASUS simulates transition risk scenarios using the NGFS models for the Current Policies (CP) scenario and the Net Zero (NZ) scenario. Additionally, it references the impact of the AR6’s SSP5-8.5 scenario to assess the physical risks of extreme climate events on the operational shutdown of supply chain assembly plants.

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

8 RCP measures the degree to which the energy balance of the Earth-atmosphere system is affected by changes in the factors that affect climate. Source: [https://www.cwb.gov.tw/V8/C/K/Qa/qa\\_2\\_1.html](https://www.cwb.gov.tw/V8/C/K/Qa/qa_2_1.html)

9 Source: Framework and summary of the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and IPCC assessment report, [https://tccip.ncdr.nat.gov.tw/upload/activity\\_agenda/2021118205605.pdf](https://tccip.ncdr.nat.gov.tw/upload/activity_agenda/2021118205605.pdf)

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





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

**06 Climate Actions**

Climate Initiative

Governance

Strategy

Greenhouse Gas Inventory

**Risk Management**

Actions Taken

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

Increase in Operation Costs Caused by Carbon Tax	Carbon Border Adjustment Mechanism (CBAM) of the European Union	Changes in Consumer Behavior
<p>To comply with the Paris Agreement or achieve their Nationally Determined Contributions (NDCs), governments may utilize policy tools such as carbon taxes. Most of the suppliers in ASUS supply chain are in Mainland China. If the local government impose carbon tax on our suppliers, the carbon tax costs will be passed on to us, so that our operating expenses costs will increase.</p>	<p>The EU officially implements the Carbon Border Adjustment Mechanism in 2026 to ensure that trading partner countries pay the same cost of carbon as industries in the EU and prevent the relocation of industries to other countries with less stringent carbon controls. To import products into the EU, importers must pay a carbon fee before they may sell their products on the European market.</p>	<p>Customers' environmental protection awareness has increased, and products that meet energy efficiency standards have become a criterion for their purchases. If products do not receive voluntary energy efficiency standards or do not meet customers' energy efficiency requirements, they will lose their competitiveness in the green market, which will result in loss of revenue.</p>
<p><b>Scenario Assumptions</b></p>	<p><b>Scenario Assumptions</b></p>	<p><b>Scenario Assumptions</b></p>
<p>Mainland China has pledged to achieve "peak carbon dioxide emissions" by 2030 and "carbon neutrality" before 2060.</p> <p>To achieve carbon neutrality, Mainland China will implement a carbon tax system in 2030, targeting carbon-emitting enterprises within the country. The carbon tax amount for 2030 will be estimated based on trading prices in China's national carbon market.</p>	<p>The European Commission announced the "Fit for 55" climate change plan on July 14, 2021, requiring the 27 EU countries to achieve a collective goal of reducing net greenhouse gas emissions by 55% by 2030 compared to the 1990 levels. In order to achieve the above goals and maintain the international competitiveness of its domestic enterprises, the European Union announced the Carbon Border Adjustment Mechanism (CBAM) with the aim of requiring all trading partners to bear the same carbon costs as the businesses within the EU. The bill will be piloted in October 2023 and officially come into effect in 2026, initially, it will cover imports of cement, iron and steel, aluminum, fertilizers, electricity and hydrogen.</p> <p>It is anticipated that electronic products might be included in the second batch of regulated items. ASUS is proactively assessing the potential impact of CBAM implementation on its exports to the EU.</p>	<p>According to a survey on consumer purchase intentions conducted by First Insight and Wharton Business School, consumers are paying more and more for sustainable products every year. In addition, a survey on overseas consumer trends conducted by Simon Kucher&amp;Partners reveals a significant increase in the willingness of the new generation to purchase sustainable products.</p>
<p>According to the GHG inventory data compiled by ASUS in 2020, the main carbon emissions from ASUS are derived from the supply chain, production, and assembly, accounting for 70% of the total emissions. More than 90% of ASUS's suppliers are located in Mainland China.</p> <p>It is reasonable to project ASUS's global sales growth, which will drive the growth of ASUS's carbon emissions from its supply chain in Mainland China.</p>	<p>In 2022, the carbon footprint of ASUS's laptop products averaged approximately 300 kg per unit. Without considering free allowances, ASUS is conducting simulations under the CP and NZ scenarios to evaluate the impact of CBAM regulation on its operating expenses.</p>	<p><b>Financial Impact Assessment on ASUS</b></p> <p>ASUS main products have met ENERGY STAR® requirements since 2013. Even though ENERGY STAR® has made numerous revisions with increasingly stringent requirements, ASUS products are always meeting the standards due to our superior energy-saving design with an average of 30% above the ENERGY STAR® standard and with no potential risks.</p>
<p><b>Financial Impact Assessment on ASUS</b></p>	<p><b>Financial Impact Assessment on ASUS</b></p>	<p><b>Financial Impact Assessment on ASUS</b></p>
<p>The discounted value of carbon tax costs arising from supply chain carbon emissions in 2030 is estimated. Under the CP and NZ scenarios, the financial impact is projected to account for 0.14% to 16.41% of ASUS's operating expenses in 2023.</p>	<p>Estimate the present value of production costs due to CBAM in 2030, with projected financial impact ranging from 5.44% to 14.37% of ASUS's 2023 operating expenses under the CP and NZ scenarios.</p>	

**Transformation Plan: Carbon Tax/ CBAM/Changes in Consumer Behavior**

ASUS assists key suppliers in obtaining ISO 14064-1 verification and developing SBT-aligned carbon reduction targets. Quarterly greenhouse gas emission data checks monitor carbon reduction progress, progressively obtaining Tier 1 data from suppliers to accurately reflect their carbon footprint. ASUS also enhances energy efficiency through process optimization and requires suppliers to adopt renewable energy and ISO 50001 energy management systems. In terms of product development, ASUS invests in research and development to improve product energy efficiency. This includes strengthening energy-saving designs in both software and hardware. Systems automatically adjust resource allocation based on user habits and application needs. Low-power components and efficient power management systems are selected, adjusting power consumption according to different operating conditions to minimize energy consumption. In material selection, ASUS collaborates with major raw material suppliers to use environmentally friendly materials without compromising product quality and durability. This includes post-consumer recycled plastics (PCR), recycled metals, and the use of PET non-woven fabric instead of PE bags for packaging. Recycled pulp and FSC-certified paper are used to significantly reduce the use of virgin plastics.

To effectively manage and monitor the carbon emissions status and achievement of targets by suppliers in a timely manner, ASUS has invested in a carbon data management platform. We have partnered with Taiwan Web Services Co., Ltd. (TWS) to implement the Carbon Trust mechanism AUP X T-Proof. Utilizing blockchain technology ensures that data is tamper-proof and traceable, guaranteeing that suppliers can manage and monitor their carbon emission status and target achievement in real-time.



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

Climate Initiative

Governance

Strategy

Greenhouse Gas Inventory

Risk Management

Actions Taken

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

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

Under a high penetration of renewable energy power supply, extreme weather events can impact the stability of regional power supply. These events, including heavy rainfall and drought, result in uneven distribution of rainfall, significantly affecting hydroelectric power generation and potentially leading to power supply instability.

#### 🔍 Background and Assumptions of Risk Sources

Extreme weather events impact people and industries in environmentally fragile areas and have a negative impact on ASUS supply chain. The occurrence of heavy rainfall and drought often cause uneven rainfall distribution, which has a significant impact on hydroelectric power generation and leads to unstable power supply and power outages. These would in turn affect suppliers' normal operations and deliveries, and pose risks to ASUS operations and reputation that cannot be ignored.

ASUS main Notebook product assembly plant is located in Chongqing, Mainland China. According to China's "2050 High Renewable Energy Penetration Scenario and Roadmap Study", power generated by renewable energy will reach 86% with 14% hydropower. This shows that hydropower will become one of the key sources of power supply in Chongqing in the future.

The area where the ASUS product assembly plant is located is powered by the Ertan Power Plant. Shutdown of the assembly plant due to unstable power supply caused by extreme weather events may carry a financial impact.

#### 🔍 Financial Impact Assessment on ASUS

According to Zhao et al. (2022) and the CIMP6 model, ASUS estimates that under the SSP 5-8.5 scenario, the annual power reduction in Chongqing in 2050 will result in power outages, and the amount of downtime losses calculated based on the number of days with power outages will account for 0.31% of our laptop products revenue in 2023.

### Extreme Weather Events- Land Transportation Disruption

Extreme weather events such as heavy rainfall, floods, and typhoons often cause road flooding and other disasters, hindering smooth vehicle passage and resulting in delays in delivery schedules.

#### 🔍 Background and Assumptions of Risk Sources

ASUS main revenue product assembly plant is located in Chongqing, Mainland China. As it is a place full of multi-river confluence terrains, the main reason for the 2020 flooding was because rivers overflowed in the upstream due to heavy showers, resulting in flooding in many parts of the city. If flooding caused by heavy rainfall interrupts land transportation in the region, it will result in revenue loss for ASUS.

Based on ASUS's 2021 revenue, the laptop production line contributes approximately 60% of the total revenue.

#### 🔍 Financial Impact Assessment on ASUS

According to Wang et al. (2022), under the SSP5-8.5 scenario, it is estimated that by 2050, the precipitation in the upstream basin of major rivers in Chongqing City will increase by 5.3%. This increase in precipitation leads to probabilities of continuous flooding in Chongqing City for 3 days, 7 days, and 15 days at 3.88%, 3.42%, and 3.12%, respectively. Based on these probabilities, the respective revenue loss for ASUS is estimated to be 0.03%, 0.06%, and 0.11% of the 2022 laptop revenue.

### Transformation Plan: Extreme Weather Event Disasters

ASUS has established criteria for screening suppliers at risk of extreme weather events to identify and manage high-risk suppliers. We have implemented operational continuity management procedures and a Business Continuity Plan (BCP) to minimize the impact and downtime in the event of disasters or management failures, enhancing awareness of risk management.

Factors considered in risk assessment include regions prone to frequent natural disasters (due to short-term/long-term climate change), geopolitical influences, areas with low facility resilience, and regions where supply chain disruptions have previously affected ASUS's operational losses. We expand the scope of management annually to ensure that suppliers can address various potential risks.



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

**06 Climate Actions**

Climate Initiative

Governance

Strategy

Greenhouse Gas Inventory

**Risk Management**

Actions Taken

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

### **Risk Mitigation Opportunities- Increase Revenue from Green Products**

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

#### **🔍 Background and Assumptions of Opportunity Sources**

According to a survey on consumer purchase intentions conducted by First Insight and Wharton Business School, consumers are paying more and more for sustainable products every year.

Based on the proportion of green product revenue in 2022, we can estimate the discounted revenue from green laptops in 2030.

#### **🔍 Financial Impact Assessment on ASUS**

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

### **Risk adaptation Opportunities- Carbon Neutrality Services**

ASUS also provides carbon-neutral product services to meet customer demands for reducing product carbon footprint.

#### **🔍 Background and Assumptions of Opportunity Sources**

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

#### **🔍 Financial Impact Assessment on ASUS**

Estimating carbon-neutral revenue for 2030 to account for 0.09% to 0.45% of ASUS's 2023 green product revenue.

For detailed information on the financial simulation of climate action, please refer to the [ASUS TCFD report](#)



- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions**
- Climate Initiative
- Governance
- Strategy
- Greenhouse Gas Inventory
- Risk Management
- Actions Taken
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

## Actions Taken

### Internal Carbon Pricing

Internal Carbon Pricing (ICP) is a mechanism by which companies internalize the external costs associated with their greenhouse gas emissions, encouraging them to incorporate carbon costs into decision-making and investment evaluations. Both the IFRS Sustainability Disclosure Standard S2 and voluntary disclosure standards such as the Carbon Disclosure Project (CDP) consider the price of internal carbon pricing and its application as information that should be publicly disclosed. According to PwC (2023), the top three key objectives of implementing internal carbon pricing for companies are to promote low-carbon investments, enhance energy efficiency, and change internal behaviors.<sup>11</sup> An increasing number of companies are adopting internal carbon pricing to achieve their carbon reduction goals. The World Bank believes that companies implementing internal carbon pricing can drive internal emissions reductions, serving as a crucial tool for companies transitioning towards net-zero emissions.

ASUS refers to the decisions of the United Nations Framework Convention on Climate Change COP and official documents from the IPCC to analyze trends in carbon pricing policies across different countries and their market mechanism design principles. By comparing various carbon pricing mechanisms and considering the European Union Emissions Trading System (EU ETS) as a global benchmark for carbon markets, ASUS aligns with the most comprehensive regulations and standards by following the EU Carbon Border Adjustment Mechanism (CBAM) and using its ETS price as the framework for internal carbon pricing assessment. This involves calculating emissions based on industry benchmarks and then allocating based on import shares. Emissions exceeding the allocated free allowances are calculated based on the average EU ETS price. ASUS's product manufacturing model primarily involves outsourcing manufacturing, where Scope 1 and Scope 2 greenhouse gas emissions are not significant, belonging to Scope 3 emissions in the value chain, with supplier emissions and product usage emissions accounting for over 90%. As a leading global green technology brand, ASUS integrates its core capabilities to promote product design and manufacturing towards decarbonization. It links carbon reduction goals verified by the Science Based Targets initiative (SBTi) and product carbon footprint calculation procedures certified by third-party organizations. Therefore, "product carbon footprint" serves as the basis for internal carbon pricing calculations, with the main product's internal carbon price set at \$80 per metric ton of CO<sub>2</sub>e. ASUS discloses the performance of internal carbon pricing in its reports, providing the product operations department with references for tracking and managing carbon reduction performance. Considering the continuous strengthening of global decarbonization efforts, ASUS will review the development direction of EU carbon market policies and dynamically adjust assessment mechanisms and internal carbon prices accordingly.

The next stage of advancing internal carbon pricing will involve developing phased targets, linking carbon reduction achievements with operational department performance, promoting the formal collection of internal carbon fees, and establishing regulations for the management and utilization of internal carbon pricing funds. A Carbon Reduction Project Review Committee will be established to examine the feasibility of carbon reduction technologies, conduct business cost-benefit analyses, and expand the application of carbon reduction projects, such as renewable energy, energy resource efficiency, and innovative carbon reduction initiatives.

### Low Carbon Products

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

#### Use eco-friendly materials

The amount of plastic used in ASUS products accounts for over 30% of the overall weight of the mainstream products, making it the most commonly used material. Therefore, we work with our major raw material suppliers to explore ways to increase the use of Post Consumer Recycled Plastic (PCR) as much as possible without compromising high quality and durability of ASUS products.

Since 2017, more than **2,400** tonnes of recycled plastic have been used in our key products, resulting in a cumulative reduction of approximately **17,000** tonnes of CO<sub>2</sub>e carbon emissions.



#### Elevate energy efficiency

Continuously reduce carbon emissions during product use by making our software and hardware more energy efficient. The ENERGY STAR® Program is the strictest energy efficiency program in the world. The energy efficiency design of our key products exceed the ENERGY STAR® standards. Our external power supplies use the highest energy efficiency level in the market, Level VI, to overcome sales obstacles caused by global energy efficiency laws and create competitiveness in the green product market.

ASUS newly launched commercial and consumer laptops in 2023 exceed ENERGY STAR® standards by an average of **42%**.



<sup>11</sup> <https://www.pwc.tw/zh/topics/trends/what-is-icp.html>



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

Climate Initiative

Governance

Strategy

Greenhouse Gas Inventory

Risk Management

Actions Taken

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Supply Chain Carbon Reduction

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

In 2023, ASUS assisted its supply chain in carbon reduction, achieving the following performance: 24% of suppliers used renewable energy (solar power), 11% of suppliers set greenhouse gas reduction targets based on Science Based Targets (SBT), 40% of suppliers obtained ISO 14064 third-party verification, and 37% of suppliers achieved ISO 50001 certification.

### Case Study | ASUS Key Supplier Carbon Reduction Engagement and Counseling Program

To lead our key suppliers to take proactive carbon reduction actions and achieve the sustainable goal of reducing greenhouse gas emissions intensity by 30% by 2025. Since initiating the Key Supplier Carbon Reduction Engagement and Counseling Program in 2021, ASUS has been establishing a low-carbon supply chain. The goal is to achieve by 2025 that 75% of ASUS's key suppliers meet set Science Based Targets initiative (SBTi) carbon reduction goals, utilize renewable energy sources ranging from RE40 to RE65, and certified with ISO 50001. ASUS's sustainability team engaged in one-on-one discussions and key issue forums with suppliers to develop tailored carbon reduction actions and targets that align with each supplier's business model. Quarterly surveys of greenhouse gas emissions data were conducted to monitor carbon reduction progress. We also work on this project with the Sustainable Technology Management Research Office of National Taipei University of Technology to regularly share international trends in carbon reduction with our suppliers and assist them in using decision matrix tools to develop their carbon reduction strategies.

In 2023, the Key Supplier Carbon Reduction Engagement and Counseling Meeting saw a total of 425 participants. During the Sustainable Supplier Conference, ASUS outlined its supply chain sustainability management goals and its path towards net-zero strategies, with a combined total of 556 participants attending both physical and online sessions.

This year, ASUS has selected 10 priority suppliers for assistance through its "Bringing up the small" scientific project initiative. ASUS leverages its own carbon reduction experience by conducting onsite inspections to identify carbon hotspots and providing recommendations for process equipment optimization. This guidance leads suppliers to align with Science Based Targets (SBT) reduction goals and international standards, while also assisting them in establishing carbon reduction objectives.

#### Engagement and counseling process

##### Inventory on suppliers' carbon reduction plans

- Complete communication and investigation with 100% of our key suppliers:
  - Conduct communications on ASUS 2025 carbon reduction goals
  - Keep track of suppliers' carbon reduction capabilities and goals

##### Training on carbon reduction professional skills

- Hold 1 session of a plenary carbon reduction forum
- Hold 2 sessions of supplier conferences to explain carbon reduction goals and net-zero strategies
- Hold 5 carbon reduction forums with individual suppliers

##### Provide suggestions and goals for carbon reduction actions

- Provide methodology and tools for carbon reduction decision matrix

##### Regularly track carbon reduction progress

- Track carbon reduction progress quarterly
- Adjust carbon reduction strategies when necessary

#### Key supplier carbon reduction pathway

2022

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

2023

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

2024

- ASUS aims to have 50% of key suppliers establish goals aligned with Science Based Targets(SBT) for carbon reduction, utilize renewable energy sources to RE40, and certified with ISO 50001.

2025

- ASUS aims to have 75% of key suppliers establish goals aligned with Science Based Targets(SBT) for carbon reduction, utilize renewable energy sources to RE40, and certified with ISO 50001.



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

**06 Climate Actions**

Climate Initiative

Governance

Strategy

Greenhouse Gas Inventory

Risk Management

[Actions Taken](#)

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Group Subsidiary Assistance Program

Since 2022, ASUS has committed to aligning with Science Based Targets (SBT) and initiated a Greenhouse Gas Inventory Assistance Program. This program aims to establish comprehensive inventory capabilities for group subsidiaries, assisting each subsidiary in setting reduction targets and carbon reduction pathways, while integrating group-wide reduction requirements and resource allocation. In March 2024, ASUS officially launched the "A\*ESG Carbon Data Management Platform." Through this platform's functionality, which includes one-click generation of inventory lists and reports, ASUS assists group subsidiaries in accelerating their preparation for third-party external verification. ASUS has now completed the digitization platform rollout and greenhouse gas inventory guidance for the ASUS Group.

## Expand the Use of Renewable Energy

### Improve Energy Efficiency of Headquarters

ASUS' carbon emissions came from the use of electricity for office operations. Since 2015, we have built up the ISO 50001 Energy management system. Both of our operation headquarters have received the LEED Platinum certification, the top certification for green buildings. We aim to reduce electricity consumption by 1% each year and we have achieved the marginal benefits for improving energy efficiency. ASUS conducts regular identification of high-energy-consuming areas and equipment, performing performance measurements on items such as chillers, chilled water pumps, cooling water pumps, zone pumps, and cooling towers in air-conditioning rooms. In 2023, ASUS replaced inefficient chillers at its operational headquarters with environmentally friendly refrigerants to reduce the use and emissions of fluorinated greenhouse gases (e.g., HFCs). Additionally, ASUS implemented variable frequency temperature difference control on cooling water pumps and cooling towers, improved central monitoring systems, and anticipates an annual reduction in electricity consumption of 440,000 kWh. In 2023, the global energy consumption within ASUS' operations amounted to 109,653.19 GJ, with a per capita energy consumption intensity of 6.71 (GJ/person), representing an 17.58% decrease compared to 2022.

### Headquarters signed CPPA - Renewable Energy Supply Agreement

In 2023, the ASUS Headquarters signed a Corporate Power Purchase Agreement (CPPA) for renewable energy, supplying sites including the headquarters and the ASUS - AI and Cloud campus. Starting from January 2024, ASUS Taiwan facilities officially commenced using renewable energy, with an estimated supply volume of around 10,000 MWh in 2024. This agreement not only reflects ASUS's commitment to environmental sustainability but also reduces the organizational carbon emissions of the company. Moreover, it fosters the development of the renewable energy market, significantly contributing to driving energy transition and achieving greenhouse gas reduction targets.

### Case Study

### Accelerating Energy Transition Case - Solar Power Generation at US Facilities

In 2023, ASUS's US facilities successfully completed the installation and commissioning of a solar power generation system. This system not only directly supplies power to the facilities but also symbolizes ASUS's steadfast commitment to energy transition. By 2023, the solar power generation system had generated 230 MWh of electricity. This achievement accelerated the promotion of renewable energy at the US facilities and reduced both the electricity costs and carbon emissions associated with the company's operations. This accomplishment also encourages ASUS to explore additional energy solutions.





About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
  - Climate Initiative
  - Governance
  - Strategy
  - Greenhouse Gas Inventory
  - Risk Management
  - Actions Taken
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

### Pathway of Introducing Renewable Energy

ASUS adheres to the RE100 organization's recognition of renewable energy by purchasing renewable energy technologies that are beneficial for improving the environment and reducing carbon emissions, such as wind energy, photovoltaic energy, geothermal energy, and hydropower. We are also in line with the renewable energy supply and matching system to achieve our RE100 target. In our strategies of purchasing renewable energy, ASUS will also take into consideration our global presence and the current situation of the renewable energy market before planning a phased renewable energy procurement goal, and working closely with the renewable energy industry.

By introducing renewable energy at overseas operations centers and headquarters, in 2023, ASUS achieved RE30 across its global operations centers. It is anticipated that in 2024, the company will reach RE50. To keep up with the development trend of renewable energy technology, we will adjust our procurement ratio of renewable energy in a rolling manner and take into consideration the level of commercialization of new renewable energy technology, gradually incorporating it into the ASUS RE100 energy portfolio to balance the company's profit momentum and carbon reduction obligations to move towards RE100.

### Innovative Technologies

According to the IEA Net Zero report, among the technologies required to achieve the 2050 net zero target, only wind power generation, solar photovoltaics, and electric vehicles are considered mature, commercialized technologies. The majority of the remaining carbon reduction technologies are still at the prototype stage, requiring further technological breakthroughs and market validation.

That is why we are striving to keep up with the technological development trends and innovation feasibility, and innovation feasibility by leveraging external resources from academia and industry through its Innovation Development Office.

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

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

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

#### Map of the ASUS Global RE100 Path





# 07 Responsible Manufacturing

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

### Actions

- > Strengthen labor human rights protection and optimize the risk management in the sustainable supply chain
- > Expand the scope of management to conduct RBA audits for the Group subsidiaries
- > Integrate with the international climate actions to promote carbon reduction projects in key supply chains

### Performance



100% of high-risk suppliers completed ESG audits



440,000 times of each person whose labor right protected (Accumulate from 2013 to 2023)



100% of the responsible minerals (tantalum, tin, tungsten, gold) are from qualified smelters

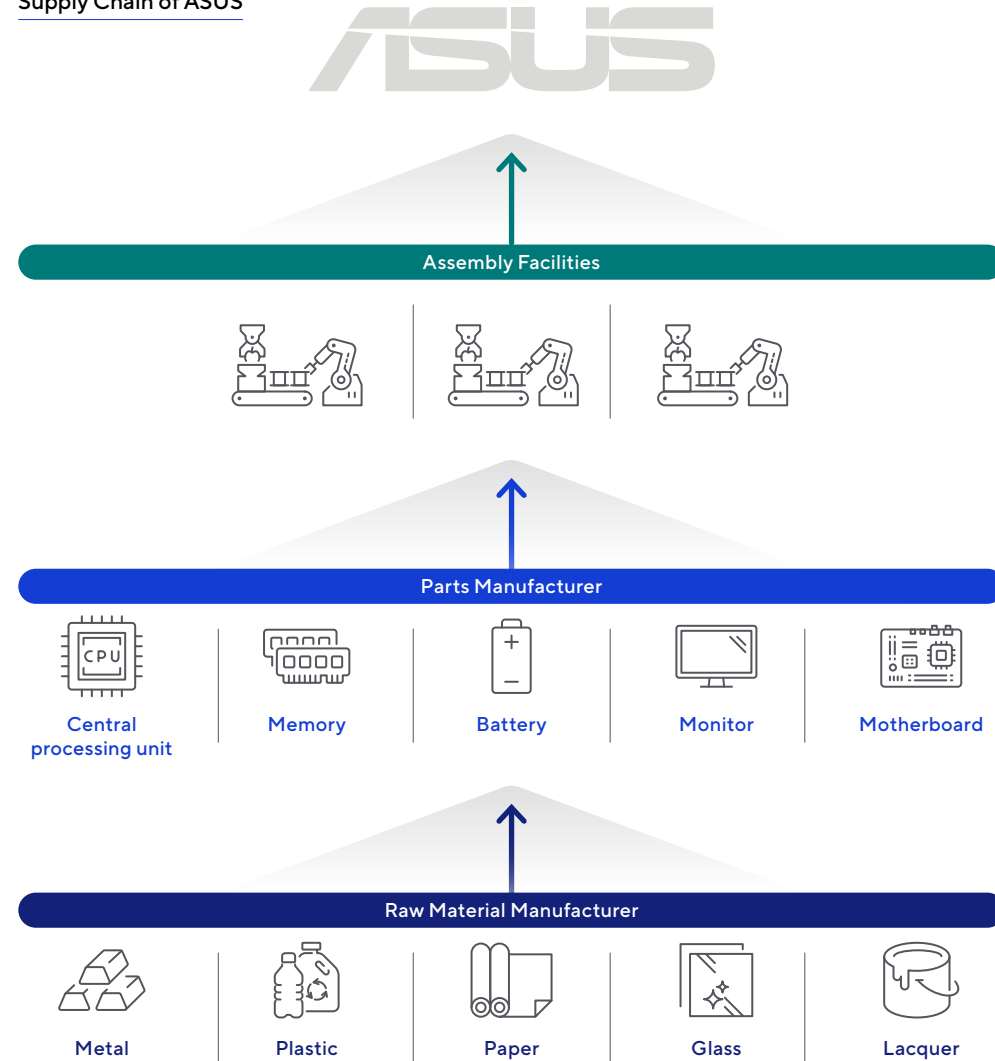




## Sustainable Procurement

ASUS is committed to promoting sustainable procurement and cooperates with more than 755 suppliers, from around the world to jointly create a sustainable supply chain. We incorporate sustainable development into our procurement decisions, actively implementing sustainability principles throughout all stages of the product lifecycle, including design, procurement, manufacturing, usage, and recycling.

### Supply Chain of ASUS



### Supplier Composition and Types

We classify our suppliers according to ASUS' procurement model into two categories: original parts manufacturers and product assembly facilities, and then define key suppliers based on the procurement amount and key technical indicators.



Supplier Categories	Description	The Number of Suppliers/ Procurement Ratio
<b>Tier 1 Suppliers and Assembly Facilities</b>	All continuously trading suppliers and assembly facilities	755
<b>Tier 1 Key Suppliers</b>	Quarterly procurement amount reaching NT\$2.5 million, key technical indicators	144
<b>Procurement Amount Ratio of Tier 1 Key Suppliers</b>	-	81.8%
<b>Non-Tier 1 Key Suppliers</b>	Key plastic manufacturers	2

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

**07 Responsible Manufacturing**

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

Reduce the Environmental Footprint of Suppliers

Strengthening Partnership

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix



In the procurement phase, we place a strong emphasis on sustainability by integrating environmental, social, and economic indicators into supplier evaluations. We also require suppliers to comply with relevant laws and regulations to ensure the sustainability of the supply chain. Our sustainable procurement measures include:



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

**07 Responsible Manufacturing**

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

Reduce the Environmental Footprint of Suppliers

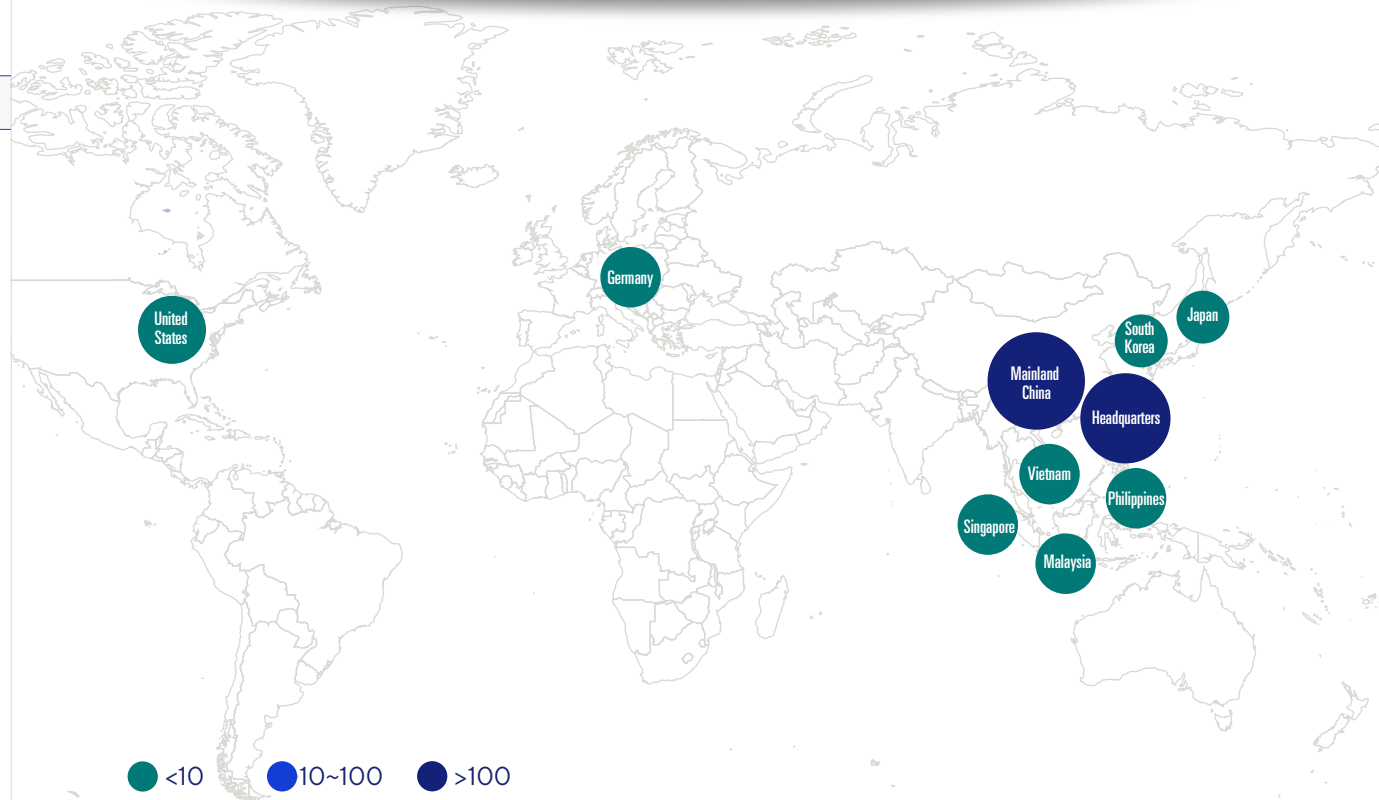
Strengthening Partnership

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

**07 Responsible Manufacturing**

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

Reduce the Environmental Footprint of Suppliers

Strengthening Partnership

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix



### Supplier Code of Conduct

ASUS became a full member of Responsible Business Alliance (RBA) in 2018. We demonstrated our resolve for supply chain management and take on greater responsibilities as the producer. We include the PAS7000 and SA8000 standards and set the ASUS Supplier Code of Conduct to strengthen the protection of young and female employees. We require not only our suppliers but also their upstream to comply with five major aspects, such as labor, health and safety, environment, ethics, and management systems.

