2021

Sustainability Report
Detailed Report

ASUS
IN SEARCH OF INCREDIBLE

Contents

About This Report

The ASUS Sustainability Report for year 2021 details strategies, management structures and achievements made by ASUS, in relation to various sustainability initiatives. It also demonstrates how we have addressed the expectations of our stakeholders in regard to sustainability initiatives that have been established to protect the environment and to benefit society.

Financial data and other related information, including financial summaries and annual reports of 2021, are available on the ASUS investor Relations website.

For other sustainability-related information, please visit the ASUS Sustainability website.

Report Structure

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

Report Quality

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

Information Boundaries

The scope of the data is the same as the ASUS Group specified in the Annual Report, excluding subsidiary companies that publish their own Sustainability Reports (AAEON, Askey, and ASMedia Technology), subsidiaries established for investment or finance and taxation purposes, and subsidiaries in which ASUS does not have management and controlling rights. The scope of data and information disclosed is consistent with the Annual Report (January 1 to December 31, 2021).

Publication Date: June 2022 (annual issuance)

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

investor Relations website

ASUS Sustainability website

Message from the Chariman

The Covid-19 pandemic and climate change have severely impacted global development, spurring further realization that the uncertainty they have created in our environment, economy, and society will become the new normal. Extreme weather conditions have affected our environment and tested the resilience of business operations, while the pandemic has changed the way people work and altered consumer behavior. At the same time, it has given rise to new businesses and disrupted existing industries, prompting companies to accelerate the deployment of changes and innovations that they have previously placed on hold.

As a leading brand in Taiwan's ICT industry, ASUS has always regarded environmental and social engagement as a part of our business strategy. We advocate strategic sustainability with a focus on fundamentals and results. With technological advantages and innovative development, we use scientific, data-driven evaluation as the fundamental approach to constantly evolve and pursue excellence. ASUS concentrates on the four sustainability focuses of climate action, circular economy, responsible manufacturing, and value creation, while also formulating new green actions to increase competitive advantages and grow with greater sustainability and inclusiveness.

Last year, ASUS officially committed to strengthen our R&D efforts to further increase product energy efficiency to a level that is on average 30% higher than the specifications of Energy Star, the strictest environmental standard. Furthermore, we are leveraging the influence of the ASUS brand to drive key suppliers to achieve a 30% reduction in carbon intensity. ASUS has also committed to using 100% renewable energy in our Taiwan-based operations centers by 2030 and global operations centers by 2035 with the aim of fostering similar actions throughout the industry and promoting a positive impact on the environment. To achieve net zero carbon emissions throughout our value chain, ASUS has set science-based targets with a three-staged implementation approach of enhancing energy efficiency, expanding the use of renewable energy, and reducing emissions by investing in innovative technologies.

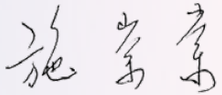
Our sustainability strategy of focusing on fundamentals and results has received widespread acclaim. In addition to being included in several responsible investment indexes, ASUS was recognized as Asia's Most Socially Responsible Company in 2020, the first time a company in Taiwan has been awarded this distinction. This year, we received the Silver Award for Best Sustainability Report (Large Company), Gold Award for Best Environmental Impact Reporting, and Silver Award for Best Supply Chain Reporting in the 2021 Asia Sustainability Reporting Awards. These recognitions affirm our efforts in identifying the impact and challenges of material issues through sustainability strategies, continuous innovations to incorporate sustainability in core operations, performance achievements in past years, and transparency in disclosure. ASUS was also selected by the Financial Times, Nikkei Asia, and Statista as one of the climate leaders in the Asia Pacific region in 2022.

Thanks to the support of industry leaders, I was elected as the ninth President of the Taiwan Business Council for Sustainable Development (BCSD Taiwan) in August of last year. It is my aspiration to help companies in Taiwan spearhead their sustainability transformations by connecting with international sustainability trends and standards, establishing strategic cooperation networks, and adopting practical solutions to spark innovation and strengthen resilience. We will also continue to invest in low-carbon sustainability for future generations, while creating and leveraging synergy through diverse cooperation and value creation across different industries.

The challenges ahead will only be more diverse and difficult. We adhere to our corporate culture and promote a human-centric design thinking concept to provide customers with the best experiences. We will continue to strengthen the core competencies of the company and cultivate exceptional talent for ASUS to fulfill our business philosophy of striving to be among the world-class green high-tech leaders and to provide valuable contributions to humanity.

Jonney Shih

ASUS Chairman



Message from the Co-CEOs

If 2020 was a year of upheavals, 2021 was a year of innovation and resilience for ASUS. The company has continued its outstanding performance in business operations during the pandemic. We have won first place in the Interbrand Best Taiwan Global Brands for the eighth time and have ranked in Fortune's World's Most Admired Top 50 All-Stars for the seventh time. These achievements would not have been possible without the dedication and hard work of all employees and the cooperation of our partners in the industry. ASUS has already achieved outstanding results in sustainability operations, but we hope to continue connecting sustainability issues with digital transformation in order to further contribute to society and the environment.

We need innovative ideas and advanced technologies to create new solutions in the new digital economy—that's why ASUS established the Innovative Development Office We understand that innovation must be achieved with structural changes that reflect the changing times and industry, and we leverage internal innovation to ensure the continuous advancement of the company. We aim to adopt open-minded innovation and investments in external innovative technology to create shared value with business partners. ASUS regards innovation as an indispensable foundation for progress, sustainable development and increased competitiveness.

We actively support innovative ideas and talent cultivation, and we foster close collaboration with industry, government and academia to expand digital transformation. In December 2021, ASUS and National Taiwan University established the ASUS-NTU Joint Research Center to encourage business units to leverage industrial-academic collaboration or strategic alliances to actively develop key technologies and expand new businesses. We shall focus on advanced electromagnetics, next-generation computers, the Internet of Things (Io) and artificial intelligence (AI) with the aim of setting a new model for Taiwan's industrial-academic collaboration. We shall help Taiwan enhance its R&D capacity and establish its position in the global science and technology community, and cultivate a new generation of R&D talents.

The Glasgow Climate Pact, reached at the COP26 Climate Summit in 2021, has accelerated the implementation of climate action. As befits a leading global technology company, ASUS joined the RE100 global renewable-energy initiative, in 2021 — a milestone for our carbon-reduction ambitions. In the same year, ASUS joined the Taiwan Climate Partnership as one of the founding corporate members. We shall consolidate the strengths of partners in the Partnership and work with international climate initiatives and organizations. We shall also use our supply-chain influence to promote low-carbon manufacturing and reduce carbon emissions.

We shall support the final and most important target of the United Nations Sustainable Development Goals (SDGs) — to strengthen the means of implementation and revitalize the global partnership for sustainable development. ASUS believes that it is important to innovate and cooperate with both industry and external partners in both business development and sustainability. We hope to achieve prosperity and development in the entire industry chain — creating sustainable development for all.

2021 Achievements in Sustainability

Received the "Asia Sustainability Reporting Awards" (ASRA)

- Silver Award for Asia's Best Sustainability Report (Large Company)
- Gold Award for Asia's Best Environmental Impact Reporting
- Silver Award for Asia's Best Supply Chain Reporting

ASUS became the first ICT company in Taiwan to receive the Best Sustainability Report Award. The judges recognized ASUS's achievements in strategic goals for sustainability, stakeholder engagement, the impact and challenges of material issues, and the results and transparent disclosure of its performance in past years.

- Selected as a constituent stock of the Financial Times FTSE4Good Emerging Index for 6 consecutive years (2016-2021)

- Selected as a constituent stock of the FTSE4Good Emerging Index and TIP Taiwan ESG Index for 5 consecutive years (2017-2021)

- Member of the S&P Global Sustainability Yearbook 2021 and 2022

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

- The World's Best Employers, as designated by Forbes magazine (2021)

- Ranked first in Taiwanese international brand for the 8th year (2013-2019, 2021)

- Top 100 Global Innovators, according to Clarivate (2021)

01

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 devices, components, and solutions. Today's ASUS is more ambitious than ever, unleashing remarkable gaming, content-creation, AIoT, and cloud solutions that solve user needs and infuse delight.

ASUS had about 70 operation offices located worldwide with a total of around 15,400 employees that included around 5,000 R&D professionals, and we are driven to become the world's most admired innovative leading technology enterprise. ASUS is world-renowned for continuously reimagining today's technologies for tomorrow, and is ranked among Fortune's World's Most Admired Companies.

ASUS Group consolidated revenue for 2021 was NT$532.2 billion, and net profit after tax was NT$46.6 billion.

Business philosophy

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

Commit to integrity and diligence; Focus on Fundamentals & Results

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

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

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

DISPLAYS | NETWORKING | NOTEBOOKS | MOTHERBOARDS | GRAPHIC CARD

Sustainability Strategy

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

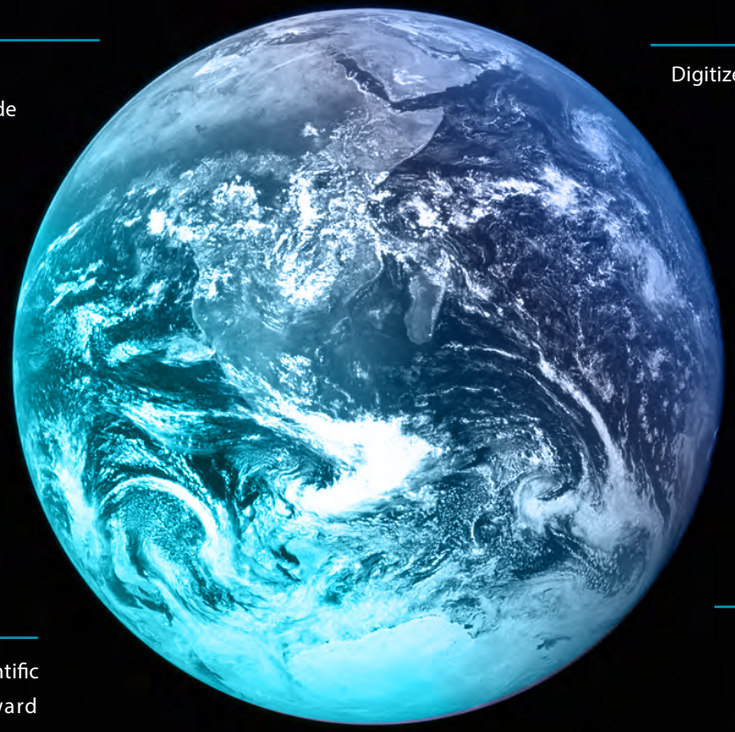
ASUS has a designated sustainability unit that has been responsible for related efforts since 2000. At ASUS, we strive to be among the world-class green high-tech leaders and to provide valuable contributions to humanity. In order to fulfill the ASUS vision of becoming the world's most admired innovative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

Our Philosophy

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

Our Strategy

Digitize data, adopt scientific management practices and optimize core competencies to promote sustainable value creation.



Our Vision

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

Our Priority

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

Our Support for SDGs

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

Our Goals

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

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

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

2009

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

2016

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

2017

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

2018

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

2018

World 1st company to receive UL Circularity Facts Program Validation

2019

1st technology company to publish sustainable value integration report with Total Impact Measurement & Management (TIMM), quantifying the true value of the company. World's 1st company in electronics industry to receive

2019

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

2020-

Enter into an era of digital transformation to optimize management processes and decision-making

02 COVID-19

The COVID-19 pandemic has swept the world since 2019, expanding the demand for global digital transformation. In addition to the entire online and offline sales and service channel, ASUS is more active in creating the field of AIOT. Deeply cultivate innovative applications such as smart manufacturing, smart healthcare and smart city. At the level of operation management, ASUS regards protecting the health and safety of its employees as its primary responsibility. With the pandemic prevention team as the management unit, we formulate pandemic prevention plans and staggered shift for attendance, as well as enable employees to choose a more flexible work style according to their needs. In addition, ASUS combined with core products or key technologies, donated anti-pandemic materials for industries, government and schools, and supported the improvement of national anti-pandemic capacity.

Deploy Pandemic Prevention Measures in Advance to Protect Employees' Health

When the international COVID-19 was warming up, ASUS immediately established an pandemic prevention team. The members of the special team include the heads of human resources and administration along with the CEO. They convene meetings according to the pandemic status, formulate a "prevention plan for severe special infectious virus" and establish complete operational key points for response actions. Ensure the health and safety of employees and corporate continuous operation.

Staggered Shift Policy for Employee Attendance

According to the severity of the local pandemic, ASUS defines the pandemic prevention level and employee attendance regulation. In order to reduce the risk of cluster infection after the national holiday, preventive measures were taken to stagger work shifts. Meanwhile, we consider the family care needs of employees, and they may apply for flexible working hours or work from home if necessary.

Prevention Plan for Severe and Special Infectious Virus

Incubation period	▸ Establish the pandemic prevention level and the company / WFH staggered shift system ▸ Set a body temperature sensor with swipe card attendance system	▸ Regular pandemic prevention and health education advocacy, public area environmental disinfection and preparation of pandemic prevention supplies ▸ Master the vaccination of employees and for business trips
Outbreak period	▸ Notify the emergency response center and employee's supervisor within 24 hours after finding the person with suspected / confirmed infection ▸ Implement the company / WFH staggered shift system	▸ Master the health status of person with suspected / confirmed infection and close contacts ▸ Carry out regional environmental disinfection and strengthen indoor ventilation frequency
Disposal period	▸ Master the treatment status of the person with confirmed infection ▸ Explain with stakeholders as appropriate	▸ Start employee care mechanism and other related services
Dealing with the aftermath	▸ Collect relevant records and review the "Prevention Plan for Severe Special Infectious Virus"	▸ Provide necessary assistance for employees who are diagnosed as confirmed case or isolated at home to return to the workplace

Pandemic Prevention Level and Attendance Response of The Company

Pandemic Prevention Level	Level I	Level II	Level III	Quasi Level IV	IV
Level Definition	Sporadic community infection cases caused by overseas migration	Local cases with unknown source of infection The company may activate the preventive "yellow light" as appropriate	More than 3 community-based infections occurred in one week, or more than 10 local cases with unknown source of infection were confirmed in one day	100 local cases ↑ / day, Or some counties and cities declare lockdown, and the company may deploy in advance according to the situation	Within 14 days, the average number of local cases is 100 ↑ / day, or Taipei City and New Taipei City announce lockdown. The company may deploy in advance according to the situation
Company Light Number	Green 1	Green 2	Yellow	Red 1	Red 2
Attendance Regulation	All staff Normal attendance	All staff Normal attendance	Launch the "A/B two shift system" for company / work from home	School suspension / work continue: maintain ABC three shift system Work suspension or city lockdown: only the maintenance team	

※ During the pandemic prevention period, in addition to mastering the pandemic situation, we track and care for home isolation / cold like symptoms / suspected or confirmed cases, so as to avoid cluster infection in the company.

Donate Key Materials to Enhance Anti-Pandemic Effort

After the outbreak of the COVID-19, medical resources were insufficient, companies launched work from home policy, students started remote learning, and the lack of resources for rural or disadvantaged students became more serious. ASUS supported the industry, government and schools to fight the pandemic, fulfilled its social responsibilities, and used technological products to provide front-line support and help improve the anti-pandemic effort.

- **Donated funds for vaccine:** we donated NT$200 million to Tzu Chi Foundation to support the purchase of BNT vaccine for the public, so as to improve the vaccination rate.
- **Donated software and hardware equipment:** about NT$50 million technological materials are donated, including medical system, laptop donation, and cloud resources are provided.
- **Medical institutions:** we provided 350 smart watches and 32 sets of mobile ultrasonic equipment to assist medical institutions including National Taiwan University College of Medicine, Taipei Veterans General Hospital, Taoyuan General Hospital and Shuang-Ho Hospital to fight against the pandemic.
- **Disadvantaged students:** we donated 1,000 laptops to primary and middle schools, disadvantaged families and supplementary classes in Taiwan.
- **Small and medium enterprise:** in response to the "Technology-Based Epidemic Prevention 2.0" activity of the National Center for High-Performance Computing, three free anti-epidemic cloud solutions were launched, including "new technology anti-epidemic", "corporate work from home first aid kit" and "government and administrative legal person anti-epidemic", providing cloud space, AI resources, high-speed computing and Taiwan Computing Cloud (TWCC) computing resources.
- **Government agencies:** we cooperated with Tainan City Government to launch the "AI perception platform for urban dynamic images", combining the 5G and AI image recognition technology and introducing applications such as "social distance and mask detection", "scenic spot pedestrian flow identification" and "real-time analysis of urban road traffic flow images", so as to support municipal decisions in real time and gradually realize digital governance of smart cities.

Using smart watches to measure physiological data of patients


Providing laptop to help distant learning

Assisting Tainan in deepening smart new services

Smart Healthcare Ecology with The Construction of Technological Pandemic Prevention

With profound technological strength and alliance with medical institutions to establish a smart medical ecosystem, we deploy in advance to promote digital transformation, and build a technological anti-pandemic model.

- **Precision diagnosis:** we expand AI medical applications, create patient-centered applications, and introduce AI medical big data search system into 15 hospitals. Furthermore, we strengthen the drug safety system, develop cancer treatment auxiliary system, realize accurate medical treatment, improve data accuracy, and assist in the development of public health, teaching and research fields.
- **Telemedicine:** we work with Intel to develop the "smart medical action vehicle" to create an efficient and safe telemedicine solution to help medical personnel diagnose patients without entering the isolation ward, reduce the risk of infection, or make remote diagnosis in remote areas to strengthen the integrity of care.
- **Improve medical work performance:** we cooperate with NTUH Hsin-Chu Branch to develop "voice medical records" to improve medical work efficiency. In addition, we have formed an alliance with Taipei Veterans General Hospital and Show Chwan Hospital to implement the application of AI medical field and gradually establish Taiwan's smart medical ecosystem.
- **Improve elderly care:** the NTUH Hsin-Chu Branch introduced the "Zenbo Junior platform" to develop care and long-term care planning for the elderly in the community.

Creating AI medical services


Zenbo Junior Platform

03

Identification of Material Topics

ASUS re-defined the identification methods for materiality based on the four-step identification procedures of the latest GRI Standards (2021). Different from understanding stakeholders' level of concern about topics through questionnaires before, we adopted "impact" as the evaluation principle to determine whether a topic is material. In addition, we adopted the double materiality principle proposed by the EU and identified 6 highly material topics with significant impacts in terms of "ASUS" and "external economy, environment, people."

In response to the initiatives of stakeholder capitalism, possessing accurate corporate operation philosophy, consistent value, and understanding that enterprises shall communicate with major stakeholders to help them achieve their targets are the common characteristics of outstanding enterprises. In the course of identifying materiality during the year, we collected topics concerned by stakeholders from daily interactions with them. When evaluating the level of impact, we selected crucial stakeholders who work closely with ASUS or possess sustainability expertise by conducting quantitative questionnaires and qualitative interviews with them, in order to fully understand the substantial impacts rising from ASUS and the expectations of stakeholders.

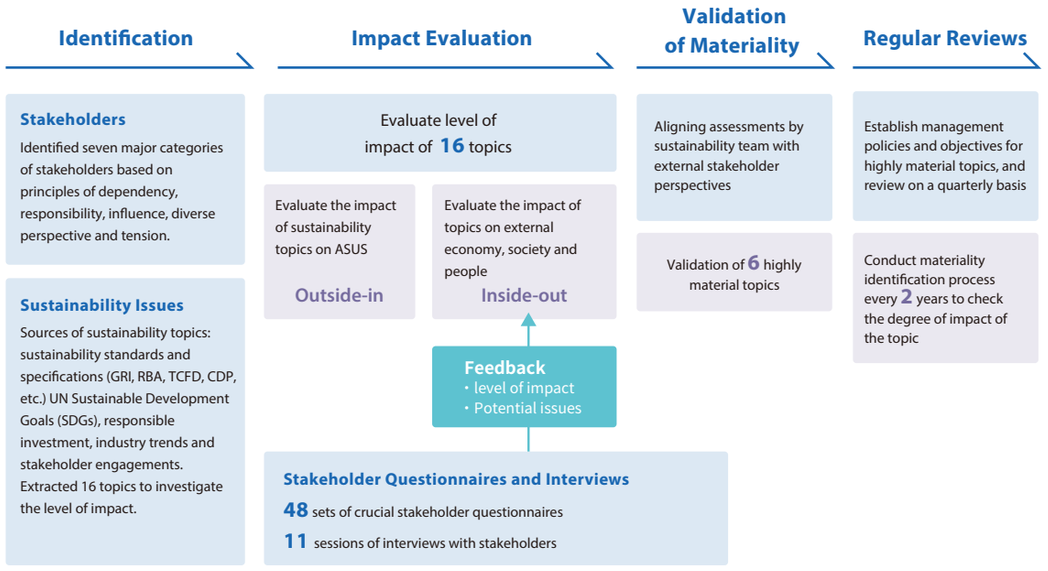
In the future, we will execute the identification procedures for material topics once every two years to regularly examine the impacts of topics, allowing the managers to effectively allocate resources and formulate short-term, mid-term, and long-term sustainable development strategies. Meanwhile, we disclosed positive and negative information with transparency to serve as a basis for related parties in all sectors to optimize their decision-making quality.

Reformation of the Identification Procedures for Material Topics in 2021

01 **Optimize Evaluation Indicator**
Evaluate whether a topic is material based on the "level of impact" and define the calculation method of the impact index.

02 **Focus on Crucial Stakeholders**
Select representative stakeholders who work closely with ASUS or are professionals in sustainability to conduct questionnaires and interviews to improve the substantiality of the identification results.

03 **Improve Mutual Interactions**
Gain in-depth knowledge of stakeholders' viewpoints through qualitative interviews to serve as the reference for the management policy of topics in the future.



1 2 3 4 Topics Identification

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, and, at the same time, the information sources are used for evaluations of sustainability topics and impacts:

Dependency	Stakeholders who directly or indirectly depend on the products, activities, or services of ASUS.
Responsibility	Stakeholders for whom ASUS is held responsible in terms of laws, business, operation, or ethics.
Tension	Stakeholders who are concerned about financial, economic, social, and environmental topics related to ASUS.
Influence	Stakeholders who have an influence on strategies or business decisions of ASUS.
Diverse perspectives	Stakeholders with different viewpoints who can enlighten ASUS to gain new perceptions and opportunities.

Employee

Importance to ASUS

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

Engagement Method and Frequency

【Regularly】 CEO On-Live: Quarterly
【From Time to Time】 Information portal website , website/ system announcement, meetings

Customers

Importance to ASUS

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

Engagement Method and Frequency

【Regularly】 Information technology exhibition: Yearly
【From Time to Time】 Product launch, website and email, customer satisfaction survey

Supply Chain and Business Partner

Importance to ASUS

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

Engagement Method and Frequency

【Regularly】 Supplier conference: Yearly
Business review: Quarterly
【From Time to Time】 Audits on suppliers, on-site consultation and audits, various information sessions, website

Investors

Importance to ASUS

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

Engagement Method and Frequency

【Regularly】 Shareholders' meeting, annual report, sustainability report: Yearly
Investors' conference, financial statement: Quarterly
【From Time to Time】 Markets Observation post system(MOPS)

Governments and NGOs

Importance to ASUS

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

Engagement Method and Frequency

【From Time to Time】
Information sessions, forums, seminars, and other meetings

Academic

Importance to ASUS

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

Engagement Method and Frequency

【From Time to Time】
Official correspondence/ Information sessions, forums, seminars, and other meetings

Society

Importance to ASUS

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

Engagement Method and Frequency

【From Time to Time】
Press release, dedicated unit for media and PR, social media

Collect Sustainability Issues

To find out potential topics material for ASUS, it has compiled 16 topics from international sustainability standards and specifications, SDGs, responsible investment, industrial trends, interactions with stakeholders, and other sustainability-related topics. To further investigate impacts resulting from topics.

Source of Topics

International Sustainability Standards and Regulations	SDGs	Responsible Investment	Industrial Trends	Stakeholders Communication
GRI, RBA, TCFD, CDP, and other international sustainability standards.	Evaluated 169 targets covered by 17 goals under SDGs and selected 87 actions for which ASUS is able to make contributions.	Referred to Dow Jones Sustainability Index (DJSI), MSCI ESG Leaders Indexes, FTSE4Good Index, Sustainability Accounting Standards Board (SASB), and other rating indexes.	Topics concerned by international sustainability leading industries, IT industries, and other industries.	Topics concerned by employees, customers, supply chain and business partners, investors, governments and NGOs, academic units, society (including community and media), and other related parties.

Sustainability Topics

Enhance Corporate Governance	Circular Economy Transformation	ICT Innovation Application	Reinforce Value Chain Cooperation	Realize Social Co-prosperity
▸ Ethics and Anti-corruption ▸ Legal Compliance ▸ Customer Privacy and Data Security	▸ Climate Action ▸ Circular Economy ▸ Water Management ▸ Operational Wastes ▸ Biodiversity	▸ Social Contributions of the Technology Industry ▸ Innovative Products and Services	▸ Responsible Manufacturing	▸ Health and safety ▸ Talent Cultivation ▸ Labor Communication ▸ Public Policy and Local Communities ▸ Human Rights and Inclusion

1 2 3 4 Impact Evaluation

In accordance with the definition of materiality under GRI Standards (2021), we re-examined the degree of materiality of 16 sustainability topics in terms of impact of topics on "ASUS" and on "economy, society and people". We adopted the impact index assessed internally as the major basis of our evaluation and included viewpoints of stakeholders to help us understand the impacts caused by us on external sectors.

Stage 1
Calculate The Impact Index

The sustainability team of ASUS identified the substantial and potential impacts, positive and negative, of 16 sustainability topics with reference to our daily operation evaluations and the development trends of sustainability topics and calculated the "Severity" and "frequency" of different topics' impacts to conclude the impact indexes of all topics. In particular, the materiality of impacts is rated by taking into account the scale, scope, reversibility, and involvement with human rights of the impacts.

Stage 2
Stakeholders Questionnaires and Interviews

In the past, we collected stakeholders' concern to sustainability topics by means of dispatching questionnaires extensively. As we adopted the "degree of impact" as the judging standards in terms of whether a topic is material, we selected crucial stakeholders who interact closely with ASUS or possess forward-looking insights on sustainability topics to ensure that stakeholders' opinions are based on the full understanding of ASUS' operations. By doing so, we can understand the impacts and effects of ASUS on external sectors (economics, environments, people) from their opinions.

Adopt opinions highly relevant to ASUS as reference for material topics

Interviews
Understand the context of stakeholder perspectives (background, observations, trends)

Questionnaire
Review opinions of stakeholders

During the year, we collected 48 stakeholder questionnaires and conducted 11 sessions (including five categories) of stakeholder qualitative interviews. Results of the quantitative questionnaires serve as the basis for adjusting the materiality of topics; results of the qualitative interviews help us understand the substantial impacts of topics and potential sustainability topics to be managed.

Quantitative Questionnaire Survey

We consider whether to adjust the materiality of topics with reference to the results of the questionnaire survey for stakeholders. As set out in the following table, "Customer privacy and information Security" and "Legal compliance" were moderate material topics last year; however, stakeholders rated them of high impacts during the year.

Degree of Impact	Employee	Customers	Supply Chain and Business Partner	Investors	Governments and NGOs	Academic	Society
High ↓ Low	Circular Economy Customer Privacy and Data Safety Health and Safety Labor Communication	Innovative Products and Services Health and Safety Customer Privacy and Data Safety Social Contributions of theTechnology Industry	Customer Privacy and Data Safety Responsible Manufacturing Legal Compliance	Legal Compliance Customer Privacy and Data Safety Climate Action Responsible Manufacturing Talent Cultivation	Climate Action Innovative Products and Services Contributions of the Technology Industry Circular Economy Legal Compliance Responsible Manufacturing	Circular Economy Ethics and Anti-corruption Customer Privacy and Data Safety	Legal Compliance Contributions of the Technology Industry Human Rights and Inclusion

Case

Qualitative Interview with Stakeholders

Purpose: Gain in-depth knowledge on the judging basis for materiality of respondents to questionnaires and refer to stakeholders' feedback for the development policy of sustainability topic management.

Respondent

Category	Supply Chain and Business Partner	Employee	Investors	Academic	NGO
Representative	9 major categories of crucial suppliers with long-term cooperation relationships	Model employees of ASUS who highly recognize the Company's operating policies	Institutional investors of ASUS and also Large-scale financial holding companies in Taiwan	Professional academic units in the field of sustainability with project cooperation experiences with ASUS	Indicator organizations that promote corporate sustainability in Taiwan
Number of respondents	2	3	2	2	2

Interview Results

We divided respondent groups and results into two major categories. Suppliers and employees are stakeholders with the closest interactions with ASUS, and are also the front-line for ASUS to acknowledge changes in the external environments. Therefore, we refer to opinions from such categories of stakeholders to help us understand the substantial impacts of ASUS on external sectors. On the other hand, investors, academic, and NGOs are the leaders in the corporate sustainability; through their professional visions, they help ASUS to grasp the future development trend of sustainability topics and discover potential sustainability topics to be managed.

Category	Suppliers, Employees of ASUS	Investors, Academic, NGOs
Interview Results - Possess reference value for the identification of materiality	**Positive effects brought by ASUS:** ▸ Suppliers initiate the specifications for suppliers in the next tier to comply with the RBA regulations. ▸ Suppliers actively respond to climate action topics, including the introduction of ISO 14064 and ISO 14067), and setting up internal units for carbon topic management. **Transformation of external environments:** ▸ With the popularization and mature development of topics, suppliers are willing to absorb costs when renewable materials are introduced into production. ▸ Contractors of the Company have regulations for employees' health and safety management more favorable than regulations.	**Prospect and management trends of material topics:** ▸ Level of implementation: For example, regarding climate actions, substantial mid-to-long-term targets and carbon dioxide reduction routes shall be disclosed ▸ Potential risks: For example, regarding talent cultivation, sub-replacement fertility, aging society, and other social phenomena shall be considered to make arrangements in advance for talent recruitment and care policies. ▸ Topic conformity: Expect environmental and social actions to actively integrate with business models. For example, circular economy products and business models that improve digital inclusiveness.

Intergrate Stakeholders' Viewpoints

The calculation results of impact indexes are the basis for the materiality evaluation of the year. At the same time, we included stakeholders' viewpoints to adjust the materiality of sutainability topics and learn the development trends of topics from them. Combined the conclusions of questionnaires and interviews, the discoveries and discussion matters for the year are set out as follows:

▸ Raise the materiality of topics: "Customer privacy and datasafety" and "legal compliance" are the sustainability topics that ASUS caused high impacts considered by the majority of stakeholders. However, ASUS has established comprehensive management regulations for the abovementioned topics and evaluated that the degree of impact is within our scope of control (i.e., we have introduced the ISO 27001 information safety management system). We improve the ratings for topics' degree of impact with reference to the questionnaire results; in the future, we will prioritize the inclusion of such topics in the scope of highly Material. During the year, the topics remained in the scope of Moderately Material.

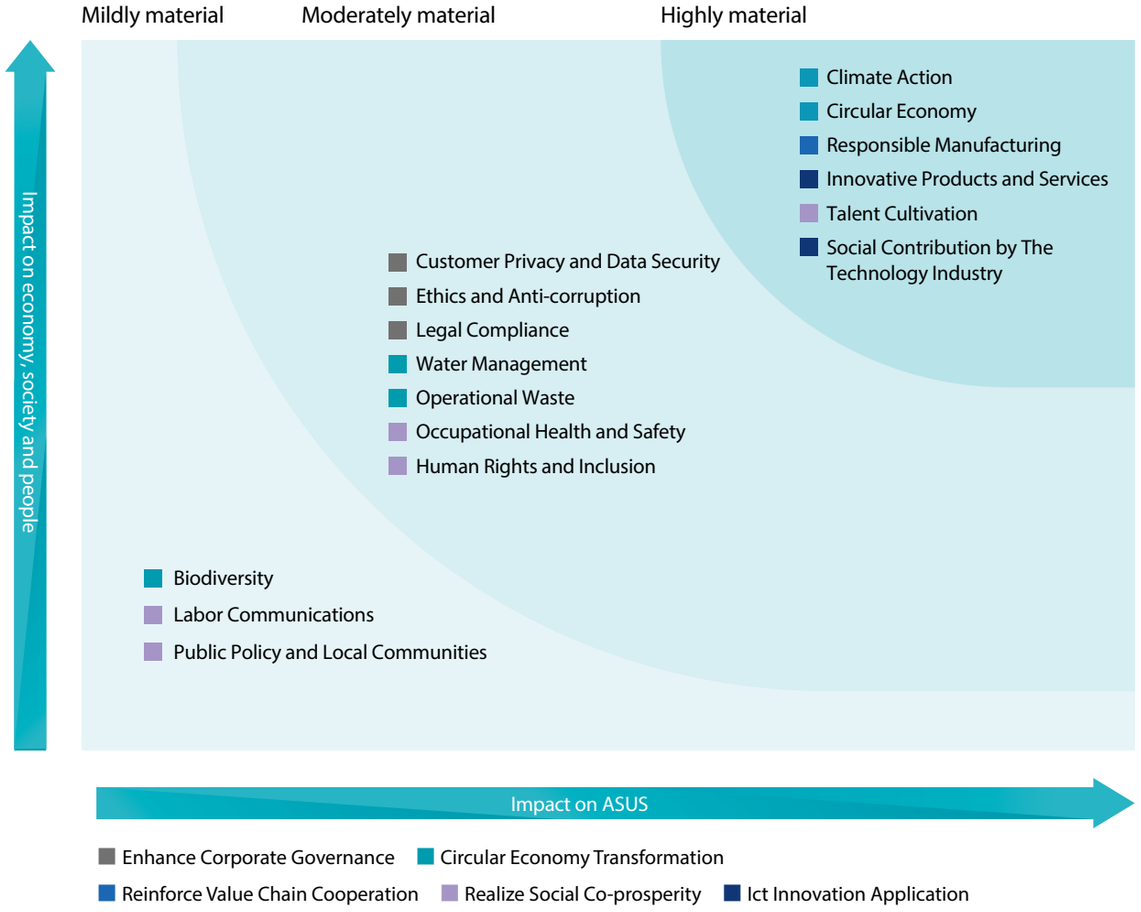
▸ Sustainability topics integration: According to the interviews, we found that the integrated discussion of sustainability topics has become the topic management trend for the future. For example, The "social contributions by the Technology industry" and "innovative products and services" may be integrated to create innovative products with functions that can solve social issues including improve digital inclusion.We will take such viewpoints into account to plan for our sustainability actions and strategies and formulate the integrated disclosures of topics and performances in the future. Through our core abilities and business models, we may generate positive effects on society and environments and realize the sustainability transformation of the enterprise.

