

Responsible Manufacturing



- 00 About This Report
- 01 Sustainability Management
- 02 ESG Focus Case
- 03 Identification of Material Issues
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action

07 Responsible Manufacturing

- IFRS Sustainability Disclosure Standards : Core Content
- Sustainable Procurement
- Risk Evaluation and Classification Management
- Responsible Minerals
- Reduce the Environmental Footprint of Suppliers
- Strengthening Partnership

- 08 Value Creation
- 09 Society
- 10 LOHAS Workplace
- 11 Governance
- Appendix



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

Actions

Sustainable Supply Chain Platform

Implement digital management for the supply chain and establish a sustainable supply chain platform

Optimize Supply Chain Management

Strengthen labor human rights protection and optimize the risk management in the sustainable supply chain

Carbon Reduction Projects

Integrate with the international climate actions to promote carbon reduction projects in key supply chains

Performance



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

¹ Accumulate from 2013 to 2022.



IFRS Sustainability Disclosure Standards : Core Content

Governance

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

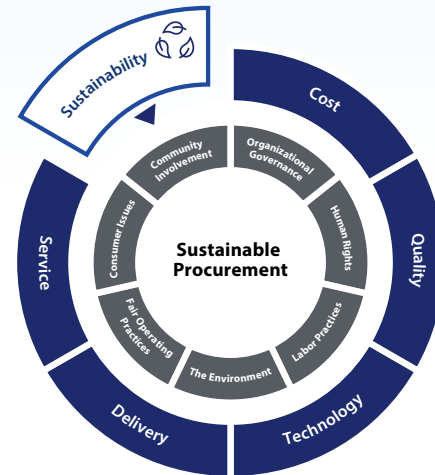
Business Continuity Management Committee: Consistently appoints our supply chain as one of the task units of the Business Continuity Management Committee to quarterly report on related risk management indicators

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

[CH01 Sustainability Management](#)

Strategy

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



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

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

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

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

Risk Management



Prevention plan for major risk issues :

Damage to reputation caused by supply chain labor and environmental incidents

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

Metrics and Targets

2025 Sustainability

- Achieve labor and human rights goals by completing 100% of RBA third-party audits of key suppliers and ensure that any necessary corrective actions are taken
 - Use responsible mineral by sourcing 100% tantalum, tin, tungsten, gold, and cobalt from qualified smelters
 - Strengthen information security across the supply chain by ensuring that key suppliers demonstrate 100% compliance with information security regulations
- Please refer to [CH04 2025 Sustainability Goals](#) for the target progress

00 About This Report

01 Sustainability Management

02 ESG Focus Case

03 Identification of Material Issues

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

IFRS Sustainability Disclosure Standards : Core Content

[Sustainable Procurement](#)

[Risk Evaluation and Classification Management](#)

[Responsible Minerals](#)

[Reduce the Environmental Footprint of Suppliers](#)

[Strengthening Partnership](#)