All new suppliers who wish to become our business partners must sign the Declaration of Supplier Code of Conduct, showing that they understand and will comply with ASUS' sustainability requirements. In 2023, 100% of new suppliers have signed the Declaration of Supplier Code of Conduct. We take the following measures in supply chain management:

- Formulate Supplier Code of Conduct, clearly outlining ASUS's sustainability requirements for suppliers
- Conduct regular assessments of suppliers' sustainability performance to ensure compliance with the Code of Conduct
- Assist suppliers in enhancing their sustainability management capabilities to reduce environmental impact and improve labor rights



### Human Rights Protection in Supply Chain

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



#### Formulate Supplier Code of Conduct

ASUS does not allow the use of child labor or any form of forced labor.

#### Declaration of Compliance

ASUS requires all suppliers to sign and abide by the Supplier Code of Conduct and the Human Rights Statement to commit that tier 1 suppliers meet the RBA Code of Conduct.

#### Human Rights Due Diligence

We conduct due diligence on our supply chain for their human rights risks. The level of risks are graded based on key indicators such as employment procedures, contract management, wages and benefits, hour warnings, forced labor, freedom of movement, free association, humane treatment, anti-discrimination and anti-harassment, and collective bargaining. RBA-qualified auditors will audit high risk suppliers on their human rights management and labor employment conditions. They will further interview with random workers to examine their working conditions and provide ASUS with direct contact methods. This can prevent the interviewed workers from being oppressed or revenged by their company or superiors for reporting.

#### Information transparency and disclosure

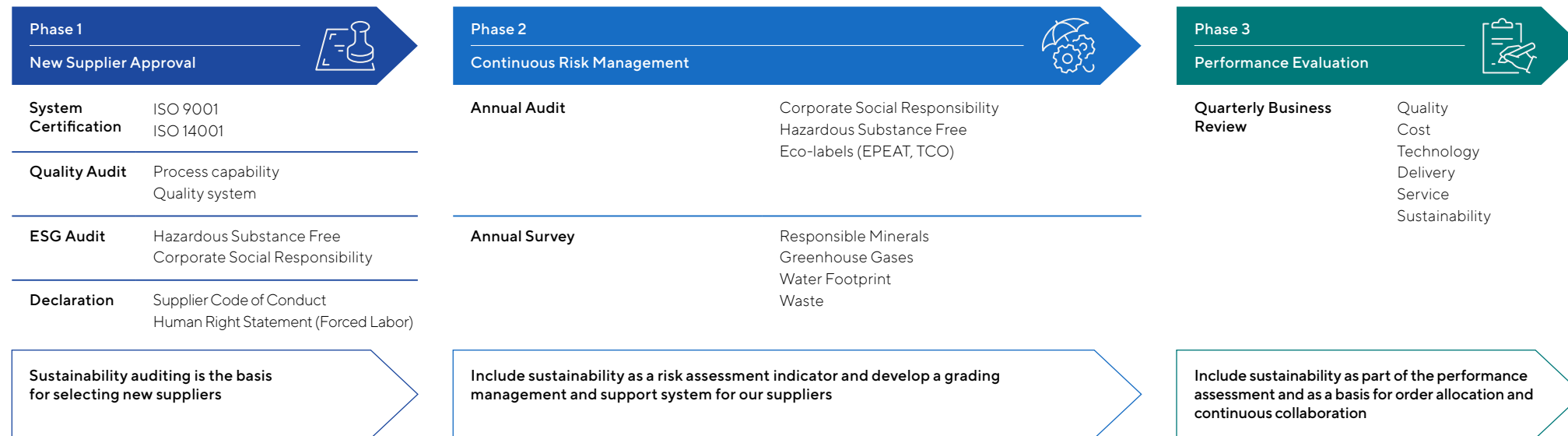
Transparent disclosure of annual supply chain management performance, including due diligence, risk assessments, audit management, and supplier engagement.

#### Supplier training

We regularly organize training for suppliers, and invite qualified auditors from impartial third-party institutions to share practical experience and methods for improvement for deficiencies to help suppliers implement continuous and effective improvement for deficiencies.

## Risk Evaluation and Classification Management

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



### Phase 1 New Supplier Approval

The entrance barrier for becoming ASUS' qualified suppliers requires possessing ISO 9001 and ISO 14001 certifications, signing the Declaration of Supplier Code of Conduct, and passing the audits on Quality, Hazardous Substance Free, and Corporate Social Responsibility.

### Phase 2 Continuous Risk Management

ASUS's ongoing annual risk management audits cover corporate social responsibility, hazardous substance-free practices, and eco-label management issues. ASUS classifies suppliers with continuous trading as well as those with a quarterly procurement amount reach NT\$2.5 million in different level for management. ASUS considers three dimensions of risk: national geopolitics, industry characteristics, and product risks. Based on these, we have developed risk management indicators that include: RBA Code of Conduct, hazardous material system and process management, brand management, brand reputation, labor protection, continuous improvement, and management systems. We conduct onsite second-party and third-party audits for suppliers and assembly facilities with high-risk in their self-assessment results, and document reviews for medium and low-risk suppliers. These audits ensure that suppliers comply with ASUS's requirements on sustainable supply chain management. In addition, all suppliers must cooperate in the annual survey for responsible minerals procurement, greenhouse gas, water footprint, and waste. We manage potential risks in labor, health and safety, environment, integrity, and ethical standards of suppliers through audits and investigations to avoid the negative impact on governance, environment, and society that could to the supply chain operations.

### Phase 3 Performance Evaluation

Besides the quality, cost, technology, delivery, and service, we also include sustainable indicators such as ethics, environmental protection, labor rights and health and safety in the Quarterly Business Review (QBR) as an important basis to allocate orders and determine whether to continue the partnerships; suppliers with good performance will be given more resources. ASUS uses its influence to drive the supply chain for continuous improvements. Furthermore, if a supplier violates any corporate social responsibility requirements and significantly impacts the environment and society in the country of operation, ASUS reserves the right to terminate or dissolve the contract or collaboration at any time.

- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing**
  - Sustainable Procurement
  - Risk Evaluation and Classification Management**
  - Responsible Minerals
  - Reduce the Environmental Footprint of Suppliers
  - Strengthening Partnership
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

**07 Responsible Manufacturing**

Sustainable Procurement

[Risk Evaluation and Classification Management](#)

Responsible Minerals

Reduce the Environmental Footprint of Suppliers

Strengthening Partnership

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Audit and Continuous Improvement

To ensure that all ASUS suppliers meet ASUS' related requirements for labor human rights, occupational safety, and environmental protection measures, we identified 91 high-risk suppliers and conducted onsite second-party and third-party audits in 2023. We found a total of 829 deficiencies in audits and the average improvement completion rate for deficiencies was 98%.

According to the audit results, high-risk factors for suppliers generally include labor employment, occupational safety, and environmental management. They are more likely to occur in more labor-intensive assembly facilities and suppliers of mechanical components, display panels, motherboards, power supplies, and batteries. In terms of improvements for workers' work hour management, ASUS has adopted continuous monitoring and helps suppliers implement management. We require suppliers who fail to meet requirements to establish suitable work hour management and monitor mechanisms and report the implementation performance to ASUS each month. This reduces the potential risks from excessively long work hours of workers, ensures compliance with local regulations and the minimum RBA Code of Conduct requirements, and facilitates continuous improvements for goals.

In addition, the audit results showed that the deficiencies found in the 2023 audit consisted mostly of labor issues while health and safety accounted for the second-largest share. The failure rate and improvement rate for deficiencies are shown in the table below:

Management Items	Deficiency Rate		Deficiency Improvement Rate		Total Deficiency Improvement Rate	Major Deficiencies
	Priority Deficiency Rate	Other Deficiency Rate	Priority Deficiency Improvement Rate	Other Deficiency Improvement Rate		
<b>Labor</b>	3.4%	21.5%	77%	100%	88.5%	<ul style="list-style-type: none"> <li>• Social insurance and housing provident fund fail to reach the legally required rate.</li> <li>• Hours worked (includes overtime) in a workweek exceed 60 hours.</li> <li>• Pre-job health examination for young workers not fully implemented.</li> </ul>
<b>Health and Safety</b>	2.1%	27.4%	100%	100%	100%	<ul style="list-style-type: none"> <li>• Personal protective equipment and occupational health and safety training for employees in high-risk work environments not provided.</li> <li>• The retention time of food samples from the employee cafeteria does not meet regulatory requirements and failure to conduct inspections of drinking water at regular intervals.</li> <li>• Fire escape port not cleared, and fire equipment not regularly maintained.</li> </ul>
<b>Environment</b>	0%	16.0%	NA	100%	100%	<ul style="list-style-type: none"> <li>• No implementation of greenhouse gas inventory and plans of greenhouse gas reduction.</li> <li>• Failure to properly use, label, and store chemicals in accordance with the Chemicals Management Regulations.</li> <li>• Failure to establish pollution prevention and resource conservation plans.</li> </ul>
<b>Ethics</b>	0.2%	8.9%	100%	100%	100%	<ul style="list-style-type: none"> <li>• The Ratio of the coverage of due diligence and document of 3TG and cobalt does not meet the requirements.</li> <li>• No policy in place to protect personal data and privacy of business partners.</li> <li>• No policies on improper advantage.</li> </ul>
<b>Management System</b>	0.1%	20.4%	100%	100%	100%	<ul style="list-style-type: none"> <li>• ASUS' social responsibility requirements to the supplier and the supplier audit content does not include ASUS' social responsibility requirements.</li> <li>• Failure to timely update and internalize management of laws, regulations, and customer requirements.</li> <li>• Failure to clearly convey messages regarding employee complaint channels and protection from retaliation.</li> </ul>
<b>Hazardous Substance Management</b>	NA	52%	NA	100%	100%	<ul style="list-style-type: none"> <li>• Failure to include ASUS latest hazardous substance management requirements in management.</li> <li>• XRF The testing criteria did not consider machine errors and customer requirements.</li> </ul>
<b>Hazardous Substance Process Management</b>	NA	48%	NA	100%	100%	<ul style="list-style-type: none"> <li>• Lack of HSF (Hazardous Substance Free) compliance evidence for some supplement materials.</li> </ul>
<b>Eco Label</b>	NA	0%	NA	NA	NA	-



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

**07 Responsible Manufacturing**

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

Reduce the Environmental Footprint of Suppliers

Strengthening Partnership

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Improvement Actions



### Labor Employment

- Establish a working hour management and monitoring mechanism
- Report work hours monthly for continuous six straight months
- Propose social insurance and housing fund payment plans



### Occupational Safety

- Purchase additional protective equipment within one month
- Propose a training plan within one month
- Immediately remove obstacles from the fire escape exits



### Environmental Management

- Propose a greenhouse gas inventory plan within one month
- Incorporate the greenhouse gas inventory plan into the ISO 14001 system and regularly review the progress

We organize conferences to help suppliers implement continuous improvement and provide industry best practices for other companies to share management experiences. We provide continuous support to complete improvements for all audit deficiencies, helping suppliers from high-risk work hours to RBA-approved low-risk continuous monitoring.

Through the International Labour Organization (ILO) and the content of the research report of The Lancet, an authoritative medical journal. We monetized the impact of the supply chain management in 2023, including the medical cost after the reduction of work hours to prevent overworking, and the

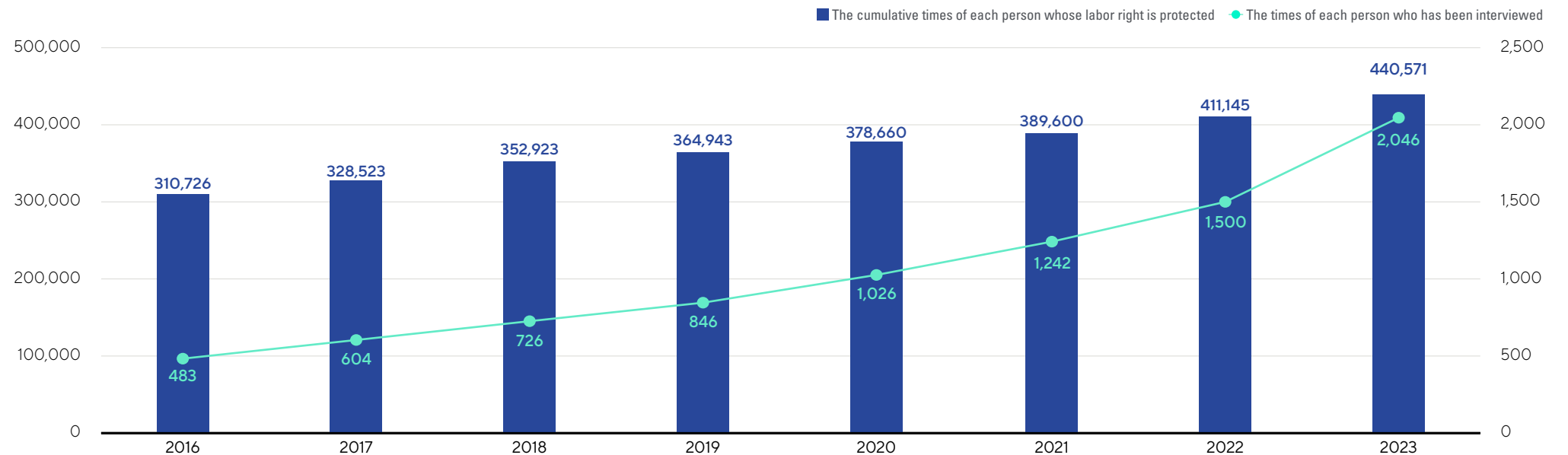
acquisition of ISO 14001 system certification. The result exceeded NT\$23 million. Through impact assessment, we can measure the priority for investing resources and optimize management procedures for our supply chain. In the audit management in past years, we conducted more than 2,000 interviews and more than 440,000 times of each person whose labor rights is protected.

In 2023, ASUS Group subsidiary, Askey Computer Corp. faced union protests due to unreturned recruitment fees charged to migrant workers. As a full member of the RBA, ASUS Group required Askey Computer Corp. to cooperate with a third-party RBA audit and address the identified deficiencies, proposing

corrective action based on the audit results.

Askey Computer Corp. has consistently adhered to relevant government laws and regulations. On October 13, 2023, Askey Computer Corp. applied for an RBA audit. Upon confirmation of the audit results, Askey will promptly develop a comprehensive plan in accordance with RBA findings and regulations to protect and enhance employee welfare.

ASUS has expanded RBA management to key subsidiaries within the group, ensuring that group operations and supply chains comply with the international RBA Code of Conduct.



- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions

### 07 Responsible Manufacturing

- Sustainable Procurement
- Risk Evaluation and Classification Management
- [Responsible Minerals](#)
- Reduce the Environmental Footprint of Suppliers
- Strengthening Partnership

- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

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



Electronic products use various metal materials with significant functions. Tantalum, tin, tungsten, and gold are materials necessary for the functions of electronic products and can be used to produce resistor-capacitor, CPUs, hard drives, memory, motherboards, and connectors. According to the Study on the EU’s list of Critical Raw Materials, one-third of the world’s cobalt comes from the Democratic Republic of Congo, and the nearby countries, where illegal mining remains a risk. RMI listed cobalt as the fifth conflict mineral in 2019. As cobalt is a key material for the production of batteries, ASUS also included cobalt in the management of responsible minerals procurement and conducts annual due diligence investigations.

#### 🔍 Management of Mica:

In our stakeholder engagement in the same year, we learned that the extraction of mica in certain countries involved the use of low-wage child labor and illegal operations, and it has become an issue of concern for human rights organizations. Mica is the main component of coating used mostly for decorating the exterior of electronics.

In recent years, the RMI organization has identified risks associated with the use of child labor, insufficient workplace protection, and occupational health issues in the mica mining and processing industry. Consequently, mica has been included as a focus of voluntary due diligence investigations and management. ASUS has included mica in its annual responsible minerals management scope and has promptly communicated the RMI organization’s management requirements to supply chain.

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

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

**07 Responsible Manufacturing**

Sustainable Procurement

Risk Evaluation and Classification Management

**Responsible Minerals**

Reduce the Environmental Footprint of Suppliers

Strengthening Partnership

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

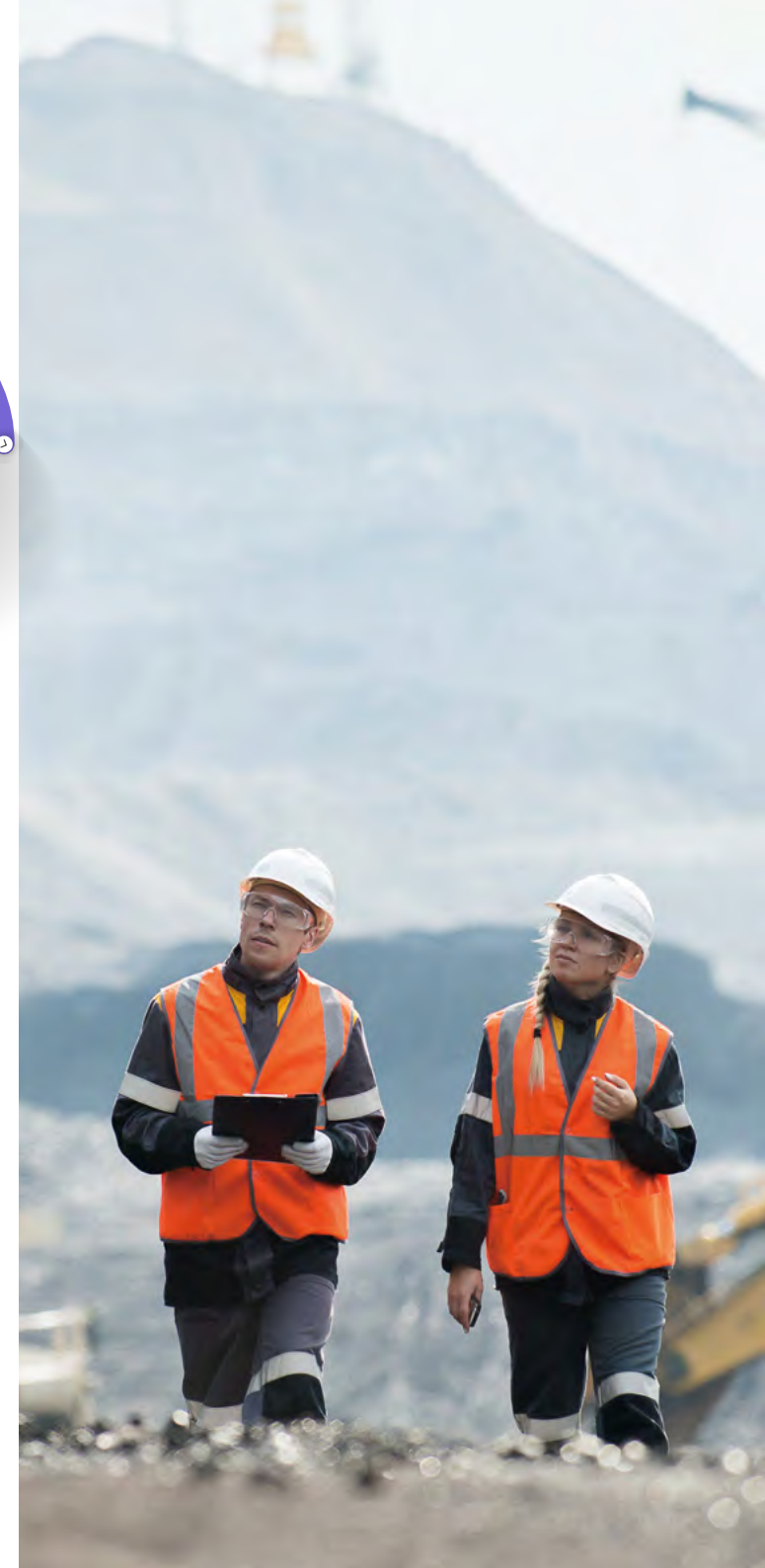
Appendix

## Global Responsible Minerals Survey

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



According to the RMI survey results and the “Conflict Affected and High-Risk Areas” (CAHRAs) of the EU that became effective in 2021, ASUS surveyed a total of 463 suppliers in our supply chain for information on smelters’ distribution and the compliance of supply of materials for products in 2023. The analysis results showed that most of them were located in Asia which accounted for 62.5%. They were followed by those in America with 15.8%, Europe with 15.8%, Africa with 5.3% and Australia with 0.7%. It has been confirmed through the investigation that all these smelters are recognized as qualified by either the RMI or the London Bullion Market Association (LBMA).







About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions

**07 Responsible Manufacturing**

- Sustainable Procurement
- Risk Evaluation and Classification Management
- Responsible Minerals**
- Reduce the Environmental Footprint of Suppliers
- Strengthening Partnership

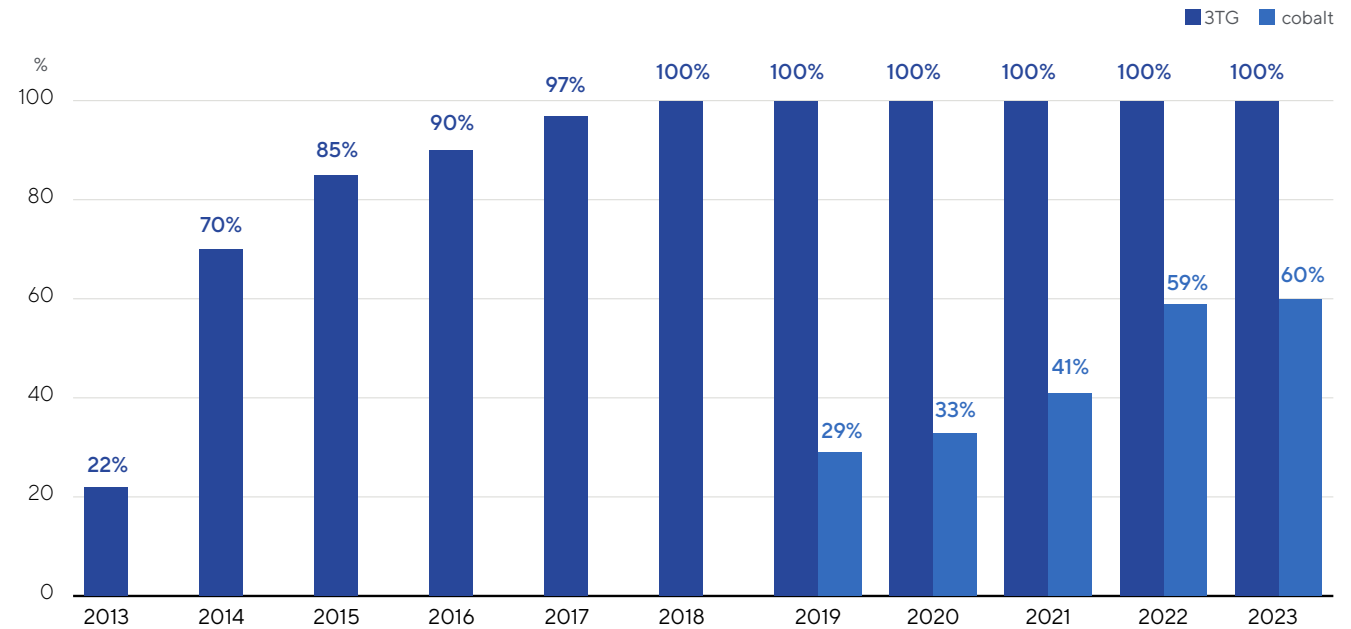
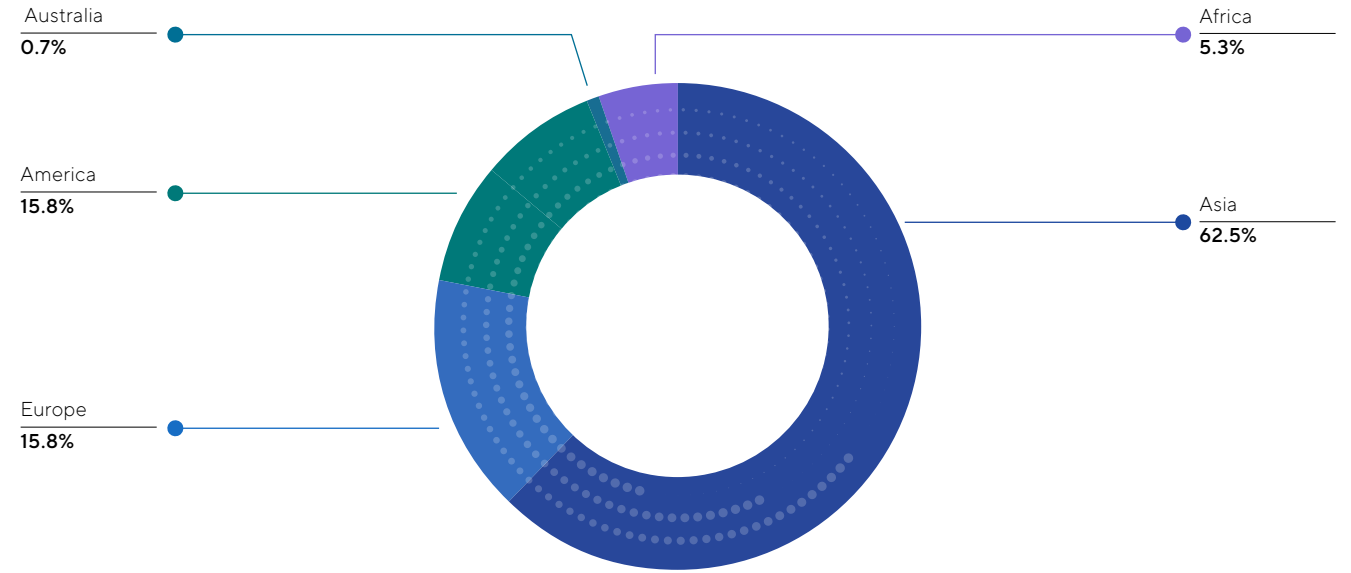
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace

Appendix

**The Distribution of Global Smelters**

We participate continuously in the quarterly work meetings of the Responsible Minerals Initiative (RMI) for the certification of qualified smelters to obtain the latest information and provide suppliers with qualified procurement sources. We also help them carry out investigations and corrections for non-compliant items and ensure the implementation of the qualified smelter conversion program to maintain and achieve the goal of sourcing 100% of Tantalum, Tin, Tungsten, and Gold from the conformant smelters. At the same time, through on-site audits, we checked the conversion progress of cobalt from the conformant smelters and give assistant resources to our suppliers. In 2023, there were 81 source smelters and 49 compliance smelters for cobalt. Compared to 2019, the proportion of qualified cobalt smelters from suppliers increased from 29% to 60.5%. It is expected that from 2023, mica will be included in the due diligence investigation and the current status of key suppliers will be used as the basis for setting our goal for purchasing qualified mica.

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



## Reduce the Environmental Footprint of Suppliers

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

**07 Responsible Manufacturing**

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

**Reduce the Environmental Footprint of Suppliers**

Strengthening Partnership

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

### Environmental Profit and Loss (EP&L)

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

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

### Supplier Environmental Impact Survey

We calculated the EP&L of the main representative revenue products of ASUS in 2023, including: laptops, desktop computers, mobile phones, motherboards and screens. The total environmental impact of greenhouse gases, water resources, waste, and water pollution was approximately US\$692.61 million.

- By analyzing the impact of environmental indicators, we identified water pollution as the most severe impact. It is followed by greenhouse gas, and the water resources accounted for the smallest share.
- By analyzing the impact of environmental indicators, we identified extraction of raw materials as the most severe impact. It is followed by component manufacturing, and the impact of the ASUS operations accounted for the smallest share

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

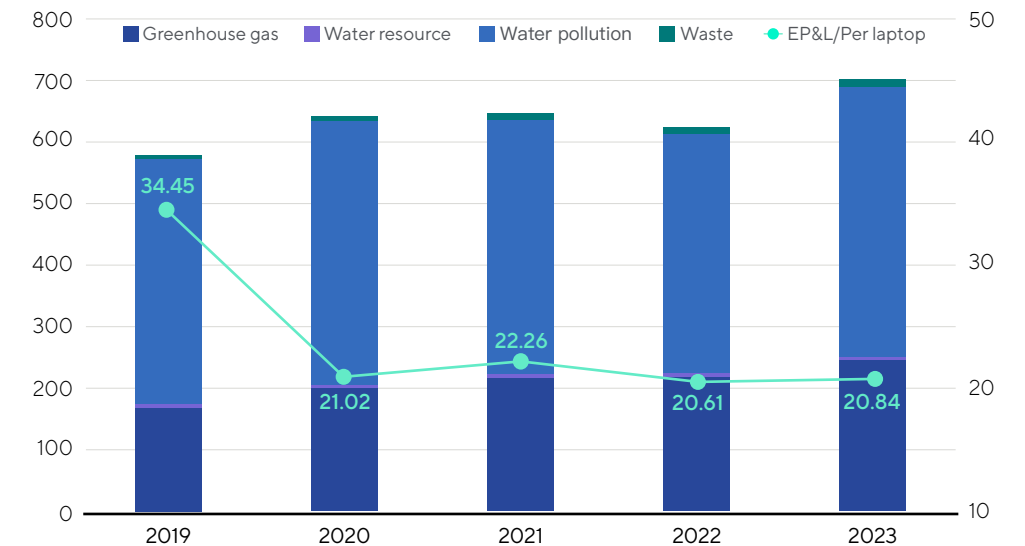
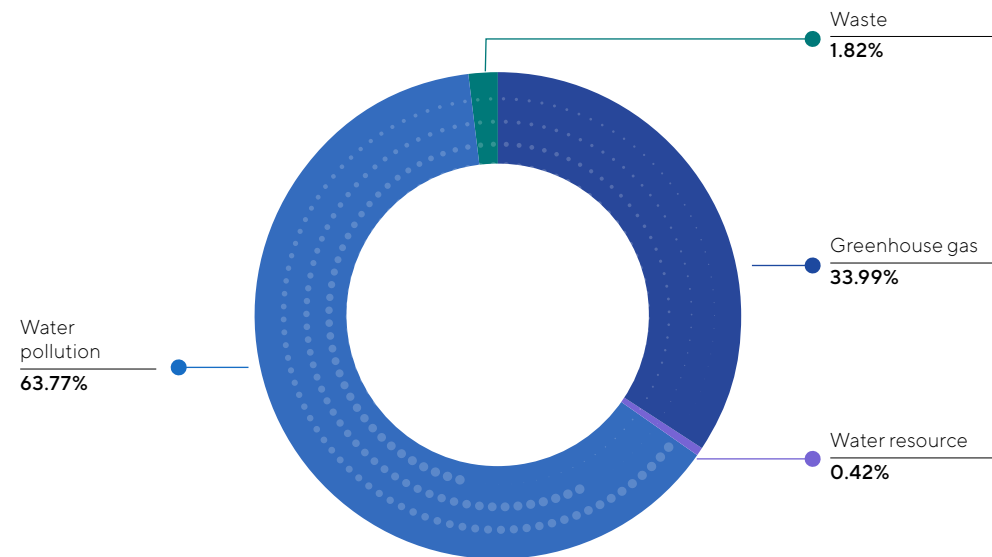
- New suppliers must have ISO 14001 certification, and we will

assist continuous trading suppliers who do not have it to obtain the ISO 14001 system.