1 2 3 4 Validation of materiality

▸ Identification Results of Material Topics

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

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



1 2 3 4 Regular Reviews

Sustainability topics of ASUS are identified through internal impact evaluations, compilations of stakeholders' viewpoints and finalized by the person in charge of the dedicated unit for sustainable development. In the future, we will continue to gain r knowledge of the positive and negative impacts caused by ASUS and the expectations of external stakeholders through contact with stakeholders regularly and from time to time. Leveraging on the opportunity of annual materiality identification, we performs an inventory check regarding internal and external viewpoints, and compile them as material sustainability topics.

For material topics, 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 non-material topics, we disclose existing management procedures and measures for stakeholders to understand the overall sustainability achievements of ASUS.

Material Topics	Impact Hotspots and Descriptions for the Value Chain				Description	Disclosing Chapter	Contributions to SDGs
	Upstream	Corporate Operation	Downstream				
	Raw Material Procurement/ Product Manufacturing		Customer Usage	Recycling			
Circular Economy	⊙	⊙	⊙	⊙	Failure in managing product raw materials and wastes will result in excessive waste of resources and environmental pollution. Therefore, ASUS carries out life cycle evaluations and introduces environmental friendliness and circular economy in stages of material selection, design, use, and scrapping.	Innovation and Value Creation	
Climate Action	⊙	⊙	⊙		GHGs emission due to our operation and production will accelerate the global climate change, and cause large-scale and non-reversible hazards to the overall environment. As such, we joined hands with suppliers for carbon dioxide reduction and introduction of renewable energy and provided energy-saving products for customers.	Climate Action	
Responsible Manufacturing	⊙			⊙	ASUS has established a responsible and transparent supplier management system. The ESG performances of suppliers are included in the procedures for procurement decisions, driving the sustainability transformation of suppliers, so as to minimize potential impacts on environmental pollution, occupational safety, and labor human rights.	Responsible Manufacturing	
Innovative Products and Services	⊙	⊙	⊙	⊙	When creating economic growth, ASUS managed to satisfy the true requirements of environments and society with its core ability of digital information. We actively expand into new business fields to create shared values between stakeholders and the enterprise.	Innovation and Value Creation	
Talent Cultivation	⊙	⊙			A healthy talent cultivation policy is the significant bedrock for sustainable corporate operations. Adhering to the people-oriented philosophy, we attach attention to the development of individual potential and professional aspirations and interests of employees. Also, we cultivate professional technical talents of the new generation by means of industrial-academia cooperations and campus recruitment. In addition, we regularly organize supplier conferences and consultation programs to improve the sustainability management ability of suppliers.	Talent Cultivation Responsible Manufacturing	
Social Contributions by the Technology Industry		⊙	⊙	⊙	Amidst its business growth, ASUS is dedicated to contribute to society from its profits. Based on three main themes of digital inclusion, community involvement, and environmental protection, we continue to care for society through integration with our core businesses.	Society COVID-19	

04 2025 Sustainability Goals

ASUS launched the "2025 Sustainability Goals" for the next five years with 2020 as the baseline year. This year, we adopted the double materiality principle to identify Matrerial topics. We integrated our core competencies and used the identification results as the basis to focus our goals on Climate Actions, Circular Economy, Responsible Manufacturing, and Value Creation. 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.

In 2021, we focused on analyzing the current state and resources for the four major goals to establish action plans and roadmap for attaining these goals.

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.

Goal progress

Increase product energy efficiency and assist suppliers' carbon reduction actions → Introduce renewable energy pilot programs → Expand renewable energy adoption in global operations

Goals	Actions/Achievements in 2021
Reduce 50% of carbon emissions from ASUS global operations centers by 2030	▸ Completed greenhouse gas inventory for global operations and third-party certification. Carbon emissions from operational electricity consumption dropped by 15.8% YoY in 2021. ▸ Monitored changes in renewable energy legislation and analyze renewable energy market trends and capacity ▸ Analyzed medium to long-term demand of renewable energy
Use 100% renewable energy in Taiwan-based operations centers by 2030; and in global operations centers by 2035	
Ensure that each year's key products demonstrate energy-efficiency that's 30% above the Energy Star standard	▸ Established the product energy management platform ▸ Business and home laptops launched in 2021 exceed Energy Star standard by 37.6%
Ensure that key suppliers achieve a 30% reduction in carbon intensity by 2025	▸ Completed the greenhouse gas inventory seminar and carbon reduction forum ▸ Established greenhouse gas inventory guidelines, online courses, and online technical consultation groups ▸ Identified emission hot spots in 9 production processes

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.

Goal progress

· Activate green product projects to develop and use environmentally friendly materials
· Plan information security system projects
→ Collaborate with business partners and fulfill project objectives
→ Expand the applicable product line and scope of services

Goals	Actions/Achievements in 2021
Promote sustainable procurement and increase the use of environmentally friendly materials in products and packaging by 100%	▸ Increased the use of post-consumer recycled resin (PCR) in products and used 100% recycled pulp or FSC-certified paper for paper packaging ▸ The use of environmentally friendly materials increased by 21% compared to 2020
Boost green competitiveness and increase the proportion of Eco Labels in revenue by more than 50%	▸ Launched the "Green Product Project" and set short, medium, and long-term targets for specific products ▸ The proportion of Eco Labels increased by 65.1% in revenue compared to 2020
Enhance safety in the R&D system and attain 100% coverage of international information security standards by 2025	▸ Information-security standards must be implemented during inventory-taking, in order to evaluate information-security management and implementation procedures.
Encourage a circular economy by achieving a global recycling rate of 20% for ASUS products	▸ Expanded the number of countries with product trade-in services (Taiwan , Mainland China, Brazil and Vietnam) ▸ Achieved global product recycling rate of 11.4%

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.

Goal progress

- · Implement supplier ESG audit and conflict mineral management
- · Review the current state of information security management of suppliers and set operating regulations

→ Assist suppliers to implement the sustainability projects

→ Rigorous compliance with ASUS Management Regulations

Goals	Actions/Achievements in 2021
Achieve labor and human rights goals by completing 100% of RBA third-party audits of key suppliers and ensure that any necessary corrective actions are taken	▸ 100% key suppliers completed the RBA third-party audits and improvements for deficiencies ▸ Updated the ASUS Supplier Code of Conduct and included human rights indicators
Use responsible mineral by sourcing 100% tantalum, tin, tungsten, gold, and cobalt from qualified smelters	▸ Maintained 100% of tantalum, tin, tungsten, and gold sourced from qualified smelters ▸ Increased the ratio of cobalt sourced from qualified smelters to 41% ▸ Identified key suppliers of cobalt and requested annual conversion plan to qualified smelters
Strengthen information security across the supply chain by ensuring that key suppliers demonstrate 100% compliance with information security regulations	▸ Incorporated supplier information security management system (ISO 27001) and added information security provisions to the contract. ▸ Invited key suppliers to the ASUS Information Security Month meeting to share their information security practices.

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.

Goal progress

Establish strategic business partnerships and talent development plans

→ Establish methodology of innovation management impact

→ Integrate the effect of innovative project and industrial-academic cooperation

Goals	Actions/Achievements in 2021
Intensify digital transformation and innovation efforts with the goal of a 100% increase in sustainable value creation	Worked with important business partners in strategic cooperation and commenced discussions on sustainable digital transformation and innovative circular development projects
Strengthen industry/academia cooperative projects to cultivate more than 1,000 talents	▸ Immersive workplace learning of over 3 months had trained a total of 116 talents ▸ Organized in-person/online seminars, corporate mentors, resume support, and career talks for 1,350 young participants

05 Circular Economy

According to the 2022 Circularity Gap Report, the world population has doubled from 1972 to 2021, and the annual consumption of virgin materials has surged from 28.6 billion tons to 101.4 billion tons worldwide, which is a 3.5-fold increase in the last 50 years. The global consumption of virgin materials will be over 100 billion tons each year and only 8.6% of the resources are being recycled and reused. In the past, industries have adopted the linear economic model of "take-make-dispose", which has led to a significant increase of waste. The lack of balance from such actions can imply that the growth will invariably reach the limit of space and resources at a certain time, thus creating the paradox of "shortage of resources" and "waste" in the society today. The rapid replacement of electronic products has exacerbated this issue. ASUS believes that if we do not change this production and consumption model, we would be unable to provide a sustainable future to the next generation, and the shortage of resources and fluctuating value will also create operational risks.

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

1 Total Material Management

Active total material management as a response to international environmental regulation changes in advance

2 Environmentally Friendly Materials

Increase the use of environmentally friendly materials to reduce carbon emissions over the product life cycle

3 Eco-labels

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

Performance

Monitor the results and implement continuous improvement based on the "ASUS 2025 Sustainability Goals".

86.6%
Eco Friendly Product revenue exceeded **86.6%**

85.1%
Halogen-free components accounted for **85.1%**

11.4%
Achieved global product recycling rate of **11.4%**

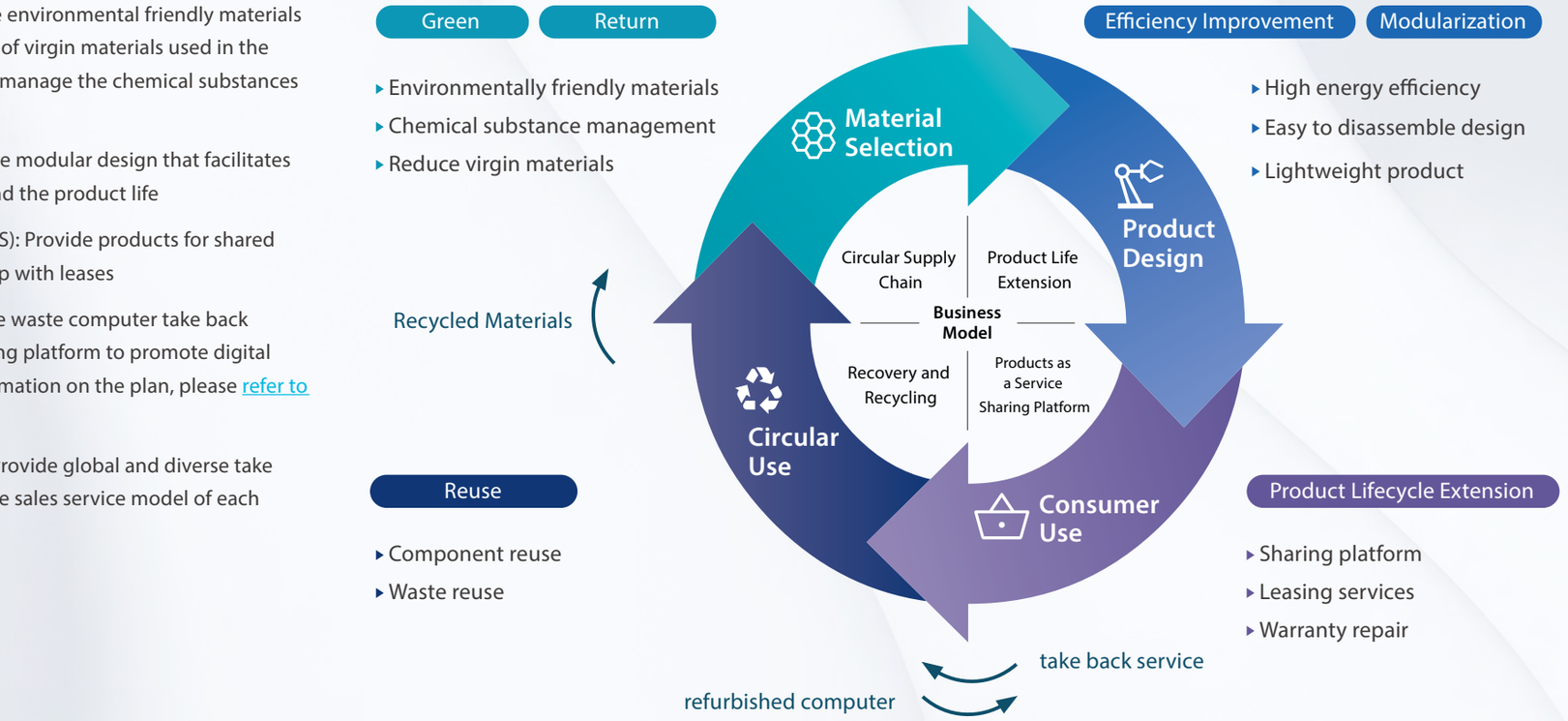
Impacts

Incorporate the circular economy policy in all stages of the product life cycle to reduce the environmental product footprint. Produce products with environmentally friendly materials, low energy consumption, and designs for easy disassembly and recycling. In order to expand the revenue share of green and safe products and create benefits for the environment, product users, and corporate operations.

Circular Economy Model

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

- Circular Supply Chain: Use environmental friendly materials to reduce the percentage of virgin materials used in the products and adequately manage the chemical substances in the raw materials
- Product Life Extension: Use modular design that facilitates easy disassembly to extend the product life
- Products as a Service (PaaS): Provide products for shared use and replace ownership with leases
- Sharing platform: Promote waste computer take back service and create a sharing platform to promote digital education. For more information on the plan, please refer to 10 Society
- Recovery and Recycling: Provide global and diverse take back services based on the sales service model of each country



Product Life Cycle Assessment

With the increasing environmental impacts of global warming and climate change, ASUS has paid more attention to the environmental impact of the product life cycle while creating product value. We follow the standards of ISO 14040 and ISO 14044 Life Cycle Assessment to quantify their potential impact on the environment. We identify opportunities for making improvement in the product life cycle based on the aforementioned LCA assessment results. We then redesign products, processes, and services, and improve product repairability, refurbishment and reuse to ensure more efficient reuse of next-generation products and resources and continue to track and reduce consumption.

In terms of the carbon footprint in the product life cycle, we incorporated the circular economy concept into the design of products and services as the carbon reduction issue becomes more critical for the international community. We use environmentally friendly materials, increase energy efficiency, extend the use cycle, and develop low-carbon products.

For instance, the carbon footprint analysis report for the ASUS laptop ExpertBook B9 showed that 59% of the product carbon footprint is attributed to the manufacturing process, while 27% comes from product use. ASUS has expanded its use of eco-friendly materials and set the improvement of product energy efficiency as its main goal. Therefore, ASUS has been using certified materials by the Forest Stewardship Council (FSC) for the packaging of ExpertBook B9 and its energy efficiency outperforms the latest version of the U.S. Energy Star standard by 54%, thus reducing the overall carbon emissions in product use to under 30%.

ASUS identifies the hot spots for emissions in the product life cycle and continues to track and reduce the carbon footprint of products.

ASUS Product Carbon Footprint Report →

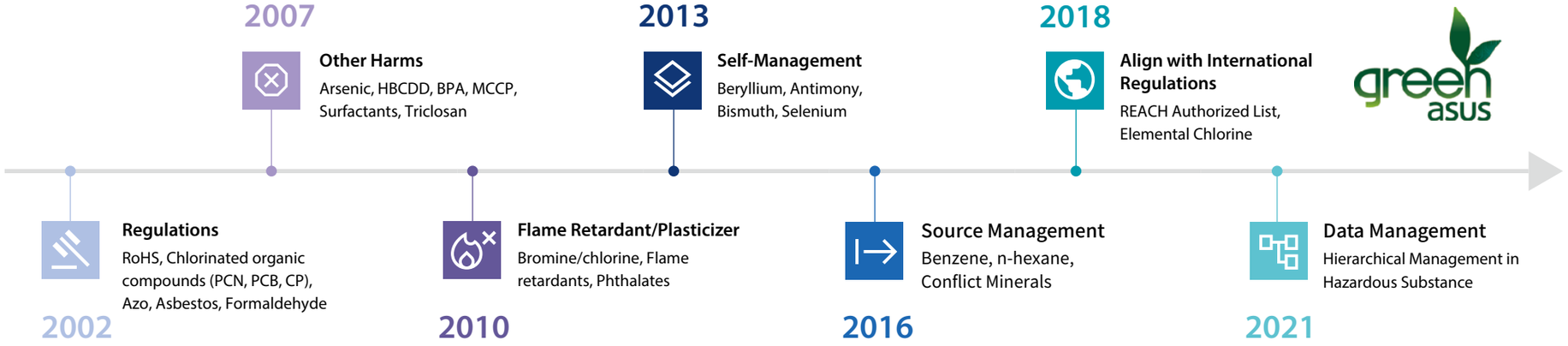
Green Material Usage

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.

Safer Chemicals

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

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



The ASUS Hazardous Substances Free (Hazardous Substances Free, HSF) standard has aligned with RoHS (Restriction of Hazardous Substances Directive) since 2002, and it also proactively takes the stringent regulations into consideration to include substances such as beryllium, antimony and red phosphorus. After several revisions, the standard goes far beyond the international regulations and also covers IEC 62474[1] Material Declaration Standard. We then use ASUS's rigorous management systems and procedures to ensure that all products meet the requirements and limits for substances set forth in the standards. We have adopted big data management since 2021 to predict trends and assess the risks of substances, components, and materials and improve audit quality and management efficiency.

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

Halogen-Free

In recent years, plastic pollutions has attracted the most attention. ASUS' approach is to improve the recyclability of plastics, and one of the key elements is the flame retardants. In order to protect users and improve the fire resistance characteristics of the product, flame retardants are added to the plastics of electronic products. Among them, halogen flame retardants have the advantages of wide application fields and high flame retardant efficiency, which are the main reasons for their widespread use. However, it has been confirmed internationally that halogen flame retardants will produce extremely toxic dioxin, which is harmful to the environment and human health, if improperly recycled and processed, and the parts containing halogen cannot be reused due to halogen acid.

ASUS is committed to continuously reduce the use of halogen flame retardants when technically and economically feasible, provided that the performance and quality of products remain unaffected. Since we adopting a halogen-free policy policy in 2010, we have gradually transitioned to halogen-free hard drives and batteries in 2019 and PCBs in 2021. The use of halogen flame retardants will be banned for more components and products in the future.

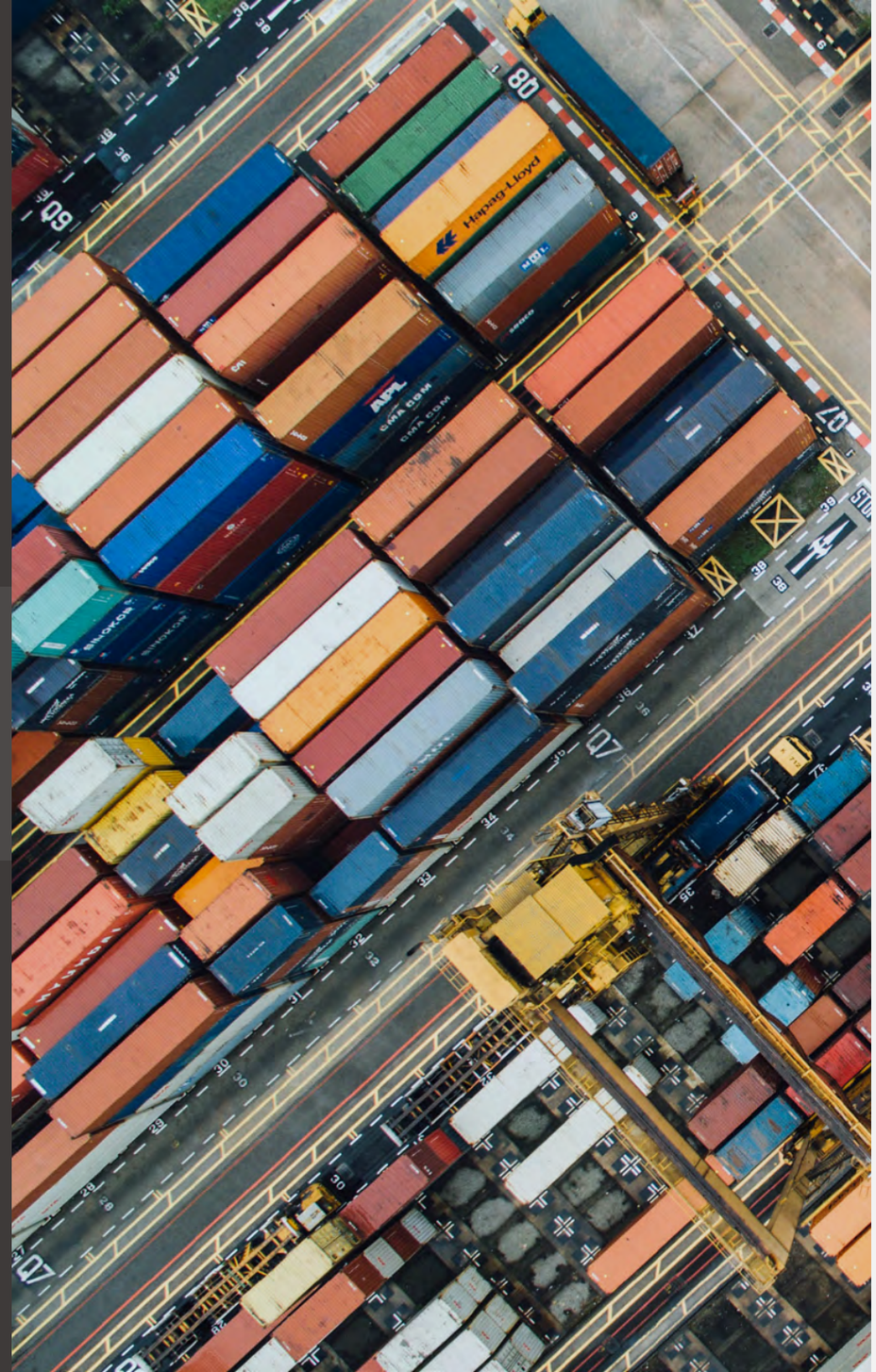
In terms of the management of halogen substances, ASUS has banned the use of chlorine in the bleaching process for paper packaging since 2018 and gradually phased out PVC in the Type-C charging cables for the next-generation mobile communication products in 2020. We also banned to use halogen flame retardants for the plastic external cases of electronic products in 2017 before regulatory requirements were implemented 85.1% of the products shipped in 2021 meet the "ASUS Halogen-Free Regulation" and we continue to advance toward higher goals.

Due to the advanced preparation for the management of chemical substances, ASUS has obtained environmental tax credits and has accumulated more than US$6.4 million in environmental tax credits in Sweden since 2017. It proves that we can contribute to the environment and reap benefits by enhancing the competitiveness of green products.

Management of Packaging Materials and Substances used in the Production Process

International regulations on hazardous substances change rapidly. With regard to the packaging materials that come into direct contact with consumers, we require them to meet the EU Directive 94/62/EC on packaging and packaging waste (PPWD). In 2021, we also required suppliers not to use mineral oil as printing materials and imposed additional restrictions on the use of Phthalates and Polycyclic Aromatic Hydrocarbons (PAHs). ASUS actively manages current and future international standards for hazardous substances and reduces the environmental hazardous factors that come in direct contact with humans.

In addition to controlling hazardous substances in products, ASUS cares about whether the materials or auxiliaries used in the manufacturing process might cause potential danger to the production line workers and the environment. Moreover, ASUS controls the use of benzene and n-hexane in the cleaning and decontamination solutions in the manufacturing process, ASUS has gradually introduced low-VOCs (Volatile Organic Compounds) raw materials such as paint and ink since 2020. To reduce the factors in manufacturing processes that are likely to affect the human body or indirectly cause environmental hazards, ASUS continues to ban all substances in the U.S. Toxic Substance Control Act (TSCA) and fulfill social responsibilities.

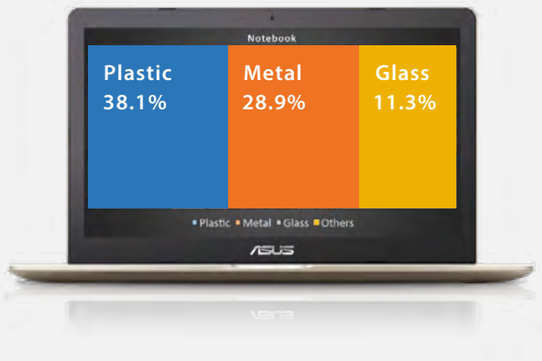


Case

Full Material Disclosure (FMD) - active substance management

Purpose of management

1. **Inventory materials and substances used on the production line to assess material risks**
2. **Actively respond to international environmental regulation changes ahead of schedule**



In the past, we frequently conducted surveys on supply chain and product with the passive response to international regulations or customer requests. We have gradually moved towards active substance management since 2018 by adapting the Full Material Disclosure (FMD) program. By investigating all materials used from the source to the assembly line, we could analyze the data and evaluate the risks of using materials.

FMD (Full Material Disclosure) is the method of enhancing the transparency of the chemical supply chain in the production process. ASUS works with the supply chain and prioritizes the FMD of mainstream products. We must work more closely with suppliers and upstream parts of the supply chain to implement FMD. ASUS helps suppliers create operating procedures for substances in the plants. We also use ASUS's current material management system with FMD inventory operations. The current FMD response rate is over 90%.

Take the laptop as an example. With FMD, we learn that it uses more than 300 chemical substances, which can be classified into plastic (about 38.1%), metal (about 28.9%), glass (about 11.3%), and other ingredients (about 21.7%). During the analysis process, high-risk substances can be immediately identified, and resources can be concentrated to look for alternative materials to ensure environmental and social safety.

ASUS shifts to an active substance management approach, with which we can accurately grasp the information of chemicals used in products and make chemical usage data the most valuable intellectual property of ASUS. The data will help ASUS to expand the management scope to upstream, immediately manage the risk in materials, and respond to the government policy and environmental regulations worldwide more quickly and more effectively. For example, the EU's updated "Waste Framework Directive" (WFD) requires products with SVHC (substances of very high concern) content higher than 0.1% to complete the reporting of the SCIP (Substances of Concern In articles as such or in complex objects (Products)) by January 5, 2021 to effectively monitor materials in the supply chain. Before the enforcement of the Directive, ASUS had completed the submission of all products so that we are well prepared for frequent updates of the list.

Select Environmentally Friendly Materials

In addition to improving the recyclability of resources, we are also gradually applying sustainable materials in the products. The "Plastic & Climate: The Hidden Costs of a Plastic Planet" report published by the Center for International Environmental Law (CIEL) estimated that plastic products would grow at an annual speed of 3.5% before 2050. With such speed, 2.8 Gt of CO_2e will be discharged in 2050, which is equivalent to the total emissions of 615 500MW coal-fired power plants.

Among ASUS products, mainstream products contain more than 30% plastic of total weight, which accounts for the largest amount of materials used. Therefore, we cooperate with the suppliers to explore the opportunities that increase the use of post-consumer recycled (PCR) plastic as much as possible without compromising quality, function, and durability. The average PCR plastic content of ASUS' business laptops is 5%. Moreover, ASUS developed PCR plastic with antibacterial functions by applying our innovative R&D skills. Since 2017, we have used more than 1,064 tons of PCR plastic and reduced carbon emissions by 1,915 tons CO_2e[2] . In the future, ASUS will continue to expand the use of sustainable materials in products and take real actions to support the circular economy and sustainability in the future.

Packaging Design

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%.

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 20,670 tons of recycled paper was used for main products in 2021, which was an increase of 20% on 2020. In terms of resource protection and the ecology, ASUS has started to use paper materials certified by the Forest Stewardship Council (FSC) since 2020. We used 20 tons in 2021 which was almost double the amount used in 2020. We will continue to significantly reduce the use of plastic.

In addition, 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.

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

Case

Environmental Benefits of Green packaging Materials

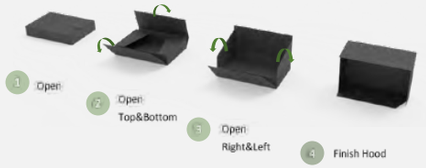
01 Reduce Single-Use Materials: Book-Shaped Boxes for laptops

laptops packaging contains more than 90% recycled pulp and more than 95% of the materials for the box is paper-based, which reduces single-use plastic.

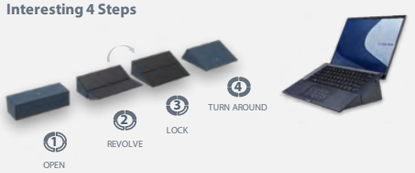
02 Circular Use: Giftbox for Monitors and laptops

ASUS uses a simple design concept to create a professional display hood that can be easily and quickly assembled to recycle packaging materials. The packaging buffers can be used for protecting and elevating the monitor as well as cable organization and other functions in its reuse.

Monitor



laptops



03 Lightweight Packaging with Increased Transportation Efficiency: Mobile Bluetooth Speaker Projector

The new-generation product packaging reduces the weight by 7.8% compared to the previous generation. It also reduces the volume of packaging by 26.5% and increases transportation efficiency by 53% to reduce carbon emissions in the transportation process.

04 Zero-Glue with snap lock Design

For the Zenfone8, we used soy ink and environmentally friendly materials for the foil printing. The structure is fixed in place by a snap lock to create a zero-glue design. It allows the packaging box to be flattened for retrieval and assembled and increases the efficiency in transportation and stacking by 50%. More than 70% of the packaging is made with recycled paper materials that can be 100% recycled and reused to achieve an elegant and environmentally friendly packaging design.

Product Energy Efficiency

Product Energy Efficiency Target

According to the estimation of Energy Technology Perspectives 2017, to achieve the 2°C target, the growth rate of energy consumption must be reduced from an annual increase of 3% to 1.5%. This means that the energy efficiency of products must be greatly improved. The energy efficiency of IT products determines the greenhouse gas emissions of products in their use. To effectively reduce carbon emissions in the use, ASUS has set standards product energy efficiency and maximum energy consumption. After ASUS obtained the world's first carbon footprint certificate in 2009, we have begun energy conservation actions in separate stages, continuously invested R&D resources in green design, and improved the energy efficiency of hardware and software to improve the energy efficiency of the products.

We adopted "increase average product energy efficiency by 50% compared to 2013" as our 2020 sustainability target and we have gradually moved toward our target each year. After reaching our targets, we took more active actions and adopted "Ensure that each year's key products demonstrate energy-efficiency that's 30% above the Energy Star standard" as our 2025 sustainability goal. It helps make our target more transparent and easier to trace and measure.

Efficient Product Design

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.

Superior to the Energy Star standard

Through the above design optimization, the business and home laptops launched by ASUS in 2021 exceed the Energy Star standard by an average of 37.6%. Products that meet Energy Star standard account for 67.5%[3] of the revenue in 2021. Energy Star selects monitors with the highest efficiency and provides certification. In 2021, 38 ASUS monitor models received "Energy Star Most Efficient 2021", and , which includes 15 monitors are recognized as "Energy Star Most Efficient 2022".

2020
Product Energy Efficiency Target

Increase average product energy efficiency by 50% from 2013

2025
Product Energy Efficiency Target

Ensure that each year's key products demonstrate energy-efficiency that's 30% above the Energy Star standard

For more information on ASUS's actions for carbon reduction and energy conservation in business management and the supply chain and the effectiveness of these actions, please refer to 06 Climate Action.

[3] For information on the percentage of revenue of the products that meet Energy Star certification standards, please refer to the note: The Calculation Base of Environmental Indicators.

Product Life 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.

The French Repair Index

ASUS's Repairability Index rated by the Ministry of Ecological Transition (MTES) in 2021 was 7.3 points

It shows that ASUS products are superior to other competing products on the market in terms of availability of information related to maintenance, ease of product disassembly, availability of spare parts on the market, price difference between spare parts and finished products, and the subsequent maintenance and upgrade of products.

Self-diagnostic Check

ASUS has established the technical support website to provide software and firmware updates for optimizing product performance. We also provide diversified customer services such as physical stores, timely services, and support website to solve questions on product use or provide maintenance service for consumers. We have developed the "self-diagnostic check" to optimize product performance and solve problems. It also allows users to know the health status of their computer equipment at any time, thereby extending the product life.

Product as a Service

The market research think tank Euromonitor International recently published the "Top 10 Global Consumer Trends" report, which states that products or services for the circular economy such as shared use or lease in lieu of ownership are attractive to consumers. They can also be used to ensure good use of resources and expand new business opportunities for sustainability.

The Device as a Service (DaaS) by ASUS uses a flexible payment scheme to help corporate customers reduce expenditures on hardware, cost of deployment, and cost of technical support and services. It offers comprehensive lease options for the use of IT hardware and services.

Device as a Service (DaaS) by ASUS →

Resource Regeneration

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

Global Take Back Service

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

ASUS provided recycling services in 30 countries in 2021, which covered 75% of the sales market. We provided diverse recycling services based on the sales model in each country, including setting up drop off, mail back, trade-in, and pick up services. In 2021, we recycled more than 11,623 tons of e-waste and 11.4% total weight of ASUS products sold worldwide was recycled products.

For detailed information, please refer to the ASUS CSR website

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

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

Recycling Company Management Regulations

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

We implement regular second-party and third-party audits on recycling companies in continuous collaboration. Any company that fails to pass the audit or improvement requirements will be eliminated and replaced. ASUS conducted annual audits on recycling companies in 2021 and there were no major deficiencies. The key points for the audit and management of recycling company are as follows:

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

Recycling Program for Discarded E-waste

In Taiwan, take back service are provided at ASUS Royal Club Service Center and consumer electronics retailer Sun Far, and consumers could bring in all kinds of discarded electronic products (computers, mobile phones, monitors and peripherals) regardless of brand. Through ASUS' "Refurbished Computer and Digital Training Program", discarded computers and components are turned into refurbished computers and are donated to remote regions and disadvantaged groups in Taiwan and abroad. In 2021, ASUS donated over 1,000 refurbished computers, and the reuse rate reached 4.1%[6].

ASUS actively supports the government's mobile phone recycling month event. We also collaborated with FamilyMart to offer additional recycling incentives and provide mobile phone recycling services in more than 3,000 stores in Taiwan. We provided discounts on the ASUS online shopping platform to encourage consumers to recycle their old devices. The number of mobile phones recycled in 2021 surged by 45.8% compared to the previous year.

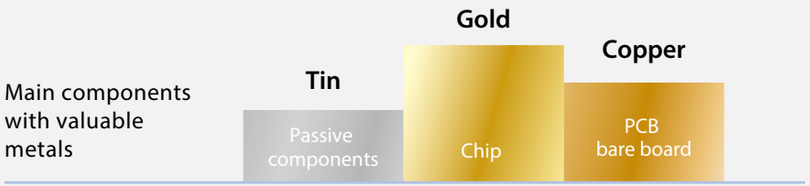
Due to the impact of the global pandemic, ASUS suspended the e-waste product recycling event in different regions but continued to expand the convenient online trade-in recycling service platform in areas such as Taiwan, Mainland China, Brazil, and Vietnam. We provide consumers with incentives for recycling when they purchase new products and offer convenient services for recycling e-waste.