08 Value Creation

09 Society

10 LOHAS Workplace

11 Governance

Appendix



00 About This Report

01 Sustainability Management

02 ESG Focus Case

03 Identification of Material Issues

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

IFRS Sustainability Disclosure Standards :
Core Content

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

Reduce the Environmental Footprint of Suppliers

Strengthening Partnership

08 Value Creation

09 Society

10 LOHAS Workplace

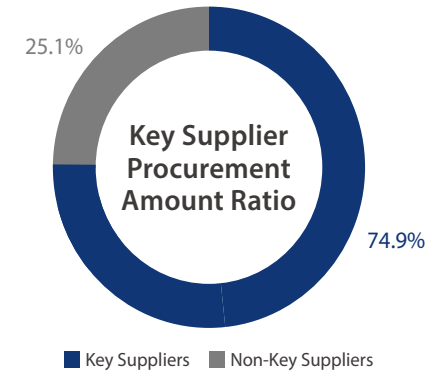
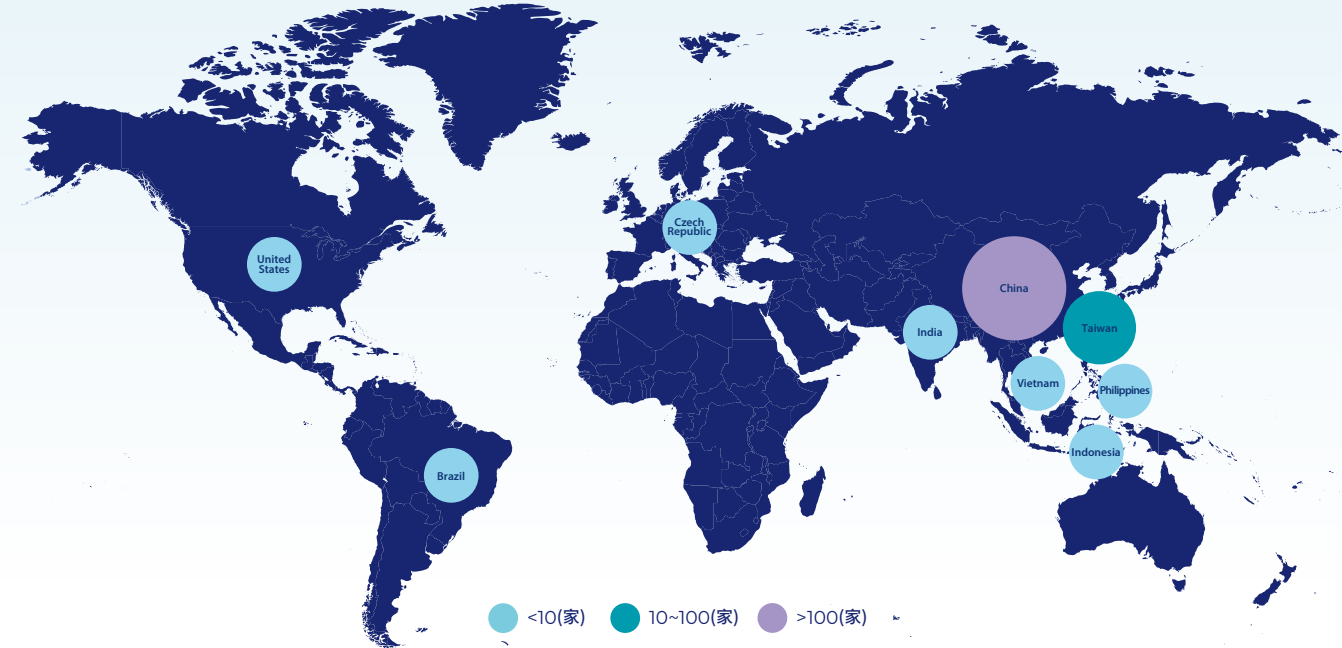
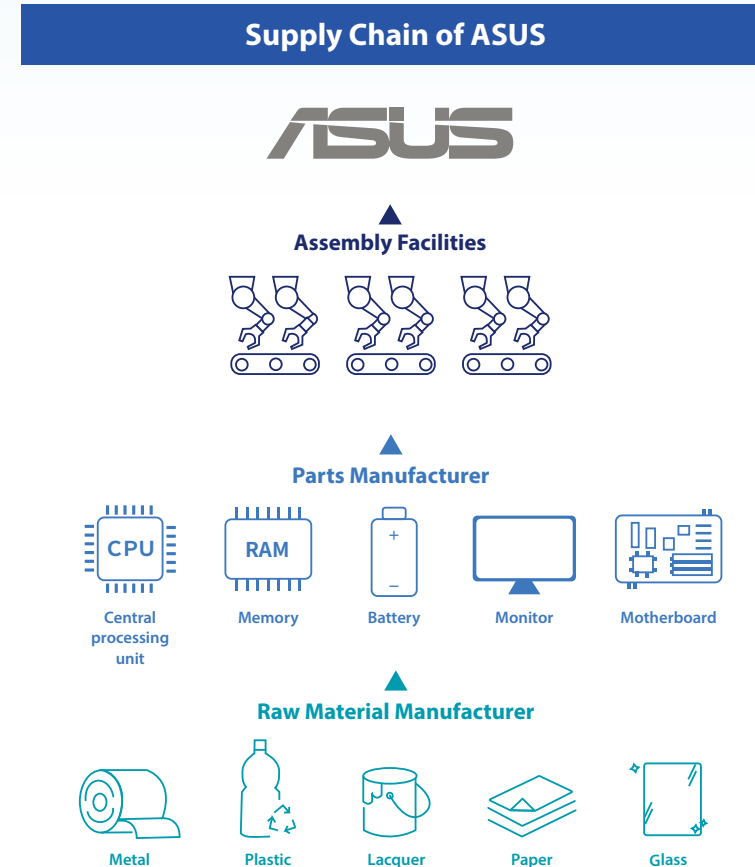
11 Governance