- Motherboard manufacturers are required to provide the annual wastewater test reports and make sure that it meets the environmental standard.

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

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



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

**07 Responsible Manufacturing**

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

**Reduce the Environmental Footprint of Suppliers**

Strengthening Partnership

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

## Reduce Environmental Impact

By analyzing more than 100,000 data entries from environmental footprint surveys over the years, we identified significant sources of emission in the manufacturing of key components, including display panels, motherboards, IC, cables, power supplies, mechanical components, keyboards, batteries, and hard drives, as well as assembly facilities of laptops, desktop computers, display monitors, and motherboards. We referenced the "Greenhouse Gas and Water Security Questionnaire" of the Carbon Disclosure Project (CDP) to conduct an inventory of the 148 key suppliers, develop our management goals and review them regularly.

	Management Requirements/Objectives	2023 Management Performance
<b>Management system</b>	<ul style="list-style-type: none"> <li>New suppliers must have an ISO 14001 system</li> </ul>	<ul style="list-style-type: none"> <li>100% of new suppliers have ISO 14001 certification</li> </ul>
<b>Greenhouse gases</b>	<ul style="list-style-type: none"> <li>Ensure that key suppliers achieve a 30% reduction in carbon intensity by 2025</li> </ul>	<ul style="list-style-type: none"> <li>40% of key assembly facilities and key suppliers have ISO 14064 third-party verification</li> <li>11% of key suppliers set carbon reduction targets in line with SBT</li> <li>80% of assembly facilities have ISO 50001 certification</li> <li>37% of key suppliers have ISO 50001 certification</li> <li>24% of key suppliers meet RE40</li> </ul>
<b>Water resources</b>	<ul style="list-style-type: none"> <li>Our motherboard maker should provide qualified wastewater testing reports every year</li> <li>Key suppliers should set water resource reduction targets</li> </ul>	<ul style="list-style-type: none"> <li>55% of key suppliers have set water resource reduction targets</li> </ul>
<b>Hazardous waste</b>	<ul style="list-style-type: none"> <li>Extend the Zero Waste to Landfill program of ASUS head office to key suppliers and set the waste conversion rate</li> </ul>	<ul style="list-style-type: none"> <li>100% of key suppliers have contacted with qualified waste disposal providers</li> <li>13% of key suppliers have zero waste certification</li> </ul>





## Strengthening Partnership

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

**07 Responsible Manufacturing**

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

Reduce the Environmental Footprint of Suppliers

**Strengthening Partnership**

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

### Supplier Management Unit ESG Meetings

In order to enhance the sustainable procurement capabilities of the supply chain management, ASUS regularly convenes quarterly ESG committee meetings. The purpose is to cultivate the internal procurement team's ability to identify and assess environmental, social, and governance (ESG) risks and opportunities. This demonstrates our firm commitment to complying with international environmental regulations, promoting supplier social responsibility, and ensuring transparency and compliance in the supply chain. During the meetings, we place particular emphasis on implementing sustainable procurement strategies to ensure that every aspect of the supply chain responds to current international legal regulations and industry trends. Through these quarterly ESG committee meetings, we not only strengthen the internal team's understanding and commitment to the core values of sustainable development but also encourage active participation in sustainability practices throughout the supply chain.

### Supplier Conferences and Forums

To enhance suppliers' awareness of sustainability issues and the ability in responding to risks, ASUS organizes the conference and assistance meeting for suppliers on a regular basis to convey our management requirements and strengthen the partnership with the supply chain. We held one supply chain conference and two forums - human rights and carbon reduction in 2023. We invited key suppliers and assembly facilities to participate and also invited the third-party experts to give keynote speeches on international human rights laws, carbon management trends, and challenges. The suppliers actively participated in the forums this year and more than 90% of the participants believed that the forums facilitated more comprehensive communication of issues and provided sufficient time for participants to exchange ideas on core issues. We delivered the records of the forum to suppliers via eNews so that suppliers that have not attended can obtain key information and expand communication.

### Assistance Meeting

We organized quarterly assistance meetings to help suppliers improve audit deficiencies. We invited qualified third-party RBA auditors to analyze the causes of deficiencies and share best-practice cases in the industry to raise suppliers' management awareness and help build suppliers' capacity for improvement.

In addition to online meetings, we also established WeChat groups with suppliers to facilitate real-time communication. Over the years, the cumulative participation in supply chain conferences and educational training has exceeded 6,552 times of each person, with a total duration of over 772 hours.

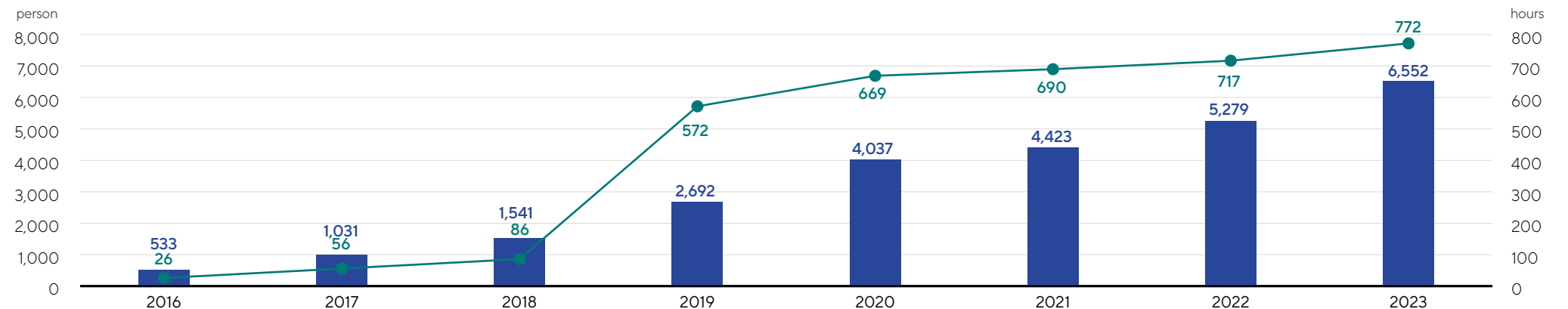
### Online Courses

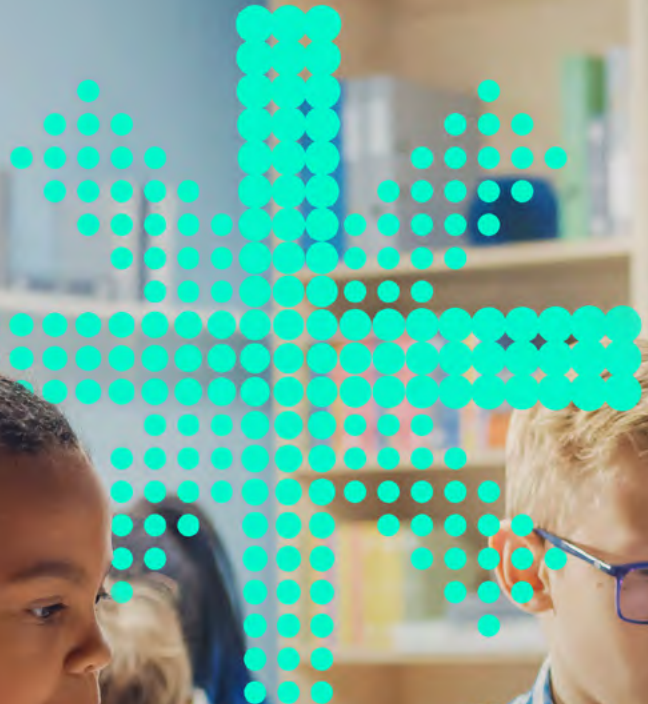
To encourage our suppliers to receive ISO certification and familiarise with the RBA Code of Conduct, we prepared online courses at ASUS's ESG website - [Digital Learning Courses](#) for suppliers to watch online or download. The courses include:

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

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

② Performance of Supplier Engagement Over the Years





## 08 Value Creation

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

### Actions

- > Work with Taidah Entrepreneurship Center (TEC) to establish a corporate vertical accelerator
- > Establishment of the Generative AI (GAI) Committee
- > Initiate the ASUS Adventurer Star Intern Program

### Performance



Named **Most Valuable Taiwanese Brand** by Interbrand for the 10<sup>th</sup> year



Shulin Smart Factory awarded the **Digital Transformation Model Award**

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

**08 Value Creation**

[Innovation Management](#)

[Innovation Actions](#)

[Industrial Talent Cultivation](#)

[AI Products and Services](#)

[Management of Intellectual Property Rights](#)

09 Social Engagement

10 Inclusive Workplace

Appendix

## Innovation Management

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

### Startup Promotion

- Startup Expansion
  - "Greentech Startup Challenge" by Ministry of Economic Affairs
  - "Enterprises Challenging, Startups Solving: Smart City Demo Day" by Youth Affairs Department of New Taipei City Government
- NTU Corporate Accelerator
- Future Fest Innovative Culture
- ASAP Innovation Platform

## Innovation Actions

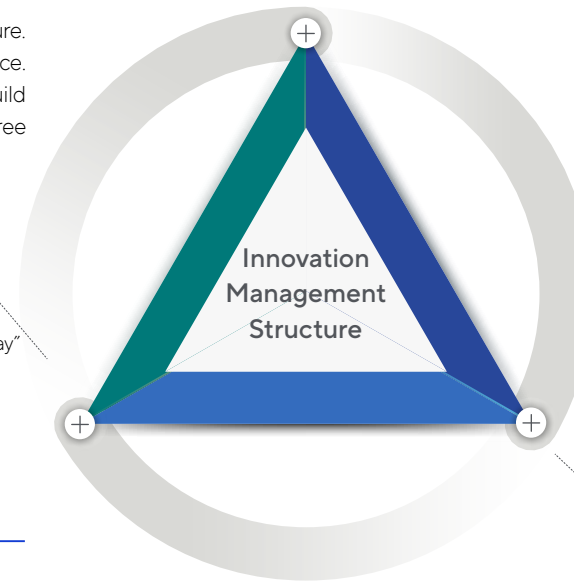
### Academia-Industry Collaboration

#### Research Collaboration

In 2021, ASUS and the College of Electrical Engineering and Computer Science at National Taiwan University jointly established the "ASUS-NTNU Joint Research Center." This collaboration connects professor teams from the College of Electrical Engineering and Computer Science, the College of Engineering, the College of Medicine, and the College of Management, integrating NTU's research capabilities with ASUS's cross-departmental R&D resources. The focus areas include advanced electromagnetic, next-generation computing, intelligent IoT, and artificial intelligence. In 2023, a total of 15 research projects were conducted, including the "Next-Generation Intelligent IoT Key Technologies and Applications" project, which consists of seven sub-projects, and eight individual research projects. These were part of the National Science and Technology Council's "Academia-Industry Research Center (AIR Center)" program, which approved a three-year grant. In addition to the priority areas, the collaboration extended to smart image processing, quantum technology applications, and generative AI, further advancing ASUS's product and technology development.

In addition to the collaboration with NTU, in 2023, we also initiated individual research project collaborations with National Cheng Kung University. We aim to expand the scope of academia-industry collaboration to explore various possibilities for technology adoption, service diffusion, and brand innovation.

To further promote deep academia-industry collaboration, we organized internal special topic seminars. These seminars invited mid- to senior-level executives and relevant colleagues to participate, where the project teams and collaborating professors shared their research outcomes. This initiative brought new ideas and inspiration to employees not directly involved in the projects, fostering further mutual exchange and collaboration.



### Academia-Industry Collaboration

- Academia-Industry Collaboration Projects
  - Next-Generation Internet of Things Key Technologies and Applications Project (AIR)
  - Individual academia-industry Research Project (Non-AIR)
  - Special Lectures
  - Individual Research Projects with National Cheng Kung University
- Advanced Technology Forum
  - Green Energy Conversion and Application Forum
  - Ad Hoc Exchanges
- Digital Transformation and Sustainable Development Academia-Industry Alliance

### Strategic Investment

- IDO Innovation Research
- Innovative Cooperation



### Employee Feedback

*Through academia-industry collaboration projects, working and discussing with professor teams allows us to think outside the original design framework, sparking new ideas. We then design experimental parameters step by step to achieve our goals, which greatly aids in developing new project designs.*

- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation**
- Innovation Management
- Innovation Actions
- Industrial Talent Cultivation
- AI Products and Services
- Management of Intellectual Property Rights
- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix



### Advanced Technology Forum

The ASUS-NTNU Joint Research Center regularly hosts advanced technology forums. In 2023, the forum titled “Green Energy Conversion and Application” focused on green energy and energy storage. Renowned international scholars in the field of electrical and electronic engineering were invited as keynote speakers to discuss and share insights on both macro and micro energy issues. Additionally, to meet the needs of internal departments, NTU facilitated access to domestic and international academic and research resources. This included irregularly scheduled special lectures and exchanges, leveraging the deep research capabilities and new trend knowledge of professors and scholars to drive innovative thinking within the Company.

### Digital Transformation and Sustainable Development Academia-Industry Alliance

In response to the vision of the “Technology Policy and Industrial Development Research Center at National Taiwan University,” ASUS has joined the “Digital Transformation and Sustainable Development Academia-Industry Alliance” under its aegis. Through regularly scheduled lectures and specialized courses, as well as occasion thematic visits, we aim to cultivate mid- to senior-level management talent. This initiative also facilitates deep exchanges among industry, government, academia, and research sectors, providing further consultation and solutions. Looking ahead, we will collaborate closely with the professor team from NTU’s College of Management.

## Startup Promotion

### Startup Expansion

ASUS actively fosters collaboration with external startup organizations, exploring new possibilities for co-creation with startups. This approach not only implements innovative thinking and expands new business opportunities but also aligns with global trends in sustainable development, thereby enhancing the Company’s sustainable business value.

#### ④ Ministry of Economic Affairs “Greentech Startup Challenge”

In 2023, ASUS participated in the “Greentech Startup Challenge” organized by the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs. The competition invited innovative proposals from startups to address two major sustainability issues: developing innovative products using low-carbon/zero-carbon materials to support the entire value chain’s net-zero goal by 2050, and creating a product carbon footprint management platform to consolidate and analyze data, ensuring that credible carbon footprint reports are issued concurrently with product launches. A total of 10 startup proposals were matched through this initiative.

#### ④ “Enterprises Challenging, Startups Solving: Smart City Demo Day” by Youth Affairs Department of New Taipei City Government

To connect industry resources and foster collaboration between startup teams and university incubation centers, the New Taipei City Government organized the first “Enterprises Challenging, Startups Solving: Smart City Demo Day” in 2023. ASUS served as the corporate representative, focusing on the privatized development of large language models (LLM). The event widely invited startups, university incubation center teams, and startup base teams across Taiwan to propose solutions in three application areas: AIoT (Artificial Intelligence of Things), product optimization, and digital education. This initiative aimed to validate new scientific technologies through commercial models, thereby encouraging the integration of more innovative technologies. A total of six startup proposals were successfully matched through this initiative.

### ASUS x NTU Corporate Accelerator

ASUS is working with Taidah Entrepreneurship Center to build a NTU Corporate Accelerator with the focus on three major areas: “electric vehicle applications”, “green technology”, and “gamification experience”. We are also looking for startups to work with our business units on pilot projects. Through this cooperation, we can use this external innovation momentum to accelerate our internal innovation development and new business opportunities. In turn, we can lead the startups into the market to create a win-win situation. As of 2023, there were 4 proposals initiated the proof of concepts submitted for the program.

	Electric vehicle	Green technology	Gamification experience	Others
<b>Number of startup proposals</b>	2	9	11	7
<b>Total number of startups to be interviewed</b>			12	
<b>Initiate proof of concept</b>			4	



About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing

**08 Value Creation**

- Innovation Management
- Innovation Actions**
- Industrial Talent Cultivation
- AI Products and Services
- Management of Intellectual Property Rights

09 Social Engagement

10 Inclusive Workplace

Appendix

**Future Fest Innovative Culture**

Since 2020, ASUS has been fostering an innovative culture and environment through its annual “Future Fest” innovation event. In 2023, marking the fourth year since its inception, Future Fest was held entirely physically for the first time. There were two major projects, TechTalk and RoadShow:

🔍 **Future Fest TechTalk**

In response to the comprehensive deployment of AI applications, the event focused on four major themes: Generative AI, Innovative Applications, Smart Manufacturing, and Intelligent Health. ASUS, together with the ASUS-NTNU Joint Research Center, invited NVIDIA’s Director of AI Research, Yu-Chiang Frank Wang, Associate Professor Yun-Nung Chen from the Department of Computer Science and Information Engineering at National Taiwan University, and Kevin Lee, Chief Strategy Officer of Taiwan Web Service Corporation, to share the culmination of years of dedication to AI industry technology. Through the stimulation of diverse internal and external perspectives, this collaboration aims to advance ASUS’s internal thinking to be more innovative and creative. With the user at the core, the focus is on thoroughly considering the true experience and substantial impact of AI on humanity, and subsequently developing products and services that genuinely benefit users.

🔍 **RoadShow**

With active participation from over 10 Business Units/Functional Units (BU/FU), the event showcased innovative product technologies and R&D directions, demonstrating ASUS’s abundant internal innovation capabilities. Through more direct cross-departmental communication and debates, the event facilitated discussions on future development and collaboration, igniting even brighter sparks of innovation. Additionally, professional feedback from internal review committees was provided, embodying the spirit of continuous improvement and evolution.

Future Fest TechTalk



**Innovation Platform for ASUS Star Acceleration Program**

Innovation Platform for ASUS Star Acceleration Program Platform serves as a seedbed for innovation, transforming employee-generated ideas into commercial realities. Through a rigorous selection and mentorship process, the platform provides company resources to nurture and develop promising proposals, guiding them towards commercialization. The platform’s tiered screening mechanism, encompassing preliminary selection, re-evaluation, and business viability assessment, offers multifaceted guidance and evaluation from the perspectives of design thinking, technical feasibility, and commercial market development. To nurture internal innovative talent and provide a platform for colleagues to express their passion and talent, we have opened a door for outstanding ideas to flourish.

Since the establishment of the ASAP platform, we have 28 internal proposals on a wide range of topics such as smart healthcare, AI technology and edge computing applications, gaming industry, and the application of technology in life and culture.

To cultivate internal innovation, the ASAP platform launched the second edition of the “ASAP Innovation Training Program.” Building on customer-centric entrepreneurial knowledge, the program strengthens expertise in user design, marketing, AI and automation, as well as financial planning. We offer regular coaching and consultation for colleagues and assist those interested in innovation to form teams, fostering the development of more comprehensive business models. In 2023, we successfully guided over 50 colleagues through this process.

	2021	2022	2023
<b>Cumulative number of proposals submitted</b>	7	19	28
<b>Pass preliminary review</b>	7	9	10
<b>Pass second review</b>	4	4	4
<b>Pass commercial review</b>	1	1	1



- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing

**08 Value Creation**

- Innovation Management
- Innovation Actions
- Industrial Talent Cultivation
- AI Products and Services
- Management of Intellectual Property Rights

09 Social Engagement

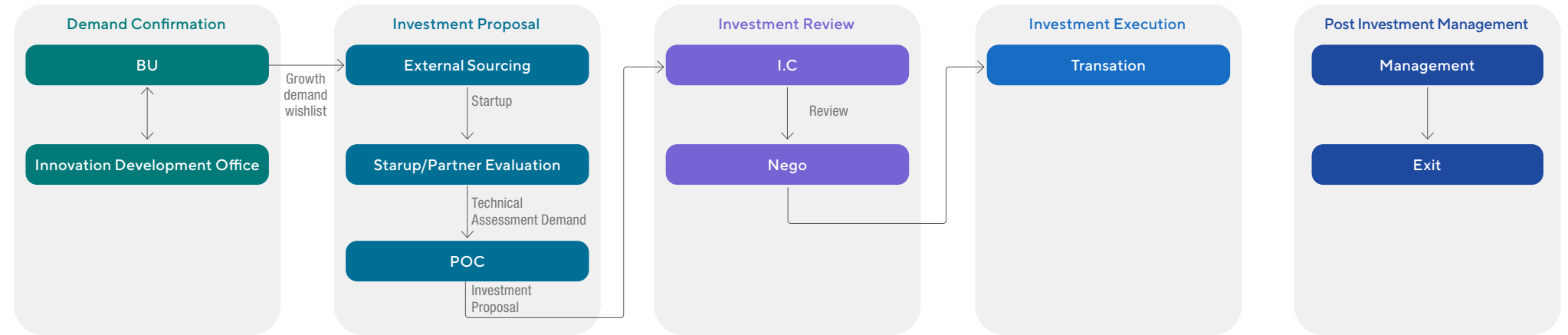
10 Inclusive Workplace

Appendix

**Strategic Investment**

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

🔗 **Strategic Investment Proposal Process**



In 2023, the Innovation Development Office learned from thousand cases and selected 189 startups in four categories:artificial intelligence, future development, innovative technology and sustainability for further analysis and review. As of the end of 2023, we have selected 12 proposals for subsequent development.

Category	Total Number of Startups	Further Planning
Artificial Intelligence	74	Applied in enterprise data analysis, optimizing the business decision-making process, promoting business process automation, and efficiency improvement, realizing innovation and sustained growth strategies.
Future Development	45	Exploring industry intelligence trends, grasping future developments, promoting ASUS's cross-industry collaboration with innovative thinking, and focusing on long-term goals for continuous development.
Innovative Technology	40	We will continue to push for product innovation and technological development by developing new products that will bring considerable benefits to ASUS in the years to come.
Sustainability	30	Introduce and commercialize new technologies, and continuously promote technological development and innovation to be in line with ASUS spirit of combining design thinking and technological advantages in sustainability.

**GAI (Generative AI) Committee**

As the era of AI anywhere approaches, with rapid advancements in Generative AI technology being widely applied across various domains, ASUS has established the GAI Committee to spearhead and oversee mechanisms for its promotion and management. Collaborating with the Human Resources Center, ASUS plans and conducts a series of educational training sessions aimed at empowering employees and enhancing the Company's competitiveness.

Additionally, the ASUS Innovation Development Office has initiated a series of Generative AI sharing sessions to foster understanding among colleagues and promote innovative thinking in the field of Generative AI applications. Through cross-departmental exchanges of project experiences, ASUS aims to identify key application scenarios and resource requirements for Generative AI. In the future, action plans will be developed based on these insights, alongside the formulation of relevant regulations and intensified educational training efforts, to drive digital transformation across all departments and enhance overall competitiveness.

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

**08 Value Creation**

Innovation Management

Innovation Actions

**Industrial Talent Cultivation**

AI Products and Services

Management of Intellectual Property Rights

09 Social Engagement

10 Inclusive Workplace

Appendix

## Industrial Talent Cultivation

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

### Academia-Industry Collaboration Cultivation Programs

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

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

In December 2021, we established a joint R&D center with National Taiwan University. We did not only introduce the forward-looking technology academia-industry collaboration plan of the Ministry of Science and Technology, but also focus on various fields, including advanced electromagnetics, next generation quantum computers, Internet of Things, artificial intelligence, etc. In 2023, ASUS continued its collaboration with departments at National Taiwan University (NTU) through academia-industry exchanges and internship programs. These collaborations included in-depth discussions and research on projects such as the development of an unexpected heartbeat warning system, voice recognition recording for medical care, and training of medical exploration models. Together, these initiatives aim to contribute to the realization of precision medicine in Taiwan.

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

Since 2021, ASUS Intelligent Cloud Services Center (AICS) and National Yang Ming Chiao Tung University jointly established the “Huayang Project” for industry-academia cooperation. Starting from the usage scenarios in the medical industry and leveraging the logical thinking of artificial intelligence, we designed internship and doctoral programs in programming and research directions. The outcomes of these programs are applied to the clinical field of National Yang Ming Chiao Tung University Hospital, forming a complete cultivation process for interdisciplinary talents in information science and biomedicine, starting from the basic aspect of talent cultivation. In 2023, we focused more on academic discussions on predicting the prognosis of cancer through machine learning, further expanding its industrial applications.

#### Collaborating with National Taiwan University of Science and Technology (NTUST) to Nurture Outstanding Foreign Talent

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





About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation**

- Innovation Management
- Innovation Actions
- Industrial Talent Cultivation**
- AI Products and Services
- Management of Intellectual Property Rights

- 09 Social Engagement
- 10 Inclusive Workplace
- Appendix

## Employer Brand Management

Employer brand refers to the internal culture created by an enterprise based on its branding strategy, and how employees deliver the brand value to both inside and outside the company. As a global technology leader, ASUS is committed to delivering heartfelt experiences and creating a blueprint for a better digital life. In addition to the costs invested in hiring, we recruited industry talent through various channels such as campus recruitment, academia-industry collaboration, and internship programs. In 2023, we invested approximately NT\$68,500,000 in these efforts.

### Campus Recruitment

#### ASUS Campus CEO

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

#### ASUS Adventurer Star Intern Program

In 2021, we launched the ASUS Adventurer Star Intern Program with a one-year internship program led by ASUS employees as mentors who will guide the students through "course learning", "project participation", and "achievement presentation". Through integration of theory and practice, students can get a glimpse of the technology industry to prepare themselves for job planning and execution in a global company. Since 2021, 42 students have participated in this program, and 7 interns have gone full-time at ASUS in 2022 to contribute what they had learnt to the field of marketing and sales.

#### Career Seminars, Consultations and Corporate Mentors

In 2023, there were seven lectures at National Taiwan University, National Chengchi University, National Tsing Hua University, National Yang Ming Chiao Tung University and National Cheng Kung University. Since 2013, the Corporate Academy established through the collaboration between ASUS and National Taiwan University of Science and Technology has entered its seventh iteration. Leading students to understand the workplace in depth on a half-year basis, while also facilitating expert resolution of workplace-related inquiries, thereby expediting their integration into the workforce upon graduation.

### Global Professional Manager Talent - GTP Program

Since 2014, ASUS has recruited international talents with passions in technology and a spirit of innovation through "Global Talent Program". We train global professional managers through on-the-job training for four to eight months. By 2023, there were more than 100 talented people deployed to the Asia Pacific, Europe, Americas and other regions to lead local branches engaging in promotional works, such as sales and market development, or serving as customer service managers in international customer service centers, helping global customer service centers to develop technical support and service standards.

### Social Networking Service Management

In addition to recruit talents from headhunters and on-campus recruitment of colleagues and universities, we also cooperate with LinkedIn to continue establishing the employer's brand to improve recruitment accuracy. ASUS LinkedIn had a total of more than 620,000 followers worldwide and thus became the most popular Taiwan brand with the most followers, and we have become the Best Employer Brand on LinkedIn (businesses with more than 1,000 people) for seven consecutive years in 2023.



2017-2023  
**7** consecutive years  
LinkedIn Best Employer Brand  
on LinkedIn





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

Innovation Management

Innovation Actions

Industrial Talent Cultivation

AI Products and Services

Management of Intellectual Property Rights

09 Social Engagement

10 Inclusive Workplace

Appendix

## AI Products and Services

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

### Smart Manufacturing

ASUS continues to play a pivotal role in advancing industry factories from automation to digitization to intelligence. In 2022, ASUS's Smart Factory in Shulin officially commenced operations, implementing central monitoring and management platforms, AR smart glasses, AI defect detection equipment, among other technologies. These initiatives aim to enhance factory production quality and efficiency while reducing costs. Moreover, numerous other EMS production facilities concentrated in Southeast Asia have progressively procured intelligent platforms and equipment from ASUS. This concerted effort aligns with the establishment of next-generation factories that are intelligent, digitalized, and sustainable, thereby driving the industry towards a transformative manufacturing paradigm.



2023 ASUS  
Shulin Smart Factory Wins  
**Digital Transformation Model Award**

### Case Study | ASUS AI Smart Factory Intelligent Scheduling System

Building upon the previous integration of production equipment interconnection and facility connectivity for data collection on production quality, equipment operation, production parameters, and facility performance, ASUS has developed an intelligent scheduling system. This system not only visualizes data through a central monitoring and management platform but also supports real-time operational decision-making. In 2023, ASUS took a significant step towards data governance by further incorporating a data middleware and intelligent scheduling system. Through AI engines and models deployed within the platform and system, real-time data is analyzed for trends. Additionally, operators can input demand parameters, and the platform or system can provide decision recommendations for operational decisions or production scheduling based on factors such as manpower, machinery, materials, and methods. This initiative represents a concrete example of the practical implementation of generative AI in real-world scenarios.

ASUS Smart Factory Digital Data Technologies:

- Data Middleware:** Enables transparency in product production data, achieving traceability and accelerating digital transformation.
- Intelligent Production Scheduling System:** Utilizes intelligent AI engines to optimize production scheduling by considering key factors such as capacity, materials, molds/fixtures, production line characteristics, and workforce.





In 2023, as AI technology continued to expand its applications in areas such as visual inspection, security monitoring, and equipment surveillance, a plethora of software tools and platform services for developing various AI models continued to emerge. These software tool solutions and services have endowed AI with highly adaptable application characteristics within the manufacturing industry. Furthermore, ASUS also provides host services for edge computing platforms, enabling the rapid deployment of comprehensive solutions on-site, with continuous iterations and optimization.