[6] The scope is based on the data from the "Refurbished Computer and Digital Training Program" in Taiwan and the ratio of the weight of refurbished computers donated / recycled products in 2021.

Case **Analysis of the Effectiveness of Recycling Metal from Motherboards of laptops**

According to the Global E-waste Monitor 2020 report, the materials in global e-waste in 2019 totaled approximately 25 million tons with a potential value of approximately US$57 billion (US$26.4 billion in Asia). The formal documented collection and recycling rate was only 17.4%. It means that globally, only approximately 4 million tons of e-waste are reused and recycled. The remaining materials with potential value were not appropriately used.

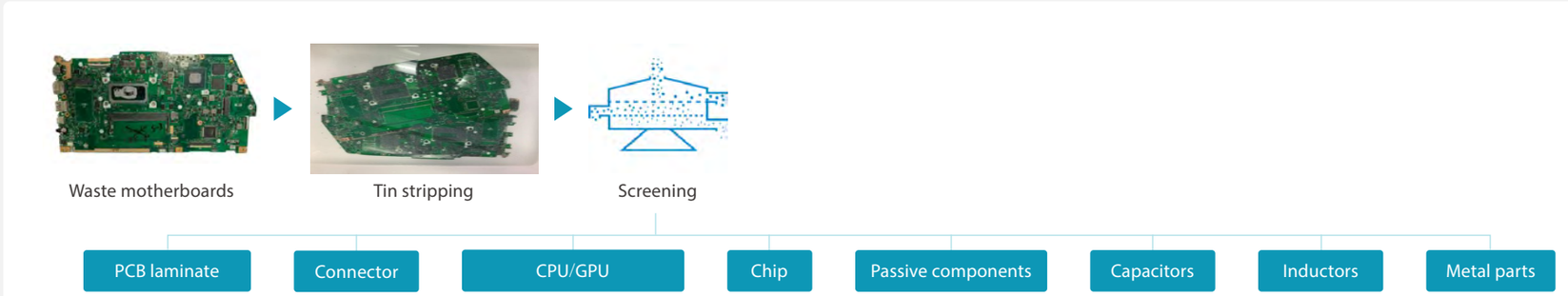
Top 3 valuable metals recycled from motherboards



ASUS continues to work hard on circular economy to meet requirements for reusing resources and reducing carbon emissions in recycling. We work with third parties with clean metal recycling technologies and launched the project for analyzing the metals recycled from laptops in 2021. With the project, we learned that gold, silver, and palladium with a value of approximately NT$90,000 can be recovered from each ton of laptop motherboards. In other words, recycling essentially turns waste into gold.

By examining the current conditions of the use of the components, we can concentrate the processing of components with valuable metals in the future. We can also implement responsible mineral investigations in supply chain management and focus on the audit of key suppliers in their responsible use of minerals.

In addition to evaluating the benefits for recycling metals from motherboards in the metal recycling process, we adopted the low-carbon recycling technology and a green agent for zero-cyanide processing. We use mechanical disassembly, sorting, and the wet tin stripping process to quickly and completely remove metals. The efficiency is 15% higher than that of traditional recycling technologies and the wastewater derived therefrom is easier to process compared to traditional processes that use cyanide or aqua regia. Also, It can reduce the carbon emissions in the treatment process. ASUS has adopted the closed loop concept for recycling and reuse and transitions toward the sustainability goal of cradle to cradle to minimize energy and resource consumption and make zero waste possible. We shall increase green competitive advantages and opportunities to respond to future carbon reduction and circular economy development.



Eco Labels

The eco-label helps consumers identify products or services with better environmental quality that is superior to those required by law. It is deemed as one of the most suitable methods to implement a circular economy. For example, the Type I Ecolabel defined under ISO 14024 requires products to comply with the requirements in the whole life cycle, and verification by an independent third party. Only 25% of the products on the market achieve such a level of environmental performance. ASUS has been long investeding in the R&D of green products. Through the use of safer chemicals, environmentally friendly and recycled materials, lightweight packaging, and outstandingly energy-efficient excellent products energy efficiency, and along with the design of products that are easy to disassemble and repair, the revenue from ASUS Eco Friendly Products was now account for 86.6%[7] of revenue. Furthermore, we demonstrate our green competitiveness by obtaining strict certification of international environmental eco-labels.

EPEAT is regarded as one of the highest product environmental protection standards. Its standard include ten requirements for substance management, material selection, product design, energy usage, and product & corporate footprint, which focus on reducing the impact on the environment in the entire life cycle and is regarded. The EPEAT 2.0 has become more stringent since it revised was in 2018. But ASUS still actively registers products such as laptops, desktop computers, and liquid crystal displays as EPEAT products, and obtains the TCO certification in Sweden and Japan Eco Mark. In addition to EPEAT, ASUS also actively participated in the application of various eco labels in Europe, North America, and Asia. In 2021, we acquired a total of 8 types of eco labels worldwide.

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 14.2%[8] of the total revenue.

> The EPEAT (Electronic Product Environmental Assessment Tool) was jointly initiated by the EPA and IEEE in the USA.
> The Tool follows ISO 14024 structure and acts as a representative global eco-label in the IT industry.

EPEAT Environmental Performance

We used the GEC (Green Electronics Council) assessment tool for products that received the EPEAT label in 2021 to determine the total reduction in environmental impact of EPEAT products sold in 2021. ASUS products have reduced more than 27,542 tons of CO_2e and 3,247 tons of solid waste, saved 810,000 tons of water and 138,714 MWh of electricity. It demonstrates that products with EPEAT label perform better and shows our commitment to reducing the environmental impact of our products.

[7] For information on the revenue of Eco Friendly Products please refer to the Remark: The calculation base of environmental indicators.
[8] For information on the revenue of EPEAT certification or equivalent standards, please refer to the Remark: The calculation base of environmental indicators.

Case ExpertBook B9 series

The ASUS ExpertBook B9 has a magnesium-lithium alloy body with an ultra-narrow bezel design, and it thus weighed less than one kilogram. It has obtained EPEAT Gold level and Energy Star certification for its entire product life cycle.

Rated as EPEAT™ Gold
Received the Energy Star® 8.0 certification

Lightweight Performance

- Durable and lightweight magnesium-lithium alloy chassis

Sustainable Packaging

- Packaging contains more than 90% recycled materials
- Use environmentally friendly sustainable paper

Environmental Performance

- Complying with all applicable directive and regulations substance restrictions
- Elimination of the use of beryllium and substance of EU REACH Annex XIV
- Collected an inventory of over 90% of the substances used by product weight
- PCB laminate meet Low halogen criteria.

Energy Saving Performance

- ENERGY STAR certified and that is up to 54% more efficient than ENERGY STAR standard.
- Energy efficiency for external power supplies exceeding International External Power Supply Efficiency Level VI for 1%
- Rechargeable battery is chargeable to over 65% of its capacity after 1000 cycles.

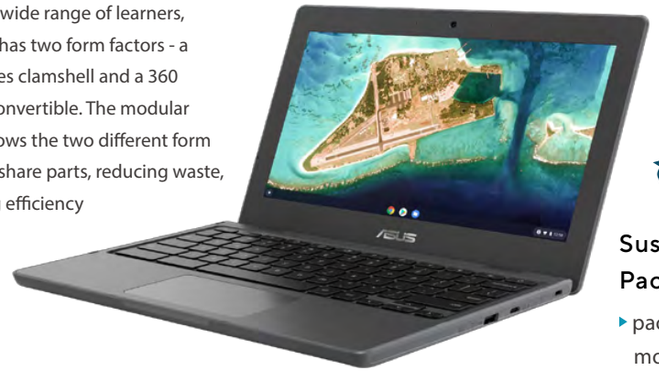
Case Chromebook CR1100 series

The ASUS Chromebook CR1100 series received the Good Design Award in Japan in 2021. Its modular design reduces the waste of resources and it is designed to increase efficiency. It allows the screen to be flipped 180 degrees or 360 degrees.

Rated as EPEAT™ Gold
Received the Energy Star 8.0 certification and TCO certification in Sweden

GOOD DESIGN AWARD

To serve a wide range of learners, the series has two form factors - a 180 degrees clamshell and a 360 degrees convertible. The modular design allows the two different form factors to share parts, reducing waste, improving efficiency



Sustainable Packaging

- packaging contains more than 90% recycled materials

Environmental Highlights

- Compliance with WW directive and regulations of substance restriction
- Elimination of the use of beryllium and substance of EU REACH Annex XIV
- Collected an inventory of over 90% of the substances used by product weight
- PCB laminate meet Low halogen criteria
- Over 16% post-consumer recycled material in the product.

Energy Saving Performance

- Energy Star certified and power consumption less than maximum energy limit over 25%.
- Energy efficiency for external power supplies exceeding international external power supply efficiency level VI for 1%

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 2021

Denominator: Number of all components used in products available for shipment in 2021

Percentage of revenue of Eco Friendly Products

Numerator: Net revenue of Eco Friendly Prodocts that have obtained or once obtained labels defined by ASUS as of December 31, 2021

Denominator: Net revenue of all products in 2021 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, 2021

Denominator: Total revenue of products that could apply for EPEAT, TCO, Taiwan Green Mark and China Environment Labelling in 2021

The Ratio of Revenue of Product Complies with Energy Star

Numerator: Revenue of products are eligible for the Energy Star up to December 31, 2021

Denominator: Total revenue of products that could apply for Energy Star in 2021

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 2021

Denominator: Total weight of delivered products in 2021

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

06 Climate Action

Climate change is a contemporary global issue that has profound impacts and presents challenges to humankind, ecology, and the earth. At the 26th United Nations Climate Change Conference (COP26) in 2021, parties signed to adopt the Glasgow Climate Pact and reaffirmed their commitment to the "Paris Agreement" in 2015 to limit global warming to 1.5°C and strengthen international initiatives for combating global warming.

ASUS supports the goals of the Paris Agreement together with the targets and solutions drafted through scientific means. Although we are not in an energy-intensive industry, we persist with a no-regret policy and facilitate industrial influence on the topic of mitigating climate change. In addition to contributing to the environment and to society through innovation, we have integrated climate action into our operations policies by creating corresponding strategies set against major climate risks and opportunities. We use qualitative and quantitative methods to track progress.

Actions

1 Reduce Carbon Footprint

Increased product energy efficiency and reduce carbon footprint of products

2 Low-Carbon Production Process

Promoted low-carbon production process and help key suppliers reduce carbon emissions

3 RE100

Participated in the RE100 global initiative for renewable energy and formulate short, medium, and long-term renewable energy development plans to reduce the carbon footprint of global operations

Performance

37.6%

Average energy efficiency of laptops exceeded Energy Star by 37.6%

Greenhouse Gas Inventory Guidelines

Held the supply chain greenhouse gas inventory seminar and carbon reduction forum, and established greenhouse gas inventory guidelines

Impacts

ASUS set science-based carbon emission reduction targets and initiated our climate actions in three stages: enhance energy efficiency, expand the use of renewable energy, and remove residual emissions by innovative technology. We participate in the RE100 global initiative and became a founding member of the "Taiwan Climate Partnership". We fulfill responsibilities as a leader of the industry and use collaboration and value creation to lead the industry in attaining net zero emissions.

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

Governance

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

Board of Directors	ASUS Sustainable Development Policy is reviewed and passed by the Chairman of the Board of Directors who serves as the highest decision-making person and is responsible for sustainability issues of ASUS Group. Duties include the approval for climate change strategies, goals and actions. Starting from 2022, climate action progress and achievements will be reported to the Board of Directors quarterly, instead of yearly.
Sustainability and Green Quality Management Center	The Chairman has instructed the CEO to serve as the highest-making manager for climate change and sustainability management, and establish the dedicated unit "Sustainability and Green Quality Management Center" (SGQM). ASUS appoints a Chief Sustainability Officer (CSO) to analyze global sustainability trends and execute sustainability projects, and also incorporates the sustainable development taskforce unit as one of the taskforce units of the Business Continuity Management Committee, which reports risk management indicators related to climate change each quarter.
GreenASUS Steering Committee & SERASUS Steering Committee	The CSO serves as the management representative and reports to the CEO. He is responsible for horizontal inter-departmental coordination and collaboration to implement sustainability strategies and climate action issues into products, operations, and value chain management. The Steering Committee is responsible for periodically monitoring and managing the performance indicator regarding climate action performance.

Member of the Taiwan Climate Partnership

Eight major technology companies including ASUS, AUO, Delta Electronics, Pegatron, TSMC, Lite-On, Acer, and Microsoft have formed the Taiwan Climate Partnership (TCP) with the aim of using their influence on their suppliers to lead the supply chain in Taiwan keeping up with international initiatives for carbon emissions reduction. TCP leverages the power of partners in the alliance to connect with international initiatives such as RE100 and CDP, monitor global trends in countering climate change, and introduce new initiatives to Taiwan. As a founding member, ASUS is committed to supporting supply chain partners in attaining the carbon reduction targets by increasing energy efficiency and promoting low-carbon manufacturing.

Strategy

As the threat of climate change intensifies, "net zero emissions by 2050" has become the consensus in global climate actions. Nearly 140 countries across the world that produce 88% of global carbon emissions have pledged to achieve net zero emissions by 2050, demonstrating that the world is moving towards net zero emissions. According to the "Net Zero Economy Index 2021" published by PwC in 2021, achieving net zero emissions by 2050 will be difficult. Reducing 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 attain net zero emissions. ASUS set science-based targets (SBT) for carbon emission reduction and initiated our climate actions in three stages: enhance energy efficiency, expand the use of renewable energy, and remove residual emissions by innovative technology, to lead the value chain to net zero.

ASUS Net Zero Vision

Innovative technologies

2050
Invest in innovative technologies
Remove residual emissions
Lead the value chain to net zero

Expand the use of renewable energy

2030
Use **100%** renewable energy in Taiwan-based operations centers

2035
Use **100%** renewable energy in global operations centers

Enhance energy efficiency

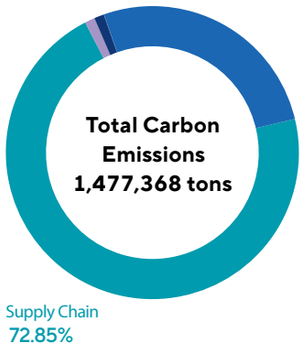
2025
Ensure energy efficiency of products reaches **30%** above the Energy Star standard

Achieve a **30%** reduction in carbon intensity rates in the supply chain

Greenhouse Gas Inventory

ASUS has implemented greenhouse gas inventory since 2007, and the scope includes direct greenhouse gas emissions, indirect greenhouse gas emissions from imported energy, indirect greenhouse gas emissions from products used by organization (supply chain), indirect greenhouse gas emissions associated with the use of products from the organization (Use of sold products), indirect greenhouse gas emissions from transportation (Business travel, Downstream transportation and distribution). ASUS also completed third-party certification in accordance with ISO14064-1:2018.

The data from the inventory in 2021 showed that ASUS' total carbon emissions amounted to 1,477,368 tons CO_2e.



Category 1
Direct GHG emissions and removals
0.01%

Category 2
Indirect greenhouse gas emissions from imported energy
1.16%

Category 3
Indirect greenhouse gas emissions from transportation (Downstream transportation and products)
1.04%

Category 3
Indirect greenhouse gas emissions from transportation (Business travel)
0.02%

Category 4
Indirect greenhouse gas emissions from products used by organization (Supply chain)
72.85%

Category 5
Indirect greenhouse gas emissions associated with the use of products from the organization (Use of sold products)
24.92%

Category 1 Direct GHG emissions and removals

ASUS does not have an assembly plant, and the main direct emission sources are the use of firefighting equipment, backup generators and office vehicles.

Category	Type of Energy	Activity Data	Carbon Emission (ton CO_2e)	Total Carbon Emission (ton CO_2e)
Stationary Source	(Emergency generator) Diesel	7,500 L	19.61	93.98
	(Boiler) Natural gas	20,874 M^3	45.69	
Mobile Source	(Office vehicle) Diesel	823 L	2.18	
	(Office vehicle) Diesel	11,253 L	26.50	

Emission intensity: 0.0052 tons CO_2e/ Million USD

Category 2 Indirect greenhouse gas emissions from imported energy

According to the list in the financial report, after excluding companies that ASUS does not have control rights, the total carbon emissions fell by 15.8% from the previous year.

	Headquarters	Mainland China	Overseas	Total
Electricity Usage (MWH)	19,188	7,984	5,425	32,597
Carbon Emission (ton CO_2e)	9,767	4,431	2,963	17,161

Emission intensity: 0.9430 tons CO_2e/ Million USD

Category 3 Indirect greenhouse gas emissions from transportation

Business travel and upstream transportation of products were material.

Business Travel

The total carbon emissions from employees' business travel in 2021 amounted to 260 tons CO_2e. Due to the impact of the COVID-19 pandemic, the total carbon emissions fell by 57% from the previous year. (Business travels on land were not included in the calculation due to low significance)

Downstream Transport of Products

The carbon emissions of laptop, desktop computer, all-in-one PC, and monitor product lines shipped from factories to global markets amounted 15,363 tons CO_2e.

Category 4 Indirect greenhouse gas emissions from products used by organization (Supply chain)

The total carbon emissions of key suppliers from nine types amounted to 1,076,291 tons CO_2e, and the emission intensity was 126.41 tons CO_2e/USD million.

Category 5 Indirect greenhouse gas emissions associated with the use of products from the organization (Use of sold products)

The total carbon emissions from the use of sold products in countries/regions that account for 90% of global revenue amounted to 368,198 tons CO_2e, and the emission intensity was 27.77 tons CO_2e/USD million.

Risk Management

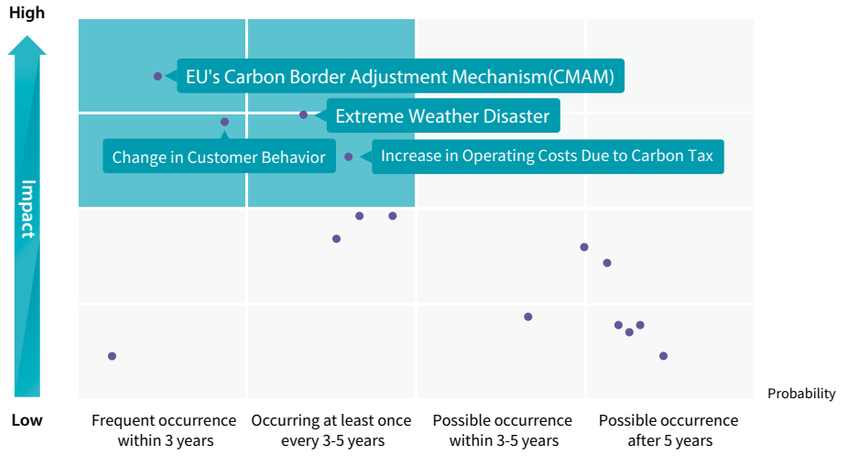
The World Meteorological Organization (WMO) stated that "continuing climate change, an increasing occurrence and intensification of extreme events, and severe losses and damage, affect economy, society, and the environment. On the other hand, the world reached a consensus in the Paris Agreement to accelerate the transition to a low-carbon economy. The goal is to hold the increase in global average temperature below 2°C above pre-industrial levels, and preferably limit the increase to 1.5 °C. This means that regardless the success of actions in response to climate change around the world, companies will face certain risks.

Risk Identification

ASUS took the climate risk and opportunity factors, such as the probability and frequency of occurrence, and the possible effects, recommended by the TCFD, to evaluate the risk value and the opportunity value, and identified physical and transition risks of concern.

Transition risks: in order to response to the complexity and impact of the market caused by climate change, we must adjust the supply and demand with methods including policy, legal, technology, and market changes, to mitigate and adapt to the needs of climate change.
Carbon tax, Carbon Border Adjustment Mechanism (CBAM), changes in customer behavior

Physical risks: the actual risks caused by long-term climate change and immediate extreme weather disasters would bring direct impacts to the industry and supply chain disruptions.
Extreme climate events shut down the assembly plant



ASUS fully recognizes that the transition risk and the physical risk have different level of impact on sustainable operations. ASUS analyzed the transition risk of the following four scenarios according to the World Energy Outlook (WEO) published by the International Energy Agency (IEA) in 2021:

IEA Scenario	Scenario Description	Simulation Scenario Corresponding to ASUS Transition Risk
Stated Policies Scenario (STEPS)	Including the specific contents of policies that have been announced so far and intending to highlight the impact of the announced policies on the future energy system	BAU Scenario
Announced Pledges Scenario (APS)	Incorporating all the latest climate commitments of each country, including the Intended Nationally Determined Contributions (INDC) and long-term net zero targets, and all carbon reduction commitments could be implemented on schedule	-
Sustainable Development Scenario (SDS)	Calling for the attainment of sustainable development, which is to holding the increase in global average temperature below 2°C, and attaining the targets set in the "Paris Agreement"	2DS Scenario
Net Zero Emissions by 2050 Scenario (NZE)	Achieving net zero emissions by 2050	1.5DS Scenario

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[1]. 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)[2] Scenario from AR5 to evaluate future climate trends[3].

Scenario SSPx-y[4]	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		1.5	2.1	3.6	-
SSP5-8.5	Fossil-Fueled Development		1.6	2.4	4.4	The most serious impact on operations

Source: This report.

[1] 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/.

[2] 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.

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

[4] 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

Scenario Simulations

ASUS simulates transition risks based on the STEPS, SDS, and NZE defined by IEA, which correspond to ASUS' BAU Scenario, 2DS Scenario, and 1.5DS Scenario. ASUS also referenced the impact of SSP5-8.5 in AR6 to evaluate the physical risks of extreme weather events on the suspension of assembly plants in the supply chain.

Increase in production costs caused by carbon tax

The government uses carbon tax and other policies to meet requirements in the Paris Agreement or the INDC, which leads to an increase in production costs

Scenario Assumptions

1. According to the GHG inventory data in 2020, the main carbon emissions of ASUS derived from the supply chain, production, and assembly, which accounted for 70% of the carbon emissions. More than 90% of the suppliers are located in Mainland China. Mainland China has pledged to bring its total greenhouse gas emissions to a peak by 2030 (CO_2 emissions peak) and attain "carbon neutrality" before 2060.
2. To attain carbon neutrality, Mainland China will implement a carbon tax starting from 2030 and levy Unit taxes from companies with carbon emissions within Mainland China. The carbon tax implemented in 2030 is estimated based on the transaction price of Mainland China's national ETS market.
3. The growth in global sales for ASUS leads to the increase in carbon emissions in the supply chain in Mainland China.

Financial Impact

- In 2030, due to the increase in carbon emissions in the supply chain, the present value of carbon tax in 2030, under the 2DS and 1.5DS scenarios is estimated to reduce by 36% and 97% compared to the BAU scenario respectively.

Carbon Border Adjustment Mechanism (CBAM) of the European Union

The EU will officially implement the CBAM in 2027 to ensure that trading partners bear the same cost of carbon as industries in the EU to 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.

Scenario Assumptions

1. The European Commission announced the Fit for 55 package on July 14, 2021. It requires the 27 member states of the EU to meet the collective goal of reducing carbon emissions by at least 55% from level in 1990 by 2030. The EU announced the draft of the CBAM to attain the goal and maintain the international competitiveness of EU companies. The purpose of the draft is to ensure that trading partners bear the same cost of carbon as industries in the EU. The pilot run is expected to start in 2023 and it will become in force in 2027. It would initially cover only products in the iron and steel, aluminum, cement, fertilizer, and electricity industries.
2. Taking into account that electronic products might be included in the second batch of the list, ASUS made the advance assessment of the possible impact the CBAM implementation on products exported to the EU might cause.
3. The carbon footprint of ASUS laptops in 2020 was approximately 300KG per unit on average. Under the BAU, 2DS, and 1.5DS Scenarios, the estimated rate of carbon footprint reduction under the BAU scenario, 2DS scenario and 1.5DS scenario.

Financial Impact

- The CBAM carbon price is based on the average closing price of weekly carbon auctions in the European Union Emission Trading Scheme (ETS). According to the assumptions based on the simulated parameters, ASUS estimated the present value of carbon tax in 2027 to be reduced by 23% and 87% under the 2DS and 1.5DS scenario respectively.

Changes in customer behavior

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 and will result in loss of revenue.

Scenario Assumptions

1. According to the consumer purchase survey conducted by First Insight and Wharton School of Business, the proportion of consumers paying more for Eco Friendly Products is increasing annually. In addition, the survey on global consumer attitudes toward sustainability conducted by Simon-Kucher & Partners showed that the new generation are willing to pay more for Eco Friendly Products.

Financial Impact

- ASUS' main products have met Energy Star requirements since 2013. Although the requirements has become more stringent after numerous revisions, ASUS' products have demonstrated that the average energy-efficiency is 30% above the Energy Star standard due to the superior energy-saving design. There are no potential risks.

Extreme weather events and disasters

The increase in the frequency and scale of heavy rain, floods, typhoons, and other extreme weather disasters have affected suppliers' deliveries, product manufacturing, logistics, and even the power supply. Supply chain disruptions and work suspension will affect product demands and cause losses to ASUS.

Scenario Assumptions

1. 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 power outages. These would in turn affect suppliers' normal operations and deliveries, and pose risks to ASUS' operations and reputation that cannot be ignored.
2. ASUS' key product assembly plant is located in Chongqing, China. According to the "China 2050 High Renewable Energy Penetration Scenario and Roadmap Study". Electricity generating from renewable energy will reach 86%, with hydroelectric power will reach 14%. It is evident that hydroelectric power is the main source of energy in the future.
3. Ertan Power Plant is the source of energy in the area where the assembly plant is located. Unstable power supply caused by extreme weather events will lead to the suspension in the assembly plant and bring financial impacts.

Financial Impact

- ASUS referenced and used the simulated CIMP6 results from Zhao et al. (2022) and estimated that in 2050 under SSP5-8.5 Scenario, the supply of electricity in Chongqing will decrease every year and cause power outages. The amount of loss due to suspensions accounts for 0.14% of ASUS' 2020 revenue.

For detailed information on climate action financial simulation for, please refer to the ASUS TCFD Report

Actions Taken

Operations

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

Products

Low-carbon product is our major appeal in response to carbon emission reduction. We have been invested in R&D to improve the energy efficiency of software and hardware and continue to reduce the carbon emissions when using the products. The Energy Star Program is the most rigorous energy efficiency program in the world. ASUS surveys the best available technologies and references global regulatory requirements to maintain high efficiency of products. The energy efficiency of ASUS' main products is above the requirements set forth in Energy Star standard, and we use the Level VI power supplies which meet the highest energy efficiency requirements for the external power supply. It avoids sales obstacles caused by global energy efficiency regulations and creates competitive advantages in the green product market. Please refer to 05 Circular Economy

Supply Chain

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 9 types of key component suppliers in the manufacturing process, including panels, motherboards, IC, cords, power supplies, mechanical components, keyboards, batteries, hard drives, as well as from Original Equipment Manufacturers (OEMs). ASUS established partnership programs with key suppliers from those types and adopted the following methods to facilitate continuous improvements by suppliers:

2022 Draft manufacturing processes for key components and identify hot spots for emissions such as equipment with high energy consumption and processes with high carbon emissions.

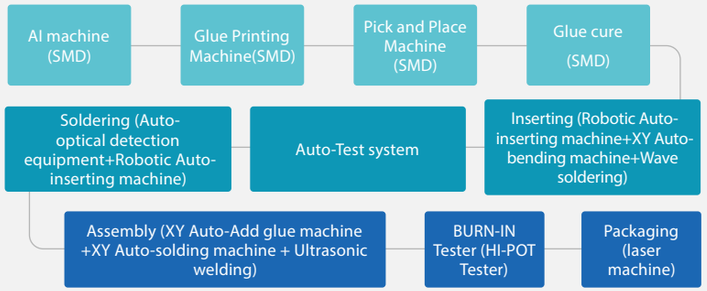
2023 Draft carbon reduction paths for key components based on the hot spots for emissions and suppliers' capacity for reducing carbon emissions.

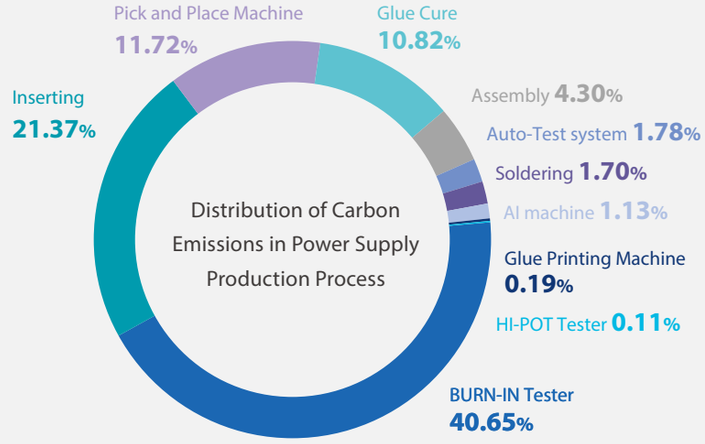
2024 -2025 Collaborate with suppliers on projects with low-carbon materials, process optimization, improvement in equipment efficiency, and renewable energy to promote technology in carbon reduction.

Case Emission Hotspots Analysis in Production Process of Power Supply

The 10 processes in the power supply production process are illustrated below. We have identified the emission hotspots are the wave soldering process in the aging process and the machine assignment process, which account for 40% and 21% of the carbon emissions, respectively. The subsequent reduction and assistance project will focus on the optimization of the aging and wave soldering process and increasing the energy efficiency of equipment.

Production Process of Power Supply





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

1 Human Rights

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

2 Carbon Reduction Projects

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

3 Sustainable Supply Chain Platform

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

Performance

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

390,000
Protected the labor rights of more than 390,000 works (Data from 2013 to 2021)

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

Impacts

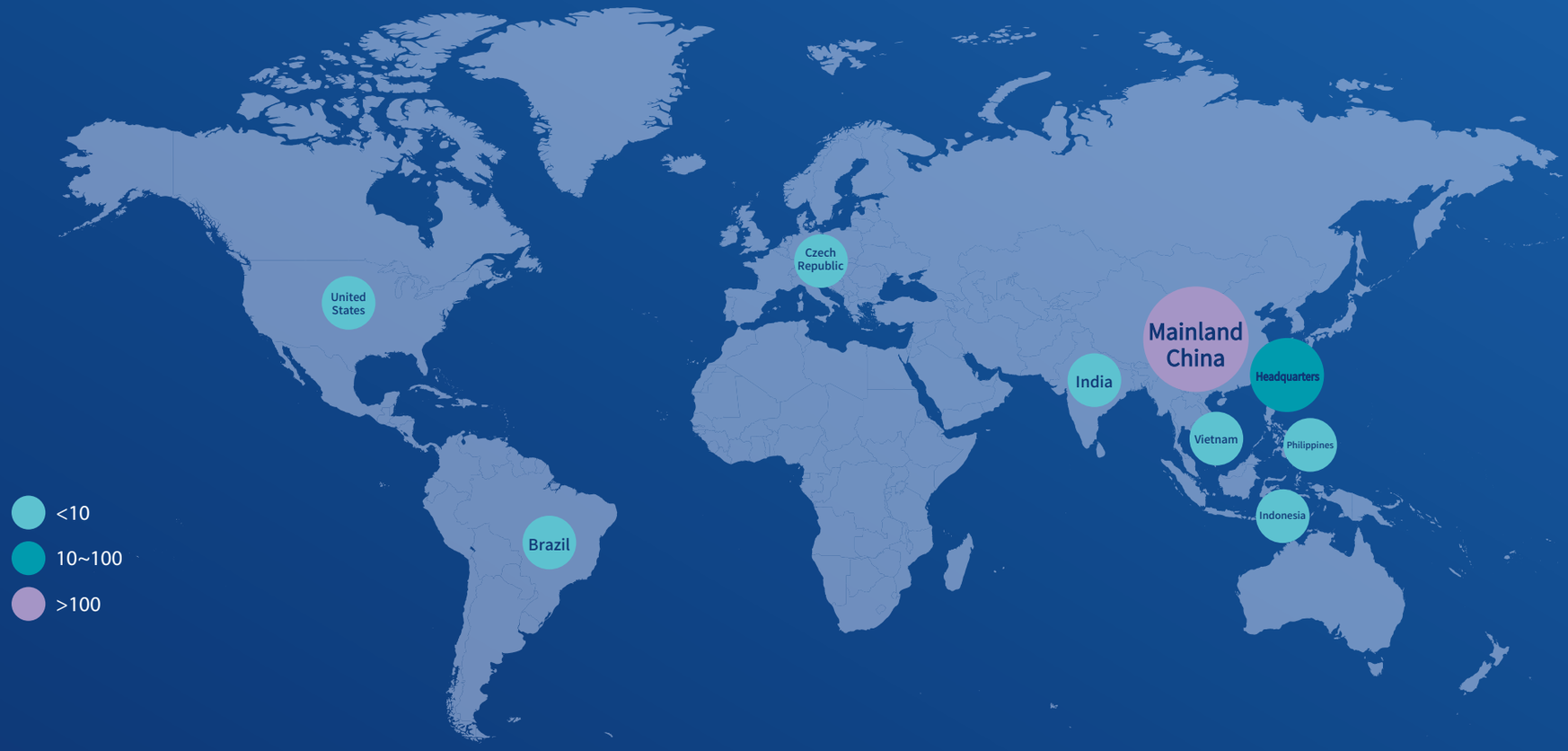
We understand that we must collaborate with our value chain partners to truly achieve corporate sustainablity. We use the Code of Conduct, risk ranking management, audit and training support to lead the transformation of sustainability of the upstream and downstream supply chains and to continue to improve on issues such as environmental protection, human rights, and occupational safety. We established a platform for managing the data of supply chain in 2021 and we used it to analyze and optimize the risk assessment process, thereby starting from short-term to long-term digital transformation projects for the supply chain management.

According to the Global CEO Survey conducted by PricewaterhouseCoopers, supply chain disruption is one of the top 10 threats to companies. Likewise, more than 50% of CEOs have begun to adjust their supply chain management and pro-curement strategies. A sustainable supply chain has become an important part of business continuity. According to The Electronics Industry Procurement Analysis Report, more than 60% of enterprise spending is on the supply chain. Procurement management is an aspect of showing corporate social responsibility and is a critical mechanism for driving the supply chain forward to achieve the goal of sustainability.

The Supply Chain Risk Management Practices published by US National Institute of Standards and Technology (NIST 800-161) identify sustainability as a vital aspect of risk management.