Appendix

Sustainable Procurement

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

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



Key supplier categories

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



00 About This Report

01 Sustainability Management

02 ESG Focus Case

03 Identification of Material Issues

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

[IFRS Sustainability Disclosure Standards : Core Content](#)

[Sustainable Procurement](#)

[Risk Evaluation and Classification Management](#)

[Responsible Minerals](#)

[Reduce the Environmental Footprint of Suppliers](#)

[Strengthening Partnership](#)

08 Value Creation

09 Society

10 LOHAS Workplace

11 Governance

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 the suppliers but also their upstream to comply with the same requirements. All new suppliers who wish to become our business partners must sign the Code of Conduct Compliance Declaration, showing that they understand and will comply with ASUS' sustainability requirements. In 2022, 100% of new suppliers have signed the Code of Conduct Compliance Declaration.

Human Rights Protection

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

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



[ASUS Supplier Code of Conduct](#)



[ASUS Human Rights Statement](#)



00 About This Report

01 Sustainability Management

02 ESG Focus Case

03 Identification of Material Issues

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

IFRS Sustainability Disclosure Standards :
Core Content

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

Reduce the Environmental Footprint of Suppliers

Strengthening Partnership

08 Value Creation

09 Society

10 LOHAS Workplace

11 Governance

Appendix

Risk Evaluation and Classification Management

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



Phase 1 New Supplier Approval

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

Phase 2 Continuous Risk Management

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

Phase 3 Performance Evaluation

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

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



00 About This Report

01 Sustainability Management

02 ESG Focus Case

03 Identification of Material Issues

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

IFRS Sustainability Disclosure Standards :
Core Content

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

Reduce the Environmental Footprint of Suppliers

Strengthening Partnership

08 Value Creation

09 Society

10 LOHAS Workplace

11 Governance

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 43 high-risk suppliers and conducted onsite second-party and third-party audits in 2022. We found a total of 643 deficiencies in audits and the average improvement completion rate for deficiencies was 98%.

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

In addition, the audit results showed that the deficiencies found in the 2022 audit consisted mostly of labor issues while health and safety accounted for the second-largest share. The failure rate and improvement rate for deficiencies are shown in the table below:

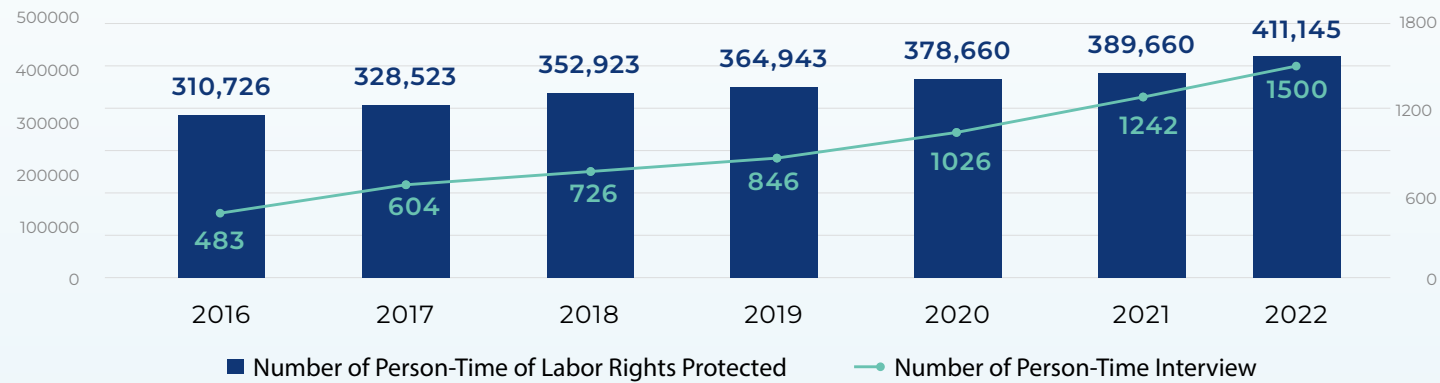
Management items	Deficiency failure rate		Deficiency improvement rate		Total deficiency improvement rate	Major deficiencies
	Priority deficiency failure rate	Other deficiency failure rate	Priority deficiency improvement rate	Other deficiency improvement rate		
Labor	3%	21%	74%	100%	88%	<ul style="list-style-type: none"> • Social insurance and housing provident fund fail to reach the legally required rate. • Hours worked(includes overtime) in a workweek exceed 60 hours. • Pre-job health examination for young workers not fully implemented.
Health and Safety	2%	23%	100%	100%	100%	<ul style="list-style-type: none"> • Personal protective equipment and occupational health and safety training for employees in high-risk work environments not provided. • 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. • Fire escape port not cleared, and fire equipment not regularly maintained.
Environment	0.3%	16%	100%	100%	100%	<ul style="list-style-type: none"> • No implementation of greenhouse gas inventory and plans of greenhouse gas reduction. • Failure to properly use, label, and store chemicals in accordance with the Chemicals Management Regulations. • No water resource management plan developed.
Ethics	0.2%	13%	100%	100%	100%	<ul style="list-style-type: none"> • The Ratio of the coverage of due diligence and document of 3TG and Cobalt does not meet the requirements. • No policy in place to protect personal data and privacy of business partners. • No policies on improper advantage.
Management System	N/A	22%	N/A	100%	100%	<ul style="list-style-type: none"> • ASUS' social responsibility requirements to the supplier and the supplier audit content does not include ASUS' social responsibility requirements. • Laws, regulations and customer requirements are not updated and included in real time. • Failure to clearly convey messages regarding employee complaint channels and protection from retaliation.
Hazardous Substance Management	N/A	52%	N/A	100%	100%	<ul style="list-style-type: none"> • Failure to include ASUS latest hazardous substance management requirements in management. • XRF The testing criteria did not consider machine errors and customer requirements. • Incomplete information on the management list of hazardous substances in the supplement material.
Hazardous Substance Process Management	N/A	48%	N/A	100%	100%	
Eco Label	N/A	0	N/A	0	0	-



- 00 About This Report
- 01 Sustainability Management
- 02 ESG Focus Case
- 03 Identification of Material Issues
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing
 - IFRS Sustainability Disclosure Standards : Core Content
 - Sustainable Procurement
 - Risk Evaluation and Classification Management
 - Responsible Minerals
 - Reduce the Environmental Footprint of Suppliers
 - Strengthening Partnership
- 08 Value Creation
- 09 Society
- 10 LOHAS Workplace
- 11 Governance
- Appendix

Lack of Improvement Actions

Labor Employment	Occupational Safety	Environmental Management
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Purchase additional protective equipment within one month • Propose a training plan within one month • Immediately remove obstacles from the fire escape exits 	<ul style="list-style-type: none"> • 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 2022, including the medical cost after the reduction of work hours to prevent overworking, and the acquisition of ISO 14001 system certification. The result exceeded NT\$23 million. Through impact assessment, we can measure the priority for investing resources and optimize management procedures for our supply chain. In the audit management in past years, we conducted more than 1,500 interviews and provided labor rights protection more than 410,000 person-times.