Key Technologies in Smart Manufacturing Artificial Intelligence Software Solutions:

<p><b>1. AI Visual Inspection</b> The AISVision defect detection solution aids the world's largest nut factory in achieving Zero-Defect goals in the quality management of automotive fasteners.</p>	<p><b>2. AI Security Monitoring:</b> AISEHS offers 13 new AI detection algorithms and platform services, supporting large-scale global security deployment with over 1,000 cameras.</p>	<p><b>3. AI Equipment Monitoring:</b> AISPHEM incorporates AISSENS sensors, combining traditional ISO-10816-3 standards with AI technology to provide failure prediction.</p>
<p><b>AISVision Artificial Intelligence Machine for Visual Defect Detection 1.5</b></p> <p>AISVision supports various algorithms such as anomaly detection, object, defect identification, and classification, particularly suitable for High-Mix Low-Volume production situations in the manufacturing industry. At the same time, it is possible to quickly develop No code AI without the need to understand the background of AI modeling. ASUS's proprietary algorithms significantly optimize model training time and accuracy, while also providing a rich library for secondary development, expediting the implementation of AI solutions.</p> <p><b>AISEHS Smart Industrial Security Protection Platform 2.0</b></p> <p>AISEHS utilizes camera image recognition to provide security units with 24/7 uninterrupted electronic perimeter, firework detection, detection of hazardous items/behaviors, and personnel wearing safety protection, among 13 AI detections. It can also support large-scale global security deployment with over 1,000 cameras, significantly enhancing factory management efficiency.</p> <p><b>AISSENS 1.0</b></p> <p>AISSENS is an IP68 dustproof and waterproof, WiFi &amp; Bluetooth certified, battery-powered wireless vibration smart sensor that supports signal analysis of variable frequency rotor equipment. It substantially reduces the cost of signal acquisition and calibration deployment, and combined with AISPHEM, it provides a comprehensive equipment monitoring solution.</p>		<p><b>AISDetector Abnormal Waveform Analysis Application Software 1.3</b></p> <p>When inspecting the assembly quality in the production line of moving parts such as fans or motors, we will use AI to learn the vibration or sound waveform generated by machine operation, so that we can quickly determine whether the quality meets the standard, thereby preventing human errors in hearing and touch to increase product yield. Combined with ASUS's exclusive AI algorithm for signal feature recognition, users can swiftly conduct model training and validation, enabling the detection of abnormal signals such as vibrations, sounds, voltage, and current.</p> <p><b>AISPHEM Artificial Intelligence Equipment Prognostic Diagnosis 1.0</b></p> <p>AISPHEM combines traditional empirical rules (ISO-10816-3) with AI anomaly detection dual technology FFT spectrum AI modeling to provide real-time diagnostics for common issues in rotating equipment. With a web-based architecture, it meets the requirements of both private and public clouds. Modeling and inference are performed using CPUs, reducing hardware investment costs, and supporting open-source Edge X API to accelerate data acquisition efficiency and IoT applications.</p>



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

Innovation Management

Innovation Actions

Industrial Talent Cultivation

AI Products and Services

Management of Intellectual Property Rights

09 Social Engagement

10 Inclusive Workplace

Appendix

## Smart Healthcare

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



More ASUS smart healthcare solutions

### About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing

### 08 Value Creation

- Innovation Management
- Innovation Actions
- Industrial Talent Cultivation
- AI Products and Services
- Management of Intellectual Property Rights

### 09 Social Engagement

### 10 Inclusive Workplace

### Appendix

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

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

#### Handheld Ultrasound Healthcare Solution LU800

The all-new generation of ASUS handheld wireless ultrasound LU800 boasts a significant improvement in image quality to 128 channels, meeting the demand for specialized physicians’ “portable diagnostic tools.” It assists clinical personnel in diagnosing and managing emergency patients more accurately and rapidly, aligning with the trend of Point-of-Care Ultrasound (POCUS) in healthcare settings. Built upon the foundation of the digital 5G communication system in the healthcare Internet of Things (IoT), the ASUS handheld wireless ultrasound LU800 addresses the needs of healthcare professionals for mobile and telemedicine applications. By leveraging technology, it aims to reduce healthcare costs, enhance medical efficiency, and alleviate the challenges posed by limited healthcare resources.



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

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

#### ASUS VivoWatch Blood Pressure Function received Medical Device Software Certification from Ministry of Health and Welfare



The ASUS Smart Health Watch has been certified by the Ministry of Health and Welfare (License No. 007812), becoming Taiwan’s first self-developed health wearable with a blood pressure application software. ASUS VivoWatch features an exclusive fingertip measurement design and dual sensors—electrical and optical—to collect biomedical signals. When combined with the certified ASUS blood pressure application software, users can monitor their blood pressure changes anytime using ASUS VivoWatch and the ASUS blood pressure application software. The measurement results can also serve as reference trends for healthcare professionals during routine blood pressure checks.



About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing

**08 Value Creation**

- Innovation Management
- Innovation Actions
- Industrial Talent Cultivation
- AI Products and Services
- Management of Intellectual Property Rights

09 Social Engagement

10 Inclusive Workplace

Appendix

**Smart Retail**

In response to the development trend of Online Merge Offline (OMO) for smart retail, ASUS Smart Retail focuses on developing two main axes: lightweight AI services for retail scenarios and SaaS services for retail membership data platforms. Through a combination of hardware, OMO microservices, and cloud data platforms, ASUS Smart Retail provides various solutions. In 2023, it delivered a Cloud POS software-hardware solution for the retail and foodservice industries. This solution includes OMO microservices such as membership management, loyalty points management, ticketing management, ordering systems, and a data middleware for cloud data integration and analysis. This comprehensive retail hardware and software service offers an all-in-one solution.



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

Through ASUS IoT's integration of new retail software and hardware, rapid integration, and iterative upgrades of POS and membership systems are achieved. Store operations can be digitized, optimizing resource management. ASUS IoT aims to swiftly address market demands with an integrated smart retail hardware and software solution. By combining ASUS's core hardware products with artificial intelligence and big data analytics, ASUS IoT provides services such as data collection and cleansing, image and visual analytics, predictive and trend analysis, market marketing, and customer insights. This approach enables differentiation and customization of services tailored to various sectors and needs, facilitating digital transformation through integrated software, hardware, and cloud services.

**Cloud POS + Mobile Tablet**

ASUS IoT Tablet and Cloud POS software replace traditional POS terminals in restaurants and bars, integrating features such as membership management and online ordering microservices. This integration allows seamless connectivity between online and offline information, with data managed and analyzed in the cloud.

**Integrated Electronic Signage and Content Management System for Boutique Flagship Stores**

ASUS industrial mini computers, along with signage content and music playback management software, are combined with third-party commercial electronic signage to provide a comprehensive solution for boutique storefronts. Featuring stable hardware systems, an intuitive software interface, and remote control capabilities, this solution enhances operational management convenience for storefronts while continuously reducing unnecessary costs.

**Management of Intellectual Property Rights**

The Company is committed to innovation and R&D. Intellectual property rights is one of the key results for R&D and we have steadily increased the number of patent applications filed worldwide every year. As of the end of 2023, we have obtained 6,711 worldwide. In 2023, ASUS obtained 738 patents worldwide, which was a 9% increase from 2022. They included 416 patents in Asia, and 322 patents in Europe and in the United States.

ASUS also made substantial investments in the development of high-end communications market, and has filed 368 patents in the communications field as of the end of 2023. ASUS regularly announces standard essential patents (SEPs) in line with the European Telecommunications Standards Institute (ETSI). From 2018 to the end of 2023, we have accumulated the announcement of 322 patent families (excluding extensions). The number of patents for overall communication standards is steadily increasing.

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



## 09 Society Engagement

According to a research report by CECP (Chief Executives for Corporate Purpose), ESG disclosures have been steadily increasing, with the growth rate of environmental and social disclosures surpassing that of governance. Companies are also required to disclose the relationship between social investments and business. Therefore, ASUS adopts strategic corporate social responsibility as its guideline. In planning social engagement activities, ASUS not only considers one-time and short-term activities such as charitable donations but also takes into account long-term social activity strategies. By leveraging the core competencies of the IT industry, ASUS aims to address social issues through digital and technological solutions, mobilizing both internal and external resources as well as those of overseas operations. Under the three main pillars of "Digital Inclusion, Social Integration, and Environmental Education," ASUS promotes social projects that enhance social impact while creating differentiated competitive advantages for the company, thereby fostering an environment of mutual prosperity between business and society.<sup>1</sup>

### Actions

- International Volunteer Program: The international volunteer program, which was suspended due to the pandemic, resumed in 2023. A total of six groups consisting of nearly 60 young volunteers traveled to five countries: Thailand, India, Kenya, Cambodia, and Singapore. Over 6,500 students and teachers in rural areas benefited from the program.

### Performance



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



The annual charitable donation of ASUS<sup>2</sup> amounted to NT\$**47,850,322**



**7** subsidiaries take corporate citizenship actions responding to digital inclusion, community involvement, and environmental education

<sup>1</sup> Chief Executives for Corporate Purpose (CECP) is a global organization composed of CEOs from the world's top 500 companies, aimed at leveraging the power of executives to achieve sustainable and positive goals; GIVING IN NUMBERS 2023 EDITION, Investing in Society 2023 EDITION

<sup>2</sup> Sources of donations include ASUS, ASUS TECHNOLOGY INCORPORATION, and ASUS Foundation.



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

**09 Social Engagement**

Social Issues and Social Investment Strategy

Digital Inclusion

Community Involvement

Environmental Protection

Actions for Overseas

10 Inclusive Workplace

Appendix

## Social Issues and Social Investment Strategy

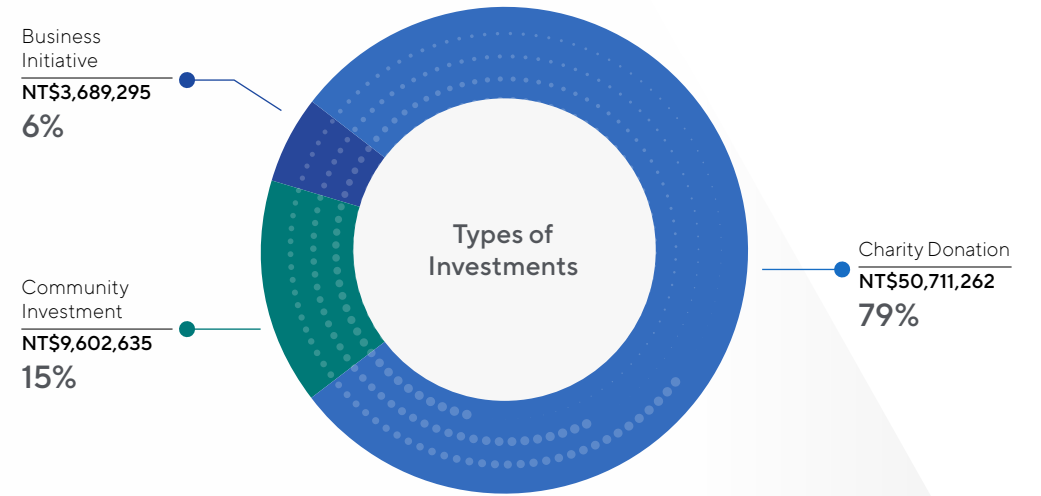
Aligned with the vision of “striving to be among the world-class green high-tech leaders and to provide valuable contributions to humanity” ASUS has been actively engaged in social engagement since 2017. With “Digital Inclusion, Community Involvement, and Environmental Protection” as its three core pillars, ASUS combines domestic and international communities, links stakeholders with local communities, and collaborates to drive social impact. To continuously foster societal sustainable development, our objective for 2023 is to continue promoting long-term social initiatives such as the Refurbished Computer and Digital Training Program, Digital Happy Learning Camp, ASUS i-Taiwan Digital Volunteer Project, and to relaunch International Volunteer Programs. These initiatives will be planned by the ASUS Foundation, with a systematic approach to management and measurement of their impact. Regular progress reports will be submitted to the Board of Directors.

Over the years, ASUS has utilized the LBG (London Benchmarking Group) framework as the structure for assessing social impact. Since 2020, this organization has been renamed B4SI (Business for Societal Impact, B4SI), emphasizing the alignment of social impact measurement with business objectives. ASUS continues to adopt this globally recognized methodology for measuring impact and aligning its social investment strategy with an input-output model. We evaluate long-term project outcomes across three stages: input, output, and impact.

## INPUT

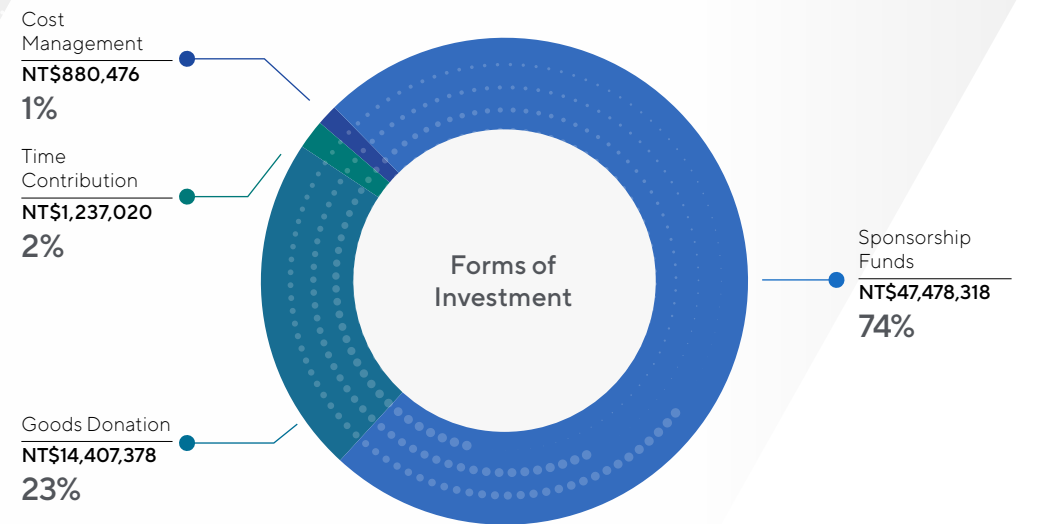
Our Investments: >

Total Investment Amount Input  
NT\$64,003,192



Explanation:

- Charity Donation: year-end blessings donations, one-time emergency aid for Turkey earthquake relief, and arts and talent development programs.
- Community Investment and Business Initiative: Projects centered around three main pillars, including Youth International Volunteering Program and Digital Happy Learning Camps.
- Compared to last year, the proportion of non-charitable donations has increased from 7.5% to 21%.



Explanation: Following the pandemic, there has been an increase in diverse social impact projects, such as the Youth International Volunteering Program and the donation of medical ultrasound equipment for epidemic prevention. The proportion of non-sponsorship funds has risen by 26%, highlighting an increase in the proportion of investments made through different means.



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

Social Issues and Social Investment Strategy

Digital Inclusion

Community Involvement

Environmental Protection

Actions for Overseas

10 Inclusive Workplace

Appendix

OUTPUT

Our Outputs

Category	Beneficiary Groups	Assistance Method	Social and Business Outputs
Digital Inclusion	<ul style="list-style-type: none"> <li>Domestic and International Non-Profit Organizations</li> <li>Vulnerable Groups</li> <li>Primary and Secondary School Students</li> <li>University Students</li> </ul>	<ul style="list-style-type: none"> <li>Refurbished Computer and Digital Training Program</li> <li>Digital Happy Learning Camp</li> <li>i-Taiwan Digital Volunteer Service</li> <li>International Volunteer Programs</li> <li>Public Television Service's "Heartfelt 99" Project</li> </ul>	<p><b>Social Outputs</b></p> <ul style="list-style-type: none"> <li>Over 650,000 beneficiaries served by digital opportunity centers.</li> <li>192 children accompanied and empowered to acquire new knowledge and build confidence through Digital Happy Learning Camp.</li> <li>140 teachers and students from 9 junior high schools and elementary schools benefited from i-Taiwan Digital Volunteer Service.</li> <li>More than 6,500 rural teachers and students benefited from the International Volunteer Program</li> </ul> <p><b>Business Outputs</b></p> <ul style="list-style-type: none"> <li>174 employees participated in digital inclusion project activities as volunteers.</li> </ul>
Community Involvement	<ul style="list-style-type: none"> <li>Children Are Us Foundation</li> <li>Vulnerable Groups</li> <li>Schoolchildren</li> <li>Society</li> </ul>	<ul style="list-style-type: none"> <li>The Growth and Training Program of "Children Are Us"</li> <li>DreamXArt Project</li> <li>ASUS partnered with Buddhist Compassion Relief Tzu Chi Foundation to hold a e-sports competition for environmental protection and disaster prevention</li> </ul>	<p><b>Social Outputs</b></p> <ul style="list-style-type: none"> <li>Provided stable employment environments for 9 individuals with intellectual disabilities.</li> <li>Supported a total of 57 students in the DreamXArt Project.</li> <li>A total of 1,457 schools participated in the Environmental Protection and Disaster Prevention Warriors PK competition, with over 110,000 participants in the environmental protection and disaster prevention quizzes.</li> </ul> <p><b>Business Outputs</b></p> <ul style="list-style-type: none"> <li>Interacting with 8,000 headquarters employees and the Children Are Us Bread Workshop.</li> </ul>
Environmental Protection	<ul style="list-style-type: none"> <li>ASUS employees</li> </ul>	<ul style="list-style-type: none"> <li>Corporate plastic reduction</li> <li>Employee environmental charity sale event</li> <li>Monthly environmental education workshops</li> <li>Beach cleanup conservation activities</li> </ul>	<p><b>Social Outputs</b></p> <ul style="list-style-type: none"> <li>Three environmental charity sale events raised a total of NT\$388,842.</li> <li>Three beach cleanup activities cleared approximately 286 kilograms of marine debris.</li> </ul> <p><b>Business Outputs</b></p> <ul style="list-style-type: none"> <li>A total of 235 volunteers participated in the beach cleanup activities.</li> </ul>



Our Impact

IMPACT

**Social Impact**


- Assisted vulnerable groups in learning computer courses, providing digital learning opportunities, and enhancing digital literacy to improve their quality of life.
- Encouraged young students to participate in various international affairs, strengthening their international service capabilities as youth volunteers and cultivating internationally-minded talents.
- The assessment results of the Refurbished Computer and Digital Training Program increased from 3.61:1 in 2016 to 5.56:1.





**Social Impact**

- Enhancing the work capabilities of individuals with intellectual disabilities and improving the quality of life for their families.
- Empowering disadvantaged children to enhance their self-confidence and creativity.
- Educating children on environmental knowledge to enhance awareness of climate change.



**Social Impact**

- Encouraging employees to participate in environmental actions can lead to heightened environmental awareness, fostering positive and constructive changes for both humanity and the environment.



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

**09 Social Engagement**

Social Issues and Social Investment Strategy

Digital Inclusion

Community Involvement

Environmental Protection

Actions for Overseas

10 Inclusive Workplace

Appendix

## Digital Inclusion

ASUS is dedicated to promoting digital inclusion initiatives, aiming to eliminate disparities in digital resource usage based on factors such as education, gender, and ethnicity. Following two years of pandemic disruptions, ASUS has largely resumed physical activities. Through initiatives such as the Refurbished Computer and Digital Training Program, establishment of Digital Opportunities Centers, Digital Happy Learning Camps, i-Taiwan Digital Volunteer Service, International Volunteer Programs, and activities like the Heartfelt 99 project by Public Television Service, ASUS empowers digital disadvantaged communities both domestically and internationally. This empowerment involves providing hardware support and digital education to bridge the gap in digital resources.

### Refurbished Computer and Digital Training Program

Since 2009, ASUS has integrated environmental conservation, recycling, and social welfare by promoting computer equipment recycling services. At its operation headquarters, ASUS has voluntarily established a reverse logistics recycling program for computer equipment, adhering to government recycling regulations. This program accepts computers of any brand, fulfilling extended producer responsibility and further promoting a circular economy. Through refurbishing discarded computers into renewed ones, ASUS donates them to nonprofit organizations and schools worldwide, establishing computer classrooms, digital opportunity centers, tutoring facilities, and more. This effort assists disadvantaged communities in learning computer skills, providing digital learning opportunities, and enhancing digital capabilities, thereby improving their quality of life.

In 2023, a total of 64,461 computers (including laptops, desktops, and monitors), 1,982 tablets, 5,210 mobile phones, and 3,271 peripheral devices (such as servers, printers, and other 3C products) were recycled. These devices were then refurbished by contracted refurbishment facilities into renewed computers and donated to charitable organizations. A total of 2,631 renewed computers and devices were donated, assisting disadvantaged children, youth, and students in their learning endeavors.

2023 marks the second consecutive year of promoting the “Indigenous Communities Digital Care” refurbished computer donation program. ASUS, in collaboration with the Institute for Information Industry (III) and IBM Taiwan, were committed to bridging the digital divide in indigenous communities by leveraging green technology and social-humanistic connections. ASUS donated 150 refurbished computers to Taiwu Township in Pingtung County and Shsmsh Worship and Prayer Center, helping indigenous students and social welfare groups establish digital learning capability.

ASUS adheres to the sustainable principle of Using Digitized Data and Scientific Management Practices to Support Sustainable Value Creation through Core Competencies. Consequently, the concept of Social Return on Investment (SROI) was introduced. In 2017, ASUS published the “ASUS Refurbished Computer and Digital Training Program SROI Report,” the first SROI report in the Asian technology industry and Taiwan to be certified by Social Value International (SVI). In 2023, the project impact was evaluated, and the SROI increased from 3.61:1 in 2016 to 5.56:1 on the same calculation basis.



*President of Institute for Information Industry, Dr. CH Cho, stated, “Although technology is highly advanced and rapidly evolving, accessing technological resources remains a significant challenge for children and residents in indigenous and remote areas. We are delighted to continue our collaboration with the ASUS Foundation and IBM Taiwan this year to execute the donation program, assisting indigenous and underprivileged students in advancing towards digital learning and ensuring continuous technological care.”*



The Second Life for Computers - Empowering People in Need



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

Social Issues and Social Investment Strategy

Digital Inclusion

Community Involvement

Environmental Protection

Actions for Overseas

10 Inclusive Workplace

Appendix

### Digital Opportunity Centers

The ASUS Foundation has been working with the Ministry of Foreign Affairs in Asia-Pacific Economic Cooperation Digital Opportunity Center (APEC ADOC) project that helps ADOC member countries and non-profit organizations in other countries to establish digital opportunity centers in where digital resources are lacking, thus promoting digital learning, and bridging digital divide. The project not only to improve the quality of life of residents through digital learning but also help scout the future digital talents. Over the past 15 years, ASUS has assisted 39 countries to establish digital opportunity centers, more than 500 computer classrooms, donated more than 20,000 sets of information equipment such as new computers, refurbished computers, and tablets, benefiting more than 650,000 individuals.

Over **650,000** beneficiaries served by digital opportunity centers.

**192** children accompanied and empowered to acquire new knowledge and build confidence through Digital Happy Learning Camp.

**140** teachers and students from **9** junior high schools and elementary schools benefited from ASUS i-Taiwan Digital Volunteer Service.



### Digital Happy Learning Camp

ASUS established a volunteer club in 2014, mobilizing ASUS employees to leverage their core competencies in active social service participation. Since 2017, ASUS has organized Digital Happy Learning Camps to build digital learning environments and reduce the digital divide. In 2023, the ASUS Volunteer Club resumed in-person school activities, spanning from southern to northern Taiwan, including Tainan Shulin Elementary School, Nantou Fazhi Elementary School, Changhua Tong'an Elementary School, and Shimen Qianhua Elementary School. Collaborating with the Youth Corner and Taipei Orphan Welfare Foundation, ASUS held four Digital Happy Learning Camps with 135 volunteers, providing 1,276 service hours. The camps introduced new PINBO coding robot toys integrating STEAM education principles and offered DIY Bluetooth speaker courses, fostering children's technological literacy, independent thinking, and problem-solving skills.

### ASUS i-Taiwan Digital Volunteer Service

This project aimed to combine university social responsibility (USR) with the participation of university students in rural areas as volunteers to promote digital technology. The team participating in the volunteer service project this year consisted of a total of 260 volunteers from the National Taiwan Normal University, National Taipei University of Business, New Taipei Municipal Tamsui Vocational High School, National Chin-Yi University of Technology, Taichung Municipal Taichung Industrial High School, and ASUS. They served a total of 140 teachers and students from 9 junior high and elementary schools. The project integrated technological resources to organize special courses such as media literacy, food and agricultural education, STEAM maker courses, and technology crafts. These courses stimulated children's creative thinking and problem-solving skills and cultivated their enthusiasm for learning through technology, as well as enabled university youth to develop a spirit of social care and responsibility.



*Principal Li Chen-Hui of Tainan Shulin Elementary School stated, "For this camp, I hope to provide the children with diverse learning experiences, both dynamic and static. I believe our children will gain a lot from it."*



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

Social Issues and Social Investment Strategy

Digital Inclusion

Community Involvement

Environmental Protection

Actions for Overseas

10 Inclusive Workplace

Appendix



More than **6,500** rural teachers and students benefited from the International Volunteer Program



Information on volunteer initiatives for the past years

*In 2023, ASUS international volunteer, Cheng Ya-I, stated, "This time in Kenya, we helped local schools set up computer labs with refurbished computers and trained local teachers and university students, allowing computer knowledge to be passed on. Through the ASUS international volunteer service combined with the refurbished computer donation program, a virtuous cycle benefiting people, the environment, and the refurbished computers has been created. I believe this contributes positively to the world."*

### International Volunteer Program

After a three-year hiatus due to the pandemic, the international volunteer program resumed in 2023. ASUS invited young students to organize international volunteer services to reduce the digital divide and share the value of "Sharing is caring." This year, nearly 60 young volunteers from National Yang Ming Chiao Tung University, National Cheng Kung University, National Tsing Hua University, Shih Chien University, Yuan Ze University, and eight ASUS volunteers traveled to Thailand, India, Kenya, Cambodia, and Singapore. They used refurbished computers to create conducive digital learning environments, establishing nine digital classrooms and benefiting over 6,500 teachers and students in remote areas.

Among them, National Tsing Hua University has been deeply involved in Kenya for 15 years, continuously conducting computer education

courses to bridge the digital divide. They organized the first one-day coding competition across 12 schools and collaborated with community education institutions (Bunyala-Hub and Nyeri-Institute) to extend computer education beyond high school students, ensuring everyone has the opportunity to access computer learning. This initiative amplifies the benefits of digital and information education from computer equipment. The National Yang Ming Chiao Tung University international volunteer team in India also marked its 13<sup>th</sup> year, beginning to plan an alumni empowerment program to ensure the sustainability of this virtuous cycle. ASUS upholds the "people-oriented" spirit and, through long-term support for International Volunteer Programs, continues to expand its influence, empowering digitally disadvantaged communities worldwide and creating a digitally inclusive society.

### "Heartfelt 99" Project of Public Television Service

The event is co-organized by the ASUS Foundation and Public Television Service since 2009. The 14<sup>th</sup> "Heartfelt 99" event in 2023 continued with an open theme, encouraging expressions of inspiration through creations lasting 99 seconds to 3 minutes. This year's short film competition saw 155 entries, with a notable increase in outdoor live-action pieces as the constraints of the pandemic lifted. The films highlighted the warm connections

between people and used their influence to share the goodness and beauty of Taiwan with a broader audience. In addition to continually supporting students in expressing their creativity and influence through short films, the "Heartfelt 99" event is dedicated to creating a friendly platform for visual creation. It invites industry professionals and past winners to share their experiences on campuses.



*Sandy Wei, CEO of ASUS Foundation, stated, "We hope to encourage students to continue creating and remain highly concerned about society. This year, several entries actively explored the goodness and beauty in various corners of Taiwanese society, transforming visual storytelling into impactful influence, fostering a virtuous cycle in society."*



"Heartfelt 99" YouTube Channel

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

**09 Social Engagement**

Social Issues and Social Investment Strategy

Digital Inclusion

**Community Involvement**

Environmental Protection

Actions for Overseas

10 Inclusive Workplace

Appendix

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

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

Provided stable employment environments for **9** individuals with intellectual disabilities.

Supported a total of **57** students in the DreamXArt Project.

A total of **1,457** schools participated in the Environmental Protection and Disaster Prevention Warriors PK competition, with over **110,000** participants in the environmental protection and disaster prevention quizzes.



### DreamxArt Project

After a two-year pandemic hiatus, the ASUS Foundation and the Taipei Orphan Welfare Foundation organized the 2023 Dream & Art Camp with the theme “Keep Drawing.” 57 attendees around Taiwan joined the physical event to paint murals at the Hedecanan Activity Center in Yilan, focusing on long-term initiatives supported by the foundation such as rock climbing, river tracing, art camps, cycling around the island, and beach cleanups. Additionally, volunteer instructors from the ASUS Design Center conducted LINE sticker creation workshops, providing the children with memorable summer experiences and inspiring their limitless creativity through both physical and digital art forms.

*CEO of the Taipei Orphan Welfare Foundation, Ku Mei-Te, stated,*

*“The process of wall painting is akin to the foundation’s message to the children: they are not just receiver but have the opportunity to build and shape their future. These beautiful artworks tell the public that the children we serve are creative, imaginative, and full of potential. We are grateful for the support from businesses.”*

### ASUS partnered with Buddhist Compassion Relief Tzu Chi Foundation to Hold e-Sports Competition for Environmental Protection and Disaster Prevention

For two consecutive years, the ASUS Foundation has partnered with the Tzu Chi Foundation to promote environmental and disaster prevention education. In collaboration with the online learning platform PaGamO, they launched the “Environmental Protection and Disaster Prevention Warrior Cultivation Program,” which educates students on environmental knowledge and climate change awareness through online learning and national and international competitions. A total of 1,457 schools participated, with over 110,000 quiz attempts on environmental and disaster prevention topics.

### Charity, Donation and Sponsorship

ASUS participated in various community activities, and also ring-fenced a budget to sponsor different organizations to fulfill our corporate social responsibility and realize the vision of contributing to the society. ASUS evaluates annual issues and societal needs to make donations to nonprofit organizations. In 2023, ASUS organized end-of-year charity donations and provided earthquake relief aid to Turkey. Donations were made to the Ministry of Health and Welfare, the Tzu Chi Foundation, the Matsu Family Support Center, World Vision Taiwan, the Child Welfare League Foundation, the After School Association of Taiwan, the Mennonite Social Welfare Foundation, and other organizations. Since 2012, we have benefited 47 social welfare organizations and helped more than 9,000 children, families and elderly people in need.

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

**09 Social Engagement**

Social Issues and Social Investment Strategy

Digital Inclusion

Community Involvement

**Environmental Protection**

Actions for Overseas

10 Inclusive Workplace

Appendix

## Environmental Protection

### Plastic Reduction

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

### Employee Environmental Education

To encourage employees to practice environmental sustainability in their lives, ASUS held three environmental charity sales, raising a total of NT\$388,842. Additionally, ASUS organized beach cleanup activities and monthly environmental education workshops, sharing actions such as environmental greening and green consumption through internal emails to cultivate environmental awareness and concrete actions among employees.

### Beach Cleanup and Marine Conservation

Adjacent to the Mangrove Natural Reserve, the Wazihwei Nature Reserve has precious wetland ecology and is an important habitat for many migratory birds, aquatic animals and plants. Three beach cleanup activities were held at Jiabao Beach in Linkou District in 2023, with a total of 235 volunteers participating. They removed approximately 286 kilograms of marine debris, encouraging employees to engage in environmental actions, thereby increasing environmental awareness and fostering positive and constructive changes for both humanity and the environment.

3 environmental charity sale events raised a total of NT\$ **388,842**.

3 beach cleanup activities cleared approximately **286** kilograms of marine debris.