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

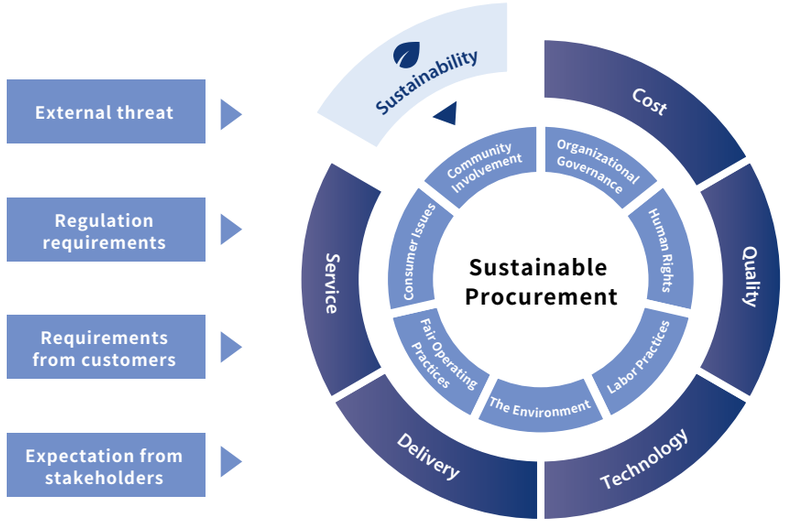
We define the key suppliers based on the procurement amount, supply limitations, key technologies, and other indicators, and work closely with key suppliers to maintain stable material supply and services. We help suppliers to build a safe workplace, to protect the health of staff, to reduce the environmental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



Sustainable Procurement

We believe that the sustainable corporate management should not be limited to the company itself. Instead, we must conscientiously detect and manage the indirect environmental and social impacts that may be caused by the supply chain. According to the ISO 20400 Sustainable Procurement Guidelines, we considered not only traditional factors such as the quality, delivery schedule, cost, and services in ASUS' supply chain management, but also included the suppliers' sustainability performance as important management indicators. We identify sustainability risks in human rights, occupation safety, environment, and ethical operations in stages such as raw material extraction, parts manufacturing, and product assembly, and develop environmental, social, and governance sustainability management strategies to power the sustainability transformation of the supply chain.

ASUS' sustainable procurement passed the third-party performance evaluation of SGS with ISO 20400 standards and obtained the world's first ISO 20400 certification with a high rating in 2020, becoming a benchmark case of sustainable procurement. It proves that ASUS implements sustainability in its procurement strategy and procurement practices. We are building up a sustainable supply chain with the influence of ASUS' purchasing power. We will evaluate the reactivation of sustainable procurement performance evaluations based on changes in the management framework.



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 includes 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 ASUS Supplier Code of Conduct, showing that they understand and will comply with ASUS' sustainability requirements.

ASUS Supplier Conde of Conduct →

Human Rights Protection

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

- **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**: Qualified RBA auditors audit high-risk suppliers, review human rights management and hiring, use interviews with workers randomly to review work conditions, and provide them our direct contact methods so that interviewed workers would not face pressure or retribution by the company or superiors.
- **Information transparency and disclosure**: Transparent disclosure of annual supply chain management performance, including due diligence, risk assessments, audit management, and supplier engagement.
- **Supplier training**: We regularly organize training for suppliers, and invite qualified auditors from impartial third-party institutions to share practical experience and methods for improvement for deficiencies to help suppliers implement continuous and effective improvement for deficiencies.

ASUS Human Rights Statement →

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	Phase 2 Continuous Risk Management	Phase 3 Performance Evalution
▸ System Certification: ISO 9001, ISO 14001	▸ ESG Audit: Quality, Hazardous Substance Free, Corporate Social Responsibility	▸ Quarterly Business Review: Quality, Cost, Technology, Delivery, Service, Sustainability
▸ Signing Code of Conduct Compliance Declaration	▸ Annual Survey: Responsible Minerals, Greenhouse Gases, Water Footprint, Waste	
▸ Quality and ESG audit: Hazardous Substance Free, Corporate Social Responsibility		

1 Phase 1 New Supplier Approval

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

2 Phase 2 Continuous Risk Management

Implement level-to-level administration for continuous trading suppliers each year. We 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.

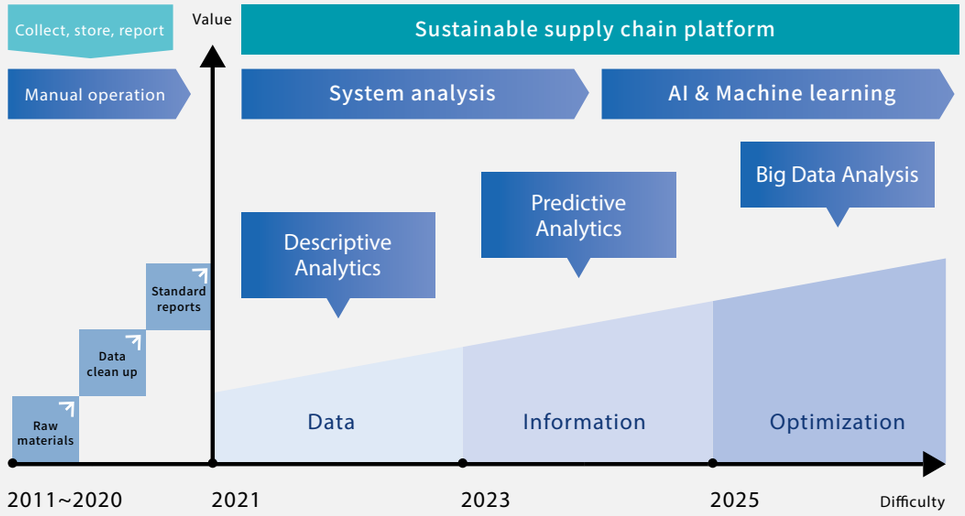
3 Phase 3 Performance Evaluation

Besides the quality, cost, technology, delivery, and service, we also includes 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.

Case Sustainable Supply Chain Platform

ASUS uses technology to manage sustainability strategies in the digital transformation of the supply chain, allowing data to assist in decision-making and implementing data-based assessments. We established a sustainable supply chain platform in 2021 to start the short, medium, and long-term digital transformation project for the supply chain management and analyze the ESG performance data of long-term suppliers to identify potential supplier risk factors and reduce the evaluation procedures for the introduction of new suppliers. We invest management resources into the audits and improvements of deficiencies of high-risk suppliers.

- Phase 1 (2021-2023): Complete the establishment of the platform and import supply chain management data from previous years. Identify risk indicators and correlation with risks.
- Phase 2 (2023-2025): Establish risk prediction models to predict the risk points and optimize the risk assessment process.



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 36 high-risk suppliers and conducted onsite second-party and third-party audits in 2021. We found a total of 720 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 2021 audit results showed that the deficiencies found in the 2021 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:

Item	Labor	Health and Safety	Environment	Ethics	Management System	Hazardous Substance Management	Hazardous Substance Process Management	Eco Label
Priority deficiency failure rate	5%	4%	0%	0%	0%	NA	NA	NA
Other deficiency failure rate	26%	20%	13%	12%	21%	59%	41%	0%
Priority deficiency improvement rate	72%	100%	100%	NA	NA	NA	NA	NA
Other deficiency improvement rate	90%	86%	86%	89%	88%	98%	98%	NA
Total deficiency improvement rate	87%	88%	86%	89%	88%	98%	98%	NA

Supply Chain Management During COVID-19

Since 2020, we have included worker health as the primary consideration for supply chain management and conducted a comprehensive inventory of each supplier's plant in response to the COVID-19 pandemic. We formulated appropriate protective measures according to the different risk levels in each region, including restrictions on the number of people, visitor control, health screening, social distance in the plant, distribution of personal protective masks and disinfectant alcohol, and enhanced disinfection and cleaning of the plant. In response to the different risks of the epidemic in different regions this year, we have adopted remote operations for high-risk plants, used video conference and mobile devices for online video audits, and maintained on-site audits for medium- and low-risk plants to comply with the epidemic prevention policies of the local government and maintain scheduled audits.

Main Findings and Improvements in the Audit

Labor

Description of issue	[Working Hours] Hours worked(includes overtime) in a workweek exceed 60 hours.	[Wages and Benefits] Social insurance and housing provident fund fail to reach the legally required rate.	[Young Workers] Pre-job health examination for young workers not fully implemented.
Improvement requirements	▸ Establish work hour management and monitoring mechanisms. ▸ Continuous report work hour records every month for six months.	▸ Propose social insurance and housing provident fund payment plans. ▸ Implement a one-month deadline to pay back social insurance and housing fund.	▸ Implement a one-week deadline to submit the additional inspection plan and list. ▸ Implement a one-month deadline to complete the additional inspection.

Health and Safety

Description of issue	[Occupational Safety] Personal protective equipment and occupational health and safety training for employees in high-risk work environments not provided.	[Emergency Preparedness] Fire escape port not cleared, and fire equipment not regularly maintained.	[Food, Sanitation and Housing] 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.
Improvement requirements	▸ Implement a one-month deadline to purchase protective equipment. ▸ Implement a one-month deadline to submit the training plan.	▸ Immediately clear objects that block the fire safety exit. ▸ Implement a one-week deadline to submit the fire safety equipment inspection plan.	▸ Immediate improvement of food retention mechanism. ▸ Implement a one-week deadline for the drinking water inspections.

Environment

Description of issue	[Energy Consumption and Greenhouse Gas Emissions] No implementation of greenhouse gas inventory and plans of greenhouse gas reduction.	[Hazardous Substances] Failure to properly use, label, and store chemicals in accordance with the Chemicals Management Regulations.	[Environmental Permits and Reporting] Environmental testing related reports are not provided or regularly maintained and updated (e.g., waste discharge permits and emission monitoring reports).
Improvement requirements	▸ Implement a one-month deadline to submit the greenhouse gas inventory plan and inventory the specific reduction volume. ▸ Incorporate the greenhouse gas inventory plan into the ISO 14001 system and regularly review the progress.	▸ Immediate improvement of failure items and provide correct labeling. ▸ Implement a one-week deadline for providing training for employees.	▸ Implement a one-month deadline to provide the supplementary inspection report.

Ethics

Description of issue	[Responsible Sourcing of Minerals] The Ratio of the coverage of due diligence and document of 3TG and Cobalt does not meet the requirements.	[No Improper Advantage] No policies on improper advantage.	[Privacy] No policy in place to protect personal data and privacy of business partners (including suppliers, customers, consumers, and employees).
Improvement requirements	▸ Complete improvements of related policies and documents within two weeks and propose related implementation plans.	▸ Implement a one-month deadline to complete the documentation of policies.	▸ Implement a one-month deadline to complete the documentation of policies.

Management System

Description of issue	[Legal and Customer Requirements] Laws, regulations and customer requirements are not updated and included in real time.	[Supplier Responsibility] Failure to communicate ASUS' social responsibility requirements to the supplier and and the supplier audit content does not include ASUS' social responsibility requirements.	[Communication] No procedures to clearly and accurately communicate policies, practices, expectations, and performance requirements to employees, suppliers, and customers.
Improvement requirements	▸ Implement a one-month deadline to complete future document identification and updates.	▸ Implement a one-month deadline to revise audit documents and plan the annual supplier audit.	▸ Implement a one-month deadline to complete the documentation of policies.

Hazardous Substance System Management

Description of issue	ASUS' latest hazardous substance management requirements not updated for control.	Incomplete data for the approval of GA components.	Unreasonable GA management target settings or no targets.
Improvement requirements	▸ Implement a one-week deadline to obtain ASUS' latest hazardous substance management requirements. ▸ Implement a one-month deadline to set up external document monitoring mechanisms	▸ Implement a one-month deadline to update operating procedures.	▸ Implement a one-month deadline to update management .targets in accordance with the Company's GA requirements

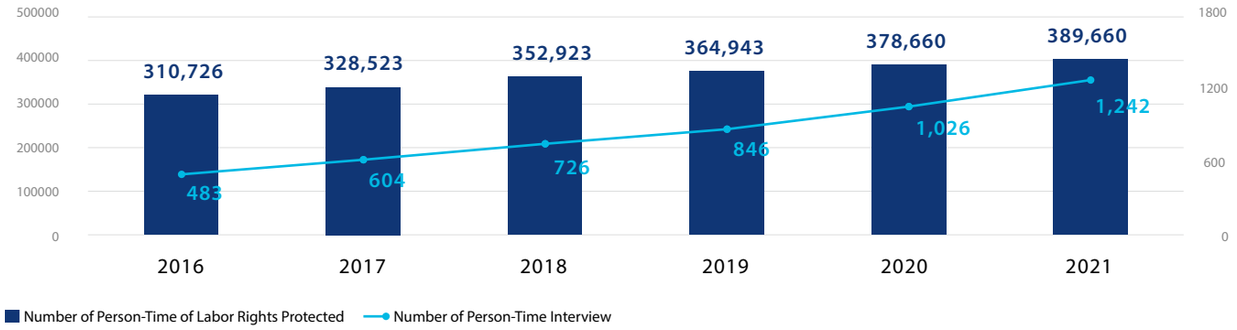
Hazardous Substance Process Management

Description of issue	The test standard setting of the XRF machine does not consider the machine's probable error.	Insufficient professional skills for testing and management personnel of XRF machines.	Incomplete information on the management list of hazardous substances in the supplement material.
Improvement requirements	▸ Implement a one-month deadline to adjust the XRF test standards and complete the document update.	▸ Implement a one-week deadline to submit the additional training plan and list. ▸ Implement a one-month deadline to complete the additional training plan	▸ Implement a one-week deadline to inventory materials that have not been included in the list. ▸ Implement a one-month deadline to complete the update of management documents.

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 calculated the medical costs of reducing overwork due to reduced working hours and the Company's compliance with ISO 14001 system certification. We successfully monetized the impact of supply chain management in 2021 with an impact exceeding NT$23 million. The impact assessment helps us measure the priority of management resource investment and optimize the supply chain management process.

In the audit management in past years, we conducted more than 1,000 interviews and provided labor rights protection for more than 390,000 person-times.

The number of people whose labor rights were protected and the number of people interviewed by ASUS' audit in past years



Responsible Mineral Procurement

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.

ASUS uses Full Material Disclosure (FMD) to learn about the composition of ASUS products (refer to 05 Circular Economy) and we also learn about the use of tantalum, tin, tungsten, gold, and cobalt in products. We manage the risks of shortages of key metals and identify parts with value for recycling.

Case Responsible Mineral Analysis of laptops (model number: B9400) and Desktop Computers (model number: PB62)

In order to promote responsible mineral procurement, we identify our key suppliers and analyzed the use of tantalum, tin, tungsten, gold, and cobalt in laptops and mini computers. The main parts and applications are specified in the table below:

	Tantalum	Tin	Tungsten	Gold	Cobalt
Main parts	Capacitors	Motherboards	Display panels, memory	Memory, IC	Batteries
Main applications	Conductive thin film	Welding materials	IC, metal layer	Solder	Anode materials
Total consumption in 2021 (tons)	0.0006	175	0.0263	2.6	0.3

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.

Conflict Minerals

- Tantalum: Tantalum is a high-density hard metal with high ductility, thermal conductivity, electrical conductivity, and resistance to acid corrosion.
- Tin: Tin has good pliability and high oxidation resistance; its alloys have anti-corrosion properties.
- Tungsten: Tungsten is highly stable and has a high melting point and high boiling point, and high density.
- Gold: Gold has extremely high pliability. It is an excellent conduit for heat and electricity and has high corrosion resistance.
- Cobalt: Cobalt is a stable substance that increases the energy density and can ensure long battery life and charging speed.
- Mica: Mica has high insulating and thermal insulation properties, good chemical stability, resistance to strong acids and strong alkalis, resistance to pressure, and birefringence.

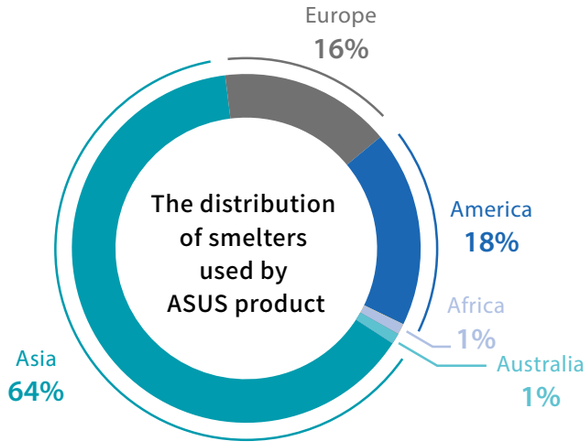
Global Conflict Mineral Survey

ASUS Conducts supply chain smelter investigations in accordance with the Organization for Economic Cooperation and Development (OECD) due diligence process.

According to the RMI survey results and the "Conflict Affected and High-Risk Areas" (CAHRAs)[1] of the EU that became effective in 2021, ASUS surveyed a total of 316 suppliers in our supply chain for information on smelters' distribution and the compliance of supply of materials for products in 2021.

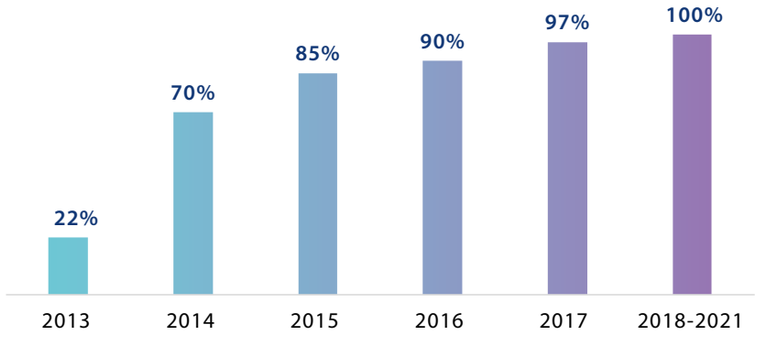
The analysis results showed that most of them were located in Asia which accounted for 63.9%. They were followed by those in Europe with 15.9% and those in Africa with 1%. They are verified as qualified smelters in the survey.

The Distribution of Smelters Used by ASUS Products



Percentage of Minerals Sourced From Qualified Smelters

(Tantalum, Tin, Tungsten, and Gold)



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.

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 operations that result in labor oppression, coercion, child labor abuse, and damage to the ecology.

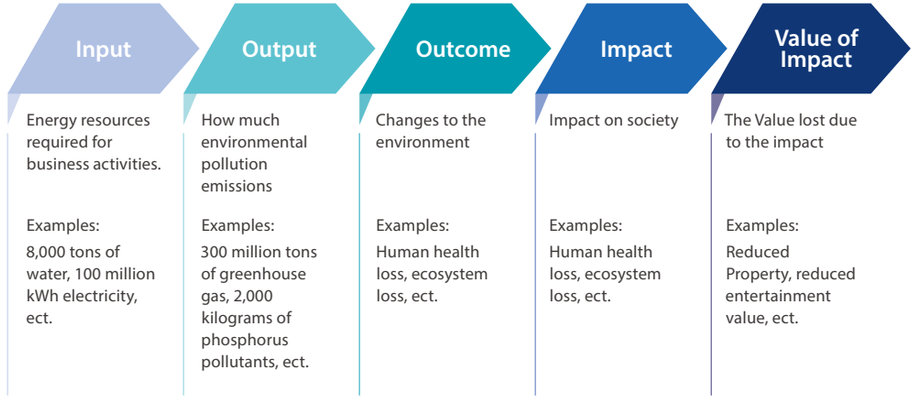
[1]The EU Commission announced the conflict-affected and high-risk areas in accordance with Regulation (EU) 2017/821. The list includes 208 areas in 27 countries/regions and requires due diligence for minerals produced by high-risk suppliers, including gold, tin, tungsten, and tantalum (3TG).

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.

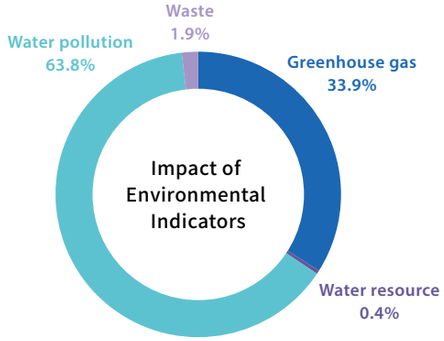
In 2018, ASUS and PwC collaborated on the first EP&L assessment project for laptops. According to the characteristics of the product manufacturing process, four environmental indicators — greenhouse gas, water resources, waste, and water pollution — were selected, and the total environmental impact of 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.



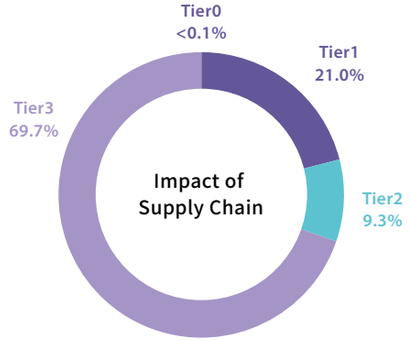
Environmental Impact Survey of Our Suppliers

We calculated the EP&L of the main representative revenue products of ASUS in 2021, 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$647 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 1 OEM assembly, 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.

Reduce Environmental Impact

By analyzing more than 100,000 data entries from environmental footprint surveys over the years, we identified significant sources of emission in the production of 9 catagories of key components, including display panels, motherboards, IC, cables, power supplies, mechanical components, keyboards, batteries, and hard drives, as well as OEMs for 4 categories of products in laptops, desktop computers, display monitors, and motherboards. We referenced the "Greenhouse Gas and Water Security Questionnaire" of the Carbon Disclosure Project (CDP) to conduct an inventory of the 149 key suppliers. The results of the inventory in 2021 were as follows:

Greenhouse Gas

- Total emissions of Scope 1 and Scope 2: 1,076,291 tons CO_2e
- 21% of the suppliers responded that they have used renewable energy in the form of solar energy
- 54% of the suppliers responded that they have set greenhouse gas reduction targets

Water Resources

- Total water consumption: 5.36 million liters
- 52% of the suppliers responded that they have set water resource consumption reduction targets

Hazardous Industrial Waste

- Total hazardous industrial waste: 29,000 tons
- 100% of the suppliers responded that they have appointed qualified waste disposal service providers

To reduce the environmental footprint, we have set the 2025 sustainability goals and implemented management plans

- For Greenhouse Gas: Ensure that our key suppliers achieve a 30% reduction in carbon emissions intensity rates by 2025
- For Water resources: Help all suppliers receive ISO 14001 certification by 2025
- For Waste: Extend the Zero Waste to Landfill program from ASUS headquarters to key suppliers and set the waste diversion rate

Strengthening Partnership

Engagement and Communication Program

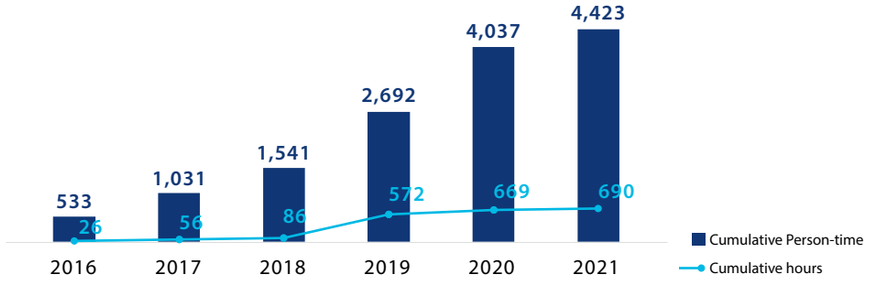
To enhance suppliers' awareness of sustainability issues and the ability in responding to risks, ASUS organizes supply chain conferences and training for suppliers on a regular basis to convey our management requirements and strengthen the partnership with the supply chain.

Due to the COVID-19 pandemic in 2021, all supply chain conferences were held online. According to the findings of audits in 2021, 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.

Besides, 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 4,423 person-times and in more than 690 hours:

Numbers of suppliers and hours that engage and communicate in the forums



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.

08

Innovation and Value Creation

"People-oriented" is a core business philosophy of ASUS. ASUS design thinking looks at customer pain points to make breakthroughs in product innovations. To innovate, we make structural changes along with the changing times and industry and strive to ensure “the DNA of innovation” continue to evolve.internally. We realize explorative innovation and application innovation by using open-minded innovation and dual organization. By investing external innovative technologies, ASUS has created shared value with its business partners. ASUS considers innovation as the core tenet of its foundation for evolution, sustainable development and enhancing its competitiveness.

ASUS design thinking is the driving force behind innovation. ASUS has leveraged investments, M&A, intensive industrial-academic cooperations, and strategic alliances on the foundations of its core businesses to actively expand into new businesses and create competitive advantages for the sustainability of the Company. To support the ASUS Sustainability Strategy, we use the core competitiveness to promote sustainable digital transformation, open innovation and process innovation, and adopt a comprehensive impact assessment framework to disclose corporate value creation which is shared and built with our stakeholders.

Actions

1
ASUS-NTU Joint Research Center
Establishment of the "ASUS-NTU Joint Research Center" with the College of Electrical Engineering and Computer Science, National Taiwan University

2
ASAP Innovation Platform
Launched the ASAP innovation platform to encourage innovative proposals from employees for commercialization

3
AI Applications
Established the "ASUS - AI and Cloud campus" and invested in "Taiwan Web Service Corporation" for development in AI applications

Performance

Top 100 Global Innovators
Received recognition for the indicators "Influence" and "Globalization" in the Top 100 Global Innovators 2021 announced by Clarivate

Top 100 companies in patents
Included among the Top 100 companies in patents in 2021

Corporate Innovation Award
Received the Corporate Innovation Award at the 18th National Innovation Awards

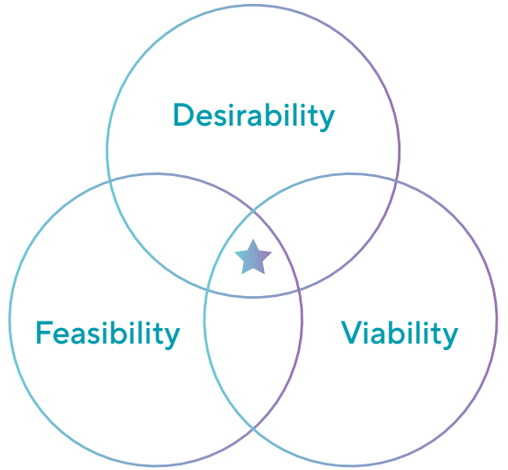
SNQ National Quality Award
Received the "2021 Taiwan SNQ National Quality Award" for smart medical solutions

Impacts

ASUS has long advocated the human-oriented design concept to address consumer needs and pain points. We use core competencies to continue to work with external partners on manufacturing, medical services, finance, smart city, and other AI applications to help support the digital transformation of the industry. We seek to create a convenient, safe, and effective life and business environment for the society.

Design Thinking

Design thinking is an important concept and framework for ASUS's creation of innovative products and services. Design thinking includes three aspects: desirability, feasibility, and viability.

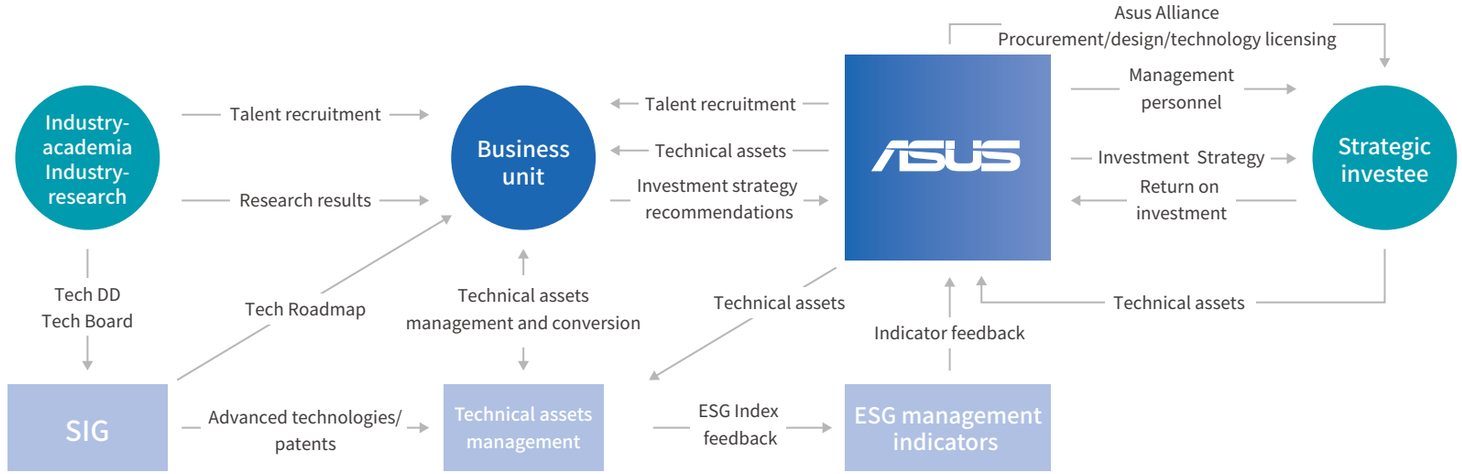


Traditionally, design thinking comes from the need to solve problems. The ASUS Design Thinking Strategy is anchored on human-oriented and consumer experience as the starting point. The sequence of design thinking starts with desirability. However, projects may become too unrealistic if we only consider desirability and commercial viability but lack technical feasibility. If we only consider desirability and technological feasibility, it may be a hit, but we would fail to create a business model. If we only consider commercial viability and technological feasibility, we cannot truly solve users' problems. ASUS design thinking seeks to find the intersection of all three elements and to provide meaningful and feasible user happiness experience by understanding their needs.

Innovation Development Office

The Innovation Development Office is subordinate to the Chief Executive Office and mainly focuses on driving industrial-academic cooperations, strategic innovation initiatives, and strategic investments. It strives to bring ideas together and stimulate innovative thinking within the Company. It uses a variety of innovative activities and processes to facilitate lateral communication between departments and actively address strategic growth issues of concern to the Company. It introduces advanced technologies, products, and business ideas, and helps to accelerate or support each program and project by bringing in external resources from the industry and academia.

The Office establishes a systematic innovation management system to support organization innovation and development. It also uses intensive collaborations between the industry, government, and academia to expand R&D capacity. The Office also actively promotes innovation activities, innovation strategic cooperation, and talent cultivation plans to encourage all ASUS employees to make the most of collective resources, dare to put oneself up to challenge of breakthrough or even disruptive innovations, and create shared value for sustainability.



Innovation Actions

IDO! Innovation Forum

ASUS and Amazon Web Services (AWS) Joint Innovation Center hosted the "AWS x ASUS Advanced Manufacturing Forum" and worked with several outstanding innovation teams for demonstration and knowledge sharing to jointly promote development in the overall industry.

ASUS also worked with Microsoft Startup Accelerator and the IoT Center of Excellence to organize the "Microsoft x ASUS Advanced Manufacturing Forum" to explore innovative solutions and business models in smart manufacturing and invite multiple startup teams to share their achievements at the event. In the second phase "Microsoft Metaverse Technology & Experience Tour" event, we led a team to Microsoft Head Office to experience services with metaverse technology. We communicated with external teams in the forum and subsequently explored and discussed more technical cooperation projects. We have built the capacity for cooperation in smart manufacturing and we will continue to use the innovation forums to address strategic growth issues of concern to the Company and bring in the latest technologies, products, and business ideas.

IDO! Innovation Forum

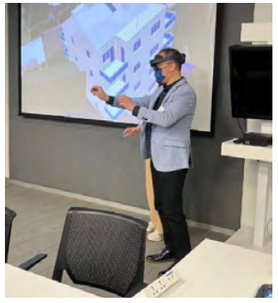
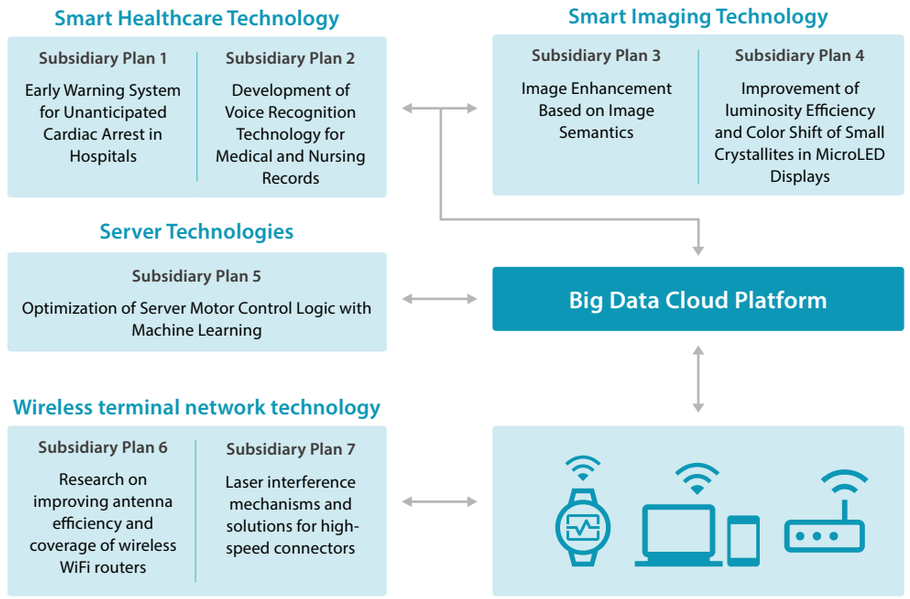


Photo of the metaverse experience in the Microsoft Metaverse Technology & Experience Tour

Industrial-Academic Cooperation

ASUS and the College of Electrical Engineering and Computer Science, National Taiwan University jointly established the "ASUS-NTU Joint Research Center" in 2021 with the aim of leveraging industry-academia cooperation to jointly research and develop next-generation computer, communication, display, IoT, AI, advanced electromagnetics, and other advanced technologies, and nurture high-level R&D talents based on industry trends. We plan to launch the phase 2 non-AIR research idea proposal event in 2022 to extend core technologies and new innovative functions of products and services, strengthen the company's capacity for independent R&D, and continue to support industry-academic cooperation and overall resources.

"Key Technologies and Applications for Next-Generation Smart Internet of Things" project framework



Future Fest Innovative Culture

ASUS created the "Future Fest" event brand to cultivate innovative culture and encourage employees to leverage collective wisdom and pursue excellence in innovation. The slogan "Together We Innovate" outlines the core values of the brand and upholds the One ASUS spirit. We used the exchange of ideas to jointly create a grand new future for ASUS together.