- 00 About This Report
- 01 Sustainability Management
- 02 ESG Focus Case
- 03 Identification of Material Issues
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing**
 - IFRS Sustainability Disclosure Standards : Core Content
 - Sustainable Procurement
 - Risk Evaluation and Classification Management
 - Responsible Minerals
 - Reduce the Environmental Footprint of Suppliers
 - Strengthening Partnership
- 08 Value Creation
- 09 Society
- 10 LOHAS Workplace
- 11 Governance
- Appendix

Responsible Minerals

Conflict Minerals

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

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

	Characteristics	Main parts of the product	ASUS Management Measures
Tantalum	Tantalum is a high-density hard metal with high ductility, thermal conductivity, electrical conductivity, and resistance to acid corrosion.	Capacitors, high-power resistors	
Tin	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.
Tungsten	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
Gold	Gold has extremely high pliability. It is an excellent conduit for heat and electricity and has high corrosion resistance.	Memory, IC chip	
Cobalt	Cobalt is a stable substance that increases the energy density and can ensure long battery life and charging speed.	Battery, aerospace alloy	Voluntary Requirements Set management goals for 2025
Mica	Mica has high insulating and thermal insulation properties, good chemical stability, resistance to strong acids and strong alkalis, resistance to pressure, and birefringence	Coatings, capacitors	Voluntary Requirements Keep up to date with the management requirements of international organizations