A total of **235** volunteers participated in the beach cleanup activities.



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

**09 Social Engagement**

Social Issues and Social Investment Strategy

Digital Inclusion

Community Involvement

Environmental Protection

**Actions for Overseas**

10 Inclusive Workplace

Appendix

## Actions for Overseas

As a world-class corporate citizen, ASUS overseas subsidiaries also responded to the core themes of “digital inclusion, community involvement, and environmental protection” in 2023. They implemented diverse projects to empower youth and employees and assist residents in various regions worldwide, fostering community care.

### Asia

#### 📍 Mainland China

Digital Inclusion

Community Involvement

##### 1. ASUS e-Innovation Volunteer Actions

Since 2009, ASUS has joined hands with the China Association for Science and Technology (CAST) to launch the “Your Action, China’s Future” volunteer program to encourage university students to actively participate in social welfare and help rural farmers enjoy the convenience of digital life and the Internet through IT and Internet technologies, narrowing the digital gap between urban and rural areas and improving their living standards with knowledge and innovation. In the past 14 years, with this public service project, we have trained more than 70,000 college student volunteers, covered more than 32 key cities, 8,000 villages and communities, completed more than 50,000 IT science lectures, and built 1,096 ASUS Love Science libraries.

##### 2. Participation in Rogue Warriors (RW) Honor Of Kings Charity Event

During the Super Esports Cycle of the 2023 Honor Of Kings Spring Tournament Playoffs, the “RW Honor Of Kings” Club collaborated with WB and DRG to conduct a charity sale in the event area. The items sold included player merchandise, autographed photos, and event-themed hand-drawn memorabilia. The activity raised a total of RMB15,574.73 (approximately NT\$510,506), which was donated to the Guardian Flower Buds Project to protect girls in mountainous regions.

##### 3. Sunflower Project - ASUS Lecturers in Schools

Starting in 2023, the “Sunflower Project” was launched. The ASUS lecturers independently developed over 10 courses covering topics such as technology, environmental protection, and the arts. These courses are taught in schools, aiming to broaden students’ horizons, enhance their cultural understanding, and improve their overall competencies to aid in youth development while also cultivating industry talent. So far, pilot programs have been completed in two schools, educating nearly a hundred students.

#### Sunflower Project - ASUS Lecturers in Schools



#### 📍 India

Community Involvement

ASUS made contributions to the Prime Minister’s National Relief Fund<sup>3</sup> 10,929,330 Rupees (approx. NT\$4,310,099) for Indian National Humanitarian Relief and response to COVID-19.

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



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

**09 Social Engagement**

Social Issues and Social Investment Strategy

Digital Inclusion

Community Involvement

Environmental Protection

Actions for Overseas

10 Inclusive Workplace

Appendix

📍 Philippines

Environmental Protection

Collaborating with the non-profit organization Communities Organized for Resource Allocation (CORA), dedicated to sustainability issues, ASUS initiated a three-phase environmental education program. This initiative aligns with ASUS's commitments to climate action and the circular economy, aiming to raise awareness and drive action among employees, partners, distributors, and consumers towards sustainability and plastic waste reduction.

Phase 1

An employee knowledge-sharing event titled "ASUSustainable Solution: Circular Economy Starts with Us." educated employees on plastic recycling and organized recycling activities.

Starting with employee sustainability training activities to understand the theme of the circular economy.



Phase 2

CORA Eco-Ikot Centers were installed in three ASUS retail stores, enabling the public to recycle plastic waste and bottles.

In response to the use of recycled materials in the Zenbook S13 OLED, a recycling event was held at retail stores.



Phase 3

In response to International Coastal Cleanup Day 2023, Zenbook S13 OLED ambassadors and CORA founder Antoinette Taus, along with volunteers including employees, media, and distributors, participated in beach cleanups. Recyclable materials were sorted and sent to CORA's recycling partners, facilitating resource circulation.

Responding to International Coastal Cleanup Day, employees, media, distributors, and others were invited to participate together.



📍 Indonesia

Community Involvement

Donations were made to an orphanage on Batam Island to support its daily needs, aligning with ASUS's Five Virtues and exemplifying its commitment to corporate social responsibility.



About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation

**09 Social Engagement**

- Social Issues and Social Investment Strategy
- Digital Inclusion
- Community Involvement
- Environmental Protection
- [Actions for Overseas](#)

10 Inclusive Workplace

Appendix

Europe

Spain

Community Involvement

**ASUS Children’s Drawing Competition**

The theme of the 2<sup>nd</sup> ASUS Children’s Drawing Competition is “Me and My Dreams,” aiming to provide children aged 6-9 with an opportunity to reflect on their own dreams. The competition offers 10 laptops as prizes. Over the past two years, more than 500 children have participated.



Americas

Colombia

Digital Inclusion

Donation of refurbished computers to the FUN-HOGAR Foundation, serving underprivileged children, to improve education rights in rural areas of Colombia. This initiative aims to provide children with the opportunity to overcome poverty and vulnerability.

Oceania

Australia

Community Involvement Environmental Protection

**1. ASUS Australia has joined the NSW National Television and Computer Recycling Scheme to reduce environmental impact.**

Through participation in the NSW National Television and Computer Recycling Scheme, a total of 10.40 tonnes of discarded televisions, computers, printers, and computer products were recycled in 2023.

**2. Collaborating with Beyond Blue Australia to enhance public awareness of mental health.**

In collaboration with Beyond Blue Australia, efforts are made to educate and encourage the public to enhance their awareness of mental health. Volunteer services are also conducted, along with organizing internal corporate seminars, enabling employees to engage in advocacy activities.





# 10 Inclusive Workplace

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

## Actions

- > Organize a high-potential talent development program in design thinking.
- > Implementation of human rights due diligence
- > Conducted 18 disaster simulation drills and experiences.

## Performance



Evaluated as one of the **World's Best Employers** by Forbes for the 4<sup>th</sup> years



Listed in the **World's Best Companies for 2023** by TIME Magazine



Awarded the **2023 Happy Enterprise - Technology and R&D Industry Gold Award** by 1111 Job Bank



- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace**
- Employee Policy
- Employee Communication
- Talent Cultivation and Development
- Compensation and Benefits
- Diversity, Equity, and Inclusion
- Healthy Workplace
- Safe Workplace
- Operation Environment

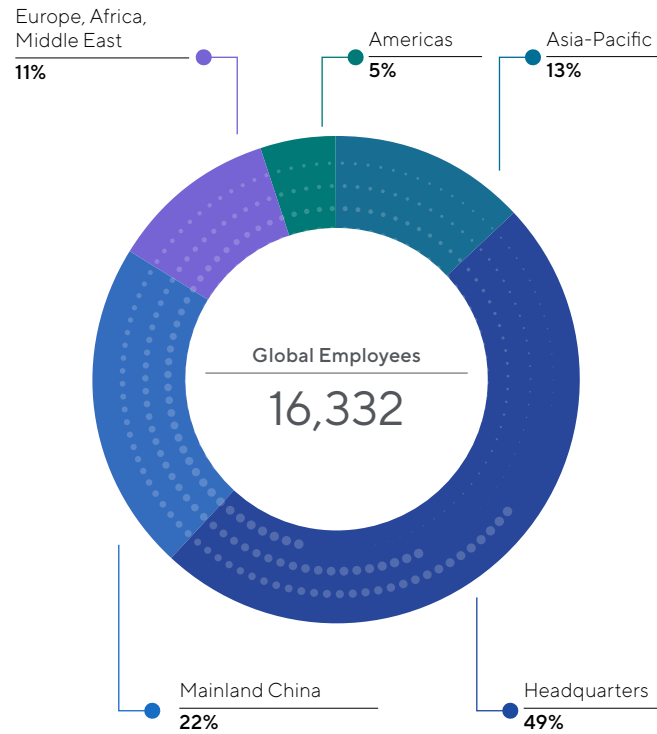
Appendix

## Employee Policy

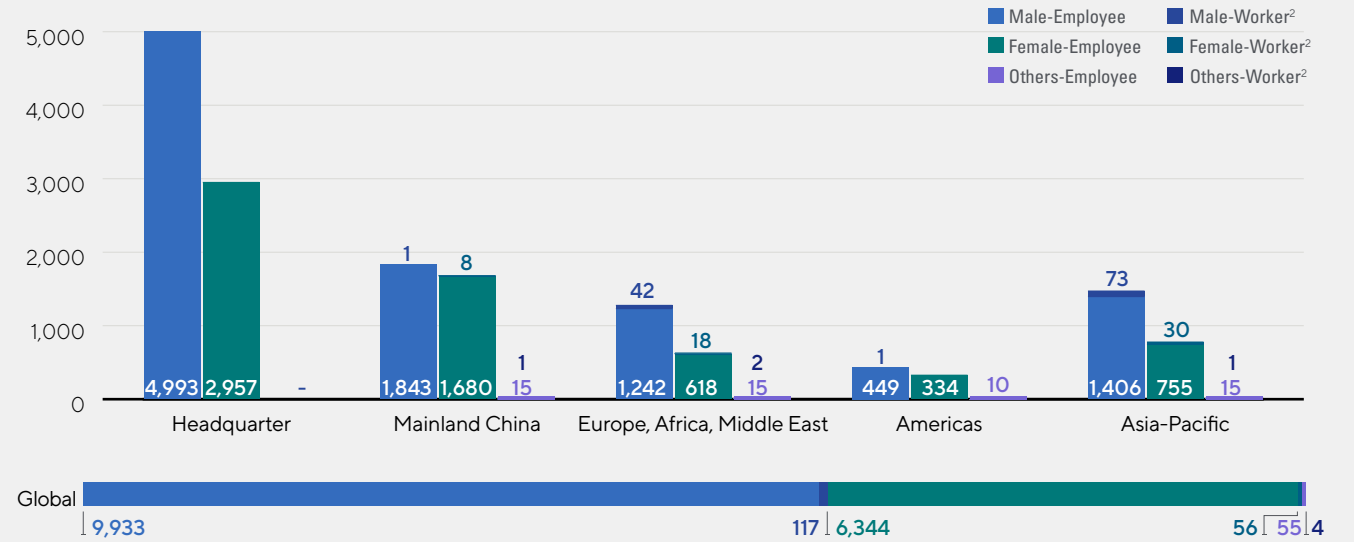
### Structure of Manpower

ASUS has established operations centers in more than 70 countries around the world, including Asia-Pacific region, Europe, Americas and Africa. The number of global employees is about 16,332, including about 7,950 in Headquarters where the head office is located and about 8,382 in the overseas regions.

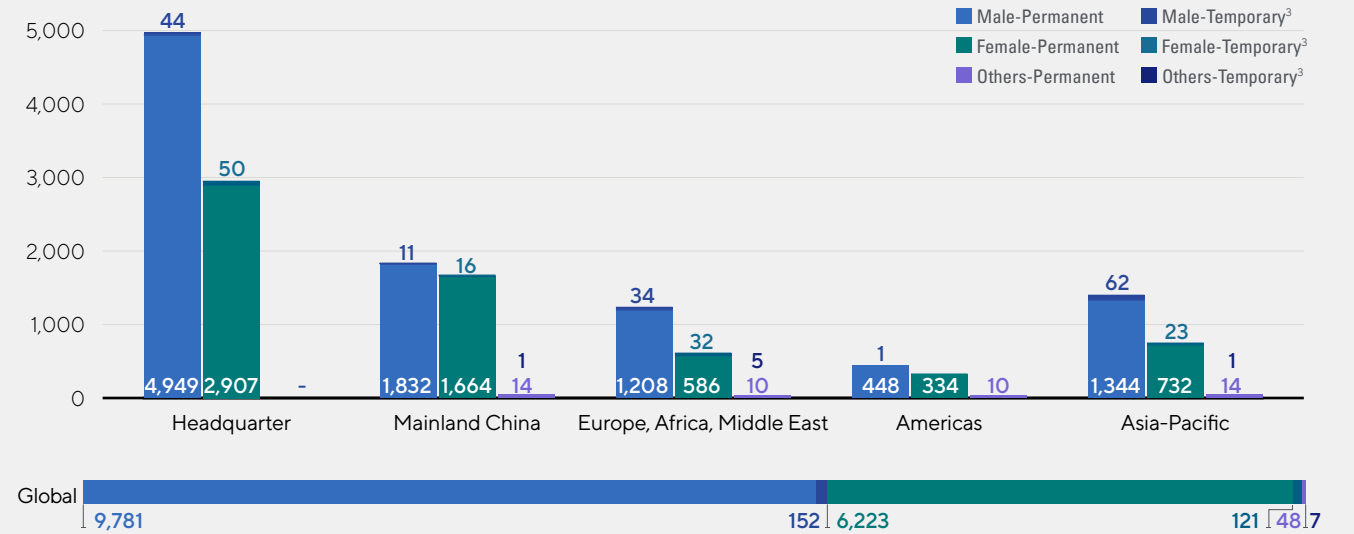
### Global Employee Distribution



### Workforce Composition



### Contract Type



1 The headcount is based on December 31 of the reporting year.  
 2 Worker: dispatched staffs and representative staffs. The job categories for dispatched staffs include: clerical staff, cleaning staff, administrative assistant, customer service/maintenance assembler. Representative staffs are responsible for market research. The majority of workers are dispatched staffs.  
 3 Temporary employees are defined as those with employment contracts that have specific start and end dates. This includes interns, part-time students, short-term project persone.



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

**10 Inclusive Workplace**

Employee Policy

Employee Communication

Talent Cultivation and Development

Compensation and Benefits

Diversity, Equity, and Inclusion

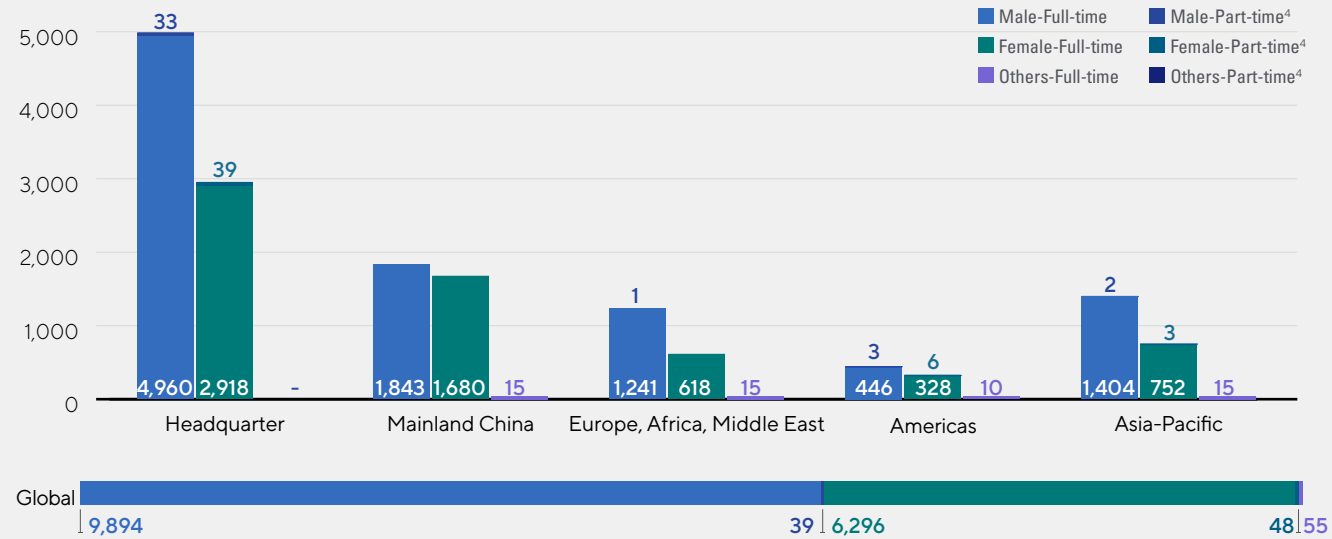
Healthy Workplace

Safe Workplace

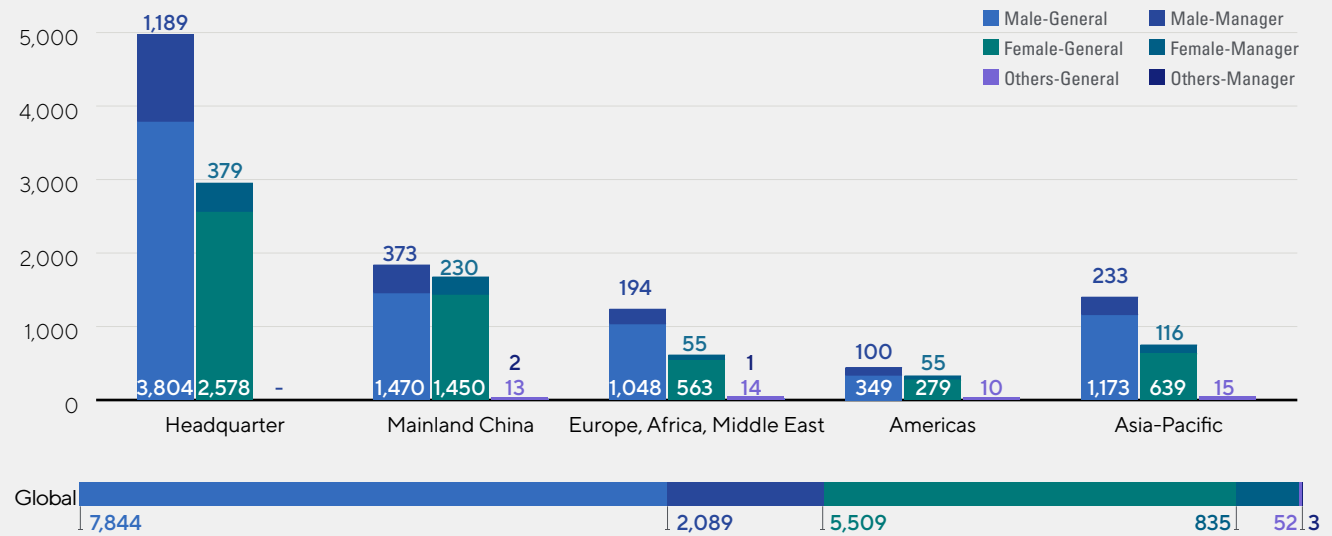
Operation Environment

Appendix

② Employment Type



③ Employee Type



<sup>4</sup> Part-time employees are defined as those paid on an hourly basis, with overall working hours less than full-time employees.

## Empowering Digital Transformation and Enhancing Employee Experience

In 2023, ASUS implemented a global human resource management system, achieving seamless integration of HR data worldwide. This enhanced managerial decision-making capabilities and flexibility, significantly improved employee experience, increased operational efficiency, and ensured the consistency and effectiveness of global strategies.

### Integrating Global HR Data:

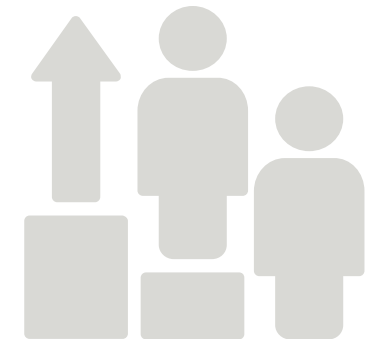
Ensuring data consistency and improving data quality, which provides high-value reporting, analysis, and future predictions to enhance digital optimization.

### Empowering Managers:

Using system tools and report management to better understand organizational and talent status, thereby enhancing management efficiency.

### Enhancing Employee Experience:

Creating a one-stop HR portal with transparent information to improve service quality.



- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace**
- Employee Policy
- Employee Communication**
- Talent Cultivation and Development
- Compensation and Benefits
- Diversity, Equity, and Inclusion
- Healthy Workplace
- Safe Workplace
- Operation Environment
- Appendix

### Open Communication

ASUS continues to actively expand diversified communication channels to enhance employee relations. By holding regular communication activities, employee opinion mailbox and employee engagement surveys, and established the "ASUSTek Union" in July 2023. With regular monthly meetings we build the transparent communication between ASUS and employees, and their suggestions are used as the driving force for improvements to safeguard the rights and interests of each employee.



#### Employee < Internal Communication Channel > Senior Manager

<p><b>Two-Way Communication</b></p> <p>CEO On-Live, CEO Afternoon Tea, ASUS DNA Story, Internal communication meeting</p> <ul style="list-style-type: none"> <li>Communicate major issues internally, convey the company's vision and corporate culture</li> <li>Employees could fully express their opinions</li> </ul>	<p><b>Employee Caring Hotline</b></p> <p>Internal and external Employee Assistance Program (EAP) hotline, Employee Caring Website</p> <ul style="list-style-type: none"> <li>Assist employees in work, life and health related issues</li> </ul>	<p><b>Employee Grievance Channel</b></p> <p>Personnel Management System, Whistle-blowing Mailbox, Employee Opinion Mailbox, Hotline and Mailbox for Complaints of Unlawful Infringement in the Workplace</p> <ul style="list-style-type: none"> <li>Talk about the company's system, management measures and specific issues</li> </ul>
<p><b>Labor-Management Council</b></p> <p>Labor and Safety Committee, Occupational Safety and Health Committee, union meeting</p> <ul style="list-style-type: none"> <li>Discuss labor conditions, build the harmonious labor relations</li> <li>Regular quarterly/monthly meetings</li> </ul>	<p><b>Employee Engagement Survey</b></p> <p>Delivered by a designated agency Willis Towers Watson to employees in the headquarters in 2022</p> <ul style="list-style-type: none"> <li>In-depth understanding of employees' real work experience</li> </ul>	<p><b>Prevention of Workplace Sexual Harassment</b></p> <p>Employee Caring Website, ASUSchool Learning Platform</p> <ul style="list-style-type: none"> <li>Delivery courses on the prevention of workplace violence and sexual harassment</li> </ul>

### Employee Engagement Survey

ASUS implemented the Employee Engagement Survey for the first time in 2022, which was conducted by Willis Towers Watson. Through a "systematic and data-based" approach, we can truly understand the real work experience of our employees, identify the company's strengths and opportunities, and use the survey results to develop action plans that are expected to effectively enhance the engagement of our sustainable employees. The 2022 employee engagement survey included all employees in Taiwan headquarters (8,106), with a valid response rate of 80% (6,485). From the results, we found that the company's strengths (analyzed by using the Willis Towers Watson Taiwan High-Tech Model and the Taiwan Model as the main benchmarks, and the Global High-Tech Model as a secondary benchmark): employees agreed that ASUS is a good company to work for; in terms of diversity and inclusion, most employees agreed that the company supports a diverse workplace and can express their opinions openly and honestly within the company.

In 2023, based on employee feedback surveys, ASUS formulated several initiatives to strengthen employees' confidence in the decision-making of the Company's core leadership and to reinforce corporate culture and values. These initiatives included the review of senior executive reports, holding consensus meetings between managers and employees, and enhancing key annual priorities based on feedback from each unit. Additionally, remuneration and benefits were adjusted according to market trends, aiming to effectively boost sustainable employee engagement:

- > Establish a smooth two-way communication mechanism within the company to enhance employees' understanding and confidence in the decision-making process.
- > They set clear core values and encourage all levels of management to lead by example in their daily work, embodying the company's values.
- > Adjusted the salary structure for entry-level and junior employees in 2023 and adjusted the variable salary basis to a fixed salary, increasing monthly disposable income to enable colleagues to make more effective use of it.
- > In 2023, we implemented an Employee Stock Ownership Trust to enhance employee identification with the company and strengthen their loyalty. Simultaneously, we expanded the options for employee flexible benefits.
- > Implemented a flexible remote work model at the corporate headquarters in 2023 to enhance employee cohesion and well-being.



## Talent Cultivation and Development

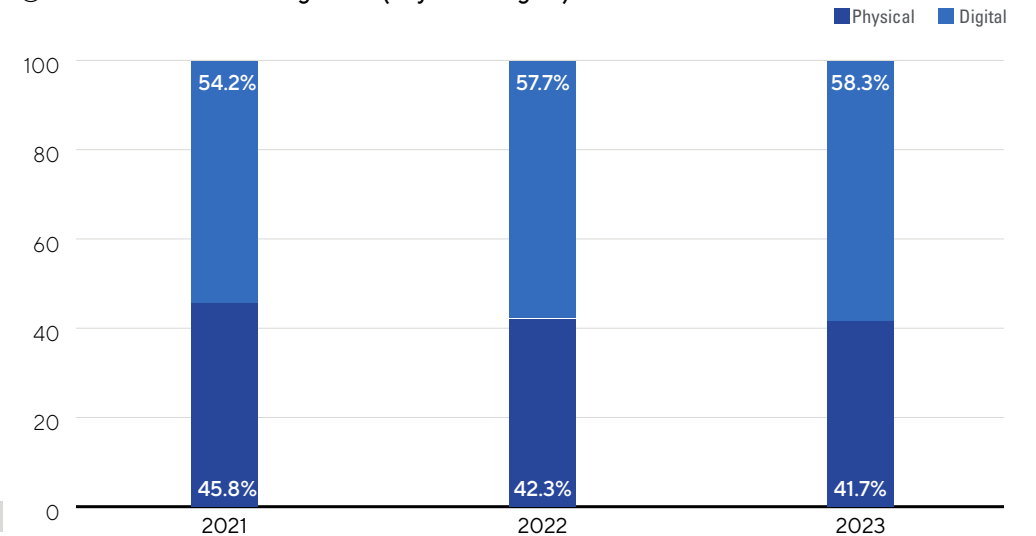
Talent is the cornerstone of a company's success. ASUS provides educational training mechanisms and abundant learning resources to establish and strengthen employees' career development and believes that only every employee can fully demonstrate ASUS DNA: ASUS 5 Virtues, Focus on Fundamentals & Results,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

The total number of employees of ASUS in 2023 were 16,332 (at the end of the year), and the talent development program covers all employees. The total training hours of ASUS Group were 290,192.7 hours, the average training hours per person were 17.8 hours and the average training costs per person were NT\$2,290 dollars. The overview is as follows:



Category	Training Hours per Employee	
Gender	Male	17.6
	Female	18.1
	Others	8.1
Employee Category	General employee	17.6
	Junior management	18.9
	Mid-level management	18.9
	Senior management	11.4
Age	<30	27.3
	30~50	15.6
	>50	13.7
	Others	9.2
	Training Category	Physical courses
Online courses		10.4

2021-2023 Total Training Hours (Physical + Digital)



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

**10 Inclusive Workplace**

Employee Policy

Employee Communication

**Talent Cultivation and Development**

Compensation and Benefits

Diversity, Equity, and Inclusion

Healthy Workplace

Safe Workplace

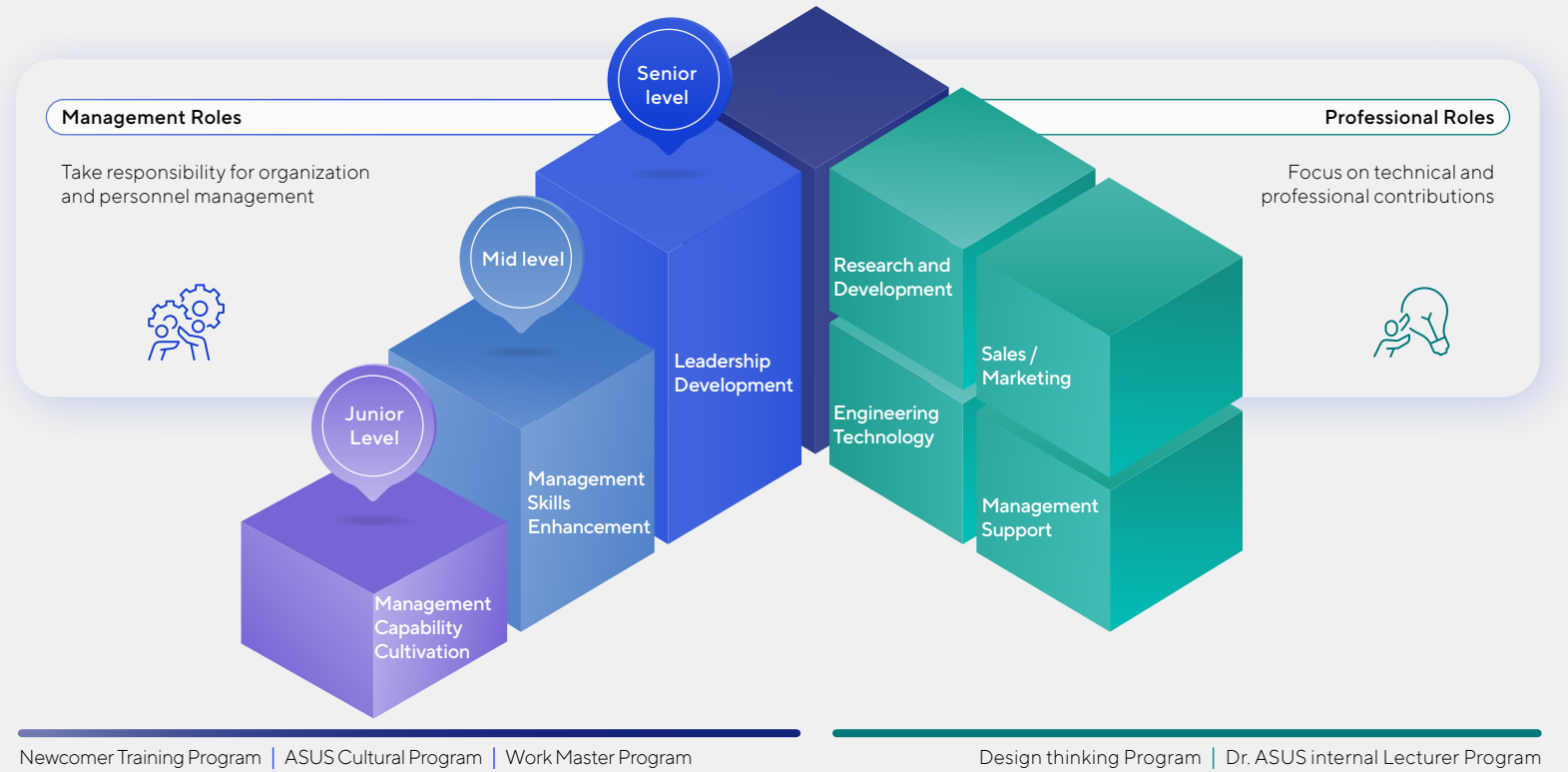
Operation Environment

Appendix

- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace**
  - Employee Policy
  - Employee Communication
  - Talent Cultivation and Development**
  - Compensation and Benefits
  - Diversity, Equity, and Inclusion
  - Healthy Workplace
  - Safe Workplace
  - Operation Environment
- Appendix

## Talent Cultivation and Development Framework

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



### Core Competitiveness

ASUS cultural transformation focuses on the Wisdom for a Complete Corporate Transformation of “transform and evolve, trust in radical truth and transparency, and embrace idea meritocracy and foster collective wisdom”. The company’s corporate philosophy and common values are conveyed and implemented in its daily work through a global cultural communication website, diversified courses, online and offline activities, and integrated into the management mechanism.

In 2023, there were training programs for newcomers, ASUS culture programs, and work master programs, with a total of **129,747** training hours; since 2007, we have trained 315 Dr. ASUS internal instructors to convey our expertise and experience.