The two major shows in the annual Future Fest in 2021 were Tech Talks and BU/FU Roadshow. The topics of the Tech Talk spanned "intelligence and services", "efficient systems and wireless communications", and "experience and innovation". We invited 11 business groups and hosted 14 sessions for sharing the results and experience in R&D. The BU/FU Roadshow included four major themes, namely AI/AIOT and software services, design processes and trends, innovative products and technologies, and efficient systems and wireless communications.In total, 13 business groups participated and provided a total of 37 presentations and explanations and showcased the BU/FU's latest innovative products and technologies. They created a user-centered design mindset and a platform for technology exchange between different units. More than 900 employees attended the event in a single day.

Company executives visited Future Fest to provide support guidance and support

ASUS Innovation Competition

The ASUS Innovation Competition (IC) has been held since 2019 as a platform for expanding creative ideas and making them come true. IC received a total of 101 internal and external creative proposals in 2021. Under the guidance of the IC Technology Committee, the teams polished their solutions over a period of 8 months before the unveiling of results and the award ceremony of the third IC was held in January 2022. The four teams in the final presented their exciting results and engaged 13 professional judges and more than 400 employees in attendance online in real-time Q&A. They demonstrated the great use of creative ideas and continued to explore the infinite possibilities of innovation.

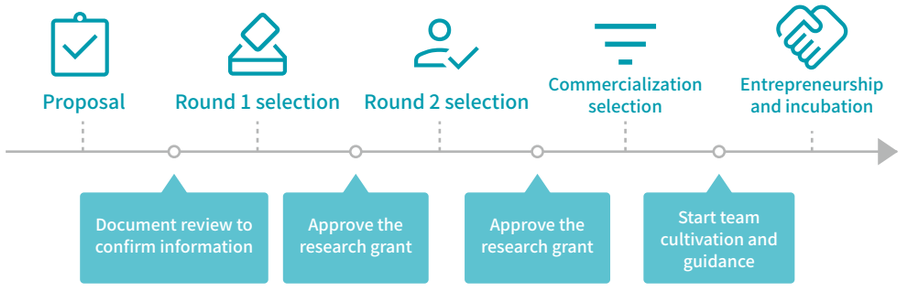
Results of the 3rd IC

ASUS Star Acceleration Program (ASAP) Innovation Platform

ASUS adheres to its motto of "Re-evolution, Truthfulness, Transparency, Mindfulness, and Creative Excellence" and assigned the Innovation Development Office to launch the ASUS Star Acceleration Program (ASAP) Innovation Platform. It encourages employees to come up with proposals beyond ASUS's current product line and work to promote commercialization.

The overall process of the ASAP includes the proposal, selection in three separate stages, and project incubation. We also offer research grants to encourage employees whose proposals were selected to continue improvements and start business projects. The ASAP Platform was launched in 2021. Despite the impact of the pandemic and the challenges of working from home for several months, employees enthusiastically submitted proposals and we convened three official review meetings. The official results were reported to the Chairman, Vice Chairman, President, and other senior executives of the Group in January 2022. The topics covered include smart medical care, AI technology applications, and integration of technology with life and culture. A total of 7 innovative proposals passed the preliminary review, 4 passed the second review, and 1 passed the commercial review. We will continue to encourage employees to file proposals and actively screen the best proposals and provide support. It increases the value and success rate of proposals and we seek to expand new business opportunities for the Group.

ASAP proposal procedures



Innovative Products and Services

In addition to continuous innovation and growth in existing personal computers (PC) and gaming businesses, the active transformation targets of ASUS also include the accelerated development of the AIoT and 5G ecosystems and the development of the third engine of growth in smart healthcare and smart manufacturing industries. In 2022, ASUS established the "ASUS - AI and Cloud campus" 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 AI solutions for the manufacturing industry take the form of IoT solutions for Industry 4.0. They help optimize the process and yield and enable develop a wide range of AI environments that can be adapted for different edge computing requirements. They allow users to choose a new version of the framework when building models so that the high flexibility of AI applications to be embedded in the manufacturing industry.

Artificial Intelligence Visualization Software Toolkit

- The customizable "model framework functions" satisfy requirements for high-precision and non-GPU AI inferencing. It provides flexibility for various industries and edge computing applications.

Artificial Intelligence Wave Anomaly Analysis and Application Software

- It allows the AI to learn vibration waveforms in operations to evaluate the assembly quality of the moving parts production line of large fans or motor manufacturers. During inspections, it quickly determines whether the quality is up to standard, reduces errors due to human hearing or human touch, and improves product yield.

Smart Healthcare

ASUS actively develops smart healthcare applications and strengthens the innovation in the services in healthcare and cloud. We seek to create the next-generation medical information platform to support the digital transformation of healthcare and meet international standards. ASUS signed a letter of intent for collaboration in smart healthcare with Taipei Veterans General Hospital in 2021 to leverage the advantages of both parties and develop cutting-edge AI healthcare information services. We aim to build a smart hospital centered on the needs of patients and attain a new milestone in smart healthcare applications.

Handheld Ultrasound Healthcare Solution

Received the Symbol of National Quality certification and 2021 Taiwan SNQ National Quality Award

It targets the pain points in traditional ultrasound diagnosis and uses a wireless and lightweight portable ultrasound handheld device and AI image auxiliary diagnosis software on the DICOM output image management platform which supports all device systems. It satisfies the actual use and actual requirements of healthcare facilities or institutions.

ASUS AI Endoscopy Lesion Detection System (EndoAim)

Received the Symbol of National Quality certification

When using the endoscope for real-time polyp detection, it offers 97% detection sensitivity and 98% specificity, which significantly reduces the rate of missed polyps. Its AUC in real-time polyp classification is 98% and it can display the AI analysis results immediately to provide the physician with a second opinion, which helps to improve the detection rate of colon polyps and adenomas. EndoAim was selected by the Ministry of Health and Welfare as a project for active support.

ASUS VivoWatch 5 Smart Health Watch

Received the Corporate Innovation Award at the 18th National Innovation Awards

ASUS VivoWatch 5 offers real-time measurement/recording of a complete range of health data such as blood oxygen, heart rate, body harmony index, stress level, sleep, and exercise management. It also has features for sharing the user's health status and an independent LTE-connected SOS location transmission function. It ushers in a brand-new era for user health management and smart medicine with powerful communication and miniaturization technologies as well as the brand-new ASUS Health AI 3.0 algorithm.

Smart Healthcare Outcome Presentation

ASUS published the outcome of five major healthcare projects along with leaders of the medical world. ASUS Intelligent Cloud Services (AICS) published the outcome of five major applications along with Cheng Hsin General Hospital, Taipei Tzu Chi Hospital, Changhua Christian Hospital, and Chung Shan Medical University Hospital. They included the "Smart Medical Information System Platform", "Medical Big Data Platform", "Smart Medication Safety System", "Smart Coding and Medical Decision Management", and "Personalized Smart Health Management Platform, which help lead digital transformation in healthcare.

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 2021, we have obtained 5,255 worldwide. In 2021, ASUS obtained 609 patents worldwide, which was a 10% increase from 2020. They included 161 patents in Taiwan, 164 patents in other regions in Asia, and 284 patents in Europe and The United States.

ASUS also made substantial investments in the development of high-end communications market, and has filed 555 patents in the communications field as of the end of 2021. ASUS regularly announces standard essential patents (SEPs) in line with the European Telecommunications Standards Institute (ETSI). From 2018 to the end of 2021, we have accumulated the announcement of 218 patent families (excluding extensions). The number of patents for overall communication standards is steadily increasing.

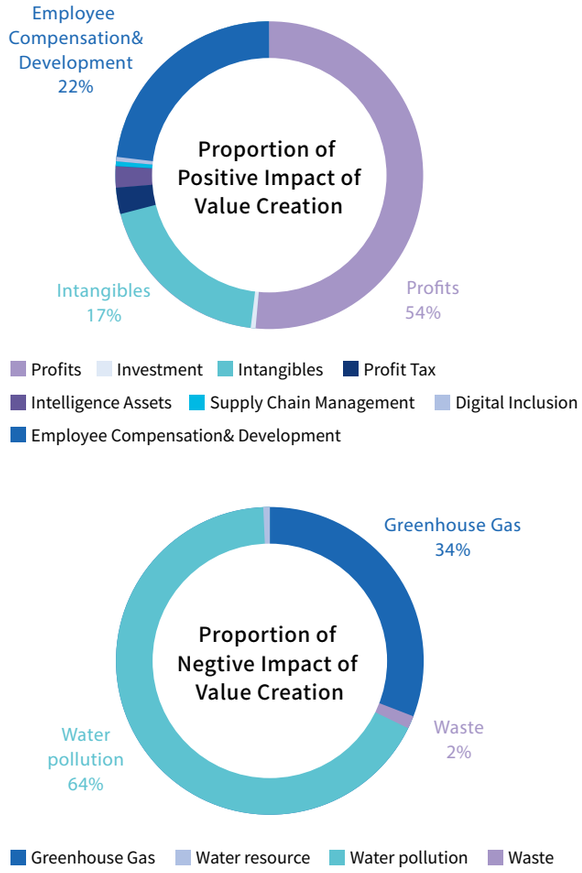
ASUS continues to produce patents to maintain core competitiveness. We also seek active utilization and asset accumulation of patents. The Company therefore created the first patent maintenance model with third-party collaboration in 2021. We work with experienced attorneys so that we do not need to discard important standard essential patents (SEPs). It protects the Company's intangible assets and significantly reduces the resources that the Company invest with the aim of maximizing benefits from patents.

Sustainable Value Creation

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

ASUS integrated sustainability strategy into our operational plans and set mid- to long-term sustainability goals. We believe that managing sustainability performance should be the same as managing financial performance, using a quantified assessment tool to understand and measure the progress of the plan to provide guidelines to decision makers, as well as establishing a communication bridge among stakeholders from different fields to jointly create the sustainability of the enterprise and society. ASUS follows the sustainability strategy of "digitizing data, adopting scientific management practices, and optimizing core competencies", and builds up the basic evaluation capability for monetization by quantifying the impacts of our environmental and social projects over the years[1], 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 continuous improve.

In 2019, ASUS released its first Sustainable Value Integration Report, based on the Total Impact Measurement & Management (TIMM) methodology, which monetizes corporate value creation generated to the environment and society from a macro perspective. We used comprehensive impact evaluation to inspect the wider spectrum of corporate operations that help capture all positive and negative impacts of business activities. We are thus able to maximize net sustainable value creation. The overall sustainable value creation in 2021 amounted to nearly NT$64.3 billion[2]. The significant increase of overall value creation compared to the previous year derived mainly from positive factors such as increase in profits, R&D, and employee salaries and benefits. The negative factors derived from greenhouse gas and water pollution.



[1]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.

[2]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 2018-2021 are not applicable to analysis or forecast using the perspective of financial statements, nor as benchmarks for investment targets or stock measurement and judgment.

Description of TIMM Evaluation and Influence

Six Main Capitals Input	Business Activity	Outcome/Output	Value Creation

Finance
- Total assets: NTD $265,033,696 thousand
- Number of shares issued: 742,760,280 shares

Intelligence
- Established a joint R&D center with National Taiwan University
- 5,000 R&D talents
- Invest NTD $13.84 billion in R&D

Manufacturing
- Partnering with more than 700 suppliers globally
- Implement sustainable value chain management
- Implement eco product management

Environment
- Since 2017, we have used more than 1,064 tons of PCR plastics
- Main products use 90% recycled paper, totaling more than 20,000 tons
- 32,597 MWH of electricity consumed in global operations
- Establish product recycling service, covering 75% of sales revenue

Human Resource
- Global employees 15,400
- Key talent development and succession plans
- Academic-industry collaborations and human cultivation

Society
- Donated 2,262 refurbished computers in the Digital Inclusion program
- Provide 2-day full-paid leave for volunteer services
- Donated NT$200 million to the government of Taiwan to support the procurement of vaccines

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

Vision
The World's Most Admired Innovative Leading Technology Enterprise.

Sustainability Strategy
Digitize data, adopt scientific management practices and optimize core competencies.

Sustainability Goals
- Circular Economy
- Responsible Manufacturing
- Climate Action
- Value Creation

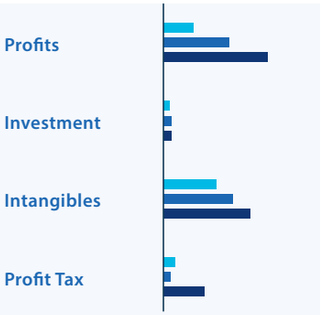
Corporate Governance

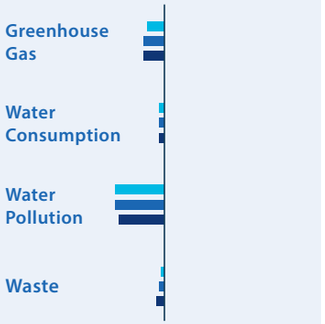
THE ASUS WAY

Economy
- Taiwan's International Brand Value: USD $1.871 billion
- Consolidated revenue NTD $535.2 billion
- Cash dividend per share NTD $42
- EPS NTD $60

Environment
- Eco Friendly Product revenue exceeded 86.6%
- Average energy efficiency of laptops exceeded Energy Star by 37.6%
- LEED Green Building Certification at Corporate Headquarters
- Tthe total weight of recycled products was 11.4% of the total weight of products sold worldwide

Society
- Top 100 Global Innovators, Clarivate
- As of the end of 2021, we have obtained 5,255 intellectual property rights worldwide.
- Receive ISO 20400 Sustainable Procurement Certification
- 100% of gold, tantalum, tin and tungsten sourced from qualified smelters
- 100% Key suppiers pass audit
- Salary and benefit were beyond the regulations, ranked among the top 100 high-paying companies in Taiwan
- Conferred Social Education Contribution Award by the Ministry of Education for endeavors in digital inclusion
- More than 500 digital opportunity centers and computer classrooms have been established in more than 39 countries and more than 20,000 computers have been donated





2019 2020 2021

Description of TIMM evaluation and influence

Aspect	Stakeholder	Material Topic / Topic of Concern	Factors	Description of Impact on Value
Economy	Shareholders, customers, supply chain, employees	Economic performance	Profits, investments, intangible assets	Financial well-being and satisfaction of shareholders
Taxes	Government	Economic performance	Business income tax	Operating income tax generated is paid directly to the local government to support government finances, and the government invests in public facilities to improve the welfare of the people
Environment	Supply chain, employees, consumers, society	Climate action, responsible manufacturing, circular economy and product liabilities	Greenhouse gas, water resources, water pollution, waste	The environmental profit and loss assessment covered four major categories of environmental impact factors in pollutant emissions and resource consumption for product categories with 90% of product revenue[3] to measure the impact on the society and ecology.
Society	Supply chain, employees, community	Responsible manufacturing, circular economy and product liabilities, innovation and value creation, talent cultivation and development	Supply chain management, digital inclusion, intellectual assets, employee engagement and development	Social impact of operations on the supply chain, employees, and community, including investment in supply chain management performance improvements, digital education to support the disadvantaged, enhanced smart technologies for partners, and improved employee salaries and benefits

Shared Value Matrix

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

Therefore, we adopted a parallel approach of Total Impact Measurement &Management (TIMM) assessment and shared value matrix to portray the overall sustainable value and core shared value. With the TIMM assessment, we portray the performance and value of overall corporate operations. In addition, we use the shared value matrix to portray each aspect of impact value creation and relevant stakeholder group in conjunction with ASUS' core business and sustainability goals. We are thus able to identify the results of ASUS' contributions to sustainable development and the impact on the environment and society.

Management Topic		Operation	Supply Chain	Customer	Society	2025 Sustainability Goal
Environment	Greenhouse Gas	●	●	●		Climate Action Circular Economy Responsible Manufacturing
	Water Consumption	●				Circular Economy
	Waste	●				Circular Economy Responsible Manufacturing
Society	Digital Inclusion				●	Circular Economy Value Creation
	Human Health			●		Value Creation
	Supply Chain Management		●			Climate Action Responsible Manufacturing

positive Impact and Shard Value(NTD) ● <10 million ● 10 million~ 50 million ● >50 million

[3]In 2021, the environmental profit and loss assessment covered product categories with 90% of product revenue, including laptops, desktop computers, monitors, cell phones, motherboards, and graphic cards.

Analysis of the shared value matrix in 2021

In terms of the environment, ASUS promotes sustainable procurement with the supply chain to increase the use of environmentally friendly materials in products, including the use of post-consumer recycled (PCR) plastic and halogen-free components. The average PCR content of ASUS' business laptops is 5% and the use of PCR for several monitors has exceeded 30%. The use of PCR reduces carbon emissions by nearly 390 tons compared to virgin plastic. We seek to reduce the use of halogen-free flame retardants while ensuring technical and economic feasibility and the use of halogen-free components reached 85.1% in 2021. To measure the environmental impact of halogenated flame retardants in plastics and help stakeholders learn more about the positive effects of halogen-free materials on human health, we estimated the weight of flame retardants to calculate their environmental impact of air pollutions — dioxin and heavy metals in terms of Comparative Toxic Unit for human (CTUh) — when they are discarded and incinerated.

ASUS also invested in the development of energy-saving software and hardware to increase the energy efficiency of products. The laptops launched in 2021 have an average energy efficiency 37.6% better than the minimum Energy Star requirements. By adopting the Energy Star standard, the annual total carbon emissions in the use of laptops and monitors was reduced by 21,657 metric tons.

ASUS' headquarters adopted the ISO 50001 energy management system and obtained LEED green building certification to reduce environmental footprint. We calculated that the carbon reduction benefits from regular electricity and water consumption and domestic waste totaled 1,885 tons. The total value in terms of the overall environmental aspect based on the monetization of the environmental profit and loss was NT$90,408,078.

In the social aspect, we optimized the value creation model of supply chain management and thus identified significant impact of ASUS on the supply chain in the labor protection and management system. For labor protection, we included the improvement costs for overtime, prevention of occupational accidents, and environmental safety projects as proxy variables for impact. In addition, 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.

The Digital Inclusion program addressed the key social issues arising from the digital divide and was monetized based on the SROI methodology. In addition, development in smart healthcare was an important innovation for ASUS to enter into the next-generation, it combines the financial proxy conversion value of a wearable smart medical watch, creating life satisfaction brought by autonomous health management. The total value of the social impact was NT$ thousands 365,798.

The shared value matrix is regarded as a microcosm of ASUS' core competitiveness and a dashboard for achieving the 2025 Sustainability Goals. We shall focus on key sectors, expand the creation of the influence methodology, and strengthen the objectivity of data. We shall use different dimensions of the overall sustainable value and core shared value to attain one of ASUS' sustainability goals — commence sustainable digital transformation and innovation cycle development with 100% increase in annual sustainable value creation by 2025.

09 Talent Cultivation

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 its employees as its most important assets, ASUS works with them to elaborate on collective wisdom and develop potential and professional interest of individual and team. We shape the corporate culture, cultivate key talents, acquire technologies and capabilities in key areas. We also create an open and innovative R&D culture and a creative environment to stimulate the vitality and imagination of our employees. ASUS believes in a people-oriented corporate philosophy of “Inspire, Motivate and Nurture Employees”. We are committed to pursuit high-performance organization and outstanding talents, establish a comprehensive remuneration and benefit program, and cultivate and develop diverse talents as a human resource development strategy to create shared value for enterprises.

Actions

1 Employer Brand
Expanding theoperation and development of the employer brand

2 Key Talent
Promoting key talent development programs and succession plans

3 Design Thinking
Deeply instilling in innovation culture and design thinking

4 Diverse Communication
Expanding diverse communication channels

Performance

Top 100
Awarded the "Top 100 Desirable Enterprise of the New Generation" in 2021

No. 1
No. 1 among Taiwnanese brands with the highest total number of followers on LinkedIn platform for 5 consecutive years

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

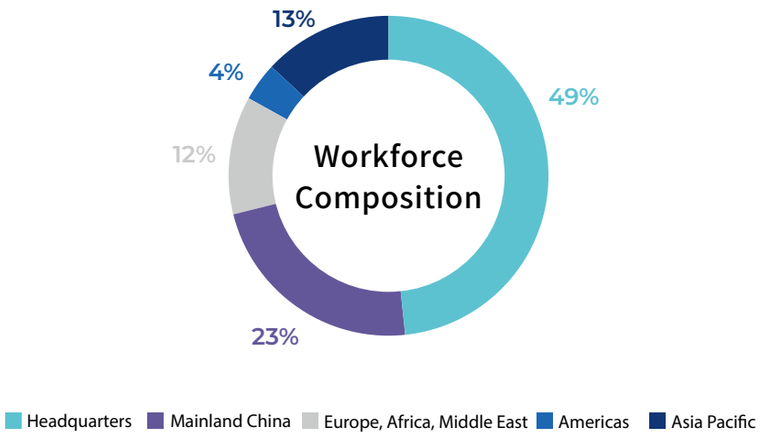
>1,000 persons
Over 1,000 persons participated in industry-academy cooperation, enterprise academy, and school career lectures and consultations

Impacts

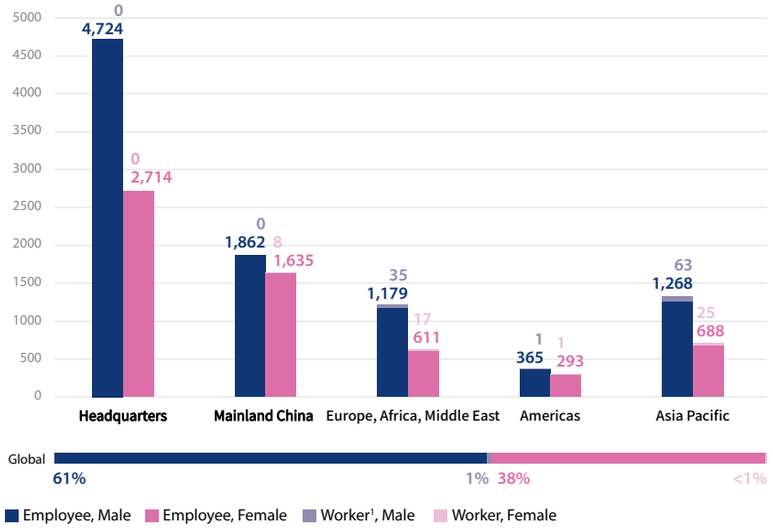
In keeping with the concept of the right place for the right person, ASUS provides training programs that meet the interests of the organization and individual, as well as a diverse and flexible welfare system, in line with the needs of individuals' work and development. We let the employees “work happily and enjoy life” to help them reach their full potential. Meanwhile, we also value the cultivation of technology talents in the new era. Through various on-campus recruiting programs and Industry-academia cooperation programs, we provide opportunities for students to practice what they have studied, learn and grow with the Company, and enhance their competitiveness for future careers.

Structure of Manpower

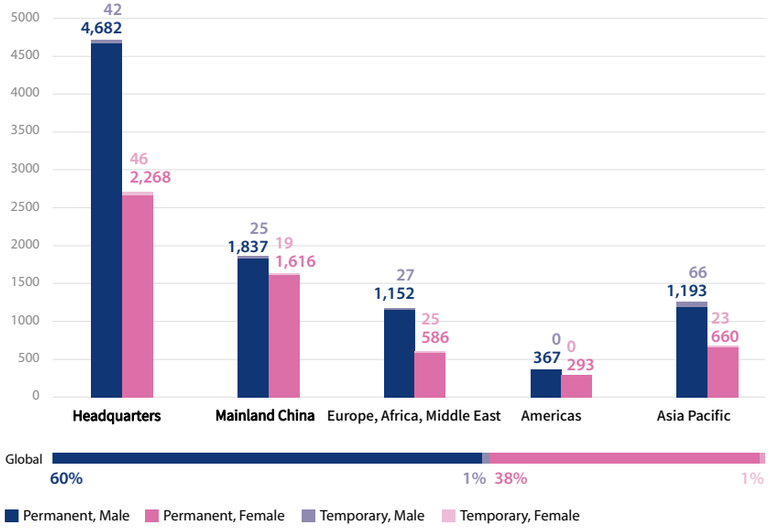
ASUS has established operating bases in more than 70 countries around the world, including Asia-Pacific region, Europe, Americas and Africa. The number of global employees is about 15,400, including about 7,400 in headquarters and about 8,000 in the overseas regions. The percentage of ASUS' global female employees is 38.7%, and the percentage of ASUS's global female managers is 26.4%. This can mainly be attributed to the characteristics of the IT industry, but there is no employment discrimination or any unfair treatment due to gender.



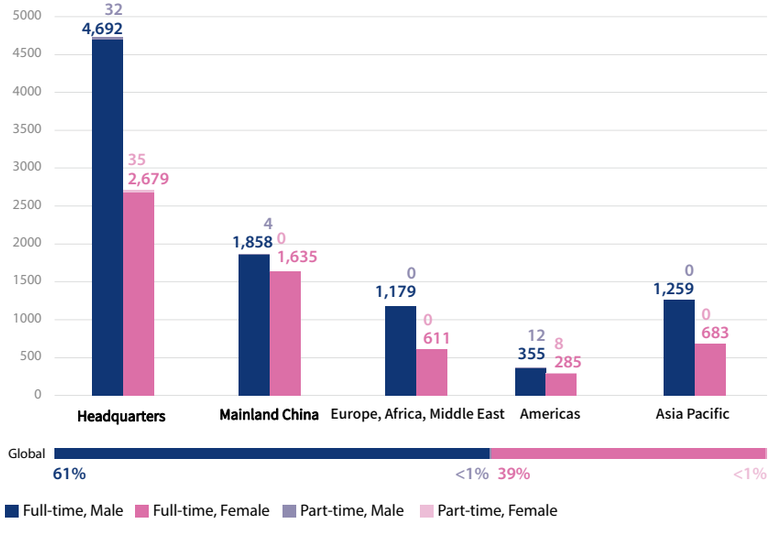
Workforce Composition



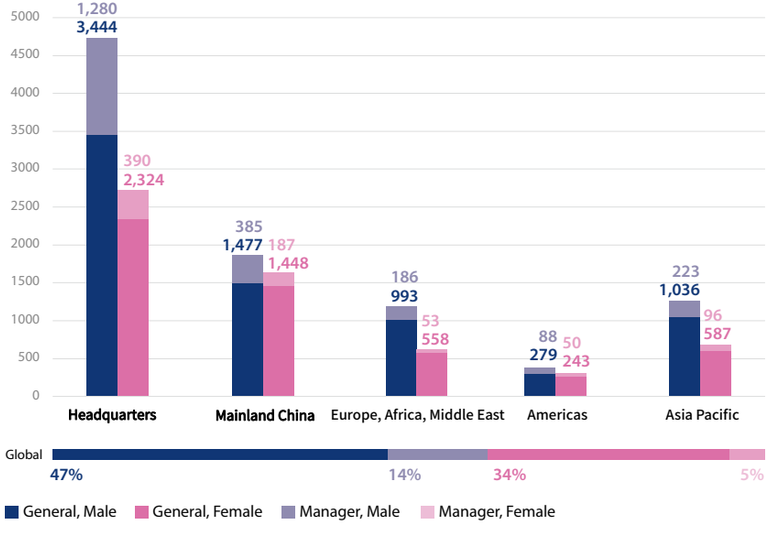
Contract Type



Employment Type



Employee Type



[1] Worker: dispatched staffs and representative staffs. The job categories for dispatched staffs include: clerical staff, cleaning staff, administrative assistant, customer service/maintenance assembler. Representative staffs are responsible for market research. The majority of workers are dispatched staffs.

[2] Temporary employee and part-time employee are defined as hourly paid employees who work irregular hours and who work fewer hours than full-time employees.

Talent Recruitment and Development

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. All applicants must take required examinations and interviews, and the selection is made based on their performance therein. Qualified candidates who come from various fields of specializations and satisfy the conditions, requirements, and expectations will be chosen.

There is a huge demand for future talents of technology. In the case of global competition for talents, ASUS cultivates talents in the new era through industry-academia cooperation and through the implementation of practical technology in the industry. We cultivate the fields of AI artificial intelligence and AIoT as well as managing ASUS as an international employer brand.

Industry-academia Cooperation and Collaborative Training Programs

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

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

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

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

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

On-job Trainings to Cultivate AI Talents

Deeply Cultivating AI Talents in Smart Healthcare

ASUS joined with National Yang-Ming Chiao Tung University and Guandu Hospital to build Taiwan's first medical information system completely built on the cloud. Combined with the needs of preventive health care, clinical medical care, and long-term care, etc., to create cross-region and personalized health care services with the goal of completing hospital-wide system renewal in 2024. ASUS has assembled the company's top AI R&D talentsin the fields of speech recognition, NLU natural language understanding, deep learning and big data analysis. We continuously help hospitals in activating real data, starting precision medicine, raising public awareness of disease prevention and health management, reducing the consumption of medical resources, and reducing the burden on healthcare professionals to provide patients with adequate care.

Taipei Veterans General Hospital	Chung Shan Medical University Hospital
Develop AI smart healthcare services - "Smart Medical Records Platform"	Chong Shan Medical University Hospital App
▶ Retrieving keywords and medical records for important symptoms	▶ Suggesting clinics and doctors
▶ Transiting to structured records for real-time preliminary analysis	▶ Immediate inquiries and treatments
▶ Supporting clinical decision-making and promote smart healthcare transformation	▶ Warning of chronic disease risks and recommendations

MEET UP R & D Talent Exchange Meetings

ASUS regularly holds AI R&D talents exchange meetings, inviting external AI talents to interact with ASUS engineers and share practical experience in applications of AI artificial intelligence. In the 2021 exchange meetings, the most popular application in AI - Natural Language Processing (NLP) - was introduced, as well as challenges and insights when it was actually applied to the medical field. We will hold occasional and ongoing sharing of different AI topics, which is suitable for beginners or colleagues who are interested in self-learning AI research and development.

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 valueto both inside and outside the company. As a global technology leader, ASUS is committed to delivering heartful experiences and creating a blueprint for a better digital life. Since 2006, the "Cheers" magazine has published the "Most Attractive Employer" list to allow enterprises understand the thinking logic of the young generation when they apply for a job. Meanwhile, it also allows college and university students who have just graduated to grasp the market dynamics, and these are the focus of attention of Taiwanese enterprises and the new generation talents. In 2021, ASUS has been listed among the top 20 for 15 consecutive years.

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.

Career Seminars, Consultations and Corporate Mentors

In 2021, there were 10 online lectures at Taiwan University, Chengchi University, Tsing Hua University, Yang Ming Chiao Tung University and Cheng Kung University. Meanwhile, ASUS served as exclusive corporate mentors at Tsinghua University and Chengchi University, leading students to understand the workplace in depth on a half-year basis. For experienced job seekers, ASUS also worked with recruitment websites. The online resume and career consulting role with a term of half-year was played by the ASUS recruitment team to provide professional solutions towards workplace-related questions.

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 2021, 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

Winner of the LinkedIn: "Most Engaging Employer Brand" for five consecutive years (2017- 2021)

In addition to recruit talents from headhunters and on-campus recruitment of colleagues and universities, we also cooperate with LinkedIn to continue establishing the employers brand to improve recruitment accuracy. ASUS LinkedIn had a total of more than 510,000 followers worldwide and thus became the most popular Taiwan brand with the most followers. In 2021, we became "the Best Employer Brand on LinkedIn" (companies with more than 1,000 employees) of the 2021 Talent Awards.

Case T Ambassador Program to Cultivate Digital Transformation Talents in Sustainability

The T Ambassador Program, hosted by the Small and Medium Enterprises Division of the Ministry of Economic Affairs, help student talents to connect with the future job market and digital trends through business practice and professional leadership. After 26 weeks of training courses, students who are about to enter the workplace has accumulated hands-on experience of digital transformation in advance. A total of 20 T ambassadors were recruited by the ASUS sustainability team in 2021. Together with the digital transformation project, the students were divided into three groups, namely "Sustainable Supply Chain Group", "Green Product Group" and "Digital Marketing Group" for project discussions and presentations. We also, we arranged lectures such as ASUS sustainability projects Design Thinking and other exciting courses, and invited industry practitioners to share their experiences in the field of sustainability. While helping our businesses in digitalization, we also helped students to gain a more comprehensive understanding of the future employment environment. The benefits and effectiveness of the 2021 T Ambassador Program at ASUS were evident as some of the students had already entered the workplace in the area of corporate sustainability.

Learn more about the T Ambassador Program

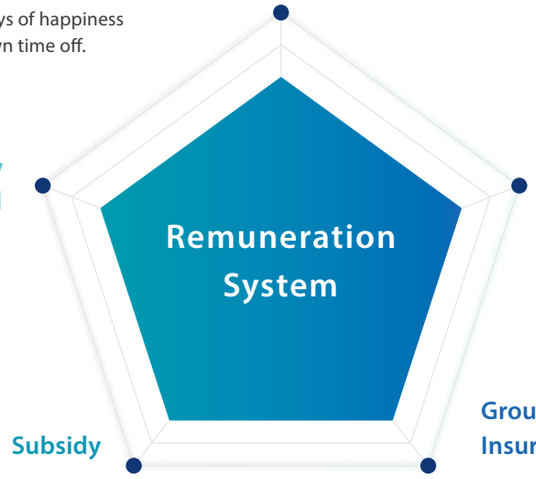
Compensation and Benefits Programs

Candidates with identical backgrounds will have identical starting salaries regardless of gender, religion, political view, and marital status. We review the remuneration against the industry level, ensuring that the pay is competitive and attractive to the talents.

At headquarters, the starting salary of entry-level personnel is superior to the statutory requirement, and the ratio of male and female standard starting salary and remuneration compared to local minimum wage was 1.04:1 in 2021. Comparing the wage of male and female with same job level, the ratio for general employees was about 1:0.78, while for management level was 1:0.71.

Benefit Package that was Superior to Statute

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



- People at the relevant level and above are entitled to 30 days of paid sick leave and 14 days of paid 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

- 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.