00 About This Report

01 Sustainability Management

02 ESG Focus Case

03 Identification of Material Issues

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

IFRS Sustainability Disclosure Standards :
Core Content

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

Reduce the Environmental Footprint of Suppliers

Strengthening Partnership

08 Value Creation

09 Society

10 LOHAS Workplace

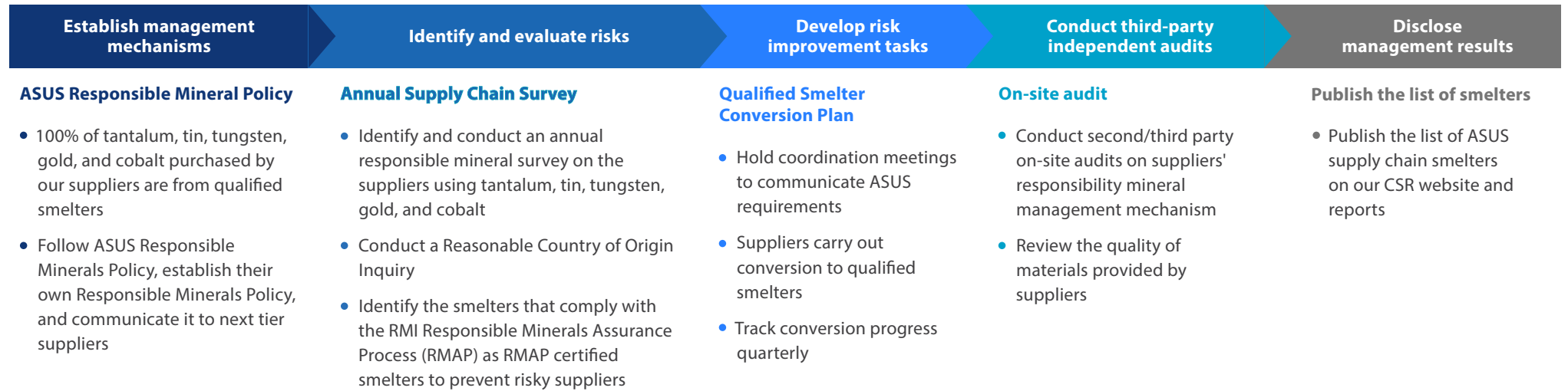
11 Governance

Appendix



Global Responsible Mineral Survey

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





00 About This Report

01 Sustainability Management

02 ESG Focus Case

03 Identification of Material Issues

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

IFRS Sustainability Disclosure Standards : Core Content

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

Reduce the Environmental Footprint of Suppliers

Strengthening Partnership

08 Value Creation

09 Society

10 LOHAS Workplace

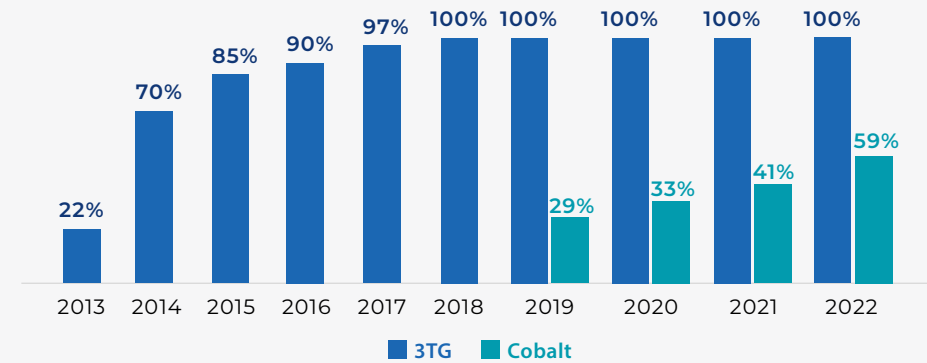
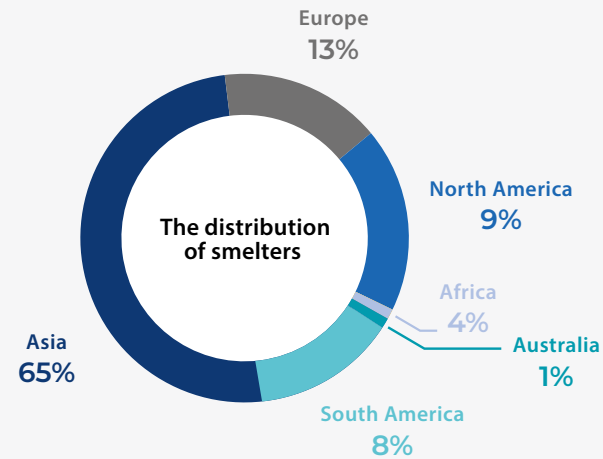
11 Governance

Appendix

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

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

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



Reduce the Environmental Footprint of Suppliers

Environmental Profit and Loss, EP&L

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

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



ASUS EP&L Report



00 About This Report

01 Sustainability Management

02 ESG Focus Case

03 Identification of Material Issues

04 2025 Sustainability Goals

05 Circular Economy

06 Climate Action

07 Responsible Manufacturing

IFRS Sustainability Disclosure Standards :
Core Content

Sustainable Procurement

Risk Evaluation and Classification Management

Responsible Minerals

Reduce the Environmental Footprint of Suppliers

Strengthening Partnership

08 Value Creation

09 Society

10 LOHAS Workplace

11 Governance

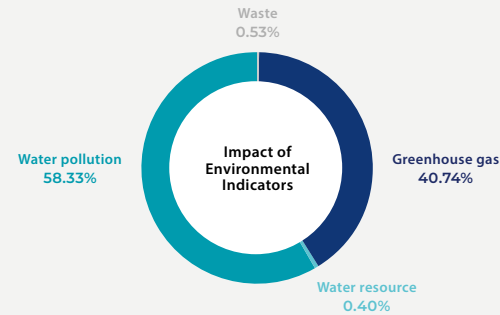
Appendix

Supplier Environmental Impact Survey

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

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

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



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

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

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

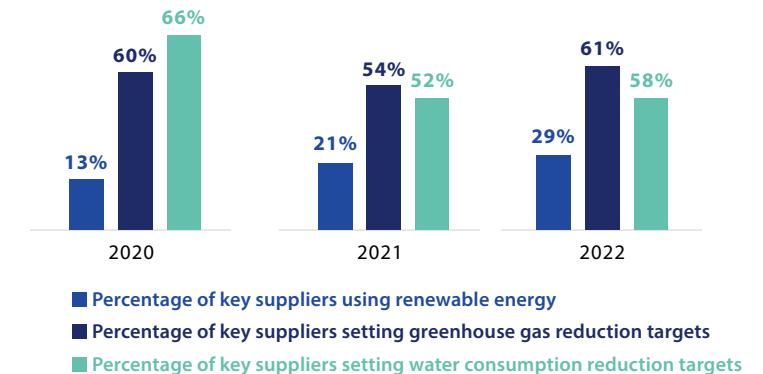
- 2022 : Map manufacturing processes for key components and identify hotspots for emissions such as equipment with high energy consumption and processes with high carbon emissions
- 2023 : Map a carbon reduction pathway for key components based on emission hotspots and suppliers' carbon reduction capabilities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