### Management Skills

Based on the competency standards set by each management function and global job evaluation, ASUS has established a comprehensive management training map, including cooperation with academia mini-EMBA program, internal senior management experience transfer, and external management trend convergence.

In 2023, a total of **19,174** hours of training were provided to strengthen the management mindset and leadership of executives and lead their teams to achieve the operational strategic goals given by the company.

### Professional Skills

ASUS divides professional skills into four areas: research and development, engineering technology, sales/marketing, and management support. We identify the skill requirements for each position to develop the roadmap of professional training, technology and trend seminars, and strategic training programs.

In 2023, a total of 4,984 hours (45% in research and development, 34% in management support, 13% in engineering technology and 8% in sales/marketing) were spent in **1,610** professional training courses organized by the department itself.



About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement

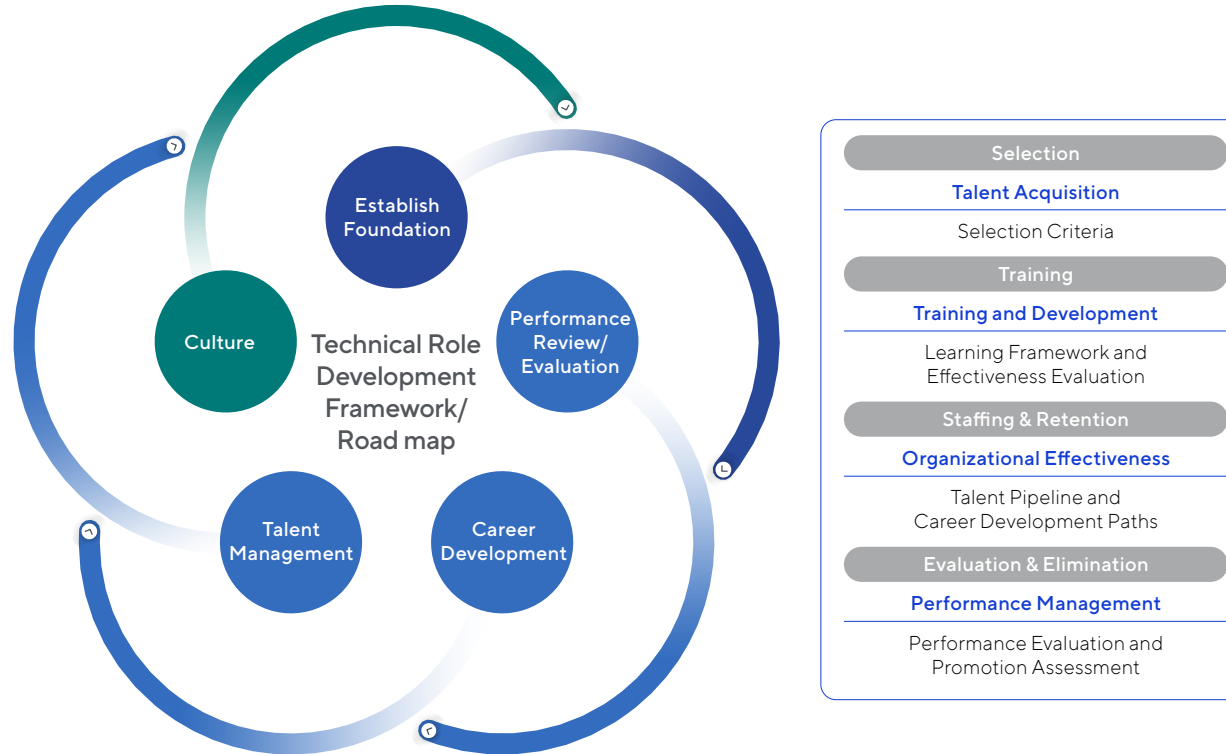
**10 Inclusive Workplace**

- Employee Policy
- Employee Communication
- Talent Cultivation and Development**
- Compensation and Benefits
- Diversity, Equity, and Inclusion
- Healthy Workplace
- Safe Workplace
- Operation Environment

Appendix

**Technical/Functional Competency Committees**

To address the challenges of organizational growth dynamics and to ensure that talented employees can excel in their positions and continue contributing while achieving better career development, ASUS is promoting the advancement and deepening of professional career paths. We are gradually establishing various “Technical/Functional Competency Committees” to achieve this goal. The purpose is to build and apply professional capabilities and knowledge in different fields to the operation of various HR systems, such as talent selection and recruitment, organizational effectiveness, performance management, and training development. This initiative not only enhances the importance and value of professional roles in various specialized fields but also serves as a career development pathway for outstanding employees to rotate across different organizations in the future.



**Key Achievements in 2023**

1. Established “Technical/Functional Competency Committees” and developed professional capabilities and knowledge in different areas.
2. The “Design-Technical/Functional Competency Committees” consists of 58 members, with mid-to-senior management making up 52%.
3. Held a public briefing for the “Design-Technical/Functional Competency Committees.” Communicated the Company’s urgent commitment to attracting, developing, valuing, and retaining talent, and highlighted the continuous contributions and impact of professional employees on the Company.



About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement

**10 Inclusive Workplace**

- Employee Policy
- Employee Communication
- Talent Cultivation and Development**
- Compensation and Benefits
- Diversity, Equity, and Inclusion
- Healthy Workplace
- Safe Workplace
- Operation Environment

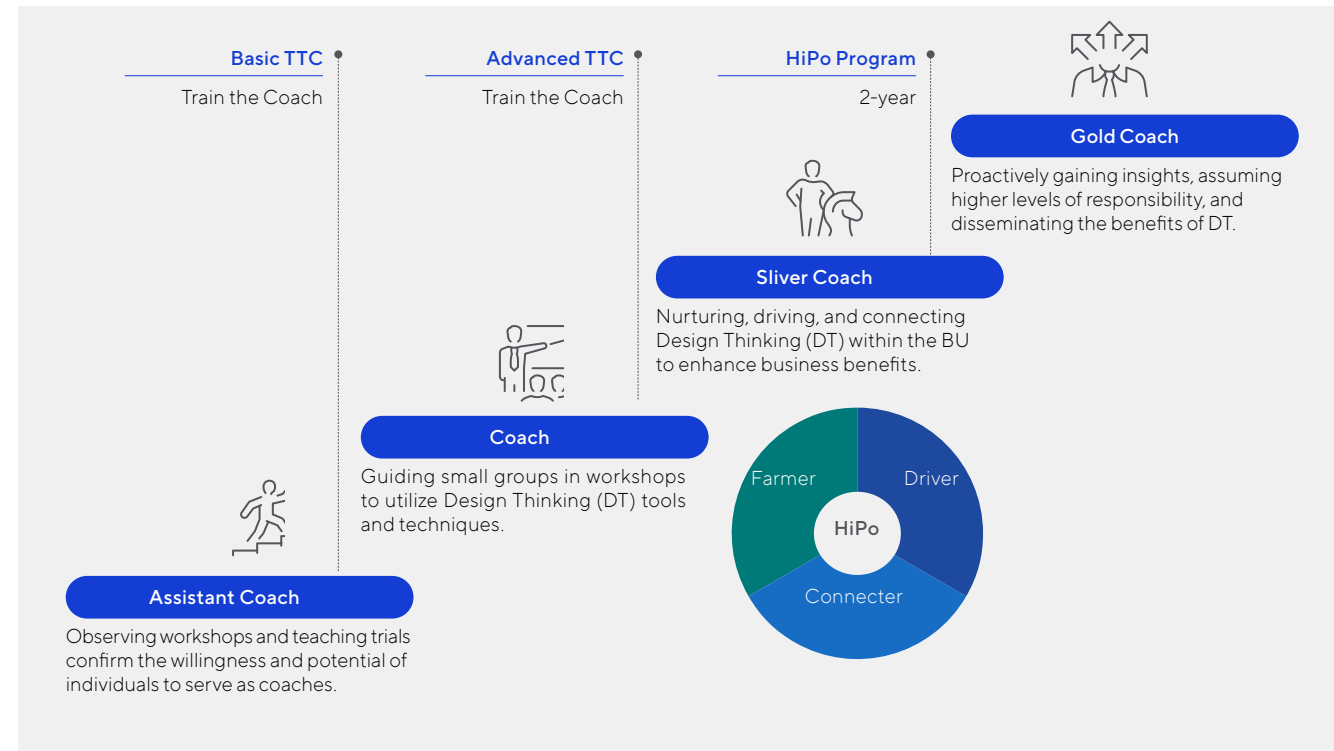
Appendix

**Key Talent Cultivation Project**

② Design Thinking Talent Cultivation

Design Thinking is a people-oriented design spirit and method that considers the needs of users and the feasibility of technology and business, using bold innovation, embracing the concept of beauty, and constantly creating a pleasant full-life experience for users. After years of concerted effort, Design Thinking (DT) has gradually cultivated an internal culture of innovation, capabilities, and a common language within ASUS. Tailored developmental programs have been designed according to different levels of application depth and target audiences. In 2023, we supported committees in nurturing coaching seed talents within various departments. The aim is to propagate the DT spirit within departments, enabling them to start from user needs and employ divergent and convergent thinking, along with iterative prototyping and refinement in both product development and business processes. In addition, ASUS has established a tiered certification mechanism for coaching and a high-potential talent development program. This initiative offers talents and departments willing to invest in and practice Design Thinking (DT) more career growth opportunities and rewards.

② DT Coach & HiPo Program





About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement

**10 Inclusive Workplace**

- Employee Policy
- Employee Communication
- Talent Cultivation and Development**
- Compensation and Benefits
- Diversity, Equity, and Inclusion
- Healthy Workplace
- Safe Workplace
- Operation Environment

Appendix



In the inaugural session, we successfully trained 27 coaches and identified 2 high-potential talents. These HiPo (High Potential Talent) and their respective BU leaders participated in a company-sponsored one-week study trip at the Stanford D.School in the United States. This aimed to cultivate an international perspective and facilitate exchanges with renowned companies and organizations. The objective is for these individuals to not only lead their departments in promoting innovative thinking and practical methods comprehensively but also serve as cultivators, drivers, and connectors at the company level. They are expected to leverage collective wisdom to successfully lead cross-unit DT projects and amplify business benefits.

**Key Performance in 2023:**

1. 57 assistant coaches participated in training (with managerial positions accounting for 39%), with 27 obtaining certification. 2 high-potential talents and 2 senior executives were sent abroad to Stanford D. School for further education.
2. Departments participating in the annual Design Thinking Awards selection witnessed a growth rate of up to 61%, regardless of whether they were involved in product development or internal and external customer service, they collectively practicing product and service innovation. The 2 winning teams generated a substantial commercial value of at least US\$50,618,000 for the Company, optimizing operational management efficiency.
3. From headquarters to a total of 15 countries, including international locations, participants were engaged through both online and offline methods. Throughout the year, 1,651 employees completed their training. Additionally, nearly 300 colleagues participated in the annual selection process for the Design Thinking Awards.

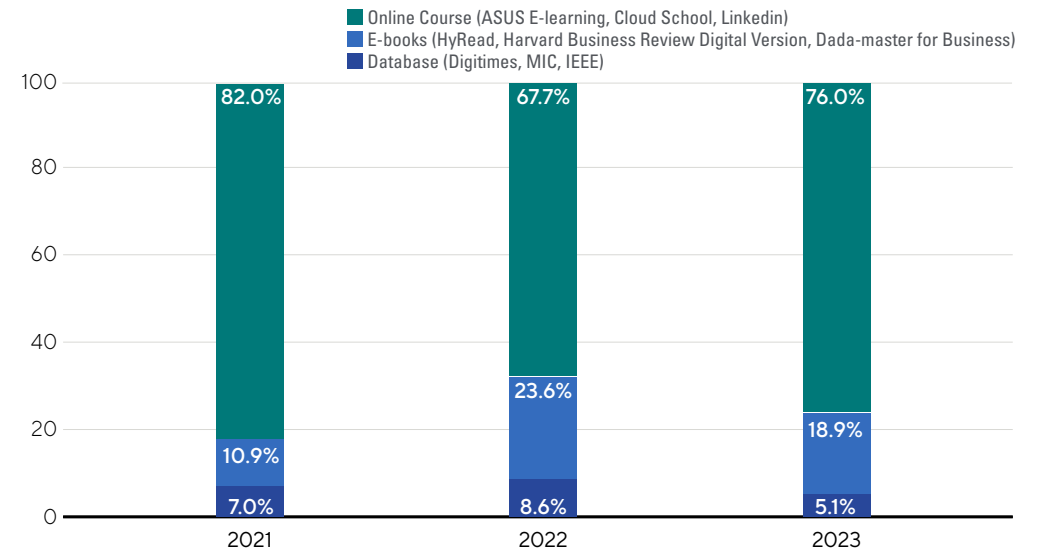
**Senior Executive Internal Lecturer Training Program**

In 2023, we launched Senior Executive Internal Lecture training program for Division-level and higher managers, with 27 mid to senior-level executives obtaining certification as new internal lecturer. As leaders within the organization, division-level and higher managers possess extensive experience and profound professional knowledge, enabling them to play a crucial role in internal development. Through mid to senior-level executives transmitting and sharing their successful experiences and best practices, we integrate the organization's vision, mission, and values into training courses. This guides employees to recognize the importance of sustainability in organizational development, thereby fostering consensus and action. Furthermore, mid to senior-level executives can lead the organization in establishing a learning culture and innovation mechanisms, injecting continuous energy and vitality into the organization's sustainable development.

**Integrating Cloud Resources to Encourage Autonomous Learning and Growth among Colleagues**

In line with the reading habits of the new generation and to enhance accessibility to resources, in 2023, a completely new array of rich, high-quality, and diverse digital cloud resources was provided to colleagues. This included the introduction of online courses, audio books, e-magazines, article knowledge bases, and industry databases among other external services. This initiative aimed to encourage colleagues to engage in autonomous learning and self-development, catering to diverse professional growth needs across various roles. The cumulative usage of these resources reached 16,825 individuals.

**2021-2023 Digital Self-Learning Resource Usage**





- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement

**10 Inclusive Workplace**

- Employee Policy
- Employee Communication
- Talent Cultivation and Development
- Compensation and Benefits
- Diversity, Equity, and Inclusion
- Healthy Workplace
- Safe Workplace
- Operation Environment

Appendix

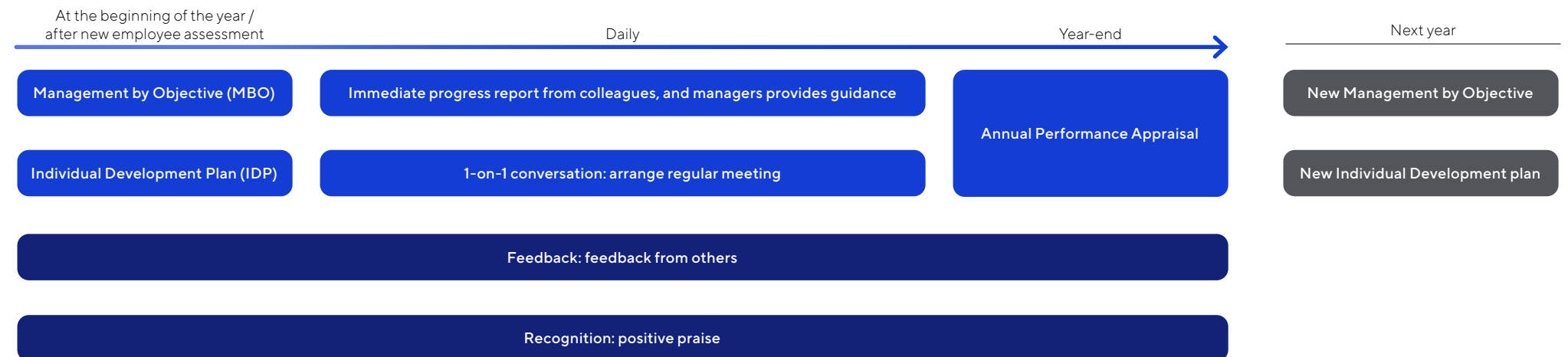
**Individual Appraisal Management and Development**

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

ASUS advocates for a culture of authenticity and transparency, encouraging supervisors to lead by example by fostering continuous dialogue, providing real-time feedback, and regularly recognizing positive behaviors (Conversation, Feedback, Recognition). This ensures alignment between team performance goals and individual advancement directions while also strengthening supervisor leadership trust and team cooperation. In 2023, themed promotional materials and activity designs were paired with the utilization of the CFR APP developed in 2021. This integration provided tools for 1-on-1 Agile Conversation recording and 360-degree feedback, resulting in a 19% increase in usage compared to the previous year.

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

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



- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace**
- Employee Policy
- Employee Communication
- Talent Cultivation and Development
- Compensation and Benefits
- Diversity, Equity, and Inclusion
- Healthy Workplace
- Safe Workplace
- Operation Environment
- Appendix

## Compensation and Benefits

### Compensation System

ASUS's salary standards are determined based on job role, capabilities, education, work experience, and professional knowledge. Starting salaries and rewards are not differentiated based on gender, religion, political affiliation, marital status, or other factors. We review company compensation packages annually against market standards and adjust them as needed. At our headquarters in Taiwan, entry-level salaries exceed statutory requirements. To retain key positions and high-performing individuals with development potential, ASUS offers retention bonuses to cultivate management executives and professional talents, thereby enhancing corporate competitiveness. The gender pay ratio is compared within the same job category, with a ratio of approximately 1:0.81 for general employees and 1:0.91 for managerial positions.

Managerial remuneration is assessed and reviewed based on the overall operational performance of the Company, the management efficiency and profitability contribution of each department, target achievement rates, and individual performance. The reasonable bonus for each manager is deliberated by the Remuneration Committee and submitted to the Board of Directors for approval. The variable remuneration of the Co-CEOs is tied to financial performance indicators, including: sales revenue, net profit, total shareholder return, and return on equity. Furthermore, to strengthen sustainable governance, starting from 2023, the variable remuneration of the Co-CEOs is linked to sustainability performance. The assessment indicators include the achievement rates of ASUS's global operations' RE100 target and the Group's SBT emission reduction target. These indicators can potentially adjust the weight of variable remuneration by up to 10%, either increasing or decreasing.

### Benefit Package Beyond the Statutory Requirement

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

### Stable Retirement Contribution System

In accordance with the provisions of the "Labor Standards Act" and the "Labor Pension Act", employers should contribute 6% of the salary to the new personal pension account as labor pension fund on a monthly basis, in order to contribute to the special account of the Supervisory Committee of the Retirement Reserve of Labor for saving and spending. In 2023, ASUS launched an Employee Stock Ownership Trust, enabling employees with more than one year of service to participate. The company matches employee contributions at a 1:1 ratio. This initiative demonstrates our commitment to sustainable operations and employee retention, while providing additional support for employees' retirement planning.

- People at the relevant level and above are entitled to 30 days of paid sick leave and 14 days of paid leave (includes 7 days of family care leave)
- The company grants an indeterminate number of days of happiness leave each year, allowing employees to plan their own time off.
- Flexible Clock In Hours 07:30 ~ 09:30  
Flexible Clock Out Hours 16:30 ~ 18:30
- The headquarters provides employees with 24 working days annually, allowing them to apply based on job suitability to reduce commuting costs, increase environmental protection efforts, and enhance work flexibility.
- Overseas subsidiaries implement a Hybrid Work Model, where each subsidiary can implement two days of telecommuting per week based on local needs. This significantly enhances overall work flexibility, enabling employees to plan for self-improvement and family care, thereby achieving a balanced lifestyle.
- Meal Expense, Birthday Voucher, Maternity Pension, Wedding and Funeral, E-coupon, Health Examination, Scholarship for Employee's Child, and Employee Parking Subsidy, etc



- Group insurance includes life insurance, accident insurance, medical insurance, and cancer insurance, etc
- Parents, spouses and children are entitled to a group insurance premium plan
- Department Gathering
- Sports, leisure, art and other diversified community
- ASUS Happy Farm
- Family day, arts and cultural activities, small farmers' market



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

**10 Inclusive Workplace**

Employee Policy

Employee Communication

Talent Cultivation and Development

Compensation and Benefits

**Diversity, Equity, and Inclusion**

Healthy Workplace

Safe Workplace

Operation Environment

Appendix

## Diversity, Equity, and Inclusion

ASUS embraces a global workforce from various countries, committed to cultivating and promoting a diverse, equal, and inclusive workplace culture. We actively welcome employees from different backgrounds, ensuring equal employment rights regardless of nationality, race, class, skin color, birthplace, gender, language, marital status, age, disability, family status, sexual orientation, facial features, religious beliefs, or political affiliations. We firmly oppose unlawful discrimination, ensuring equal opportunities for recruitment, promotion, and other job prospects, thereby fostering a diverse and inclusive work environment.

We firmly believe in the value of diversity and inclusion in the workplace. A diverse workforce brings different perspectives and opportunities for progress to the Company. By establishing a culture of diversity and inclusion, employees can leverage their strengths, enhance their individual uniqueness, and contribute significantly to the company's growth. This, in turn, strengthens the Company's advantages and competitiveness.

At ASUS, women make up 38.8% of the global workforce and 28.5% of managerial positions worldwide. Due to the nature of the technology industry and labor market dynamics, research and development roles tend to be predominantly male. However, ASUS does not discriminate in hiring practices or engage in any unfair treatment based on gender. We are committed to fostering a friendly and equitable workplace for all employees.

Category	Percentage	2025 Goal
Share of women in total workforce	38.8%	39%
Share of women in all management positions, including junior, middle and top management	28.5%	29%
Share of women in junior management positions	33.7%	34%
Share of women in top management positions	8%	10%
Share of women in management positions in revenue-generating functions	27.7%	28%
Share of women in STEM-related positions	19.1%	20%

\* STEM-Science, Technology, Engineering, Math





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

**10 Inclusive Workplace**

Employee Policy

Employee Communication

Talent Cultivation and Development

Compensation and Benefits

**Diversity, Equity, and Inclusion**

Healthy Workplace

Safe Workplace

Operation Environment

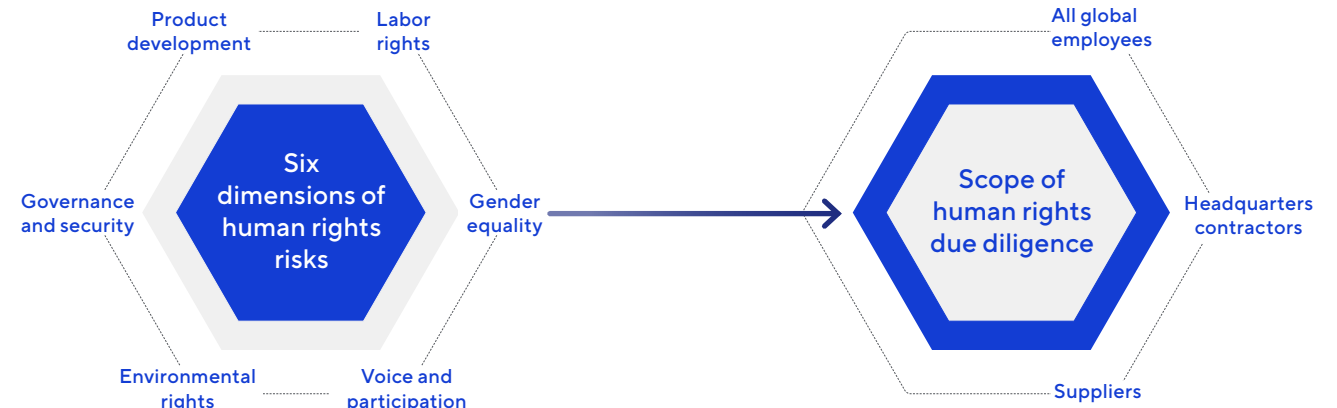
Appendix

## Human Rights Policy

ASUS adheres to international standards such as the United Nations Global Compact (UNGC), the Universal Declaration of Human Rights, and the International Labor Organization (ILO), as well as the Responsible Business Alliance (RBA) guidelines, in formulating the [ASUS Human Rights Policy](#). We are committed to creating a safe, fair, respectful, diverse, and dignified working environment for all ASUS employees, suppliers, and contractors.

## Human Rights Due Diligence and Management

In order to uphold the ASUS Human Rights Policy, ASUS conducts annual human rights due diligence, drawing on the “Human Rights Risks in Business Operations” provided by the United Nations Development Programme (UNDP). An annual survey of human rights risk incidents is conducted to assess the risk levels of operation-related human rights issues. Mitigation measures are implemented for identified risk events, and improvement progress is regularly tracked. In 2023, investigations and improvements were completed for all human rights risk incidents. We continue to monitor the improvement status. No human rights incidents of medium or high risk occurred.



### 6 dimensions of human rights risk issues include:

1. Labor Rights: Forced labor, insufficient living wage, unlawful infringement, discrimination, child labor, health and safety, human trafficking, equal pay for equal work;
2. Gender Equality: Gender-based discrimination, sexual harassment;
3. Voice and Participation: Freedom of association, right to collective bargaining, internal grievance mechanisms;
4. Environmental Rights: Pollution and toxic or hazardous chemicals;
5. Governance and Safety: Hazardous work environments;
6. Product Development: Product research, development, and testing

### Human Rights Due Diligence Process



### Results of the 2023 Human Rights Due Diligence

Dimension	Risk Issues	Stakeholders	Human Rights Risk Incidents	Response Actions	Risk Level
<b>Labor Rights</b>	Health and safety	Employees	Conduct health monitoring for 350 individuals based on health examination results.	<ul style="list-style-type: none"> <li>Implement regular tracking and management for individuals with abnormal health examination results of levels 3 and 4, providing care and health education.</li> <li>Based on annual risk assessment results, promote health e-newsletters and organize health promotion activities.</li> </ul>	Low-risk
	Unlawful infringement	Employees	3 cases of unlawful infringement.	<ul style="list-style-type: none"> <li>Convene meetings of the unlawful infringement Committee and report.</li> <li>Adjudicate and discipline violations of the “Employee Code of Conduct” and “Work Regulations”.</li> </ul>	Low-risk
<b>Gender Equality</b>	Sexual harassment	Employees	3 cases of sexual harassment incidents.	<ul style="list-style-type: none"> <li>Conduct occasional on-site inspections and audits.</li> <li>Incorporate incident cases into training materials.</li> </ul>	Low-risk
<b>Product Development</b>	Product research, development, and testing	Employees	5 cases of injuries during research and development testing.	<ul style="list-style-type: none"> <li>Conduct occasional on-site inspections and audits.</li> <li>Incorporate incident cases into training materials.</li> </ul>	Low-risk

- No human rights-related risk incidents occurred among contractors in 2023.
- Supply chain human rights due diligence, using RBA audits for assessment. For details, please refer to [CH07 Responsible Manufacturing - Audit and Continuous Improvement](#).



- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace**
- Employee Policy
- Employee Communication
- Talent Cultivation and Development
- Compensation and Benefits
- Diversity, Equity, and Inclusion
- Healthy Workplace
- Safe Workplace
- Operation Environment
- Appendix

➤ **ASUS Human Rights Risk Prevention Management System**

Issue	Regulatory Action	Complaint Channels
<b>Promotion of Equal Opportunities and Emphasis on Labor Rights</b>	<ul style="list-style-type: none"> <li>Notification to employees for daily overtime exceeding 1.5 hours (employees); Failure to respond to weekly overtime notifications (Supervisors/ Employees).</li> <li>Prohibition of child labor and employment of workers without legal work permits.</li> <li>The company's regulations stipulate that hiring and promotion are based on job position, professional skills, experience, performance, and personal development.</li> </ul>	Employee Opinion Mailbox
<b>Rejection of Harassment and Unlawful Infringement</b>	<ul style="list-style-type: none"> <li>Establishment of "Guideline for Prevention, Complaint and Discipline of Sexual Harassment."</li> <li>Formation of "Unlawful Infringement Committee."</li> <li>Seminars on Prevention of Unlawful infringement/Sexual Harassment.</li> <li>CEO's Written Declaration Against Sexual Harassment/Unlawful infringement.</li> <li>Public Campaign Against Sexual Harassment/Unlawful infringement.</li> <li>Orientation Programs for New Hires/Managers on Awareness.</li> </ul>	Prevention of Workplace Violence and Sexual Harassment <ul style="list-style-type: none"> <li>6666@asus.com</li> <li>Hotline: 26666</li> </ul>
<b>Safeguarding the Health and Safety of Workers</b>	<ul style="list-style-type: none"> <li>Establishment of a dedicated department to conduct occupational health examinations beyond regulatory requirements.</li> <li>Setting up on-site clinics and hospital outpatient services to provide health consultations and follow-up channels.</li> <li>Conducting annual environmental and safety risk assessments for all departments in Q4.</li> <li>Establishment of a dedicated department to implement maternity health protection in accordance with the Occupational Safety and Health Act.</li> <li>Implementing the "Workplace GO Safe and Healthy" proposal incentive mechanism to enhance employees' ability to proactively identify and address issues.</li> </ul>	<ul style="list-style-type: none"> <li>Occupational Safety and Health Consultation Hotline</li> <li>Safety and Health Committee (quarterly)</li> <li>Environmental and Safety Information Platform</li> </ul>
<b>Diverse Channels for Expression and Participation</b>	<ul style="list-style-type: none"> <li>Establishment of diverse communication channels, organizing events such as CEO On-Live, CEO Afternoon Tea for employee communication.</li> <li>Quarterly labor-management council; Establishment ASUStek Union in 2023.</li> </ul>	<ul style="list-style-type: none"> <li>Employee Opinion Mailbox</li> <li>Labor-management council</li> </ul>
<b>Chemical Management and Environmental Protection</b>	<ul style="list-style-type: none"> <li>Establishment of "Hazardous Substance Management Regulations."</li> <li>An occupational safety specialist is responsible for conducting regular educational training and promotion on "Chemical Management" within the Company. They also periodically review the adequacy of safety data sheets (SDS) for various chemicals and conduct emergency response training based on chemical properties.</li> <li>An administrative specialist is responsible for waste management within the Company. They ensure proper disposal of liquid waste by contracting professional and qualified contractors and complete necessary declarations in compliance with regulations.</li> </ul>	Employee Opinion Mailbox

**Results of Human Rights Protection Measures in 2023:**

- ① 100% of human rights risk incidents have been investigated.
- ② No human rights risk incidents occurred among contractors.
- ③ 99% of global employees have completed human rights education training.

➤ **The Global Workforce's Training Hours and Proportion for Human Rights-related Education:**

Region	Headquarters	Mainland China	Overseas
<b>Total Training Hours</b>	55,430.4	8,641.5	8,584.4
<b>Percentage of Employees Trained</b>	99.99%	99.46%	97.13%

• Overseas including Asia Pacific, Americas, Europe, Africa, Middle East.



About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement

**10 Inclusive Workplace**

- Employee Policy
- Employee Communication
- Talent Cultivation and Development
- Compensation and Benefits
- Diversity, Equity, and Inclusion**
- Healthy Workplace
- Safe Workplace
- Operation Environment

Appendix

**Caring for Female Employees**

Since 2010, ASUS has continued to provide good breastfeeding facilities. In 2019, ASUS optimized the environment of the breastfeeding facilities by changing the door control and setting up interdependent rooms; in 2022, we installed emergency phones in each independent space to enhance the privacy and safety of breastfeeding. In 2023, the breastfeeding room certification result was rated as excellent. In 2023, 2,987 women of childbearing age were assessed for workplace safety and health risks, and health education and promotion were completed. In addition, 75 pregnant mothers were provided with operational risk identification, health education and doctor consultation services, as well as good pregnancy gifts, special lounge chairs for pregnant mothers and car parking spaces to make mothers feel sweet and happy.