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

- Club Activity, Departmen Gathering, Family Day, and Arts and Cultural Activity

Stable Retirement Contribution System

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

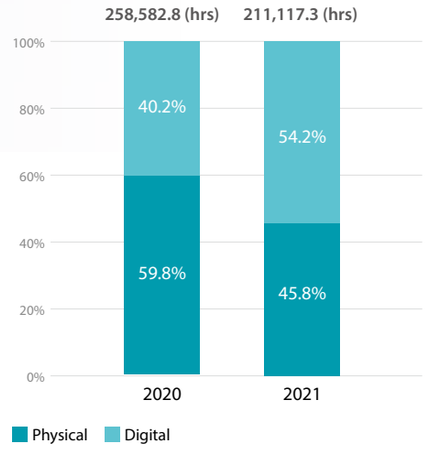
Cultivating and Developing Talents

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

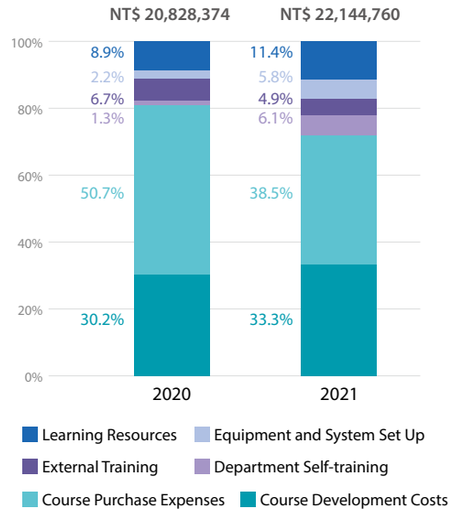
The total number of ASUS employees in 2021 was 15,327 (incumbent at the end of the year). The total training hours were 360,603 hours, and the average training hours per person were 23.5 hours (due to the pandemic, the number of physical courses was reduced and converted to digital courses, thus the number of digital courses increased by 31% compared to 2020. In addition, the number of training hours decreased compared to 2020 because the courses were more streamlined after digitization and not all courses were delivered at once). The summary was as follows:

Training Hours per Employee		Headquarters		Mainland China		Overseas		Total	
		2020	2021	2020	2021	2020	2021	2020	2021
Gender	Female	37.2	32.9	17.7	24.0	8.0	7.7	23.3	23.8
	Male	37.9	25.8	20.8	40.7	7.3	7.7	25.0	23.4
Employee Type	Professional Roles	37.5	26.4	19.6	30.6	7.4	7.2	23.7	21.7
	Management Roles	39.7	35.2	17.9	44.4	8.4	10.0	27.6	31.2
Training Type	Physical Training	22.5	13.0	5.5	12.9	0.4	0.6	11.9	9.4
	Digital Training	15.1	15.4	13.9	20.0	7.2	7.2	12.5	14.1
Average Training hours		37.6	29.3	19.4	32.4	7.6	7.7	24.3	23.5

2020-2021 Total Training Hours (Physical + Digital)



2020-2021 Total Training Cost



Talent Cultivation and Development Framework

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

Management Roles

Take responsibility for organization and personnel management

Professional Roles

Focus on technical and professional contributions

- Work Master Program
- ASUS Cultural Program
- Newcomer Training Program
- Dr. ASUS internal Lecturer Program
- Design Thinking Program

Global Culture Communication

ASUS cultural transformation focuses on the 16-character motto of "transform and evolve, trust in radical truth and transparency, and embrace idea meritocracy and foster collective wisdom", and promote the motto to our global branches through the cultural cultivation, activities, leadership behaviors, integrating into the management mechanism.

ASUS & Me Global Culture Photographs

We hosted the ASUS & Me Global Culture Photographs Event with innovation and creativity as the theme in 2021. We listened to and saw the ASUS culture from the perspective of employees, and the cumulative number of participants was 23,685.

ASUS DNA Story

Since 2019, to promote cross-departmental relationship and cohesion among employees, we have been publishing "ASUS DNA Story" irregularly every year to share the specialities, missions and achievement of different teams. A total of 7 new articles were published in 2021, and accumulated a total of 11,868 readers.

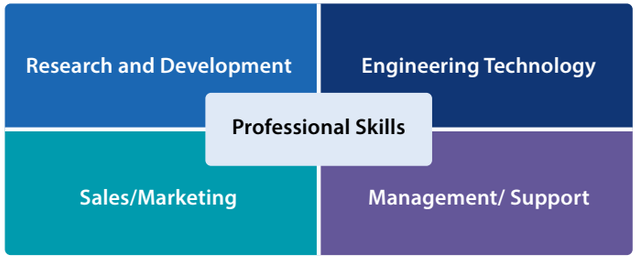
Core Competitiveness

We divied the core competitiveness into 8 major DNAs. A variety of courses and activities are designed for the new hires to convey ASUS business philosophy and common values, which are to be completed within 2 years.

Onboard Training Program (HQ)	A total of 12 online and offline courses on corporate culture, rules and regulations, employee benefits and other perspectives.
ASUS Culture	The Chairman, co-CEOs, and Corporate Vice President share how to implement the ASUS culture in the workplace.
Job Master Academy	Interpersonal communication, presentation skills, innovative thinking, problem analysis and resolution and other courses to improve work efficiency.
Dr. ASUS Internal Lecturer Program	Since 2007, a total of 280 physical and digital in-house lecturers have been trained to share the in-house expertises and their experience with ASUS.
Overseas Branch Training	In 2021, overseas trainings were set up to to implement international operations management. Trainings include ASUS DNA, compliance, job skills, and management skills, with a total of 172 lessons and 141 hours of diverse course resources.

Professional Skills

ASUS divides professional skills into four areas: research and development, engineering and technology, and sales/marketing and management support. We identify the skill requirements for each position to develop theroadmap of professional training, technology and trend seminars, and strategic training programs. In 2021, we formed a technical committee comprised of the department and division level managers and experts to establish the learning blueprint for the mechanical and thermal knowledge, introducing a total of 38 new courses.



Sales/Marketing Professional Training

In 2020, COVID-19 global pandemic was tense. The Sales Heads, general managers and senior managers of all branches built a global knowledge system for sales personnels. They produced 30 hours of online couse with contents such as business marketing skills, market and channel management, e-commerce, supply chain management, and customer service to strengthen the skills of ASUS sales personnels in headquarter and overseas branches.

Technology and Trends Lecture

TechTalk technology forum is held annually to promote cross-unit presentation and idea exchange of innovative technology. In 2021, 14 lectures were divided into three sessions, and 2 professors from National Taiwan University were invited to give lectures on machine learning and quantum technology trend. The lectures were held online with a total of 776 participants, which is 5 times compared with last year.

Management Skills

In order to strengthen the management thinking and leadership ability of managers who lead the team to achieve the operational strategic goals, ASUS is committed to the development of management skills. Through cooperating with professional consultants to provide learning resources, we also actively invite internal mid- and seniorlevel executives to carry out management experience inheritance to new managers. The total training hours were 14,004 in 2021.

Newly Promoted Manager Course
Assisting newly promoted managers
Quick changeover of the role & responsibility

We plan the Chairman management philosophy seminars, human resources management courses for non human resources managers, employer and employee lectures, reference books for managers and other courses to help them quickly master the management knowledge.

First-Level Management Role
In-house lecturer inheritance
E + C ready to use

They learn concepts and processes through online courses in advance, and the management issues are discussed in the physical courses. The students can exchange ideas with each other and provide suggestions on management problems through practical management cases To build the five leadership behaviors.

Mid-Level Management Role
Introducing external management consultants
In line with management trends

We share successful cases of professional consultants and benchmarking companies to enhance the macro-vision of managers, and we continuously improve their communication skill and decision-making ability in response to the rapid changes in the market.

Senior-Level Management Role
Collaborating with academia
Promoting cross-unit collaboration

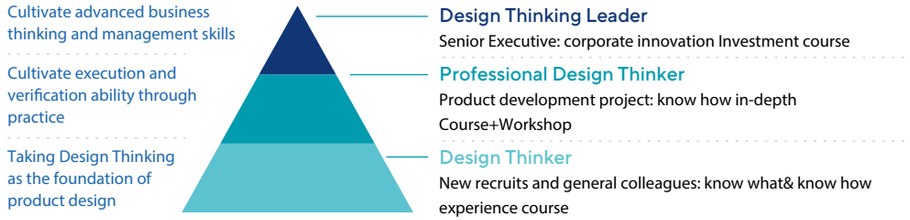
We collaborate with academia on mini-EMBA program to promote diverse thinking through case teaching. Co-CEOs would name a project topic, and business units would be divided into strategical groups for discussions and validations of the possibility of the project, stimulating the wisdom of cross-business units.

Annual Key Strategies Projects

Design Thinking Talent Cultivation

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

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



In 2021, "Integrating Design Thinking into Work" was the main theme. We organized multiple Design Thinking workshops internally and externally, arranged monthly/seasonal sharing sessions, as well as the annual competition and award mechanisms to encourage internal communication and to create an innovation environment. This year, we also held cross-industry exchanges with FamilyMart on the theme of "new retail" for the first time. ASUS employees from Republic of Gamers (ROG), personal compute, commerce, mobile phones and business units of relevant service together joined a 1.5-month implementation workshop to submit some Design Thinking projects with commercial potential, which was highly recognized by both ASUS and FamilyMart teams.

In addition, in order to convey Design Thinking in a faster, more convenient, way to all ASUS employees, online learning materials were developedby using multimedia tools such as animations and case studies, while Chinese and English courses were successively constructed as well. A total of 1,696 employees had completed the training in 2021.We expect to develop digital courses in up to 15 languagesby Q2 of 2022.

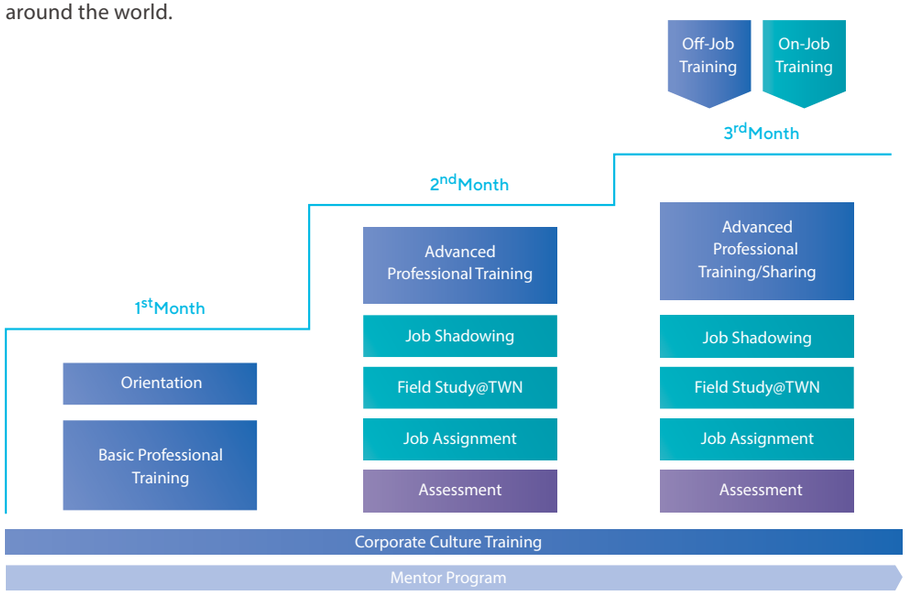
People Growth Program (PGP)

In order to cultivate high-level management and π-shaped skills, we structure leadership-development plans[3] to build up the operational capabilities of potential employees . This inspires innovative thinking and promotes interdepartmental collaboration.

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

Global Talent Program (GTP)

ASUS strategically implements the training of talent internationally. We have also established a comprehensive and systematic three-month training-and-evaluation model that enables high-potential employees to effectively acquire knowledge and experience from online and offline courses, study groups, internships and mentors - ready for rapid deployment to branches around the world.



Digital Transformation in Learning and Development

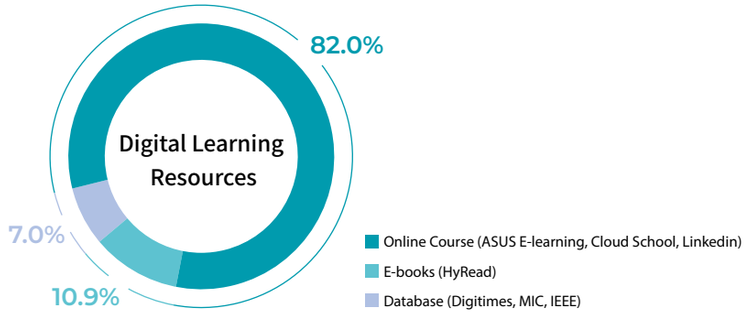
Development of Digital Learning Courses

In response to corporate governance and sustainability, digital learning courses are developed to standardize contents and then be delivered in local languages to convey important policies or messages in a short time. Courses include: "The ASUS Way" conveys ASUS culture and values, "Ethics and Code of Conducts" is supplemented by the promotional card with unfair competition and bribery prevention guidelines and is required annually as a reminder to the employees. In 2021, the "Awareness on Information Security" was launch to promote and enhance the awareness on information security policy.

Category	Newcomer Requirement			Annual Retraining	
Course Name	The ASUS Way	Employee Code of Conduct	Awareness on Information Security	Retraining of Employee Code of Conduct	Retraining of Information Security
Development of Digital Learning Materials	16 Languages	12 Languages	11 Languages (still developing)	15 Languages	11 Languages (still developing)

Introduction of Digital Learning Resources

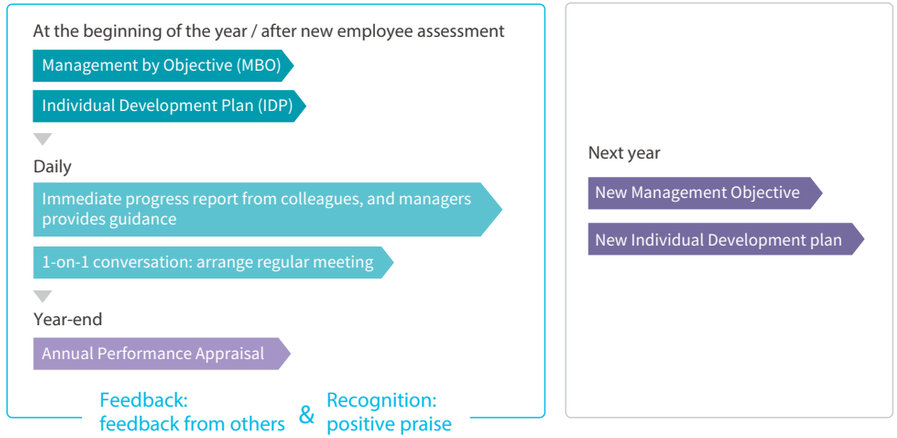
ASUS has introduced diversified digital learning resources to encourage employees to learn and grow independently. The cumulative number of users of each type of resource has reached 11,474 participants.



[3] In 2021, a total of 93 potential senior-level managers were selected for continuous development training.

Individual Appraisal Management and Development

The annual appraisal management and development cycle includes: Management by Objectives and individual development Plan at the beginning of the year, just-in-time progress reporting as well as mentor coaching and feedback, and annual appraisal at the end of the year. During the progress review, both managers and employees can revise and adjust the objective at any time to achieve the goal.



Management by Objectives (MBO)

The company determines the direction of operations and objectives for the new year. After each functional unit sets the departmental objectives that will help to achieve the company objectives, the tasks will be broken down into individual objectives.

Individual Development Plan (IDP)

Employees are given project assignments based on the job position and work objectives set forth for the year. They can also further discuss the future career development with their managers, confirming that they need additional skills to develop the annual individual development plans.

Conversation & Feedback &Recogition(CFR)

Managers have regular 1-on-1 conversations with their colleagues, and they review and track the performance to see whether improvements are needed. Meanwhile, through the peer feedback, employees could receive constructive comments and complements for good performance, and immediate conseling and assistance to help them get back on the right track.

Annual Appraisal

To achieve the effective implementation of the company's operation objectives, ASUS regularly conducts appraisal which focuses on the review of past performances and areas for improvement. This process will help employees in setting their targets for the next stage for development. The appraisal results are used as a basis for promotion, competency development and bonus. For those whose performance did not meet expectations, ASUS provides performance improvement plans and adjusts the work according to the situation of the employees when necessary. The Human Resources department also takes care of and assists employees who are still unable to improve their performance. After sufficient communication, the personnel placement is implemented. In addition to providing severance pay in accordance with relevant laws, we also offer resources such as career development consultation or job transfer to external entities.

Summary of Annual Employee Appraisal by Regions

Region		Male	Female
Headquarters	General Employee	88.95%	90.16%
	Manager	92.05%	97.21%
Mainland China	General Employee	88.94%	94.77%
	Manager	99.72%	100.00%
Asia Pacific	General Employee	89.81%	92.59%
	Manager	92.89%	96.15%
Americas	General Employee	99.63%	100.00%
	Manager	92.77%	93.48%
Europe, Africa, Middle East	General Employee	93.93%	94.72%
	Manager	84.18%	95.92%

Employee Communication

Human Rights Policy Communication

ASUS values "people-oriented" and does not discriminate against employees based on race, gender, age, politicial affiliation, religion, or disability. We follow the local legislation as well as the minimum age requirements. ASUS publicly discloses the S Human Rights Declaration" on the website in accordance with the Universal Declaration of Human Rights of the United Nations. ASUS values gender equality. The proportion of global female employees was 38.7% and global female managers was 26.4%. Although the majority of employees in the IT industry are male due to the characteristics of the IT industry, there is no employment discrimination or any unfair treatment based on gender. Furthermore, in order to implement ASUS Human Rights Policy, we provide relevant training to employees worldwide. The total hours and percentage of employees trained in human rights were as follows:

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

Prevention and Emergency Mechanism of Unlawful Infringement

ASUS is committeed to establish a friendly working environment through raising the gender awareness and the prevention of sexual harassment and workplace violence. It is the responsibility of all employees to help ensure that the working environment is free from these threats. We also formulated the Administrative Measures for the Administration of Complaints and Corrections in the Execution of Duties, and established grievance channels to ensure victims receive support for lawsuits of workplace violence and sexual harassment. In 2021, a total of 2 incidents were reported and closed. The process for handling a complaint is as follows:

Reporting	Clarification, Acceptance and Investigation	Settlement	Corrective Measure
▸ Complaints of Unlawful Infringement in the workplace (6666@asus.com) (Hotline: #26666)	Unlawful Infringement Committee ▸ Investigation of complaint cases ▸ Evidence Search, clarification, and verification	Committee, Human Resources ▸ Complaints of Unlawful Infringement in the workplace • Convene the meeting of "Unlawful Infringement committee" and report • Judge and punish violations in accordance with the " and the "Work Rule"	CorrectiveMeasure ▸ Request relevant units to internally review the causes of violations and submit improvement reports ▸ Revise internal and external management policies and improve internal processes ▸ Strengthen internal and external education and training to avoid similar incidents from happening again

Open Communication

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

Two-Way Communication

CEO On-Live, CEO Afternoon Tea

- Convey major issues within the company, and employees could fully express their opinions

Employee Caring Hotline

Internal and external Enterprise Information Portal(EIP) hotline, Employee Caring Website

- Assist employees in work, life and health related issues

Employee Grievance Channel

Personnel Management System, Whistle-blowing Mailbox, Employee Opinion Mailbox, Hotline and Mailbox for Complaints of Unlawful Infringement in the Workplace

- Talk about the company's system, management measures and specific issues

Labor-Management Council

Labor and Safety Committee, Occupational Safety and Health Committee

- Discuss labor conditions, build the harmonious labor relations

Employee Survey

- Will be delivered to employees in the headquarters by a designated agency in 2022

Prevention of Workplace Sexual Harassment

Employee Caring Website, ASUSchool Learning Platform

- Delivery courses on the prevention of workplace violence and sexual harassment

Case CEO On-Live CEO Afternoon Tea

In 2021, the co-CEOs upheld truthfulness and transparency, and held "CEO On-Live" (Q1 & Q3) and "CEO Afternoon Tea" (Q4) regularly after the quarterly Shareholder meeting. We share quarterly business results and significant goals with employees through live webcasts and physical interactions accordingly. The cumulative number of employees involved in the event reached 3,107 participants.

During the epandemic in Taiwan, ASUS switched to online streaming for direct conversations with employees for the first time. The new form of communication broke through the space limitations caused by work from home and provided a new way of interaction to employees with co-CEOs through online channel.

Topics included: ASUS' business strategy, COVID-19 prevention measures, development of future product, cross-organizational resources, promotions, salaries, benefits, and motivation for new employees. We break through physical restrictions brought by COVID-19 and keep communication going.

10 Society

The World Business Council For Sustainable Development (WBCSD) defines Corporate Social Responsibility (CSR) as the "continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large". The World Bank, on the other hand, defines CSR as a "the commitment of business to contribute to sustainable development working with employees, their families, local communities, and society at large to improve their quality of life that are both good for business and good for development". Therefore, the relationship with the external environment and the engagement with the society must be considered by enterprisesin the process of business operations. In addition to the pursuit of operational growth, an enterprise should also take onthe social responsibility to contribute to the society and to create a common good between the enterprise and the society.

Actions

1
Suspending Classes without Suspending Learning

Partnered with public and private sectors for "Suspending Classes without Suspending Learning", providing in-kind donations totaling about NT$50 million.

2
Tech v Virus 2.0

Participated in "Tech v Virus 2.0" offering cloud resources and smart wearable devices required for pandemic prevention and healthcare services.

3
Vaccines Donation

Donated NT$200 million to Tzu Chi Foundation to purchase BNT vaccines, which were donated to government agencies to curb the pandemic.

Performance

>20,000 new and refurbished computers

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

Social Education Contribution Award

ASUS Foundation conferred Social Education Contribution Award by the Ministry of Education in 2021

Impacts

Focusing on refurbishing computers and digital training programs as key initiatives, ASUS Foundation and ASUS global operating locations around the world amalgamated resources to boost recycling of resources and bridge the digital gap for rural and underprivileged schoolchildren. In recent years, as the world has been impacted by the COVID-19 pandemic, we have positivelysought partnership opportunities, donated pandemic prevention items to multiple organizations at different levels, and provided the most critical resources and assistance in response to the needs of society and the world.

Social Investment Strategy

Digital inclusion, community involvement and environmental protection, are the three main focuses of ASUS for community engagement. Since 2019, ASUS extended the social management spirit of Social Return on Investment (SROI) and adopted the LBG framework to converge and survey the expenditures of social activities to further establish an assessment framework based on the quantitative indicators used to evaluate benefits. The LBG framework was a tool developed by London Benchmarking Group which enables ASUS to adopt a systematic evaluation methdology through the LBG Model such that the benefits of community engagement activities can be more transparent and be ingrained into the corporate strategy. ASUS promise to engage in future social activities that are based on the LBG structure and will apply the SROI method to quantify the social impact if specific initiatives require monetization evidence to determine important decision-making. In 2021, owing to the pandemic outbreak, resources were channeled towards healthcare services. Hence, the reduction in physical activities and environmental protection volunteering activities.

Awards

Conferred Social Education Contribution Award by the Ministry of Education for Its Dedication in Digital Inclusion

In 2021, ASUS was recognized by the Ministry of Education with the Social Education Contribution Award for the digital inclusion initiative. The mission of the foundation had always been shrinking the digital gap and exploring the vitality of culture. In particular, the digital inclusion initiative aims to improve the lives of underprivileged communities through setting up basic hardware equipment, instilling digital learning capabilities, and moral education and cultural preservation.

To date, more than 500 digital opportunity centers and computer classrooms have been established in more than 39 countries including Taiwan, and more than 20,000 new and refurbished computers have been donated. ASUS volunteers were also activated to assist social welfare partners in the promotion of digital learning and boost digital capabilities in rural areas, benefiting more than 550,000 people. Over and above, in 2021, based on the idea of " Suspending Classes without Suspending Learning ", digital equipment were donated to underprivileged schoolchildren. The resources collated online enabled these underprivileged schoolchildren to continue learning during the the pandemic outbreak.

ASUS' community engagement efforts remained despite COVID-19 pandemic outbreak

In 2021, with the unrelenting COVID-19 outbreak, the social situation remained harsh, especially for the underprivileaged students who have limited educationresources. According to the United Nations, the ongoing pandemic has affected 91% of students worldwide, and the World Economic Forum 2022 Global Risk Report further noted that only 35% of the world's students lived in countries where schools are fully open. Thus, how to maintain quality education has become a challenge for countries. The business philosophy of ASUS is to extend the core concept of sustainable management from the corporate value chain to social welfare. In 2021, while the pandemic outbreak was raging, ASUS unceasingly cared for the society by continuously providing its professional services. .

Suspending Classes without Suspending Learning

All education institutions in Taiwan suspended classes when the pandemic outbreak worsened in June, 2021. In a bid to assist underprivileged students, ASUS donated 1,000 laptops to elementary and middle schools, disadvantaged families and after-school classes. ASUS further provided cloud and computing related resources, worth a total of approximately NT$50 million in-kind donation, to educational institutions, medical institutions, government agencies, private entities, industrial and academic research and innovation teams in all counties and cities.

Numerous enterprises supported the Suspending Classes without Suspending Learning program with ASUS:

- **Chunghwa Post:** Partnered with ASUS Computer to collect 2,800 second-hand computers, and provided 200 refurbished computers for donation to 42 rural elementary and middle schools in Taiwan through Junyi Academy, which was introduced by ASUS, for after-school programmes usage.
- **Taiwan World Vision:** HSBC (Taiwan) Commercial Bank jointly rolled out "Entrenching in Taiwan's Rural Education Program" with Taiwan World Vision, where HSBC Taiwan procured 250 ASUS computers to donate to children in remote areas, such as Penghu and Pingtung County while ASUS donated 128 computers for distribution through World Vision Taiwan, resolving the challenge of lack of remote computer equipment caused by the pandemic. This partnership for the program reached a scale of NT$4.5 million, and plans to set up computer-based learning lessons, committing more learning resources for children in rural areas.

Pandemic Prevention with The Help of Public and Private Sectors

With the launch of "Tech v Virus 2.0" by the National Center for High-performance Computing (NCHC) of the National Applied Research Laboratories (NARLabls), ASUS provided innovative technologies for medical and pandemic control, , public livelihood and economy, academic research and education, etc. A total of 5,000 hours of high-speed computing and AI resources on Taiwan Computing Cloud (TWCC) GPU cluster were provided. In terms of hardware, ASUS integrated software and hardware to embed wireless mobile ultrasonic devices in smart wearables with blood oxygen and heart rate measurement functions which in turn are connected to the monitoring platforms of hospitals. This enabled front-line medical staff fighting against the pandemic to have full insights to the physiological information of patients. During the pandemic, ASUS donated smart watches and ultrasonic equipment to medical institutions such as National Taiwan University Hospital, Taipei Veterans General Hospital, Taoyuan General Hospital, Taipei Medical University-Shuang Ho Hospital, etc. to control the pandemic.

Vaccine Donations to Fight Against The Pandemic Together

To assist against the pandemic, ASUS donated NT$200 million to support Tzu Chi Foundation's vaccine donations to the Taiwan government. Five million doses of vaccines were donated to the public so as to boost vaccination rates and safeguard the health of our residents.

Digital Inclusion

The digital age brought about transformation and progress, but also spawned emerging social issues. According to UNESCO's assessment[1], in adigital era, people need digital Litaracy[2] to work, live and communicate productively. Those without the required skills and literacy would be marginalizedfrom both the real and digital world. ASUS endeavors to create infinite possibilities of digital life for the world.ASUS hope to drive digital inclusion initiatives based on technology, and look forward information equity among all, regardless of education, gender, ethnicity, etc. ASUS empowers digitally underprivileged communities through initiatives such as donations of refurbished computers, establishment of digital learning centers, digital training programs, international volunteer program, Digital Happy Learning Camp, "Heartfelt 99" project of Public Television Service to enable information equity among all.

Refurbished Computers

ASUS supports the product life extension conceptand promoted recycling services globally to reduce environmental impact of digital products. At the headquarters, we complied with the government's recycling regulations and autonomously set up a reverse logistics computer recycling program, recycling computers of any brands, thus creating a circular society by recycling and reusing resources. In 2021, a total of 1,238 units and 56,578 computers were collected. Consumers or corporate customers are welcome to contact the ASUS Foundation for detailed information.

Support the ASUS refurbishment of computers plan →

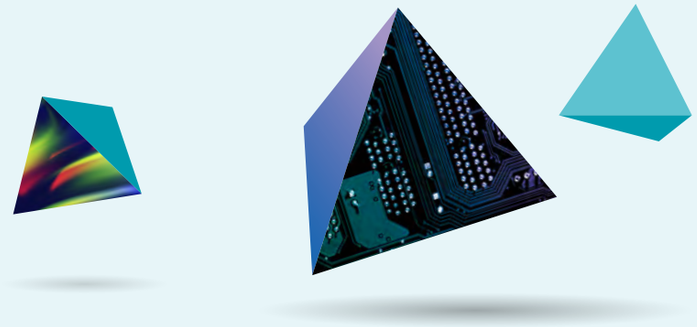
Refurbished Computer and Digital Training Program

Having complete digital equipment is the first step of bridging the digital divide. Through ASUS Foundation's "Refurbished Computer and Digital Training Program", ASUS achieved the reverse logistics recycling process by installing reusable components and updating the software of second-hand computers and ultimately giving them a new life. These computers would then be donated to underprivileged communities lacking digital equipment to expand the social impact of reverse logistics recycling of computers. In 2021, the Suspending Classes without Suspending Learning program was bolstered by the refurbished computer and digital training program.

Digital Learning Centers

The ASUS Foundation has been working with the Ministry of Foreign Affairs in Asia-Pacific Economic Cooperation Digital Opportunity Center (APEC ADOC) project that helps ADOC member countries and non-profit organizations in other countries to establish digital learning centers in where digital resources are lacking, thus promoting digital learning and bridging digital divide. The project not only to improve the quality of life of local residents through digital learning but also help scout the future digital talents. Over the past 13 years, ASUS has assisted 39 countries to establish digital opportunity centers, more than 500 computer classrooms, donated more than 20,000 sets of information equipment such as new computers, refurbished computers and tablets, benefiting more than 550,000 individuals.

[1] Guidelines for Designing Inclusive Digital Solutions and Developing Digital Skills, UNESCO, 2018
[2] Digital literacy: the ability to understand and use information in multiple formats from a wide range of sources when it is presented via computers, Paul Gilster, 1998.



Digital Learning Program

ASUS extended the digital inclusion program to non-governmental organizations, as a means to expand the social impact, supporting innovative ideas and initiatives for educators and schoolchildren through technology. In 2021, despite the severe pandemic outbreak, ASUS unceasingly co-organized "Draw My Dream Camp 2021" with Welfare Foundation Taipei. Three teachers and designers from ASUS Design Center led 67 students from across different parts of Taiwan to complete some hundred pieces of work via video calls. This year, artistes were specially invited to give celebrity seminars, to encourage students pursuingtheir dreams bravely.

Digital Happy Learning Camp

ASUS has been driving the “digital fun learning camps” since 2017, where volunteers recruited internally would be trained before venturing to schools in rural areas or social welfare groups for underprivileged communities to cultivate the next generation of digital talents. Owing to the pandemic outbreak, the “digital happy learning camp” shifted online and online virtual classrooms were created in the Gather Town which is currently most popular for remote working, enabling everyone to have a sense of real-time interaction even if they are in a remote class.

International Volunteer Program

In 2021, due to the COVID-19 pandemic around the world, ASUS paused the overseas volunteer program under the premise of protecting the health and safety of colleagues and volunteers.

Information on volunteer initiatives for the past years →

"Heartfelt 99" Project of Public Television Service

” Heartfelt 99” is the first competition in Taiwan for young people to tell story by filming, so that the younger generation can express their concern for the society through their films. A total of 65 schools participated in the 12th Heartfelt 99 national campus short film competition, with 915 students from 183 participating teams and a cumulative exposure of nearly 100,000 times. Over the past 12 years, 90% of colleges and universities in Taiwan have participated in the program. The discussion topics were rich and diverse, including air pollution issues, animal protection, marine ecology, COVID-19, gender identity, family values, etc. Famous directors and actors were specially invited to serve as judges this year, to encourage more young creative talents to express their concern for the society through film and television works in the future.

Action Plans for Overseas Locations

In 2021, ASUS overseas subsidiaries also assistance to residents from different locations, implementing community care and strengthening community connections while the pandemic continued to rage across the world.

United States

- Launched diversified programs to provide appropriate services and render necessary support to local communities.

1. Donated 162 computers to Tech Exchange, non-profit organization based in Oakland, California in 2021.

2. "Build Together, Give Together" program: since 2017, the program has brought gamers and computer enthusiasts together to support non-profit organizations, Make-A-Wish Foundation, Gamers Outreach and Child's Play, through fund raising campaigns with self-assembled computers, computer donations, among other efforts. The program also collaborated with professional basketball star, Seth Curry, from Brooklyn Nets of the National Basketball Association (NBA), putting the computer assembled by him on sale and proceeds going towards BC Children's Hospital Foundation and Seth Curry Foundation. Notably, Make-A-Wish Foundation partnered with various ASUS overseas offices including the United States, France and Singapore, etc.

3."Pay-As-You-Go" initiative: ASUS partnered with the Endless OS Foundation to develop a computer procurement program derived from a microfinancing model. ASUS supplied computer equipment while the Endless OS Foundation took care of the provisioning of their offline-ready educational software platform. Users need to pay only a basic deposit before walking away with a laptop, and are alerted by the laptop directly for payment reminders. Once ongoing payments are made, users can continue using the laptop. The program hopes to alleviate digital equity social issues and increase laptop affordability through new business models.

> Make-A-Wish Foundation: a non-profit organization founded in the United States in 1980, it is dedicated to granting the wishes of children ages 3 to 18 years old with critical illnesses. At present, it has service chapters in more than 50 countries.

Czech Republic

- Employees of an ASUS subsidiary in Czech Republic took the initiative to donate the budget for the New Year's Party towards the disaster relief efforts for the tornado disaster in 2021, raising a total of CZK320,550 (NT$416,616).

Ukraine

- Donated OLED laptops to the Ukrainian orphans in 2021 along with ROG gaming laptops to the orphan who emerged as champions in the IT information competition. The champion will represent Ukraine to participate in the competition in the European Union.

Germany

- Partnered with local charity event, Friendly Fire 7, for donation drive through game challenges with YouTubers and streamers. The event attracted more then 2 million online views and collected EUR€ 1.8 million. All proceeds were donated to seven local non-profit organizations.

Russia

- A percentage of the proceeds from the sale of computers and monitors from online stores were donated to the Life Line Fund, a non-profit organization focusing on children's diseases. ASUS Russia donated a total of 2.5 million Rubles in 2021 to the organization for the care of children with serious illnesses in Russia who need medical attention.

Thailand

- Assisted the Bangkok Health Centre in setting up a local vaccination center and donated 25 laptops for vaccination registration by the public, benefiting about 2,500 people.
- Collaborated with news service company, E-chan, to donate ten ASUS computers to schools in Sukhothai province to enable underprivileged students from the schools to study online.

The Philippines

- Narrowing the digital gap during the pandemic: ASUS Group joined hands with local organizations Yellow Boat of Hope Foundation (YBHF) and social enterprise BEAGIVER to donate a total of 128 laptops to local residents through the eHub initiative. YBHF stated that the durability and easy to use ASUS computers were the greatest driving force behind the collaboration.
- Typhoon disaster relief: donated 20,000 Philippine peso with the local distributor, IECC Bacolod, to facilitate the procurement of supplies materials by local social welfare organizations as aid for victims.