Reduce Environmental Impact

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

	Management Requirements/Objectives	2022 Management Performance
Management system	New suppliers must have an ISO 14001 system	100% of new suppliers have ISO 14001 certification
Greenhouse gases	Ensure that key suppliers achieve a 30% reduction in carbon intensity by 2025	29% of our suppliers use solar energy as renewable energy 62% of key suppliers have set greenhouse gas reduction targets 33% of key suppliers have ISO14064 third-party verification 29% of key suppliers have ISO50001 certification
Water resources	Our motherboard maker should provide qualified wastewater testing reports every year Key suppliers should set water resource reduction targets	58% of key suppliers have set water resource reduction targets
Hazardous waste	Extend the Zero Waste to Landfill program of ASUS head office to key suppliers and set the waste conversion rate	100% of key suppliers have contacted with qualified waste disposal providers 7% of key suppliers have zero waste certification

Supplier Environmental Management Performance over the years





- 00 About This Report
- 01 Sustainability Management
- 02 ESG Focus Case
- 03 Identification of Material Issues
- 04 2025 Sustainability Goals
- 05 Circular Economy
- 06 Climate Action
- 07 Responsible Manufacturing**
- IFRS Sustainability Disclosure Standards : Core Content
- Sustainable Procurement
- Risk Evaluation and Classification Management
- Responsible Minerals
- Reduce the Environmental Footprint of Suppliers
- Strengthening Partnership
- 08 Value Creation
- 09 Society
- 10 LOHAS Workplace
- 11 Governance
- Appendix



Strengthening Partnership

Supply Chain Conference and Assistance Forum

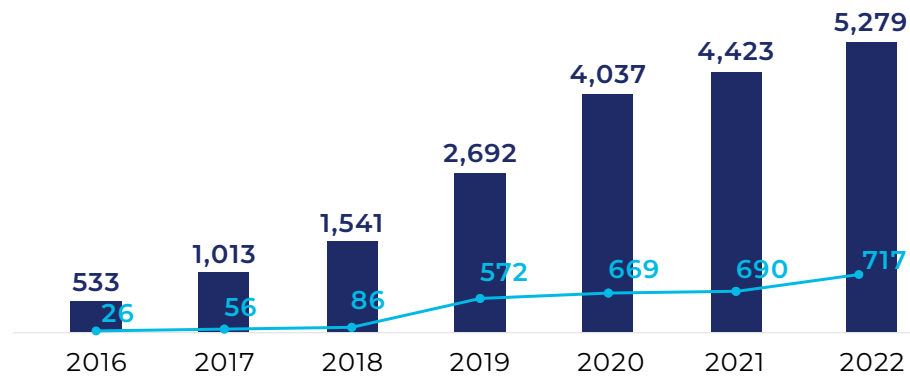
To enhance suppliers' awareness of sustainability issues and the ability in responding to risks, ASUS organizes supply chain conferences and training for suppliers on a regular basis to convey our management requirements and strengthen the partnership with the supply chain.

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

Meeting on supporting improvement

We organized quarterly support meetings to help suppliers improve audit deficiencies. We invited qualified RBA auditors from impartial third-party institutions to analyze the causes of deficiencies and share best-practice cases in the industry to increase the suppliers' management awareness and help suppliers implement improvements.

In addition to online meetings, we also established WeChat groups with suppliers to facilitate real-time communication. The supplier conference and training have benefited more than 5,279 person-times and in more than 717 hours:



Online Courses

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

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

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