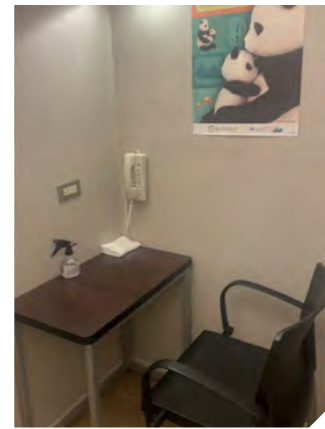
④ **A thoughtful and highly respecting privacy breastfeeding environment**



There are sterilizers and wash basins in the breastfeeding facilities



One breastfeeding room per person



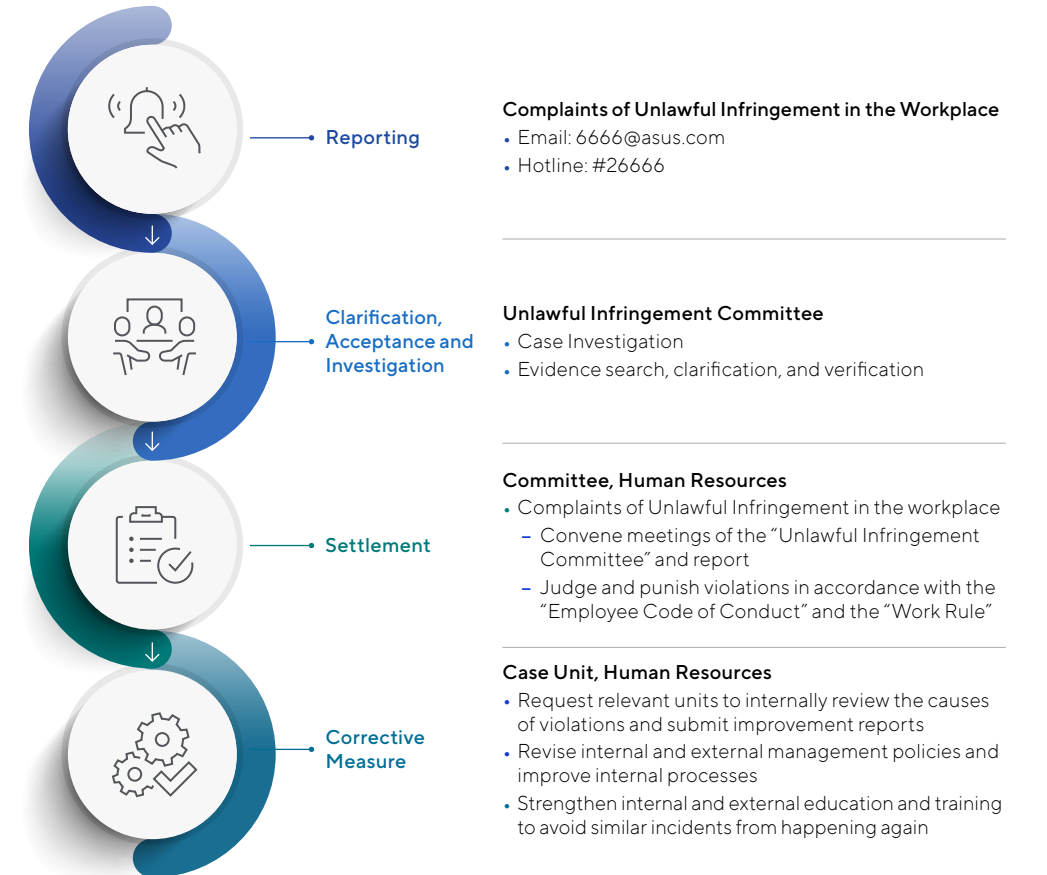
Independent breastfeeding room with the emergency phone

**Family Care Support**

In addition to providing 8 weeks of paid parental leave to female employees in accordance with the Labor Standards Act, employees can apply for unpaid parental leave for raising children during the child-rearing period, and can enjoy 7 days of paid family care leave per year. These include subsidies for childbirth, children’s education, and more. The company has also partnered with nearby kindergartens to offer cost and extension discounts. Quarterly holiday children’s fitness camps and annual summer and winter camps further demonstrate ASUS’s commitment to supporting employees in balancing work and family life.

**Prevention and Emergency Mechanism of Unlawful Infringement**

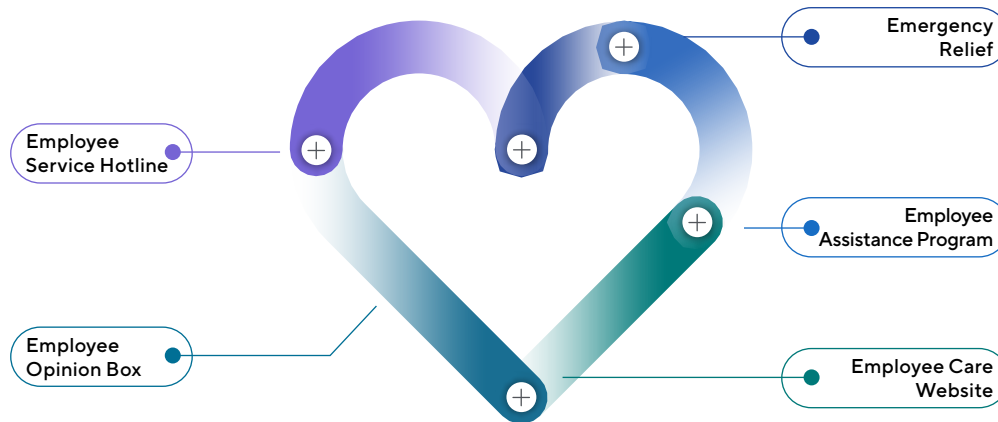
ASUS is committed to establish a friendly working environment through raising the gender awareness and the prevention of sexual harassment and workplace violence. It is the responsibility of all employees to help ensure that the working environment is free from these threats. We also formulated the Administrative Measures for the Administration of Complaints and Corrections in the Execution of Duties, and established grievance channels to ensure victims receive support for lawsuits of workplace violence and sexual harassment. If the complaint is substantiated by the Committee, the Committee may refer to the Company’s code of conduct and impose sanctions according to the severity of the case. If the fact involves criminal liability, the Committee may also refer the matter to the judicial authorities. In 2023, there were a total of 8 workplace unlawful infringement complaints, out of which 6 were verified as substantiated. The process for handling workplace unlawful infringement complaints is as follows:



- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace**
- Employee Policy
- Employee Communication
- Talent Cultivation and Development
- Compensation and Benefits
- Diversity, Equity, and Inclusion
- Healthy Workplace
- Safe Workplace
- Operation Environment
- Appendix

## Healthy Workplace

### Five-Star Psychological Care



**The Employee Service Hotline:**

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

**Employee Care Website:**

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

**Employee Assistance Program, EAP:**

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

### Health Promotion

The participation rate of employee in Headquarters in 2023

**95.7%**

Individuals with high abnormality in health examination completed reexamination, treatment or improvement

**78.7%**

### Employee Health Check

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

ASUS provides occupational disease prevention and consultation with professional medical specialists for employees, and developed a health management platform to carry out ergonomic hazards, maternity protection, overwork and abnormal health check-ups<sup>5</sup> so as to filter at-risk groups. Intervention care would be offered by nurses, occupational safety personnel, and human resources personnel, and were necessary, clinical consultations would be arranged to execute the prevention and management of occupational diseases. Occupational specialists have stepped in to improve and follow up with personnel with ergonomic, maternity and overwork in 2023.

### Five-Star Fitness Center

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



<sup>5</sup> Special health check items included ionizing radiation, dust, organic matter and excessive noise.

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

**10 Inclusive Workplace**

Employee Policy

Employee Communication

Talent Cultivation and Development

Compensation and Benefits

Diversity, Equity, and Inclusion

Healthy Workplace

**Safe Workplace**

Operation Environment

Appendix

## Safe Workplace

### Operational Health and Safety Management

To boost, with an eye on encouraging participation of all employees and achieving effective communication, ASUS established an “Occupational Safety and Health Committee” comprising 26 working level and management members (including 9 working level representatives), and chaired by senior management. Meetings are convened quarterly to review the relevant safety and health issues stipulated in the laws and regulations, including the contents of occupational disaster investigation reports, operating environment monitoring results, safety and health education and training, health check-ups and promotion and annual audit results.

### Operational Health and Safety Risk Identification

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

🕒 In 2023, there were a total of 4 instances of “significant environmental considerations and intolerable risks.”

Source of Hazard	Environmental Impact or Hazard Factor	Mechanisms of the Control, Protection or Prevention
<b>Testing Operations</b>	Performing equipment replacement or inspection tests within the system without shutdown, leading to hand injuries from contact with rotating fans.	<ol style="list-style-type: none"> <li>1. Internal promotion, educational training, and posting of warning signs on laboratory benches.</li> <li>2. Installation of protective mesh guards on fans and promotion of the use of fans with protective mesh guards during testing.</li> </ol>
<b>Vibration Testing Machine</b>	Possibility of generation of unacceptable noise.	<ol style="list-style-type: none"> <li>1. Follow internal standard operating procedures, education, training, and advocacy.</li> <li>2. Establish personnel control observation rooms and provide appropriate protective equipment.</li> <li>3. Conduct regular special health checks.</li> </ol>
<b>Impact Testing Machine</b>	Unacceptable noise produced by the operation of test machine.	<ol style="list-style-type: none"> <li>1. Adherence to internal standard operating procedures, educational training, and promotion.</li> <li>2. Installation of automatic shutdown measures with sensor-equipped mats and provision of appropriate protective equipment.</li> <li>3. Regular specialized health examinations.</li> </ol>
<b>Chemicals Added to the Swimming Pool</b>	Accidental mixing of chemicals resulted in chlorine gas.	<ol style="list-style-type: none"> <li>1. Educational training and promotion, appointment of dedicated personnel for supervision</li> <li>2. Color and text labeling on chemical barrels.</li> <li>3. Installation of emergency response equipment, regular conduct of chemical spill response drills.</li> </ol>

### Occupational Safety and Health Response Drill

ASUS has been promoting the “Workplace GO Safety Incentive System” through safety and health hazard identification, education and training, disaster prevention simulation exercises, and full employee participation and “zero disaster” goals to enhance workplace safety awareness and ensure workplace safety. In 2023, cooperation with local fire departments to conduct drills and experiential activities, completing 18 training and simulated exercises for 6 scenarios including infectious diseases, chemical disasters, heart attacks, air raids, drowning, and fires.





## Operation Environment

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

### Waste Management and Zero Waste to Landfill

ASUS waste could be classified into general industrial waste and hazardous industrial waste. The hazardous wastes mainly include R&D materials and waste, which are treated and recycle by qualified recyclers; the general wastes mainly include daily garbage from employees, which are main reused after adequate recycling. The portion that cannot be recycled will be processed with incineration or landfill. The employee cafeteria at ASUS operational headquarters has implemented measures such as banning single-use utensils and requiring employees to recycle waste. Simultaneously, through on-line educational training and promotional materials, we aim to reduce waste emissions and raise employee awareness about recycling and waste classification.

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

### Water Resource Management

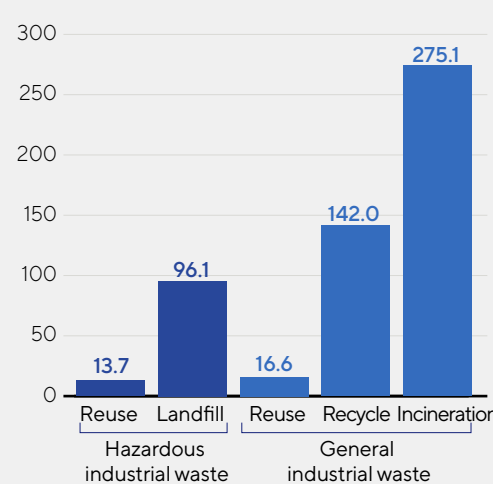
ASUS primarily uses water resources for general office staff and operational needs, drawing from municipal water sources. The company faces relatively low risks related to water resource availability. However, in line with corporate social responsibility, ASUS implements several water conservations measures to effectively manage water resources. In 2022, the Ligong Building at the operational headquarters obtained ISO 46001 Water Efficiency Management Systems certification, with an annual goal to reduce water usage by 1%.

To achieve effective water resource management, improve usage efficiency, and reduce water wastage, ASUS has implemented various measures in both hardware and software aspects. Water meters are installed in pipelines for monitoring and analysis. The central monitoring system generates weekly water usage statistical reports based on the collected water utilization data, enabling the identification of opportunities to improve water efficiency. In case of abnormal water usage, alerts are issued to relevant personnel to minimize wastage. Additionally, ASUS has established water recycling facilities at its corporate headquarters to reuse overflow water for toilet flushing, air conditioning cooling, and plant maintenance. Wastewater mainly comprises general office sewage, which is discharged into designated sewage treatment systems as required by government regulations and is therefore not within the scope of disclosure.

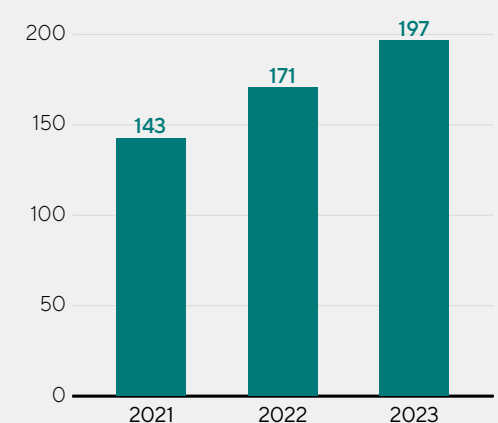
Headquarters and Repair Centers in Taiwan Unit: Tonnes



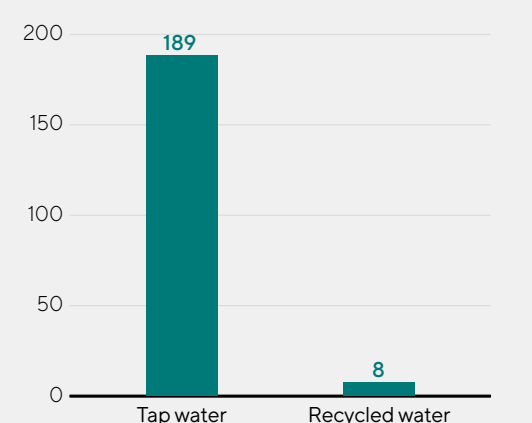
Waste Disposal Methods Unit: Tonnes



Headquarters Offices Unit: ML



Source of Water Intake Unit: ML



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

**10 Inclusive Workplace**

Employee Policy

Employee Communication

Talent Cultivation and Development

Compensation and Benefits

Diversity, Equity, and Inclusion

Healthy Workplace

Safe Workplace

Operation Environment

Appendix



# Appendix

## Appendix A: GRI Content Index

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

### Appendix

[Appendix A: GRI Content Index](#)

[Appendix B: SASB Index](#)

[Appendix C: Top 10 Principles of the United Nations Global Compact](#)

[Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry](#)

[Appendix E: AA1000AS & SASB Assurance Statement](#)

<b>Statement of use</b>	The 2021 ASUS Sustainability Report complies with the requirements of new GRI Standards (2022). The scope of data and information disclosed is January 1 to December 31, 2023.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	No applicable GRI Sector Standard(s)

GRI 2				
GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
<b>Organization and Reporting</b>				
2-1	Organizational details	Corporate Governance: About ASUS 2023 Annual Report		0-1 187-196
2-2	Entities included in the organization's sustainability reporting	About This Report		i
2-3	Reporting period, frequency and contact point	About This Report		i
2-4	Restatements of information	No significant Change		
2-5	External assurance	About This Report Appendix E		i E-1
<b>Activities and Workers</b>				
2-6	Activities, value chain and other business relationships	Sustainability Governance: Sustainability Strategy Responsible Manufacturing: Sustainable Procurement		1-1 7-2 - 7-3
2-7	Employees	Inclusive Workplace: Structure of Manpower		10-2 - 10-3
2-8	Workers who are not employees	Inclusive Workplace: Structure of Manpower		10-2 - 10-3

GRI 2				
GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
<b>Governance</b>				
2-9	Governance structure and composition	Corporate Governance: Management Organization 2023 Annual Report		0-2 33-34
2-10	Nomination and selection of the highest governance body	Corporate Governance: Management Organization		0-2
2-11	Chair of the highest governance body	Corporate Governance: Management Organization		0-2
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance: Sustainability Management Organization		1-3
2-13	Delegation of responsibility for managing impacts	Sustainability Governance: Sustainability Management Organization		1-3
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance: Sustainability Management Organization		1-3
2-15	Conflicts of interest	Corporate Governance: Management Organization		0-2
2-16	Communication of critical concerns	Where a negative impact affects stakeholders, the unit shall report the cause and methods for addressing the issue to the Board of Directors. There was no such incident in 2023.		
2-17	Collective knowledge of the highest governance body	Corporate Governance: Management Organization 2023 Annual Report		0-2 35-37
2-18	Evaluation of the performance of the highest governance body	Corporate Governance: Management Organization Inclusive Workplace: Compensation and Benefits		0-4 10-11
2-19	Remuneration policies	Corporate Governance: Management Organization		0-3
2-20	Process to determine remuneration	Corporate Governance: Management Organization		0-3 - 0-4
2-21	Annual total compensation ratio	Appendix A: GRI Content Index		A-9



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

**Appendix**

[Appendix A: GRI Content Index](#)

Appendix B: SASB Index

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

Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry

Appendix E: AA1000AS & SASB Assurance Statement

GRI 2				
GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
<b>Strategy, Policies and Practice</b>				
2-22	Statement on sustainable development strategy	Sustainability Governance: Sustainability Strategy		1-1
2-23	Policy commitments	Sustainability Governance: Sustainability Strategy		1-1
		Responsible Manufacturing: Sustainable Procurement		7-4
2-24	Embedding policy commitments	Sustainability Governance: Sustainability Management Organization		1-3
		Responsible Manufacturing: Risk Evaluation and Classification Management		7-5
		Circular Economy		5-1
2-25	Processes to remediate negative impacts	Climate Action		6-1
		Responsible Manufacturing		7-1
		Value Creation		8-1
		Inclusive Workplace: Talent Cultivation and Development		10-6
2-26	Mechanisms for seeking advice and raising concerns	Social Engagement		9-1
		Corporate Governance: Information Security Management		0-12
2-27	Compliance with laws and regulations	Corporate Governance: Ethical Corporate Management		0-5
		Corporate Governance: Ethical Corporate Management No significant fines in 2023. Fine of NT\$83,200 for customs delays in reporting and Violation of the Waste Disposal Action in 2023. Fine of NT\$1,600 for customs delays in reporting in 2022. From 2020 to 2022, there were no environmental-related fines or penalties.		0-6
2-28	Membership associations	Appendix A: GRI Content Index		A-6
<b>Stakeholders Engagement</b>				
2-29	Approach to stakeholder engagement	Identification of Material Issues and Sustainability-related Risk Management: Stakeholders Engagement		3-2
2-30	Collective bargaining agreements	ASUS has not currently signed a collective bargaining agreements with employees. Both the headquarters and overseas operational centers comply with local regulations, negotiating working conditions and employment terms through labor-management meetings or unions.		

GRI 3				
GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
3-1	Process to determine material topics	Identification of Material Issues and Sustainability-related Risk Management: Identification Process		3-1
3-2	List of material topics	Identification of Material Issues and Sustainability-related Risk Management: Identification Results of Material Issues		3-5
3-3	Management of material topics	Identification of Material Issues and Sustainability-related Risk Management: Identification Results of Material Issues		3-5

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
<b>Material Topics</b>				
<b>Climate and Carbon Management</b>				
3-3	Management of material topics	Climate Actions		6-4
GRI 302 Energy 2016	302-1 Energy consumption within the organization	Appendix A: GRI Content Index		A-11
	302-2 Energy consumption outside of the organization	Appendix A: GRI Content Index		A-11
	302-3 Energy intensity	Appendix A: GRI Content Index		A-11
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Action: Greenhouse Gas Inventory		6-5 - 6-6
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Action: Greenhouse Gas Inventory		6-5 - 6-6
	305-3 Other indirect (Scope 3) GHG emissions	Climate Action: Greenhouse Gas Inventory		6-5 - 6-6
	305-4 GHG emissions intensity	Climate Action: Greenhouse Gas Inventory		6-5-6-6
	Disclosure 305-6 Emissions of ozone-depleting substances (ODS)	Omission	Not applicable; ASUS has no relevant processes.	
	Disclosure 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Omission	Not applicable; ASUS has no relevant processes.	



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

## Appendix

[Appendix A: GRI Content Index](#)

Appendix B: SASB Index

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

Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry

Appendix E: AA1000AS & SASB Assurance Statement

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
<b>Eco Friendly Products</b>				
	3-3 Management of material topics	Circular Economy		5-2 - 5-3
<b>GRI 302 Energy 2016</b>	302-5 Reductions in energy requirements of products and service	Circular Economy: Product Energy Efficiency		5-13
		Climate Actions: Actions Taken		6-12
<b>Supply Chain Environmental Impact</b>				
	3-3 Management of material topics	Responsible Manufacturing		7-11 - 7-12
<b>GRI 308 Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Responsible Manufacturing: Supplier Code of Conduct 100% of suppliers sign the "Code of Conduct Compliance Declaration" to ensure their operations comply with labor and employment, labor safety and health, environmental protection, and corporate ethics-related laws and regulations.		7-4
		Responsible Manufacturing: Audit and Continuous Improvement In 2023, a total of 91 suppliers were audited to identify negative environmental impacts, and improvements were completed with ASUS' assistance and no partnerships were terminated due to the nonconformities found in audit results.		7-6
	308-2 Negative environmental impacts in the supply chain and actions taken			
<b>Supply Chain Labor Safety</b>				
	3-3 Management of material topics	Responsible Manufacturing		7-5 - 7-7
<b>GRI 414 Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Responsible Manufacturing: Supplier Code of Conduct 100% of suppliers sign the "Code of Conduct Compliance Declaration" to ensure their operations comply with labor and employment, labor safety and health, environmental protection, and corporate ethics-related laws and regulations.		7-4
		Responsible Manufacturing: Audit and Continuous Improvement In 2023, a total of 91 suppliers were audited to identify negative environmental impacts, and improvements were completed with ASUS' assistance and no partnerships were terminated due to the nonconformities found in audit results.		7-6
	414-2 Negative social impacts in the supply chain and actions taken			

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
<b>Product Recycling</b>				
	3-3 Management of material topics	Circular Economy		5-2 - 5-3
<b>GRI 301 Materials 2016</b>	301-1 Materials used by weight or volume	Non-renewable materials: 54,179,123.1 Kg Renewable materials: 26,057,941 Kg		
		301-2 Recycled input materials used	30%	
		301-3 Reclaimed products and their packaging materials	Circular Economy	
<b>Talent Cultivation</b>				
	3-3 Management of material topics	Inclusive Workplace: Talent Cultivation and Development		10-5 - 10-10
<b>GRI 404 Training and Education 2016</b>	404-1 Average hours of training per year per employee	Inclusive Workplace: Talent Cultivation and Development		10-5
		404-2 Programs for upgrading employee skills and transition assistance programs	Inclusive Workplace: Talent Cultivation and Development	10-5 - 10-10
		404-3 Percentage of employees receiving regular performance and career development reviews	Appendix A: GRI Content Index	A-9
<b>Social Contribution by the Technology Industry</b>				
	3-3 Management of material topics	Social Engagement		9-2 - 9-3
<b>GRI 413 Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Society Engagement: Digital Inclusion		9-4 - 9-6
		Society Engagement: Community Involvement		9-7
		Society Engagement: Digital Inclusion		9-4 - 9-6
	413-2 Operations with significant actual and potential negative impacts on local communities	Society Engagement: Community Involvement		9-7
<b>Innovative Products and Services</b>				
	3-3 Management of material topics	Value Creation		8-8 - 8-11
<b>Information Security Management</b>				
	3-3 Management of material topics	Corporate Governance: Information Security Management		0-12 - 0-14
<b>Responsible Minerals</b>				
	3-3 Management of material topics	Responsible Manufacturing: Responsible Minerals		7-8 - 7-10



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

**Appendix**

[Appendix A: GRI Content Index](#)

Appendix B: SASB Index

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

Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry

Appendix E: AA1000AS & SASB Assurance Statement

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
<b>General Topics</b>				
<b>GRI 201 Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	2023 Annual Report: Consolidated Financial Statement		225
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Action: Risk Management		6-7 - 6-11
	201-3 Defined benefit plan obligations and other retirement plans	Inclusive Workplace: Compensation and benefits		10-11
	201-4 Financial assistance received from government	Omission	Research and development expenditure. The information is undisclosed	
<b>GRI 202 Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Appendix A: GRI Content Index		A-6
	202-2 Proportion of senior management hired from the local community	Appendix A: GRI Content Index		A-6
<b>GRI 203 Indirect Economic 2016</b>	203-1 Infrastructure investments and services supported	Social Engagement: Digital Inclusion		9-4 - 9-6
	203-2 Significant indirect economic impacts	Social Engagement: Digital Inclusion		9-4 - 9-6
<b>GRI 204 Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	2023 Annual Report: Overview of Business Operation (Supply of major raw materials)		139
<b>GRI 205 Anticorruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance: Ethical Corporate Management		0-5 - 0-6
	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance: Ethical Corporate Management		0-5 - 0-6
<b>GRI 206 Anticompetitive Behavior 2016</b>	206-1 Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	Corporate Governance: Regulation Compliance	No significant violation	
<b>GRI 207 Tax 2019</b>	207-1 Approach to tax	<a href="#">ESG Website: Ethical Corporate Management</a>		

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
<b>GRI 401 Employment 2016</b>	401-1 New employee hires and employee turnover	Appendix A: GRI Content Index		A-7
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Inclusive Workplace: Compensation and benefits		10-11
	401-3 Parental leave	Appendix A: GRI Content Index		A-8
<b>GRI 402 Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	If there is significant change in corporation, we will provide notice at least no less than a month.		
	403-1 Occupational health and safety management system	Inclusive Workplace: Safe Workplace <a href="#">ESG website: Policy Statement/Management System/Document</a>		10-17
	403-2 Hazard identification, risk assessment, and incident investigation	Corporate Governance: Risk Management		0-10
	403-3 Occupational health services	Inclusive Workplace: Healthy Workplace		10-16
	403-4 Worker participation, consultation, and communication on occupational health and safety	Each subsidiary complies with collective bargaining agreements in accordance with local regulations. ASUS respects the right to freedom of association and collective bargaining. In Taiwan, where the Headquarters is located, we holds labor-management committee quarterly in accordance with the regulation.		
	403-5 Worker training on occupational health and safety	Inclusive Workplace: Safe Workplace		10-17
	403-6 Promotion of worker health	Inclusive Workplace: Healthy Workplace		10-16
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Inclusive Workplace: Safe Workplace		10-17
	403-8 Workers covered by an occupational health and safety management system	All ASUS employees and contractors		
403-9 Work-related injuries	Appendix A: GRI Content Index		A-8	





About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

**Appendix**

[Appendix A: GRI Content Index](#)

Appendix B: SASB Index

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

Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry

Appendix E: AA1000AS & SASB Assurance Statement

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
<b>GRI 405 Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Inclusive Workplace: Structure of Manpower		10-2 - 10-3
	405-2 Ratio of basic salary and remuneration of women to men	Inclusive Workplace: Compensation and benefits		10-11
<b>GRI 406 Non discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	No incident in 2023		10-13 - 10-14
<b>GRI 407 Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Each subsidiary complies with collective bargaining agreements in accordance with local regulations.		
		ASUS respects the right to freedom of association and collective bargaining. In Taiwan, where the Headquarters is located, we holds labor-management committee quarterly in accordance with the regulation.		
<b>GRI 408 Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	<a href="#">ESG Website: Human Rights Policy</a> Responsible Manufacturing: Audit and Continuous Improvement.		7-6
<b>GRI 409 Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No incident in 2023		
<b>GRI 410 Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	Same as ASUS employees		
<b>GRI 415 Public Policy 2016</b>	415-1 Political contributions	No political contributions		
<b>GRI 416 Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	Circular Economy: Safer Chemicals		5-6 - 5-7
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Corporate Governance: Regulation Compliance No significant violation		0-6

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
<b>GRI 417 Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	ASUS complies 100% with international regulations, voluntary standards, and eco-labels such as J-MOSS, EPEAT, and ENERGY STAR®. All relevant service information and labeling are disclosed on products, user manuals, and the ESG website.		
	417-2 Incidents of non-compliance concerning product and service information and labeling	Corporate Governance: Regulation Compliance No significant violation		0-6
	417-3 Incidents of noncompliance concerning marketing	Corporate Governance: Regulation Compliance No significant violation		0-6
<b>GRI 418 Customer Privacy 2016</b>	Communications	No complaint regarding breach of customer privacy or lose in data in 2023		



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

**Appendix**

[Appendix A: GRI Content Index](#)

[Appendix B: SASB Index](#)

[Appendix C: Top 10 Principles of the United Nations Global Compact](#)

[Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry](#)

[Appendix E: AA1000AS & SASB Assurance Statement](#)

102-13 Membership of Associations

To fulfil CSR and comply with the expectations of stakeholders, we have fully assessed and aggressively participated in various domestic and international organizations and programs to resolutely assume our CSR with corporations from within or outside the industry, contributing to sustainability issues. The table below lists the associations ASUS participates in and values, providing an overview of ASUS' involvement. In 2023, a total of NT\$5,919,613 was invested in trade associations or tax-exempt groups.

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

1 The ASUS cloud employee structure data is independent from ASUS's employee database, and the number of employees is not representative, so it is not included in the calculation of ASUS Group.