Mainland China

- To bridge the gap in educational resources, ASUS China donated 3 libraries in Xinjiang, Henan, Heilongjiang, on top of donating 9,000 books and 2 computers, and serving more than 70,000 people.

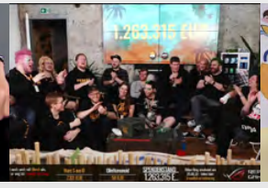
Hong Kong

- ASUS partnered with Free Tuturial World founder, Chan Hung for "Give Students a Helping Hand" donation program sees ASUS donate 1% of cost-adjusted income for the purchase of any of ASUS or ROG laptop, helping elementary and secondary-school students from low-income families to buy laptops.

India

- Donated 2.2 million Lira to Prime Minister's National Relief Fund for humanitarian relief efforts in India.

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





Community Involvement

Creating a balanced social development, contributing to social stability and reducing external costs of society, is one of the important factors of ESG. ASUS extends its business philosophy of "inspire, motivate and nurture our employees to explore their highest potential" to giving back to the society. Through efforts such as in-kind donations, providing job opportunities, etc., we create a society of mutual benefit and shift from a co-existing society to a co-prosperous one.

The Growth and Training Program of “Children Are US”

Through the innovative employment program in collaboration with Children Are Us Foundation, ASUS hired ten 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, the 10 individuals on the scheme underwent professional occupational rehabilitation, job coaching and continuous individual development plans. They now offer beverages as well, expanding their work capabilities. This not only slowed down their aging, thereby improving the intelligence, physical fitness and work capabilities, but also eased the burdens on their respective families.

Charity Donation and Sponsorship

With core values in mind, ASUS participated in various community activities, and also ring-fenced a budget to sponsor different organizations to fulfill our corporate social responsibility and realize the vision of contributing to the society. In 2021, due to the pandemic outbreak, ASUS pivoted from charity donation related events to online procurement to support public welfare groups. The charity sales and in-kind donations amounted to more than NT$200 million, benefiting 37 none-profit organizationsand rendering support to more than 6,000 children, families and the elderly in need.

Certificate of Appreciation for Vaccine Donation

Social Return on Investment (SROI)

ASUS implemented sustainability policies based on the ethos using digitized data and scientific manager practice to support sustainable value creation through core competiveness. Hence, ASUS introducted Social Return on Investment (SROI), which is similar to the concept of return on investment of current financial accounting and practical operations. By unifying measurement methods and reporting principles, non-profit activities can also generate performance information with decision-making and management value.

The projects which ASUS evaluated by SROI are:

ASUS refurbished computer and digital training program

- ASUS published the ASUS Refurbished Computer and Digital Training Program SROI Report in 2017, becoming the first SROI report certified by Social Value International for Asia technology industry and Taiwan.
- The assessment result in 2019 has been increased from 3.61:1 in 2016 to 5.7:1.


SOCIAL VALUE
INTERNATIONAL
Statement of
Report Assurance

The Growth and Training Program of “Children Are US”

- The evaluation of social impact in 2017 was limited to the employed individuals and their families and the social impact result was 1.37:1. In the future, it is planned to extend and promote operation and cooperation model of multi-party resource sharing, and continue to enhance and expand the social impact scope.

Environmental Protection

Plastic Reduction

Corporate plastic reduction: with an eye toward preventing the generation of plastic waste and changing the culture of using single use disposable plastics, disposable cutlery are prohibited in all canteens, convenience stores, cafes and other businesses within the office zone. In 2021, the plastic reduction program was suspended due to the pandemic outbreak.

Marine Conservation

Beach cleanup and conservation: ASUS adopted a 500-meter coastline of the Wazihwei Nature Reserve in New Taipei City since 2017, in support of the "Coastal Cleanup and Beach Adoption Campaign" initiated by the Environmental Protection Administration. The nature reservehas precious wetland ecology and is an important habitat for many migratory birds, aquatic fauna and flora.

11 Governance

Corporate Governance

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

[1] OECD: Organization for Economic Cooperation and Development

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 2019, according to the "Rules for Election of Directors", the 12th Board of Directors were elected, which was formed by 13 Directors, and among which 3 were Independent Directors. We aim to leverage the professional knowledge of outstanding members of the industry to introduce the viewpoints of external stakeholders, and to improve the quality of business operations. All board members are male. The Chairman Jonney Shih does not serve as the President. ASUS requires an average attendance rate of 85% of board members, based on the Corporate Governance Evaluation Indicators. A total of 8 board meetings were held in 2021, with an average attendance rate of 99.04%. On June 8, 2022, the ASUS Shareholders' Meeting elected two female directors (one each for general directors and independent directors), and the number of independent directors was increased from the original three to five.

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.

Remuneration Policy for Directors and Managers

(1) Director Remuneration Policy

The Company's remuneration for Directors includes compensation and remuneration.

- Directors' compensation: Article 17 ASUS'"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." However, only Directors who serve concurrently in the Remuneration Committee are paid Directors' compensation.
- Director's remuneration: Article 20 of the ASUS'"Articles of Incorporation" 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 each year is 0.3%.

(2) Compensation for Managers

The compensation for managers includes the monthly salary, bonuses for the three festivals, annual performance bonus, and other remuneration distributed based on actual profits in the current year. The Company references the prevailing salary and benefits in the industry to determine the amount of compensation allocated to each manager. It would also consider its business performance, as well as personal duties and contributions of each manager to provide reasonable compensation. The Human Resources Department shall propose the compensation, and then reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

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

ASUS conducts regular performance evaluation of the Directors each year, and reports the results to the Board of Directors in the following year in accordance with the "Self-Evaluation of the Board of Directors", the results would be used as the basis for the nomination of Directors and compensation determination.

When determining the compensation for Directors, President, and Vice Presidents, we fully consider their professional skills, business operations and financial status of the Company, as well as other special contributions together with the Company's performance and their personal performance, which are used to calculate the compensation. We continuously review future business risks and corporate social responsibility, and reviews the remuneration system whenever necessary to maintain balance in the Company's sustainable development and risk management.

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 2021 board performance evaluation presented to the Board of Directors in March 2022, 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.

[2] Please refer to P.30-37 in the 2021 Annual Report for the name and education of each Board member, as well as the holding positions of other companies.

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 three independent Boards of Directors. Under the Audit Committee, there is a Business Continuity Management Committee (BCM, formerly "Risk Management Platform") which performs the risk assessment of concerns from external stakeholders, holds periodic risk management meetings, and develops measures for cross-department key risks. The Audit Committee will report to the Board according to the materiality of the risk.

There were a total of 4 Audit Committee meetings in 2021, with an attendance rate of 100%.

Remuneration Committee

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.

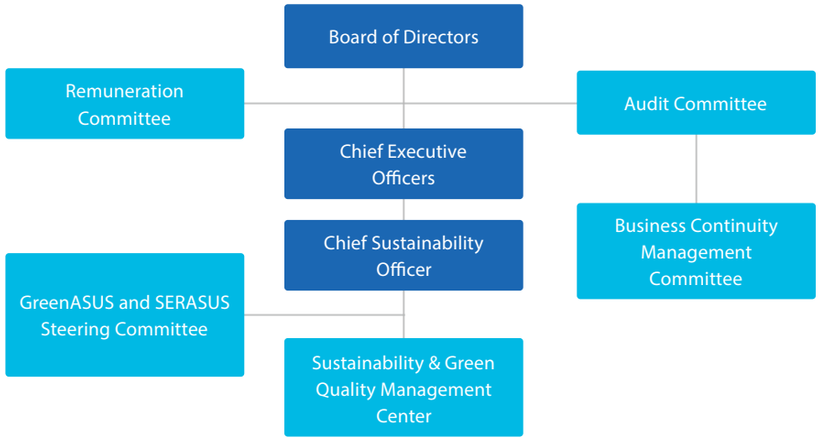
There were 3 Remuneration Committee meetings in 2021, with an attendance rate of 100%.

Sustainability Governance

Sustainability and Green Quality Management Center

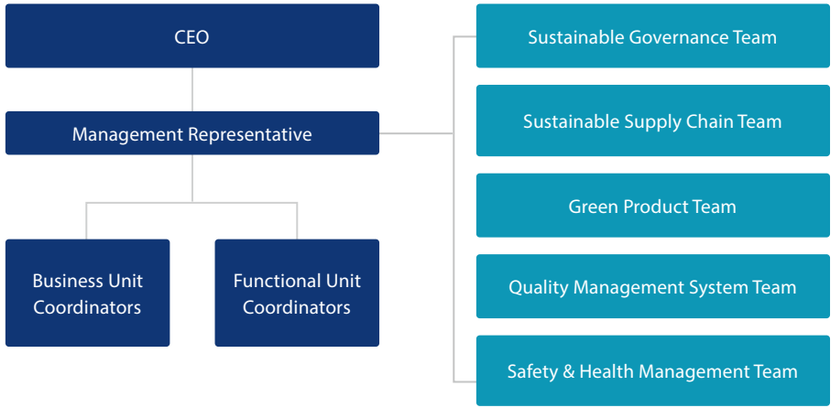
ASUS established a unit dedicated to sustainable development in 2009 to monitor global sustainable development trends, analyze sustainability issues in governance, environment, and society. It integrated the core of operation with our innovation in product and service to form strategic sustainable direction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

The CSO regularly reports to the Board of Directors each year and submits the policies and targets, key sustainability projects and the performances for review. A report will soon be filed in the board meeting in 2022 Q3. We identify material topics of concern and respond to the United Nations Sustainable Development Goals (SDGs) through stakeholder engagement, as well as disclosing sustainability goals and performances of sustainable innovation projects. Where a negative impact affects stakeholders, the unit shall report the cause and methods for addressing the issue to the Board of Directors.

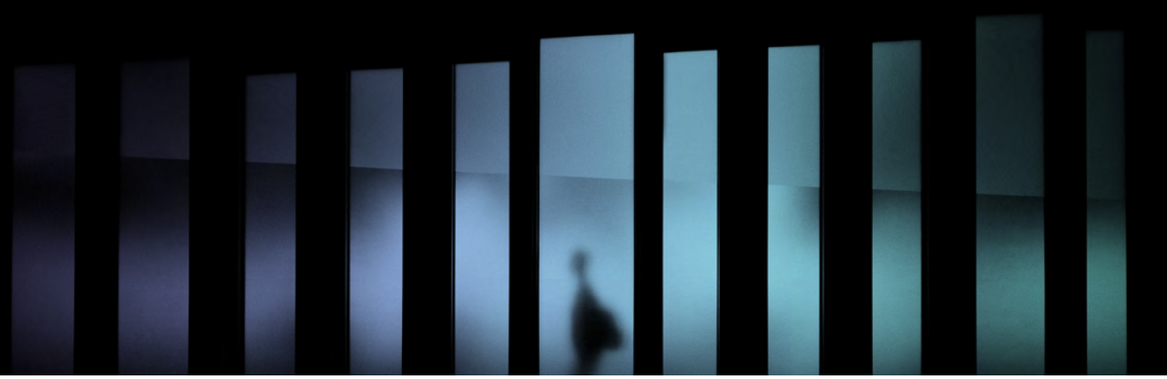


GreenASUS Steering Committee & SERASUS Steering Committee

In order to communicate across the units on key issues such as products, supply chain and organization operations that are highly influential to corporate sustainable operation, ASUS establishes the "GreenASUS & SERASUS Steering Committee" with Chief Sustainability Officer (CSO) as the management representative is authorized by the CEO. It holds periodic meetings and sends e-newsletters with contents including but not limited to company-wide sustainable development information, the recent activities of management system, and the latest legal announcements. The members of the Committee come from the business units, procurement department, customer service, administration, legal and other departments. The communication and coordination are carried out across the units, and the resources can be effectively allocated throughout the company. All ASUS people can work together in a consistent direction to combine the sustainability and core of operation to become one of the competitiveness advantage.



Risk Management



Risk Management in the Post-Pandemic Era

The COVID-19 pandemic remained uncertain in 2021. In response to the post-pandemic era, ASUS shall adjust its business strategies and adopt a more comprehensive view on how to set up permanent risk management mechanisms. We shall optimize the governance structure and decision-making process to increase the resilience of the organization, and actively respond to the challenges of uncertainties in the external environment.

Risk Management Policy

Proactively deploy management measures in response to risk threats.

Demonstrate organizational resilience and ensuring operational continuity.

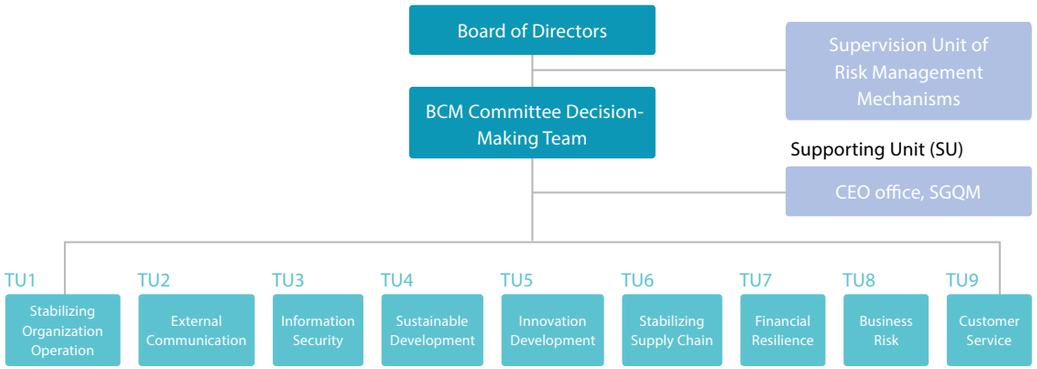
Goals

- Establish Key Risk Indicators (KRI) for real-time monitoring
- Establish short, medium and long-term risk prevention plans, and review and improve them on a regular basis
- Continuously strengthen various emergency response strategies and execute regularly drills

Business Continuity Management Committee

To ensure more comprehensive and routine risk management, ASUS established the Business Continuity Management (BCM) Committee to focus on critical risks that are not urgent. We actively identify possible future hazards and ensure that we can respond to threats and maintain continuous operations.

The Board of Directors oversees the strategy development of the BCM Committee and forms a decision-making team including the Co-Chief Executive Officers (co-CEOs), Chief Operating Officer (COO), and senior business executives to implement joint supervision, review and establish protection mechanisms in daily operations. The Taskforce Units (TUs) are responsible for monitoring risk trends and preventive risk management in all areas, and are responsible for developing quantifiable KRI(Key Risk Indicator) and risk prevention plans. When the risk occurs, they must respond immediately and establish an emergency contingency plan to minimize the impact and disruption time. Each year, the BCM Committee presents an annual risk management report and the BCM performance to the Board of Directors.

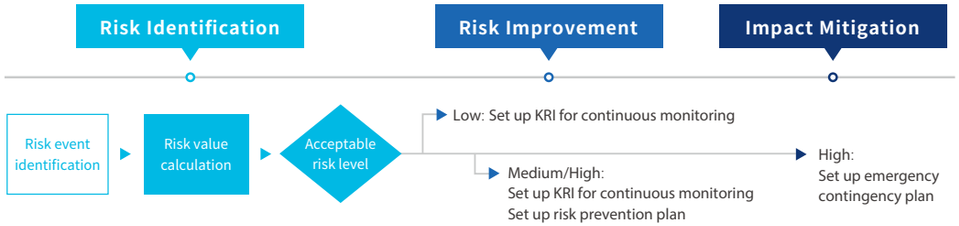


Taskforce Unit (TU)

Risk Management Tools

To optimize the BCM decision-making process, in 2021, ASUS continued to enhance applications of the risk management tools and integrated ISO 22301 Business Continuity Management System along with relevant tools to develop a set of BCM management tools suitable for ASUS to meet the needs in actual operations and company development, as well as the expectations of the international community. The risk decision-making process can be divided into risk identification, risk improvement, and impact mitigation.

Risk Assessment Procedures



Results of Risk Identification

Stable Operations of the organization

Risk Issue	Competition in recruiting talents	Digital transformation	Communicable diseases
Risk Description	The accelerated economic growth after the pandemic has increased the demand for tech talents	Systems must increase integration capacity to keep up with rapid changes in the organization	The spread of communicable diseases in clusters may affect employees' health and safety and cause manpower shortages

External Communication

Risk Issue	PR crises
Risk Description	If PR crisis are not handled appropriately, they may affect brand image and lead to potential losses

Digital Security

Risk Issue	External threats	Core system	Hardware equipment/network
Risk Description	The Company is hit by major crypto-ransomware	The main Database server is damaged which causes service suspension, and the application system disrupted by unexpected external factors	Irregular service disruption of the core network switch hardware equipment

Sustainable Development

Risk Issue	RE100 renewable energy commitment	Increase in costs of carbon tax	Green competitiveness of products
Risk Description	Due to the insufficient supply and stability of renewable energy in Taiwan, we must prepare in advance to meet diverse green electricity demand and reduce the risks of violation of the commitment	The restriction on emissions of greenhouse gas and the implementation of carbon tax systems around the world will result in the increase in production costs	Green products align with guidelines of international eco labels, as the lack of green competitiveness may affect the competitive strength in the international green market

Innovation Development

Risk Issue	Innovation development
Risk Description	Insufficient internal open innovation and lack of response to external destructive innovation cause ASUS to lose competitiveness in the market

Stable Supply Chain

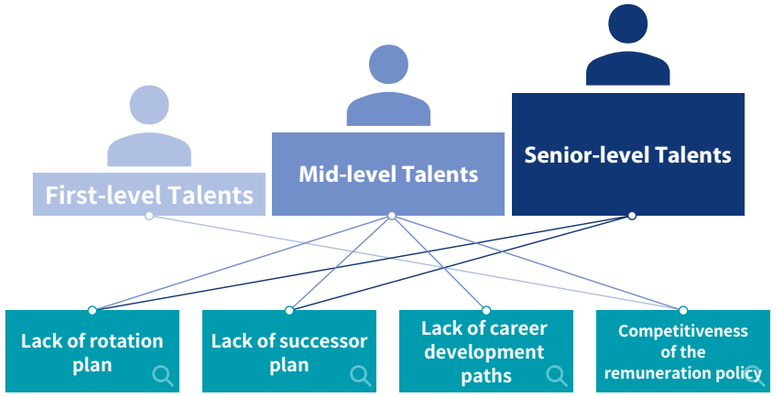
Risk Issue	Disruption of the supply chain
Risk Description	International trade disputes, COVID-19 pandemic resulting in lockdowns and labor shortages, and natural disasters lead to production reduction, discontinuation, or fluctuation in raw material prices

Risk Management Case Studies

We collected information on past and potential future risk incidents and conducted an inventory of key resources to identify the vulnerabilities in key resources, based on which we developed risk indicators and prevention programs. We also calculated the four major indicators including threat, availability, impact, and vulnerability. The product of the indicators is the risk value which is used to identify high-risk incidents that must be prioritized.

Risk Incident: Competition in Recruiting Talents

Assess Key Resources



Identify Vulnerabilities in Key Resources

Develop Key Risk Indicators

First/Mid-level Talents	Mid-level Talents	Senior/Mid-level Talents
• Compa-ratio	• Completion rate of career path planning • Annual implementation rate of professional/leadership management training programs • Average hours of training each year	• Talent experience • Successor availability rate for the next 3 years

Case BCM Workshop

To promote the use of BCM risk management tools, the BCM Committee organized the "BCM Workshop" in 2021 and assigned the "Stabilizing Organization Operation Taskforce Unit" to serve as the pilot team to use the risk management tools. The unit identified seven risk incidents that may cause business disruption, including competition in recruiting talent, digital transformation, communicable diseases, earthquakes, typhoons, leaks of hazardous substances, and major occupational safety incidents, and then assessed the vulnerabilities of key resources in each risk incident and developed the "Key Risk Indicators (KRIs) and Prevention Plan". When there were 5 types of risk incident require immediate action, we developed 5 sets of emergency contingency plan, implemented and reviewed the drills for each scenario.

Emerging Risks

According to the definitions of the Corporate Sustainability Assessment (CSA), "emerging risks" are newly identified potential risks and known potential threats that could harm the business in the long run. We integrated the nine major categories of BCM and identified 20 risk incidents based on the Global Risks Report 2021 published by the World Economic Forum (WEF). The BCM Office reviewed each risk incident to verify whether they meet the CSA definitions of emerging risks. It evaluated their impact and identified four major emerging risks of concern to ASUS, including renewable energy risks, responsible investment risks, sustainable supply chain risks, and digital security risks. It then began related adaptation actions for each type of incident.

Emerging Risk Identification Procedures

Emerging Risk Adaptation Actions

Imbalance in the Supply and Demand of Renewable Energy

In response to the global target for net zero by 2050, foreign customers' demand for low-carbon products, and stricter regulations for major electricity consumers in Taiwan, companies must immediately activate low-carbon operation transformation.

Potential Impact

- ASUS is committed to using 100% renewable energy in all global operations by 2035. However, due to the imbalance in the supply and demand of renewable energy in Taiwan, if the Company fails to make preparations in the renewable energy market, it would face rising operating costs which may also affect purchase orders.

Adaptation Actions

- Plan optimized solutions for renewable energy and work with renewable energy operators on collaboration programs and sign Memorandum of Understanding (MOUs). The goal is to attain RE100 targets in operations in Taiwan by 2030 and in global operations by 2035

Lack of Consistency in Responsible Investment Standards

More than 4,000 companies have signed the "Principles for Responsible Investment (PRI)" published by the United Nations. Investors now urge financial institutions to implement responsible investment and responsible loans. In addition to focusing on the profitability and growth of the companies they invest in, they also incorporate ESG issues into their investment analysis and decision-making process so that companies pay more attention to ESG.

Potential Impact

- There is no unified and integrated evaluation standard and different evaluation approaches result in different topics of concern and evaluation results. It affects long-term cooperation opportunities with clients or causes the Company to miss ESG investment opportunities.

Adaptation Actions

- Regularly monitor international sustainability regulations, responsible investment trends, and topics of concern
- Communicate with responsible investment institutions and demonstrate the overall sustainability performance of the Company

Risks in Digital Security

The COVID-19 pandemic increased the reliance on digital systems while the shortage of talents in remote work, ransomware, and cyber security, lack of information security governance, human errors, and attacks in the supply chain have exacerbated cyber security risks.

Potential Impact

- Loss of confidential business information or personal information of customers and employees
- Disruption of the Company's operations and blackmailing the Company after gaining control of computers
- Infiltration into ASUS information and communication products that affects customer interests and the Company's reputation
- Customers lose trust in the brand

Adaptation Actions

- Enhance security in the R&D environment and expand ISO 27001 Information Security Management System coverage
- Implement Secure Software Development Life Cycle (SSDLC) in the Company and implement product and system service security engineering
- Introduce standards to the supply chain and help suppliers meet ASUS' cyber security requirements
- Optimize product vulnerability reporting channels and enhance the public-private collective defense system

Increase the Level of Concern for Human Rights Issues in the Supply Chain

International human rights reports have shown that forced labor remains an issue in the global supply chain. The United States has specified a list of suppliers with human rights risks and prohibits the entry of products of suppliers on the list into the United States.

Potential Impact

- The suppliers that violate human rights or suppliers on the list may affect the entry of products or cause customers to terminate partnerships

Adaptation Actions

- Add indicators for the identification of forced labor and increase the number of samples in audit meetings
- Establish mechanisms for comparing the list with qualified suppliers and suspend transactions with risky suppliers

Information Security Management

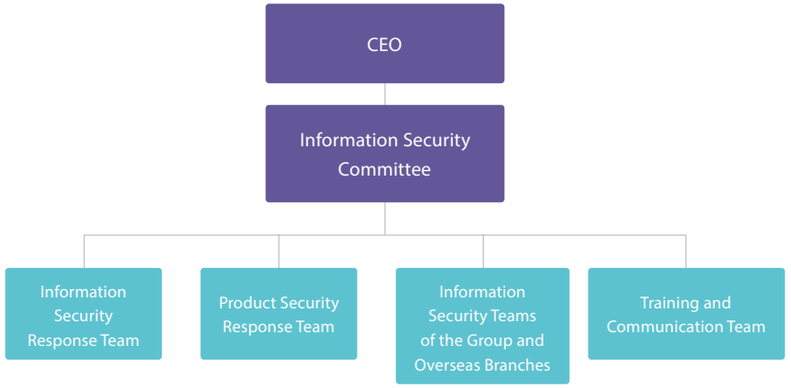
Organization Structure and Management Policy

Numerous emerging technologies have appeared during the COVID-19 pandemic. They create brand-new work settings which bring unprecedented challenges for information management and product security. ASUS established the Information Security Management Committee and assigned the CEO to oversee the management, to respond to the increasingly severe challenges and to enhance the corporate sustainable development. The Information Security Management Committee launched the ISO 27001 to create management procedures to meet international standards. Internal information security activities were planned, executed, and reviewed, to verify the activities and relevant results, meeting the targets and requirements of the information security management system.

Using the Information Security Management System as the basis, ASUS appointed the Chief Information Security Officer (CISO) and set up a new dedicated unit - Digital Security Division in September 2021. The Company devoted in comprehensive plans and implementation of information security and product security with the aim of "building digital resilience, increasing brand trust; pursuing excellence, and ensuring security". We aim to become a supportive party for our subsidiaries, suppliers, and supply chain partners.

Three major management areas

1. Focus on governance issues such as information security management in corporate and in supply chain, risks, and compliance
2. Implement real-time monitoring of security threats in the internal and external information operating environment and provide contingency measures when incidents occur
3. Launch safety engineering projects to strengthen the information security of ASUS products and services.



Information Security Governance

- Align with the business development strategy of the organization
- Support the business of the organization and create value
- Information security organization - Information Security Committee
- Establish information security policies and management guideilnes
- Information security management procedures

Digital Resilience

- High-tech information security collective defense
- Early adaptation to digital threats in the new era
- Enhance digital security prevention
- Comprehensive preparation in routine operations, reaction during an incident, and capacity for rebuilding after the incident

Information Security Implementation

- Promotion of information security policies and goals
- Introduction of international information security standards and certification
- Increase in information security awareness
- Enhance information security management in the supply chain

Information Risk Management

- Focus on internal and external security issues
- Identify the source of threats and analyze the possibility and impact of risk exposed to the organization
- Formulate suitable decisions based on the risk appetite
- Implement cybersecurity drills

Cyber Defense Matrix (CDM)

To increase the security and maturity of operations in the organization, ASUS references the Cybersecurity Framework of the National Institute of Standards and Technology (NIST) of the United States and divides security into five core aspects, namely identification, protection, detection, response, and recovery. The five core aspects are used to review and manage information security risks. In terms of the defense strategy, we organized the complete CDM based on these core aspects as well as the information assets (equipment, applications, networks, data, and personnel) for continuous improvement and optimization.

Product Security Development and Manufacturing

Security must be observed in every link. ASUS continues to promote product security development internally, incorporating security considerations into both the system life cycle (SLC) and the software development life cycle (SDLC). The analysis stage in the product life cycle conforms to the requirements engineering framework of the NIST 800-160 Systems Security Engineering, and the security specifications required by the product can be fully defined. In the design stage, threat identification and impact analysis are conducted to calculate the risk value with respect to the threat items, and related risks are mitigated in the design and development stages. In the deployment/launch stage, personnel's responsibilities are divided and controlled, and dynamic testing and host vulnerability scanning are performed before the service is officially launched to ensure the security of the running service software itself and the hosting system.

In addition to complying with security design principles in the R&D process, we must focus on the information security management in the supply chain of manufacturing process. In order to continuously provide customers with more secure products, we added information security goals such as security enhancements in the product R&D environment and in the supply chain to ASUS 2025 Sustainability Goals, thus the implementation of information security in all processes, not only expanding information security protection beyond one-way establishment, but also putting one step forward to bilateral collective defense and cooperation with the supply chain. These approaches protect ASUS information assets from internal and external risks, and ensures the confidentiality, integrity, and availability of the information security management system.

Information Security Management Performances in 2021

Establishment of Security Mechanisms for Work from Home	Continuous Improvement of Employees' Information Security knowledge	Implementation of Information Security Drills
▸ Used high security equipment, multi-factor authentication mechanisms, and regularly reviewed authorization status ▸ Enhanced the security of information system services and network connection for employees who work from home	▸ Sent information security guidelines to employees from time to time ▸ Implemented information security training and annual refresher training for all employees with a completion rate of 100%	▸ Conducted 8 social engineering exercises to prevent email fraud in 2021 ▸ Implemented information security drills to evaluate the level of the information security protection of the Group to deploy early defense mechanisms

Analysis of the Composition of Product Components	Remote Backup Switch Drills	Incident/Violation
▸ Introduced open-source and third-party component composition analysis tool and managed the use of the software to enhance product security and compliance ▸ Obtained recommendations for security modifications and immediate reactions to a problem	▸ Executed remote backup switch drills for the business continuity operations of core information systems to ensure that the Company was able to minimize the risks of business disruptions due to the anomalies	▸ Continued to improve employees' information security knowledge and organized information security drills. The number of violations of ASUS information security guidelines decreased gradually each month in 2021

Case ASUS Leads the Collective Defense in the Industry

The "High-Tech Information Security Alliance" was established in 2021 and ASUS' Chief Information Security Officer (CISO) served as the first Chairman. The Chairman represents companies in the Alliance and visited government institutions to maintain positive interactions and support development in the industry. ASUS was glad to learn that the Legislative Yuan will pass the legislation for including "information security products or services" in tax credits in the third reading in 2022. With the support and assistance of government authorities, the measure could help the industry accelerate investments in information security and increases the reliability of the industry in the global supply chain.

Companies and the industry collaborate with external entities, government authorities, and international bodies and expanded the collective defense from internal organization and group to the industry. This trend deserves attentions from the industry.

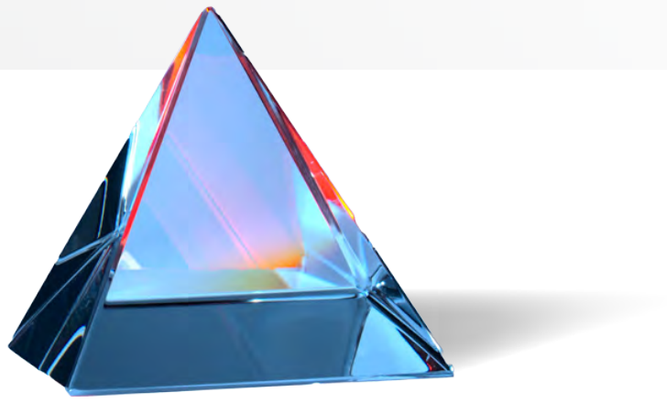
Response to the Incident

With regard to the intrusion of Cyclops Blink into ASUS routers in March, 2022, Trend Micro discovered that the Russian Botnet Formula, Cyclops Blink, had targeted and infected ASUS routers. According to ASUS' research, the Botnet Formula only worked on devices with old firmware released before 2021. ASUS announced the results of the study in the Security Advisory at the same time as the publication of the research by Trend Micro. To enhance the security of routers, at the end of March ASUS has released the updated firmware for the devices that were being attacked to strengthen security measures, and will implement the same protection mechanisms to other devices.

Personal Data Protection Committee

ASUS established the "Personal Data Protection and Information Security Committee" in April 2012 according to the instruction from the top management to formulate the company's policy on personal data use and handle relevant matters. In response to regulatory changes and reorganization, the above committee has changed to the "Personal Data Protection Committee" (Hereinafter referred to as "the Committee") in 2018, and the Committee has released a new company's policy named the "General Personal Data Protection Policy" and implemented it internally. The Policy is used as guideline 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 published the "ASUS Privacy Policy" on ASUS official website to let the general public and consumers aware of how ASUS protects and manages their personal data. In order to ensure the full implementation of the company's policies, the Committee holds regular bi-weekly meeting to implement and review annual objectives, and calls irregular meetings from time to time to adjust implementation measures and handle personal data relevant events.

By the end of 2021, the Committee has held 270 regular meetings.



Main Accomplishments of the Personal Data Protection Committee in 2021

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.
- **Education and training:** Education and training sessions are held annually to ensure all employees understand the company's policy. In 2020, 4 sessions were provided to employees in headquarters and in overseas offices.
- **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.
- **Annual vulnerability scanning on personal data related websites:** In order to reinforce security of websites and consumer data, the Committee requires the Enterprise Intelligence Data Development Center to implement vulnerability scanning on websites which provide external services and collect personal data. Based on vulnerability scanning evaluation report issued by the Center, the Committee conducts the tracking of vulnerability correction progress and audits the implementation of vulnerability management. The responsible department is required to improve on non-compliant items within a limited time period.
- **Education and training:**

  Regular in-person classes: Training courses on personal data protection are offered to all employees annually.

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

Main Plans of the Personal Data Protection Committee for 2022

- Continue to improve the interface for individual parties to file personal data requests as well as internal procedures.
- Review and improve company's degree of compliance in response to new legislation in countries such as Thailand and Vietnam.
- Increase overseas audits and assist related departments in performing supplier audits.

Ethical Corporate Management

Ethics and Code of Conduct for Employees

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 mandatory for all employees and is required to be retrained every year.

Whistleblower System

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. In order to avoid unfair and unfavorable treatment, the whistleblower can also propose necessary precautions against possible damage in accordance with the law. Regarding cases that violate the "Code of Ethical 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. For detailed instructions for reporting, please visit "Internal Audit" under "Corporate Governance" on the Investor Relations website.

Whistleblowing Channels and Procedures

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

The Company imposes suitable penalties for violations of the "Employee Code of Conduct", and holds strict attitude towards illegal activities, transferring cases to law enforcement authorities when necessary. In 2021, there was 1 violation in ASUS Group and the violator was dismissed based on the severity of the violation in accordance with ASUS' internal regulations in the "Work Rule" and "Employee Code of Conduct". We also immediately requested relevant units to review improvement measures, including the establishment of "Software Outsourcing Management", defining work procedures for price comparison, negotiation, and acceptance of work content, and clearly defining guidelines on the collaboration model and review mechanisms for entering software outsourcing contracts.

Regarding business partners, ASUS requests that they sign the "Code of Conduct Compliance Declaration." We will take necessary legal actions in accordance with the provisions of the conduct against partners who violate the anti-bribery and anticorruption policy and thus cause damages to the business.

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 CSR report to comply with the balance and transparency principles of the GRI Standards. There was no major violation in regulation compliance in 2021.

Operation-Related Regulations	Environmental-Related Regulations	Service-Related Regulations
Business and Taxation Act	Environmental Protection Act	Personal Information Proctection Act
Product Labeling and Warranty Act	Occupational Safety and Health Act	
	Fire Services Act of Building	
	Labor Rights Act	

Audit System

The Audit Office is set up with one chief auditor under the Board of Directors; a complete audit and reporting system is established. It is in charge of the internal auditing business and enables the board of directors and senior management to assess the completeness, effectiveness, and implementation of the ASUS group's internal control system independently and objectively, so as to fulfill its corporate governance responsibilities.