202-1 Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage

ASUS Group<sup>1</sup>

Region	Male	Female	Other
Headquarter	1.04	1.04	-
Mainland China	1.98	1.98	-

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

202-2 Proportion of Eenor Management Hired from the Local Community

ASUS Group

Region	Percentage
Headquarter	100.00%
Mainland China	92.86%
America Region	13.07%
Asia-Pacific	10.80%
Africa & Middle East & Europe	20.45%

- The word "local" in this indicator is defined as "nationality" or possessing "permanent residence permit"

ASUS Organizational Management Level Classification

Management Level	Senior Management	Mid-level Management	Junior Management
	(Head office level) Center, Head-quarters, BU/FU/CU Head and above	Division or Department level	Section-level and below



401-1 New Employee Hires and Employee Turnover

ASUS Group

Region	Item	Age Group	Male		Female		Other	
			Number of Employee	Proportion of the Male Employees within that Age Group	Number of Employee	Proportion of the Male Employees within that Age Group	Number of Employee	Proportion of the Male Employees within that Age Group
Headquarter	Number and Rate of New Employee	<30	205	23.88%	236	28.28%	0	-
		30~50	206	5.29%	121	6.00%	0	-
		>50	16	5.14%	4	3.60%	0	-
	Number and Rate of Employee Turnover	<30	217	25.28%	230	27.56%	0	-
		30~50	365	9.37%	152	7.54%	0	-
		>50	49	15.73%	6	5.41%	0	-
Mainland China	Number and Rate of New Employee	<30	205	37.61%	137	34.42%	0	-
		30~50	68	5.23%	31	2.44%	0	-
		>50	2	11.76%	2	11.76%	0	-
	Number and Rate of Employee Turnover	<30	238	43.67%	112	28.14%	0	-
		30~50	162	12.46%	74	5.84%	0	-
		>50	3	17.65%	1	5.88%	0	-
Africa & Middle East & Europe	Number and Rate of New Employee	<30	44	27.50%	36	38.30%	5	83.33%
		30~50	78	8.10%	46	10.20%	9	100.00%
		>50	12	10.08%	0	-	0	-
	Number and Rate of Employee Turnover	<30	79	49.38%	24	25.53%	0	-
		30~50	141	14.64%	54	11.97%	0	-
		>50	15	12.61%	11	15.07%	0	-
America Region	Number and Rate of New Employee	<30	21	43.75%	11	39.29%	2	100.00%
		30~50	30	13.64%	14	8.81%	1	100.00%
		>50	0	-	0	-	1	100.00%
	Number and Rate of Employee Turnover	Other	73	58.87%	45	43.69%	6	100.00%
		<30	11	22.92%	5	17.86%	0	-
		30~50	36	16.36%	14	8.81%	0	-
Asia-Pacific	Number and Rate of New Employee	>50	3	5.26%	1	2.27%	0	-
		Other	24	19.35%	12	11.65%	0	-
		<30	77	22.78%	46	23.83%	5	100.00%
	Number and Rate of Employee Turnover	30~50	145	12.98%	55	10.00%	8	80.00%
		>50	5	8.20%	1	8.33%	0	-
		<30	74	21.89%	52	26.94%	0	-
Number and Rate of Employee Turnover	30~50	170	15.22%	58	10.55%	0	-	
	>50	77	22.78%	46	23.83%	5	100.00%	

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

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

Appendix

Appendix A: GRI Content Index

Appendix B: SASB Index

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

Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry

Appendix E: AA1000AS & SASB Assurance Statement



About This Report

- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace

**Appendix**

[Appendix A: GRI Content Index](#)

[Appendix B: SASB Index](#)

[Appendix C: Top 10 Principles of the United Nations Global Compact](#)

[Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry](#)

[Appendix E: AA1000AS & SASB Assurance Statement](#)

📄 401-3 Parental Leave

**ASUS Group**

Region	Item	Male	Female	Other
Headquarter	Number of employee qualified for parental leave in 2023	532	302	0
	Number of employee applied for parental leave in 2023	12	58	0
	Number of employees who actually returned to work after parental leave ended in 2023	7	35	0
	Return to Work Rate in 2023	50%	78%	-
	Number of employees who worked 12 months after their return from parental leave by 2023	4	27	0
	Retention Rate in 2023	80%	96%	-
Mainland China	Number of employee applied for maternity/ paternity leave in 2023	195	253	0
	Number of employees who actually returned to work after maternity/paternity leave ended in 2023	110	143	0
	Number of employees who actually returned to work after maternity/paternity leave ended in 2023	110	127	0
	Return to Work Rate in 2023	100%	99%	-
	Number of employees who worked 12 months after their return from maternity/paternity leave by 2023	101	127	0
	Retention Rate in 2023	91%	86%	-

- There is no parental leave in Mainland China, thus we took maternity/paternity leave as parental leave for calculation.
- The benefits of maternity/paternity in Europe, Asia and America are different, and the collection is not easy, thus it will not be disclosed.
- In Taiwan, number of Employees qualified for parental leave = Numbers of Employee who applied for paternity leave in the period of year 2021-2023.
- Return to Work Rate for Male (Female) Employees = Number of Male (Female) Employees who returned to work after parental (maternity/paternity) leave in 2023/Number of Male (Female) Employees who should return to work after parental (maternity/paternity) leave in 2023 X 100%
- Retention Rate for Male (Female) Employees = Number of Male (Female) Employees took the parental (maternity/paternity) leave in 2022 and returned to work for at least 12 months in 2023/Number of Male (Female) Employees who should return to work after parental (maternity/paternity) leave in 2022 X 100%

📄 403-9 Work-related Injuries

In 2023, there were no work-related fatalities at the headquarters. The work-related injury statistics are as follows:

ASUS Taiwan: Employees

Total working hours in 2023: 14,987,520

Indicator	Overall	Male	Female	Other
Number of injured employees	7,943	5,057	2,886	0
Number of fatalities	0	0	0	0
Rate of fatalities	0	0	0	0
Number of high consequence workrelated injuries	0	0	0	0
Rate of high consequence workrelated injuries	0	0	0	0
Number of recordable work-related injuries	3	2	1	0
Rate of recordable work-related injuries	0.20	0.21	0.18	0

ASUS Taiwan: Contractor

Total working hours in 2023: 585,504

Indicator	Overall	Male	Female	Other
Number of injured employees	309	133	176	0
Number of fatalities	0	0	0	0
Rate of fatalities	0	0	0	0
Number of high consequence workrelated injuries	0	0	0	0
Rate of high consequence workrelated injuries	0	0	0	0
Number of recordable work-related injuries	0	0	0	0
Rate of recordable work-related injuries	0	0	0	0

- Scope of data: ASUS and ASUS Technology Incorporation (UTC), excluding traffic accidents
- Calculation base: (Number of employees in Jan. +...+ Number of employees in Dec.)/12.Take the average and rounding.
- Rate of fatalities: (Death toll/Total working hours)X1,000,000
- High-consequence work-related injuries: cannot recovered within 6 months
- Rate of high-consequence work-related injuries: (Number of employees serious injuries / Total working hours) X1,000,000(excluding death toll)
- Number of recordable work-related injuries: A total of 3 reported cases (including those with or without lost workdays): Product testing and disassembly accidents: Fan-related cuts (2 cases); Diagonal pliers cut (1 case). Total lost workdays: 7 days. Environmental improvements and operational SOPs have been completed and implemented for all cases
- Rate of recordable work-related injuries: (Number recordable work-related injuries/ Total working hours)X1,000,000
- Working hours: (Number of employees in Jan. X Working days in Jan. X8)+.....+ (Number of employees in Dec. X Working days in Dec. X8)
- Definition of Contractor: onsite workers (Ex. Catering, cleaning, security, repair, and travel personnel)



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

**Appendix**

Appendix A: GRI Content Index

Appendix B: SASB Index

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

Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry

Appendix E: AA1000AS & SASB Assurance Statement

404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews

ASUS Group

Region	Category	Male	Female	Other
Headquarter	General Employee	94.94%	94.15%	-
	Management Level	90.82%	96.00%	-
Mainland China	General Employee	94.94%	97.67%	-
	Management Level	99.73%	100.00%	-
Africa & Middle East & Europe	General Employee	94.47%	93.78%	21.43%
	Management Level	100.00%	100.00%	100.00%
America Region	General Employee	83.95%	90.32%	10.00%
	Management Level	90.00%	100.00%	-
Asia- Pacific	General Employee	92.16%	94.21%	60.00%
	Management Level	100.00%	100.00%	-

- The followings are excluded from review:
  - Senior managers and above
  - Special hired (i.e. Children Are Us)
  - Intern/Trainee
  - No attendance during the review period
  - New hired in probation period
  - Representative

405-2 Ratio of Basic Salary and Remuneration of Women to Men

Region	Category	Male	Female	Other
Headquarter	General Employee	1	0.81	-
	Management Level	1	0.91	-
Mainland China	General Employee	1	0.89	-
	Management Level	1	0.80	-
Africa & Middle East & Europe	General Employee	1	0.82	-
	Management Level	1	1.04	-
America Region	General Employee	1	1.29	-
	Management Level	1	0.61	-
Asia- Pacific	General Employee	1	1.03	-
	Management Level	1	0.97	-

- Salary data includes standard fixed salary and standard variable salary, excluding other benefits and actual variable salary payments.

GRI 2-21 Annual Total Compensation Ratio

Year	Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees	Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees
2023	14.46	0

- Total compensation is calculated on an annual salary basis.
- In 2023, due to the overall industry environment, resulting in no overall increase in the highest and median annual salaries from the prior year.

[Taiwan Stock Exchange Corporation] In Taiwan, the Listed Company should Disclose the Number of Full-time Employees who are not in the Manager Position, and the Average and the Median Salary of the Full-time Employees, who are not in the Manager Position, as well as and the Difference of Each Compared to the Previous Year:

ASUSTeK Computer Inc.

Year	Item	Full-time Employees (Person)	Average Salary of Full-time Employees (NTD)	Median Salary of Full-time Employees (NTD)
2022		6,868	1,617,000	1,310,000
2023		7,337	1,690,616	1,375,285
	Difference Compared to 2022	469	73,616	65,285

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

Male to Female Employee Salary Ratio

	Salary of Executive Level	Salary of Other Management Level	Salary of Non-management Level	Average Salary of All Employees	Median Salary of All Employees
Male	1	1	1	1	1
Female	0.7	0.9	0.8	0.8	0.8



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

**Appendix**

[Appendix A: GRI Content Index](#)

[Appendix B: SASB Index](#)

[Appendix C: Top 10 Principles of the United Nations Global Compact](#)

[Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry](#)

[Appendix E: AA1000AS & SASB Assurance Statement](#)

Percentage of Employees Represented by an Independent Trade Union

Region	Headquarter	Mainland China	Africa & Middle East & Europe	America Region	Asia- Pacific	Global
Percentage of employees represented by an independent trade union	0.5%	81.8%	39.6%	16.8%	0.0%	23.2%

- ASUS established the ASUSTek Union in July 2023.
- Overseas subsidiaries: Trade unions have been established in the Netherlands, the Czech Republic, and Brazil.
- While ASUS is open to employees establishing trade unions, no employees have voluntarily raised the need for trade unions so far. In Singapore and Indonesia, staff meetings are held irregularly to collect workers' opinions and feedback.

Average Years of Employment

Region	Headquarter	Mainland China	Africa & Middle East & Europe	America Region	Asia- Pacific	Global
Male	8.11	8.47	7.76	5.18	5.75	7.47
Female	7.29	8.77	6.93	5.90	5.51	6.84
Other	-	-	0.50	0.23	1.46	0.79

Employee Absentee Rate over the Years

	2020	2021	2022	2023
Absentee rate	1.69%	1.21%	1.85%	1.47%
Data coverage (% of employees)	48.68%	48.68%	48.68%	100%

- Absence category definitions: Paid and unpaid sick leave, work-related injury leave, absence without leave (AWOL)
- Absentee rate= Total days of absence / (Number of employees employed throughout the year \* Working days)

Employee Turnover Rate over the Years

	2020	2021	2022	2023
Total employee turnover rate	12.24%	16.04%	14.10%	14.69%
Voluntary employee turnover rate	8.94%	13.47%	12.00%	9.65%
Data coverage (% of employees)	100%	100%	100%	100%

Internal Transfer Ratio of Employees over the Years

	2020	2021	2022	2023
Total number of new employee hires	2,556	2,968	2,891	960
Percentage of open positions filled by internal candidates	31%	28%	31%	28%



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

**Appendix**

[Appendix A: GRI Content Index](#)

[Appendix B: SASB Index](#)

[Appendix C: Top 10 Principles of the United Nations Global Compact](#)

[Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry](#)

[Appendix E: AA1000AS & SASB Assurance Statement](#)

🔍 **Energy Usage and GHG Emissions over the Years**

Category		2020		2021		2022		2023	
		Carbon Emission (tonnes CO <sub>2</sub> e)	Emission Intensity (tonnes CO <sub>2</sub> e / Million USD)	Carbon Emission (tonnes CO <sub>2</sub> e)	Emission Intensity (tonnes CO <sub>2</sub> e / Million USD)	Carbon Emission (tonnes CO <sub>2</sub> e)	Emission Intensity (tonnes CO <sub>2</sub> e / Million USD)	Carbon Emission (tonnes CO <sub>2</sub> e)	Emission Intensity (tonnes CO <sub>2</sub> e / Million USD)
GHG Inventory	Scope 1&2	20,429.9	1.77	17,254.98	1.04	22,316.46	1.66	15,325.35	1.19
	Scope 3	Carbon Emission (tonnes CO <sub>2</sub> e)		Carbon Emission (tonnes CO <sub>2</sub> e)		Carbon Emission (tonnes CO <sub>2</sub> e)		Carbon Emission (tonnes CO <sub>2</sub> e)	
		1,204,577		1,460,112		2,468,411		1,905,467.46	

Category		2020		2021		2022		2023	
		Energy Usage (MWH)	Energy Intensity (MWH/ Million USD)	Energy Usage (MWH)	Energy Intensity (MWH/ Million USD)	Energy Usage (MWH)	Energy Intensity (MWH/ Million USD)	Energy Usage (MWH)	Energy Intensity (MWH/ Million USD)
Energy Usage	Scope 1&2	38,984.74	3.38	33,006.48	2.00	43,516.34	3.23	30,459.42	2.36

🔍 **302-1 Energy Consumption Within the Organization**

🔍 **302-2 Energy Consumption Outside of the Organization**

🔍 **302-3 Energy Intensity**

**Fuel Categories and Total Consumption of Non-renewable Energy**

Within the Organization		
Fuel categories	Energy consumption (GJ)	Energy Intensity (GJ/ Million USD)
Diesel	3,161.58	8.41
Gasoline	4,674.98	
Natural gas	1,281.88	
Electricity	100,534.75	

**Fuel Categories and Total Consumption of Renewable Energy**

Within the Organization		
Fuel Categories	Energy Consumption (GJ)	Energy Intensity (GJ/ Million USD)
Solar / Wind power	44,083.09	3.42
Outside the Organization		
Energy Consumption (GJ)		Energy Intensity (GJ/ Million USD)
10,010,219.93		777.23

- Energy consumption within the organization: The total usage of stationary and mobile emission sources in ASUS' global operations centers, considering the conversion of heating value to energy units (GJ) in that country. The total amount of electricity used by ASUS's global operating locations converted into energy units (GJ).
- Energy intensity within the organization: Energy consumption within the organization is the numerator and ASUS 2023 revenue is the denominator.
- Energy consumption outside the organization: Calculate the total power consumption during the lifespan of the sold products and convert them into energy units based on the main products sold by ASUS in 2023.
- Energy intensity outside the organization: Energy consumption outside the organization is the numerator and ASUS 2023 major product revenue is the denominator.



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

**Appendix**

[Appendix A: GRI Content Index](#)

Appendix B: SASB Index

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

Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry

Appendix E: AA1000AS & SASB Assurance Statement

Amount of Waste in Headquarters

Unit: Tonnes

	2020	2021	2022	2023
General industrial waste	399.0	274.0	373.7	433.7
Hazardous industrial Waste	55.6	56.2	98.4	109.8

Water Consumption of Headquarters and Offices in Headquarters

Unit: ML

	2020	2021	2022	2023
Tap Water	194	139	166	189
Recycled water		4	51	8

Raw Materials and Recycled Materials used in Products

Materials	Total usage in products in 2023 (tonnes)	Recycled percentage in 2023
Plastic	12,643	6.6%
Aluminum	4,688	0.2%
Cobalt	2.8	-
Copper	3,242	-
Iron/Steel	11,807	-
Nickel	420	-
Lithium	86.7	-
Tungsten	20	-

- The statistical scope covers ASUS key products: notebooks, desktop computers, AIOs (All-in-One computers), and monitors.
- Calculation method: The amount used in products multiplied by the shipment volume of the year.
- Recycled materials include PCR (Post-Consumer Recycled), PIR (Post-Industrial Recycled), and biobased plastics used in the products.

Remark: The Calculation Base of Environmental Indicators

The Ratio of Halogen-free Components

Numerator	Number of Halogen-free components used in products available for shipment in 2023
Denominator	Number of all components used in products available for shipment in 2023

Percentage of revenue of Eco Friendly Products

Numerator	Net revenue of Eco Friendly Products that have obtained or once obtained labels defined by ASUS as of December 31, 2023
Denominator	Net revenue of all products in 2023 minus products that are not eligible for applications for labels defined by ASUS (accessories and assembled semi-finished products)

**Definition of Eco Friendly Products**  
EPEAT, TCO, Taiwan Green Mark, China RoHS, Japan ECO mark, China Environmental Labeling, ENERGY STAR®, Taiwan Energy Label, etc.

The Ratio of Revenue of Products Complies with EPEAT or Equivalent Standards

Numerator	Revenue of products are eligible for EPEAT, TCO, Taiwan Green Mark and China Environment Labelling up to December 31, 2023
Denominator	Total revenue of products that could apply for EPEAT, TCO, Taiwan Green Mark and China Environment Labelling in 2023

The Ratio of Revenue of Product Complies with ENERGY STAR®

Numerator	Revenue of products are eligible for the ENERGY STAR® up to December 31, 2023
Denominator	Total revenue of products that could apply for ENERGY STAR® in 2023

Recycling Rate

Numerator	The weight of recycled equipment, which sourced from governments/recycling vendors, estimation on ratio of responsible recycling charge, weighted collected from customer service centers recycling in 2023
Denominator	Total weight of delivered products in 2023

The Reduction in Carbon Footprint for Recycled Plastic

(Total weight of recycled plastic used X percentage of recycled materials)X Reduction in carbon footprint of recycled plastic per kilogram





- About This Report
- 00 Corporate Governance
- 01 Sustainability Governance
- 02 ESG Focus Case
- 03 Identification of Material Issues and Sustainability-related Risk Management
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Actions
- 07 Responsible Manufacturing
- 08 Value Creation
- 09 Social Engagement
- 10 Inclusive Workplace

**Appendix**

- Appendix A: GRI Content Index
- Appendix B: SASB Index**
- Appendix C: Top 10 Principles of the United Nations Global Compact
- Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry
- Appendix E: AA1000AS & SASB Assurance Statement

## Appendix B: SASB Index

🔍 **SASB Index: Hardware**

Code	Accounting Metric	Reference	Page Number(s)
<b>Product Security</b>			
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Corporate Governance: Information Security Management	0-12
<b>Employee Diversity &amp; Inclusion</b>			
TC-HW-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	SASB Index: Hardware	B-2
<b>Product Lifecycle Management (IFRS S2: Industry-based disclosure requirements)</b>			
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Circular Economy: Safer Chemicals	5-7
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Circular Economy: Eco Labels	5-17
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Circular Economy: Product Energy Efficiency	5-13
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Circular Economy: Resource Regeneration	5-15
<b>Supply Chain Management</b>			
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent (Customer Managed Audit, CMA), by (a) all facilities and (b) high-risk facilities	SASB Index: Hardware	B-2
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent (CMA), and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	SASB Index: Hardware	B-2
<b>Materials Sourcing</b>			
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	SASB Index: Hardware	B-2

Activity Metric (IFRS S2: Climate-related Disclosures)	Code	Reference	Page Number(s)
<b>Number of units produced by product category</b>	TC-HW-000.A	ASUS's primary economic activities are the sales and customer service of computers and peripheral equipment. Consequently, product sales volume is the main focus of their information disclosure. The company publicly discloses the sales volume and revenue proportion of each product in its annual reports and investor conferences: <a href="#">ASUS Investors Relation</a> Our products are divided into: <ul style="list-style-type: none"> <li>• System products: PCs and smartphones</li> <li>• Open platform: motherboards, graphics cards, servers and other component products</li> <li>• AIOT products: Mini PC, Industrial Computer (IPC) &amp; AI solutions</li> </ul>	
<b>Area of manufacturing facilities</b>	TC-HW-000.B	All ASUS products are manufactured by EMS. Given that not all production lines in EMS are dedicated to ASUS products, statistics on area of manufacturing facilities are not representative.	
<b>Percentage of production from owned facilities</b>	TC-HW-000.C	All ASUS products are manufactured by EMS.	



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

**Appendix**

Appendix A: GRI Content Index

Appendix B: SASB Index

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

Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry

Appendix E: AA1000AS & SASB Assurance Statement

② TC-HW-330a.1 Percentage of (1) Gender and (2) Diversity Group Representation for (a) Executive Management, (b) Non-executive Management, (c) Technical Employees and (d) All Other Employees

**Table 1. Gender Representation of Global Employees (%)**

Global	Female	Male	Other
Executive management	7.95%	92.05%	0.00%
Non-executive management	29.84%	70.05%	0.11%
Technical employees	15.92%	83.98%	0.10%
All other employees	48.64%	50.89%	0.48%

**Table 2. Diversity Group Representation of Global Employees (%)**

Global	<30	30-50	>50	Other
Executive management	-	0.63%	0.37%	0.07%
Non-executive management	0.17%	14.90%	1.66%	0.12%
Technical employees	4.92%	13.46%	0.38%	0.15%
All other employees	14.82%	44.42%	2.85%	1.08%

② TC-HW-430a.1 Percentage of Tier 1 Supplier Facilities Audited in the RBA Validated Audit Process (VAP) or Equivalent (Customer Managed Audit, CMA), by (a) All Facilities and (b) High-risk Facilities

- (a) Numbers of tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent/ all facilities with continuous business relationship =141/463=30.45%
- (b) Tier 1 supplier facilities audited by CMA/ high-risk facilities =10/91=10.98%

② TC-HW-430a.2 Tier 1 Suppliers' (1) Non-conformance Rate with the RBA Validated Audit Process (VAP) or Equivalent (CMA), and (2) Associated Corrective Action Rate for (a) Priority Non-conformances and (b) Other Non-conformances

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

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

Audit Dimension	Labor	Health and Safety	Environment	Ethics	Management System
Average Number of Priority Finding	60% (6/10)	50% (5/10)	0% (No findings identified)	0% (No findings identified)	10% (1/10)
Average Number of Other Finding	100% (1/10)	100% (10/10)	50% (5/10)	10% (1/10)	40% (4/10)

(2a) Number of Improvement in Priority Findings / Total Number of Priority Findings =12/15=80%

(2b) Number of Improvement in Other Findings / Total Number of Other Findings =68/68=100%

② TC-HW-440a.1 Description of the Management of Risks Associated with the Use of Critical Materials

According to the analysis report "The Role of Critical Minerals in Clean Energy Transitions" published by the International Energy Agency (IEA), global demand for rare earth metals and critical minerals is expected to grow significantly by 2040 as governments worldwide gradually announce net-zero policies. ASUS has established a management process for critical minerals to ensure stable product manufacturing and business operations.





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

Category	10 Principles	Section(s)	Page Number(s)
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	ESG Website: Human Rights Policy Responsible Manufacturing: Sustainable Procurement Inclusive Workplace: Diversity, Equity, and Inclusion	7-4 10-13 - 10-15
	Make sure that they are not complicit in human rights abuses	ESG Website: Human Rights Policy Responsible Manufacturing: Sustainable Procurement Inclusive Workplace: Diversity, Equity, and Inclusion	7-4 10-13 - 10-15
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Each subsidiary complies with the collective bargaining agreement in accordance with national laws and regulations.	
	The elimination of all forms of forced and compulsory labour	ESG Website: Human Rights Policy	
	The effective abolition of child labour	ESG Website: Human Rights Policy	
	The elimination of discrimination in respect of employment and occupation	ESG Website: Human Rights Policy	
Environment	Businesses should support a precautionary approach to environmental challenges	Circular Economy	5-9 - 5-17
		Climate Action	6-2 - 6-14
	Undertake initiatives to promote greater environmental responsibility	Circular Economy	5-9 - 5-17
		Climate Action	6-2 - 6-14
	Encourage the development and diffusion of environmentally friendly technologies	Circular Economy	5-9 - 5-14
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	Corporate Governance: Ethical Corporate Management	0-5

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

### Appendix

Appendix A: GRI Content Index

Appendix B: SASB Index

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

Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry

Appendix E: AA1000AS & SASB Assurance Statement



## Appendix D: Sustainability Disclosure Indicators -Computer and Peripheral Equipment Industry

No.	Indicator	Indicator Type	Annual Disclosure	Unit
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	1. Total energy consumption: 153,736.28GJ 2. Percentage of purchased electricity: 100% 3. Utilization rate of renewable energy: RE30	Gigajoules (GJ), percentage (%)
2	Total water withdrawn, total water consumption	Quantitative	Inclusive Workplace: Operation Environment Appendix A: GRI Content Index	Thousand cubic meters (m <sup>3</sup> )
3	Total hazardous waste generated and percentage recycled	Quantitative	Inclusive Workplace: Operation Environment	Metric tons (t), percentage (%)
4	Types of, number of employees in and rate of occupational accidents	Quantitative	Appendix A: GRI Content Index	Percentage (%), quantity
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled	Quantitative	1. Weights of scraps and electronic waste: 12,042 (t) 2. Recycling percentage: 93% (Countries that calculate WEEE 3R ratios based on available audit reports)	Metric tons (t), percentage (%)
6	Description of the management of risks associated with the use of critical materials	Qualitative description	Appendix B: SASB Index: Hardware	Not applicable
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	No legal proceedings related to anti-competitive behavior regulations in 2023	Reporting currency
8	Production by product category	Quantitative	ASUS's primary economic activities are the sales and customer service of computers and peripheral equipment. Consequently, product sales volume is the main focus of their information disclosure. The company publicly discloses the sales volume and revenue proportion of each product in its annual reports and investor conferences: <a href="#">ASUS Investors Relation</a> Our products are divided into: <ul style="list-style-type: none"> <li>• System products: PCs and smartphones</li> <li>• Open platform: motherboards, graphics cards, servers and other component products</li> <li>• AIOT products: Mini PC, Industrial Computer (IPC) &amp; AI solutions</li> </ul>	Varies by product category

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

### Appendix

Appendix A: GRI Content Index

Appendix B: SASB Index

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

[Appendix D: Sustainability Disclosure Indicators - Computer and Peripheral Equipment Industry](#)

Appendix E: AA1000AS & SASB Assurance Statement



## Appendix E: AA1000AS & SASB Assurance Statement

About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

### Appendix

Appendix A: GRI Content Index

Appendix B: SASB Index

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

Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry

Appendix E: AA1000AS & SASB Assurance Statement



## ASSURANCE STATEMENT

### SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASUSTEK COMPUTER INC.'S SUSTAINABILITY REPORT FOR 2023

#### NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ASUSTeK Computer Inc. (hereinafter referred to as ASUS) to conduct an independent assurance of the Sustainability Report for 2023 (hereinafter referred to as the Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 high level to assess whether the text and data in accompanying tables contained in the report and complies with the GRI Standards and AA1000 Accountability Principles (2018) and SASB Standard during on-site assurance (2024/04/09-2024/05/13) in ASUS headquarter. The boundary of this report includes ASUS Taiwan and oversea operational and production or service sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD).

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

#### INTENDED USERS OF THIS ASSURANCE STATEMENT

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

#### RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the directors or governing body (as applicable) and management of ASUS. SGS has not been involved in the preparation of any of the material included in the Report.

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

#### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2: General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3: 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards and/or ISAE3000.

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

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

TWLPP5008 Issue 2404

#### SCOPE OF ASSURANCE AND REPORTING CRITERIA

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

#### Reporting Criteria Options

1	GRI Standards (in Accordance with)
2	AA1000 Accountability Principles (2018)
3	SASB (Hardware)

- The evaluation includes AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018).
- The evaluation of the reliability and quality of specified sustainability performance information in the Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a high level of scrutiny for ASUS and moderate level of scrutiny for its subsidiaries or joint ventures.
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.
- The evaluation of the report against the SASB Disclosures and Metrics included in the INDUSTRY(Hardware) Sustainability Accounting Standard (VERSION 2023-12) and conducted alongside an evaluation of accuracy assurance at high level of scrutiny.

Material Topics	Corresponding Sustainability Performance
Climate and Carbon Management*	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization 302-3 Energy intensity 305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity
Eco Friendly Products	302-5 Reductions in energy requirements of products and services
Product Recycling	301-1 Materials used by weight or volume 301-2 Recycled input materials used 301-3 Reclaimed products and their packaging materials
Supply Chain Labor Safety	414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken
Supply Chain Environmental impact	308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts in the supply chain and actions taken
Responsible Minerals	The percentage of responsible mineral (tantalum, tin, tungsten, gold, and cobalt) sourced from qualified smelters.

TWLPP5008 Issue 2404



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

**Appendix**

Appendix A: GRI Content Index

Appendix B: SASB Index

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

Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry

[Appendix E: AA1000AS & SASB Assurance Statement](#)

Talent Cultivation	404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs 404-3 Percentage of employees receiving regular performance and career development reviews
Social Contribution by the Technology Industry	413-1 Operations with local community engagement, impact assessments, and development programs 413-2 Operations with significant actual and potential negative impacts on local communities
Innovative Products and Services	The number of Industry talents cultivation. Projects of matching external startup company.
Data Security	The coverage of international information security standards. Key suppliers demonstrate compliance with information security regulations

**SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE**  
N/A

**ASSURANCE METHODOLOGY**

The assurance comprised a combination of pre-assurance research, interviews with relevant employees and superintendents in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

**LIMITATIONS AND MITIGATION**

Financial data drawn directly from independently audited financial accounts and Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**

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

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

**ASSURANCE/VERIFICATION OPINION**

On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

**AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

**Inclusivity**

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

**Materiality**

ASUS has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

**Responsiveness**

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

**Impact**

ASUS has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

**GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

The report, ASUS's Report of 2023, complies with the Requirements set out in section 3 of GRI 1 and is adequately in accordance with the GRI Universal Standards 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidance defined in GRI 3: Material Topic 2021. For future reporting, it is recommended to have more descriptions on how the organization has applied due diligence as a method for the identification and the evaluation of its impacts on the economy, environment, and people, including impacts on their human rights as well as the role of the highest governance body in overseeing these processes.



About This Report

00 Corporate Governance

01 Sustainability Governance

02 ESG Focus Case

03 Identification of Material Issues and Sustainability-related Risk Management

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Actions

07 Responsible Manufacturing

08 Value Creation

09 Social Engagement

10 Inclusive Workplace

## Appendix

Appendix A: GRI Content Index

Appendix B: SASB Index

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

Appendix D: Sustainability Disclosure Indicators-Computer and Peripheral Equipment Industry

[Appendix E: AA1000AS & SASB Assurance Statement](#)

### SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

ASUS has referenced with SASB's Standard, Hardware, VERSION 2023-12 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to ASUS's Sustainability Report of 2023. ASUS used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. Process to identify, assess, and manage topic-related risks and opportunities were integrated into ASUS's overall management process. It is recommended to have more detailed description of management structure for continuous improvement.

Signed:  
For and on behalf of SGS Taiwan Ltd.

Stephen Pao  
Business Assurance Director  
Taipei, Taiwan  
30 May, 2024  
[www.sgs.com](http://www.sgs.com)



The image features a vast, bright blue sky filled with soft, white, fluffy clouds. The clouds are scattered across the frame, creating a sense of depth and light. In the center of the image, the ASUS logo is displayed in a bold, dark blue font. Below the logo, the slogan "IN SEARCH OF INCREDIBLE" is written in a smaller, dark blue, sans-serif font.

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