At the meantime, it follows the appointment by The Board of Directors and senior executives to provide investigation, evaluation, or consulting services, to help them in performing corporate governance duties.

Customer Satisfaction

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, we use monthly questionnaire for tracking and analysis to help optimize telephone service contents or procedures. The customer satisfaction target is a dissatisfaction rate of lower than 10%. ASUS set a global annual customer dissatisfaction target of less than 10%, and the target was achieved for the dissatisfaction ranged from 0.12% to 7.17% over the total of 52 weeks in 2021. The dissatisfaction rate in China was the highest among all regions with an average of 7.1% in the third quarter. ASUS regularly trains the staffs of telephone service to ensure that they provide high-quality services and have sufficient professional knowledge. The average dissatisfaction rate was reduced to 5.97% in the fourth quarter.

In addition, ASUS occasionally organizes product inspection activities, including software updates, functional testing, simple troubleshooting, appearance cleaning and maintenance services, which can extend the product life cycle and enhance consumers' personal attachment to our brand.

12 Workplace Environment

We uphold the culture of "happy work and enjoy life". Through the improvement of workplace safety, health promotion activities, physical and mental stress relief lectures, parent-child activities, etc. we aim to maintain work and life balance, and thereby enhance the corporate cohesiveness and competitiveness. ASUS has long been committed to creating a safe, healthy, and comfortable working environment, and applies the spirit of perseverance and the pursuit of excellence to the field of occupational safety and health. The Company won the highest honor of the "2018 National Occupational Safety & Health Award - Enterprise Benchmark Award" by the Ministry of Labor.

Achievements

1
Taiwan iSports Accreditation
Taiwan iSports Accreditation by Sport Administration, Ministry of Education

2
Excellent Healthy Workplace Accreditation
Excellent Healthy Workplace Accreditation by Health Promotion Administration, Ministry of Health and Welfare - Health Promotion Label Extension

3
Safety and Health Risk Identification
Completed safety and health risk identification, organized emergency response drills

Safe Workplace

ASUS elevated the awareness of worker safety and ensured workplace safety through safety and health hazard identification, education and training promotion, disaster prevention drills and co-organizing emergency response training with local fire departments, among other self-management, in addition to the rollout of Workplace GO Safety Reward System to all employees and setting "incident-free" target.

To boot, with an eye on encouraging participation of all employees and achieving effective communication, ASUS established an "Occupational Safety and Health Committee" comprising 18[1] working level and management members. Meetings are convened quarterly to review the relevant safety and health issues stipulated in the laws and regulations, including the contents of occupational disaster investigation reports, operating environment monitoring results, safety and health education and training and annual audit results.

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

Identification Results of Annual Material Environmental Considerations and Intolerable Risks in 2021

Source of hazard	Environmental impact or hazard factor	Mechanisms of the control, protection or prevention
Procedures of the Product research and development	Risk of failure to notice anomaly in battery during disassembly	Education and training, establishment of standard operating procedures, provision of personal protective equipment, etc.
Vibration impact test	Possibility of generation of unacceptable noise level	Regular special physical (health) checks, setting up of personnel monitoring office, monitoring of the working environment and provision of personal protective equipment
Recreational activities	Mishaps occurring during large-scale activities such as competitions and parent-child activities	Environmental risk assessments prior to activities
Establishing emergency reporting platform	Colleagues are unable to obtain real-time emergency response information	Regular advocacy and drills
Chemicals added to the swimming pool	Chlorine gas produced by abnormal addition of chemicals	Color distinction for chemical barrels, monitoring of working environment and provision of personal protective equipment for the executive staff, etc.
Emergency response	Insufficient awareness of personnel emergency response	Establish emergency response plan and conduct drills regularly

[1] Inclusive of ten labor representatives

Healthy Workplace

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.

The participation rate of colleagues in Taiwan hit 95% in 2021, and with the care and follow-up by occupational health nurses, some 80% of individuals with highly high anomalies have completed their re-examinations, treatments or improvements. Additionally, ASUS achieved the goal of sustainable operation of healthy workplaces by partnering with neighboring hospitals, while promoting health activities.

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[2] so as to filter at-risk groups. Intervention care would be offered by nurses, occupational safety personnel, and human resources personnel, and where 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 anomalies in 2021.

ASUS takes the physical, mental and spiritual health of employees very seriously and promoted holistic health development plans, with health advocacy covering:

Physical Activities	Psychosocial Support	Welfare and Team Buildings
exercise, hydration, physical wellness	diverse psychological care services, employee assistance program (EAP), sleeping problem, psychological seminars	parent-child day, family day, department team building day, beach cleaning

Five-Star Psychological Care

Employee Caring Hotline → Employee Opinion Box → Employee Caring Website → Employee Assistance Program → Emergency Relief

- **The EmployeeCaring Hotline:** Provides immediate assistance to employees, and the joint consultation services provided by professional colleagues and external consultant experts give employees psychological and emotional support or stress relief solutions related to employees' work, life and health. In the event that employees suffer from accidental injuries, hospitalization or major disasters, we also activate emergency relief and assistance depending on the circumstances of each case and give employees and their family appropriate care.
- **Employee care website:** Published information including work stress relief, positive thinking and information helpful for employees' work or personal life. Designed for assisting employees in self-management 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.

During the COVID-19 outbreak, gentle reminders were immediately broadcasted on the intranet to reach out to the employee care hotline should they encounter issues at work, life and health and require assistance. Over and above organizing online psychological seminars for employees to participate in, articles related to pandemic prevention were posted on the employee care website from time to time to stick with our colleagues through thick and fine.

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

Caring for Female Employees

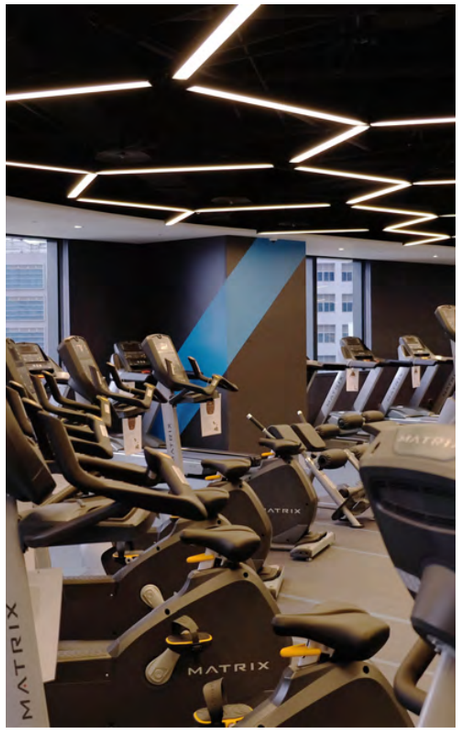
Since 2010, ASUS has continuously obtained the "Excellent Breastfeeding Room Certification". In order to take care of the health and safety of employees during pregnancy, we offer pregnancy gifts and courtesy parking spaces, and settle special rest chairs in the room to help pregnant mothers feel comfortable and relax during their lunch breaks. In 2019, we optimized the environment of the breastfeeding room through access control and independent compartments, providing a friendly environment for breastfeeding.

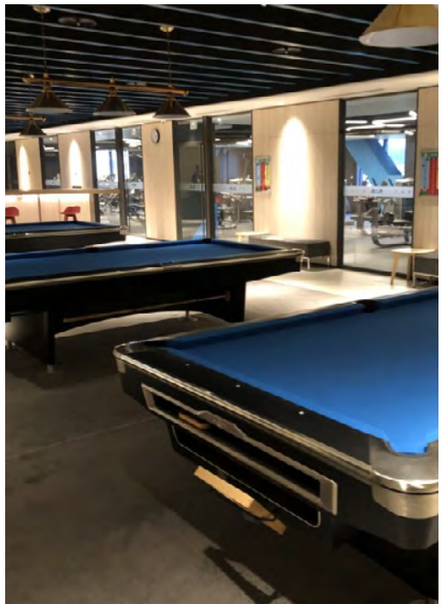
In 2021, the return to work rate for females after parental leave in headquarters and after maternity leave in Mainland China was 84% and 94%, accordingly; the retention rate for females after returning to work for 12 months in headquarters and in Mainland China was 84% and 81%, respectfully. The high return to work rate and retention rate in Taiwan and China show that ASUS would not force females to leave due to pregnancy or parenting and that it is committed to providing a gender equality environment.

A thoughtful and highly respecting privacy breastfeeding environment
1. There are sterilizers and wash basins in the breastfeeding facilities at ASUS
2. One breastfeeding room per person

Five-Star Fitness Center

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





Five-star fitness center

Continuous Reduction of Environmental Footprints

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

Waste Management and Zero Waste to Landfill

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

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

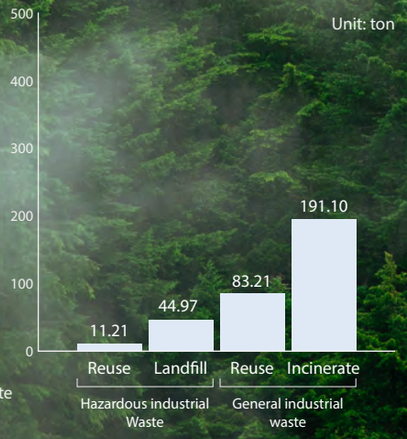
Water Resource Management

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

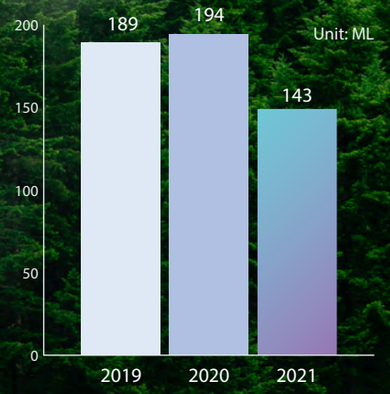
To achieve these, as well as improving usage efficiency and reducing wastage on water resources, we have implemented numerous measures in software and hardware. Hot spots of higher water consumption in Taiwan undergo analysis and statistics on significance, which will serve as records for long-term tracking. Moreover, a water recycling and reuse facilities were erected at the Headquarter, which collected overflowing water for toilet use and plant maintenance. The source of waste water is mainly office sewage, which is normally drained into a specified sewage treatment system as per government regulations, thus it is not in the scope of disclosure. With the COVID-19 outbreak in 2021, employees were placed on split team arrangements based on the severity of the outbreak situation. Hence the overall water consumption reduced by 26.2%.

Headquarters and Royal Club Repair Centers in Taiwan

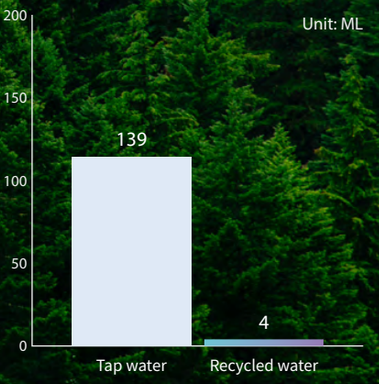
Waste Disposal Methods



Taiwan Headquarters Offices



Source of Water Intake



Appendix

Appendix A: GRI Content Index

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

GRI 2

GRI Content Index	Disclosure	Disclosure Section or Description	Ommission	Page Number(s)
Organization and reporting				
2-1	Organizational details	Business Philosophy and Sustainability Strategy		1-1
		2021 Annual Report: Special disclosures		167-171
2-2	Entities included in the organization's sustainability reporting	About This Report		I
2-3	Reporting period, frequency and contact point	About This Report		I
2-4	Restatements of information	No significant Change		
2-5	External assurance	About This Report		I
		Appendix D		D-1
Activities and workers				
2-6	Activities, value chain and other business relationships	Business Philosophy and Sustainability Strategy		1-1
		Responsible Manufacturing		7-2
2-7	Employees	Talent Cultivation		9-3
2-8	Workers who are not employees	Talent Cultivation		9-3
Governance				
2-9	Governance structure and composition	Governance: Corperate Governance		11-1
		Governance: Sustainability Governance		11-4
2-10	Nomination and selection of the highest governance body	Governance: Corperate Governance		11-2
2-11	Chair of the highest governance body	Governance: Corperate Governance		11-2
2-12	Role of the highest governance body in overseeing the management of impacts	Governance: Sustainability Governance		11-4
2-13	Delegation of responsibility for managing impacts	Governance: Sustainability Governance		11-4
2-14	Role of the highest governance body in sustainability reporting	Governance: Sustainability Governance		11-4
2-15	Conflicts of interest	Governance: Corperate Governance		11-2
2-16	Communication of critical concerns	Governance: Sustainability Governance		11-4
2-17	Collective knowledge of the highest governance body	Governance: Corperate Governance		11-2
2-18	Evaluation of the performance of the highest governance body	Governance: Corperate Governance ESG management performance has not yet been incorporated into the board performance evaluation.		11-2
2-19	Remuneration policies	Governance: Corperate Governance		11-2
2-20	Process to determine remuneration	Governance: Corperate Governance		11-2
2-21	Annual total compensation ratio	Ommission	confidential information	

Strategy, policies and practice			
2-22	Statement on sustainable development strategy	Business Philosophy and Sustainability Strategy	1-2
		Responsible Manufacturing: Sustainable Procurement	7-3
2-23	Policy commitments	Business Philosophy and Sustainability Strategy	1-2
2-24	Embedding policy commitments	Sustainable Governance	11-4
2-25	Processes to remediate negative impacts	Circular Economy	5-1
		Climate Action	6-1
		Responsible Manufacturing	7-1
		Innovation and Value Creation	8-1
		Talent Cultivation	9-1
		Society	10-1
2-26	Mechanisms for seeking advice and raising concerns	Governance: Business Ethics	11-13
2-27	Compliance with laws and regulations	Governance: Business Ethics	11-14
2-28	Membership associations	Appendix A: GRI Content Index	A-6
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Identification of Material Topics	3-2
2-30	Collective bargaining agreements	Each subsidiary complies with the collective bargaining agreement in accordance with national laws and regulations	

GRI 3

GRI Content Index	Disclosure	Disclosure Section or Description	Ommission	Page Number(s)
3-1	Process to determine material topics	Identification of Material Topics		3-1
3-2	List of material topics	Identification of Material Topics		3-7
3-3	Management of material topics	Identification of Material Topics		3-6

Material Topics

Climate Action

GRI Content Index	Disclosure	Disclosure Section or Description	Ommission	Page Number(s)
3-3 Management of material topics		Climate Action		6-1
GRI 302 Energy 2016	302-1 Energy consumption within the organization	117 TJ		
	302-2 Energy consumption outside of the organization	3,063 TJ		
	302-3 Energy intensity	Energy intensity within the organization: 0.01TJ/million USD (Operation Power Usage /2021.) Revenue) Energy intensity outside the organization: 0.23 $0.01 TJ/million (Products Electicity Usage/ Product Revenue in 2021 (NB, DT, AIO, Display)		
	302-4 Reduction of energy consumption	Ommission	No specific carbon reduction benefits have been achieved as climate action plans are currently being assessed and formulated. Kindly refer to the Climate Action section for more details on these plans.	
	302-5 Reductions in energy requirements of products and service	Circular Econom: Product Energy Efficiency		5-9
		Climate Action: Actions Taken		6-8
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate Action: Greenhouse Gas Inventory		6-4
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Action: Greenhouse Gas Inventory		6-4
	305-3 Other indirect (Scope 3) GHG emissions	Climate Action: Greenhouse Gas Inventory		6-4
	305-4 GHG emissions intensity	Climate Action: Greenhouse Gas Inventory		6-4

GRI 305 Emissions 2016	305-5 Reduction of GHG emissions	Ommission	No specific carbon reduction benefits have been achieved as climate action plans are currently being assessed and formulated. Kindly refer to the Climate Action section for more details on these plans.	
	305-6 Emissions of ozone-depleting substances (ODS)	Ommission	ASUS has no relevant process. Not Applicable.	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Ommission	ASUS has no relevant process. Not Applicable.	
Responsible Manufacturing				
3-3 Management of material topics		Responsible Manufacturing		7-1
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Manufacturing: Risk Evaluation and Classification Management Suppliers have to pass HSF and CSR audit. 100% of suppliers are in compliance with the requirements.		7-4
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Manufacturing: Reduce the Environmental Footprint of Suppliers In 2021, no partnerships were terminated due to the non-conformities found in audit results.		7-10
GRI 414 Supplier Social assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Manufacturing: Risk Evaluation and Classification Management Suppliers have to pass HSF and CSR audit. 100% of suppliers are in compliance with the requirements.		7-4
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Manufacturing: Responsible Mineral Procuremen In 2021, no partnerships were terminated due to the non-conformities found in audit results.		7-8
Circular Economy				
3-3 Management of material topics		Circular Economy		5-1
GRI 301 Materials 2016	301-1 Materials used by weight or volume	Ommission	This indicator could not be tracked because the technology is not feasible.	
	301-2 Recycled input materials used	Ommission	No information on 301-1 and thus the ratio could not be calculated. On the other hand, we disclose the management of circular economy and the weight of recycled plastic.	
	301-3 Reclaimed products and their packaging materials	Circular Economy: Green Material Usage		5-4
Talent Cultivation				
3-3 Management of material topics		Talent Cultivation		9-1
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	Talent Cultivation: Cultivating and Developing Talents		9-7
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Cultivation: Cultivating and Developing Talents		9-8~9-11
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Cultivation: Individual Appraisal Management and Development		9-12
Social Contribution of the Technology Industry				
3-3 Management of material topics		Social		10-1
GRI 413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social: Digital Inclusion		10-4~10-6
		Social:Community Involvment		10-7~10-8
	413-2 Operations with significant actual and potential negative impacts on local communities	Social: Digital Inclusion		10-4~10-6
		Social:Community Involvment		10-7~10-8
Innovation and Products and Services				
3-3 Management of material topics		Innovation and Value Creation		8-1

GRI Content Index	Disclosure	Disclosure Section or Description	Ommission	Page Number(s)
General Topics				
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	2021 Annual Report: Consolidated Financial Statement		P.197
	201-2 Financial implications and other risks and opportunities due to climate change	Alimate Action: Scenario Simulations		6-7
	201-3 Defined benefit plan obligations and other retirement plans	Talent Cultivation: Compensation and Benefits Programs		9-6
	201-4 Financial assistance received from government	Ommission	Research and development expenditure. The information is undisclosed.	
GRI 202 Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Appendix A: GRI Content Index		A-6
	202-2 Proportion of senior management hired from the local community	Appendix A: GRI Content Index		A-6
GRI 203 Indirect Economic 2016	203-1 Infrastructure investments and services supported	Society: Digital Inclusion		10-4~10-6
	203-2 Significant indirect economic impacts	Society: Digital Inclusion		10-4~10-6
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	2021 Annual Report: Overview of Business Operation (Supply of major raw materials)		P.124
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	The scope of anti-corruption risk assessment is all operating locations.		
	205-2 Communication and training about anti-corruption policies and procedures	Governance: Business Ethics		11-13~11-14
	205-3 Confirmed incidents of corruption and actions taken	Governance: Business Ethics		11-13
GRI 206 Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Governance: Regulation Compliance No significant violation		11-14
GRI 207 Tax 2019	207-1 Approach to tax	CSR Website: Governance Structure		
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	ASUS locations are offices and the discharge water complies with legal regulations.		
	303-2 Management of water discharge-related impacts	ASUS locations are offices and the discharge water complies with legal regulations.		
	303-3 Water withdrawal	Workplace: Continuous Reduction of Environmental Footprints		12-5
	303-4 Water discharge	ASUS locations are offices and the discharge water will go to the municipal sewer system, thus we do not track it.		
	303-5 Water consumption	ASUS locations are offices and the discharge water will go to the municipal sewer system, thus we do not track it.		
GRI 306 Waste 2020	306-1 Water discharge by quality and destination	Workplace environment: Continuous Reduction of Environmental Footprints		12-5
		Responsible Manufacturing: Reduce the Environmental Footprint of Suppliers		7-10~7-11
	306-2 Waste by type and disposal method	Workplace Environment: Continuous Reduction of Environmental Footprints		12-5
		Responsible Manufacturing: Reduce the Environmental Footprint of Suppliers		7-10~7-11
	306-3 Significant spills	Workplace Environment: Continuous Reduction of Environmental Footprints		12-5
	306-4 Transport of hazardous waste	Workplace Environment: Continuous Reduction of Environmental Footprints		12-5
	306-5 Water bodies affected by water discharges and/or runoff	Workplace Environment: Continuous Reduction of Environmental Footprints		12-5
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	Appendix A: GRI Content Index		A-7
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	Talent Cultivation: Compensation and Benefits Programs		9-6
	401-3 Parental leave	Appendix A: GRI Content Index		A-8
GRI 402 Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	If there is significant change in corporation, we will provide notice at lease no less than a month.		

GRI Content Index	Disclosure	Disclosure Section or Description	Ommission	Page Number(s)
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Workplace Environment CSR Website: Resources		12-1~12-2
	403-2 Hazard identification, risk assessment, and incident investigation	Governance: Risk Management		11-6~11-8
	403-3 Occupational health services	Workplace Environment: Healthy Workplace		12-3~12-4
	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 collectivebargaining. In Taiwan, where the headquarter is located, we holds labor-management committee quarterly in accordance with the regulation.		
	403-5 Worker training on occupational health and safety	Workplace: Healthy Workplace CSR Website: Workplace Sanitation		12-2
	403-6 Promotion of worker health	Workplace: Safe Workplace		12-3~12-4
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Workplace: Safe Workplace		12-2
	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
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance: Talent Cultivation: Human Resource Structure		11-2
		Talent Cultivation: Human Resource Structure		9-3
	405-2 Ratio of basic salary and remuneration of women to men	Talent Cultivation: Compensation and Benefits Programs		9-6
GRI 406 Non discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incident in 2021		
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Each subsidiary complies with collective bargaining agreements in accordance with local regulations. ASUS respects the right to freedom of association and collective bargaining. In Taiwan, where the headquarter is located, we holds labor-management committee quarterly in accordance with the regulation.		
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible Manufacturing: Audit and Continuous Improvement. CSR Website: Human Rights Declaration		7-5~7-6
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No incident in 2021		
GRI 410 Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Same as ASUS employees		
GRI 411 Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No incident in 2021		
GRI 415 Public Policy 2016	415-1 Political contributions	No political contributions		
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Circular Economy: Green Material Usage		5-4~5-5
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Governance: Regulation Compliance No significant violation		11-14
GRI 417 Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	ASUS is in compliance with the information disclosure of and labeling requirements of international regulations, as well as eco label criteria through the disclosure on or marking on product, in user manual, or at ASUS CSR website.		
	417-2 Incidents of non-compliance concerning product and service information and labeling	Governance: Regulation Compliance No significant violation		11-14
	417-3 Incidents of non-compliance concerning marketing communications	Governance: Regulation Compliance No significant violation		11-14
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaint regarding breach of customer privacy or lose in data		

▸ 102-13 Membership of associations

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

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

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

ASUS Group*

Region	Male	Female
Headquarters	1.04	1.04
Mainland China	1.67	1.67

*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.

*The data of subsidiaries in other countries other than in headquarters and 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 or technical support personnel

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

ASUS Group

Region	Percentage
Headquarters	100.00%
Mainland China	91.67%
America Region	100%
Asia-Pacific	50%
Africa & Middle East & Europe	100%

▸ The word "local" in this indicator is defined as "nationality" or possessing "permanent residence permit"

▸ Senior Management in ASUS Group is defined as followed:
Headquarter: (Main) Center, HQ Manager, Unit Head and above
Overseas-Regional Offices: Division, Center Manager and above
Overseas-County level Offices: Department, Division/Center Manager and above

▸ 401-1 New employee hires and employee turnover

ASUS Group

Region	Item	Age Group	Male		Female	
			Number of Employee	Proportion of the male Employees within that age group	Number of	Proportion of the male Employees within that age group
Headquarters	Number and Rate of New Employee	<30	406	46.75%	429	57.70%
		30~50	378	10.82%	227	12.90%
		>50	15	6.82%	3	4.26%
	Number and Rate of Employee Turnover	<30	230	26.48%	198	26.63%
		30~50	276	7.90%	166	9.43%
		>50	8	3.64%	2	2.84%
Mainland China	Number and Rate of New Employee	<30	388	65.10%	204	50.87%
		30~50	102	8.14%	58	4.76%
		>50	1	14.29%	3	21.43%
	Number and Rate of Employee Turnover	<30	321	53.86%	163	40.65%
		30~50	127	10.14%	76	6.24%
		>50	1	14.29%	3	21.43%
Africa & Middle East & Europe	Number and Rate of New Employee	<30	57	28.22%	43	39.45%
		30~50	102	11.10%	61	13.74%
		>50	8	9.30%	3	4.29%
	Number and Rate of Employee Turnover	<30	67	33.17%	27	24.77%
		30~50	116	12.62%	70	15.77%
		>50	11	12.79%	14	20.00%
America Region	Number and Rate of New Employee	<30	15	39.47%	12	29.27%
		30~50	43	17.55%	30	16.22%
		>50	8	9.64%	3	4.41%
	Number and Rate of Employee Turnover	<30	15	39.47%	16	39.02%
		30~50	42	17.14%	47	25.41%
		>50	2	2.41%	1	1.47%
Asia- Pacific	Number and Rate of New Employee	<30	83	35.02%	68	32.23%
		30~50	125	11.92%	46	9.31%
		>50	0	0.00%	1	12.50%
	Number and Rate of Employee Turnover	<30	60	25.32%	54	25.59%
		30~50	129	12.30%	65	13.16%
		>50	4	8.89%	2	25.00%

*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

▸ 401-3 Parental leave

ASUS Group

Region	Item	Male	Female
Headquarters	Number of employee qualified for parental leave in 2021	506	297
	Number of employee applied for parental leave in 2021	5	40
	Number of employees who actually returned to work after parental leave ended in 2021	2	32
	Return to Work Rate in 2021	50%	74%
	Number of employees who worked 12 months after their return from parental leave by 2021	1	35
	Retention Rate in 2021	25%	92%
Mainland China	Number of employee applied for maternity/ paternity leave in 2021	79	201
	Number of employees who actually returned to work after maternity/paternity leave ended in 2021	44	137
	Return to Work Rate in 2021	95%	96%
	Number of employees who worked 12 months after their return from maternity/paternity leave by 2021	62	75
	Retention Rate in 2021	89%	81%

*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 Headquarters, number of Employees qualified for parental leave = Numbers of Employee who applied for paternity leave in the period of year 2019-2021

* Return to Work Rate for Male(Female) Employees = Number of Male(Female) Employees who returned to work after parental(maternity/paternity) leave in 2021/Number of Male(Female) Employees who should return to work after parental(maternity/paternity) leave in 2021 X 100%

* Retention Rate for Male(Female) Employees = Number of Male(Female) Employees took the parental(maternity/paternity) leave in 2020 and returned to work for at least 12 months in 2021/Number of Male(Female) Employees who should return to work after parental(maternity/paternity) leave in 2020 X100%

▸ 403-9 Work-related injuries

In headquarters in 2021, there was no high-consequence work-related injury, thus data relevant to fatalities and highconsequence work-related injury were all 0.

Please see the table below for detail:

ASUS headquarters: Employees

Indicator	Overall	Male	Female
Number of injured employees	7,042	4,546	2,496
Number of fatalities	0	0	0
Rate of fatalities	0	0	0
Number of highconsequence workrelated injuries	0	0	0
Rate of highconsequence workrelated injuries	0	0	0
Rate of recordable work-related injuries	0.37	0.34	0.41

Total working hours in 2021:13,697,720

ASUS headquarters: Contractor

Indicator	Overall	Male	Female
Number of injured employees	277	121	157
Number of fatalities	0	0	0
Rate of fatalities	0	0	0
Number of highconsequence workrelated injuries	0	0	0
Rate of highconsequence workrelated injuries	0	0	0
Rate of recordable work-related injuries	0	0	0

Total working hours in 2021:537,864

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

1. Calculation base: (Number of employees in Jan. +…+ Number of employees in Dec.)/12.Take the average and rounding.
2. Rate of fatalities: (Death toll/Total working hours)X1,000,000
3. High-consequence work-related injuries: cannot recovered within 6 months
4. Rate of high-consequence work-related injuries: (Number of employees serious injuries / Total working hours)X1,000,000 (excluding death toll)
5. Recordable work-related injuries: 2 (regardless whether there were lost days)
6. Rate of recordable work-related injuries: (Number recordable work-related injuries/ Total working hours)X1,000,000
7. Working hours: (Number of employees in Jan. X Working days in Jan. X8)+…..+ (Number of employees in
8. Definition of Contractor: onsite workers (Ex. Catering, cleaning, security, repair and travel personnel)

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

ASUS Group

Region	Category	Male	Female
Headquarters	General Employee	89.31%	87.91%
	Senior Management	92.03%	96.15%
Mainland China	General Employee	86.48%	92.96%
	Senior Management	98.70%	100.00%
Africa & Middle East & Europe	General Employee	93.95%	92.64%
	Senior Management	81.87%	96.15%
America Region	General Employee	99.64%	99.59%
	Senior Management	91.86%	94.00%
Asia- Pacific	General Employee	88.29%	92.52%
	Senior Management	93.01%	93.88%

*The followings are excluded from review:

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

▸ 412-2 Employee training on human rights policies or procedures

ASUS Group

Region	Headquarters	Mainland China	Africa & Middle East & Europe	America	Asia-Pacific
Total number of hours in the reporting period devoted to training on human rights policies	175,593	14,247.72	6,769	2,281	10,552
Total number of hours in the reporting period devoted to training on human rights policies	99.42%	99.65%	94.90%	96.80%	93.00%

▸ [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)
2020	5,716	1,612,000	1,243,000
2021	6,219	2,002,000	1,504,000
Difference Compared to 2020	503	390,000	261,000

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

▸ Percentage of employees represented by an independent trade union

Region	Headquarters	Mainland China	Africa & Middle East & Europe	America	Asia-Pacific	Global
Percentage of employees represented by an independent trade union	0.00%	81.3%	32.2%	21.8%	0.00%	23.2%

* While ASUS is open to employees establishing trade unions, no employees have voluntarily raised the need for trade unions so far. In Singapore and Indonesia, staff meetings are held irregularly to collect workers' opinions and feedback.

* Overseas subsidiaries: Trade unions have been established in the Netherlands, the Czech Republic, and Brazil.

Appendix B: SASB Index

SASB Index: Hardware

Code	Accounting Metric	Reference	Page Number
Product Security			
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Governance: Information Security Management	11-9 11-11
Employee Diversity & Inclusion			
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	SASB Index: Hardware	B-2
Product Lifecycle Management			
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Circular Economy: Green Material Usage	5-4
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Circular Economy: Eco Labels	5-14
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Circular Economy: Product Energy Efficiency	5-9
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Circular Economy: Resource Regeneration	5-11
Supply Chain Management			
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent (Customer Managed Audit, CMA), by (a) all facilities and (b) high-risk facilities	SASB Index: Hardware	B-2
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent (CMA), and (2) associated corrective action rate for (a) priority nonconformances and (b) other non-conformances	SASB Index: Hardware	B-2
Materials Sourcing			
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	SASB Index: Hardware	B-2

Activity Metric	Code	Reference	Page Number
Number of units produced by product category	TC-HW-000.A	Same as 2021 Annual Report, Overview of business operation (P.125), this indicator is not applicable	
Area of manufacturing facilities	TC-HW-000.B	Responsible Manufaturing	7-2
Percentage of production from owned facilities	TC-HW-000.C	All ASUS products are manufactured by OEM	

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

Table 1. Gender Representation of Global Employees (%)

Global	Female	Male
Management	777	2,162
Technical staff	413	2,271
All other employees	4,797	5,057

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

ASUS's employee are predominantly of Asia descent as more than 70% of our employees are stationed in our headquarters and various operating locations across Asia.

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

(a) Tier 1 supplier facilities audited by CMA/ all facilities with continuous business relationship=5/299=1.7%

(b) Tier 1 supplier facilities audited by CMA/ high-risk facilities=5/36=14%

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

	Labor	Health and Safety	Environment	Ethics	Management System
Average Number of Priority Finding	1	0	0	0	0
Average Number of Other Finding	5	4	0	0	1

(2a) Number of Improvement in Priority Findings / Total Number of Priority Findings =5/5=100%

(2b) Number of Improvement in Other Findings / Total Number of Other Findings =35/35=100%

TC-HW-440a.1. Description of the management of risks associated with the use of critical materials

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

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

SASB Index: Voluntary

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

Code	Accounting Metric	Reference	Page Number
Environmental Footprint of Hardware Infrastructure			
IM-130a.1 SC-330a.1 SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Appendix A: GRI Content Index	A-2
		Climate Action: Greenhouse Gas In ventory	6-4
Data Privacy, Advertising Standards & Freedom of Expression			
TC-IM-220a.1 TC-TL-220a.1	Description of policies and practices relating to behavioral advertising and user/customer privacy	SASB Index: Voluntary	B-4
TC-IM-220a.2 TC-TL-220a.2	Number of users/customers whose information is used for secondary purposes	SASB Index: Voluntary	B-4
TC-IM-220a.3 TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user/customer privacy	SASB Index: Voluntary	B-4
TC-IM-220a.4 TC-TL-220a.4	(1)Number of law enforcement requests for user/customer information, (2) number of users/customer whose information was requested, (3) percentage resulting in disclosure	SASB Index: Voluntary	B-4
TC-IM-220a.5	List of countries where core prod ucts or services are subject to government-required monitoring, blocking, content filtering, or censoring	SASB Index: Voluntary	B-4
TC-IM-220a.6	Number of government requests to remove content, percentage compliance with requests	SASB Index: Voluntary	B-4
Data Security			
TC-IM-230a.1 TC-SI-230a.1 TC-TL-230a.1	(1)Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	SASB Index: Voluntary	B-4
TC-IM-230a.2 TC-TL-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party	Governance: Information Security Management	11-9 11-11
Recruiting & Managing a Global & Skilled Workforce			
TC-SC-330a.1 TC-SI-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	SASB Index: Voluntary	B-4
Intellectual Property Protection & Competitive Behavior			
TC-IM-520a.1 TC-SC-520a.1 TC-SI-520a.1 TC-TL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations.	Governance: Regulation Compliance	11-14
Managing Systemic Risks from Technology Disruptions			
TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	Governance: Risk Management	11-5 11-8

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

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

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

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

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

NONE.

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

(1) Number of law enforcement requests for user/customer information: 2

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

(3) Percentage resulting in disclosure: 100%

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

NONE.

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

NONE.

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

NONE.

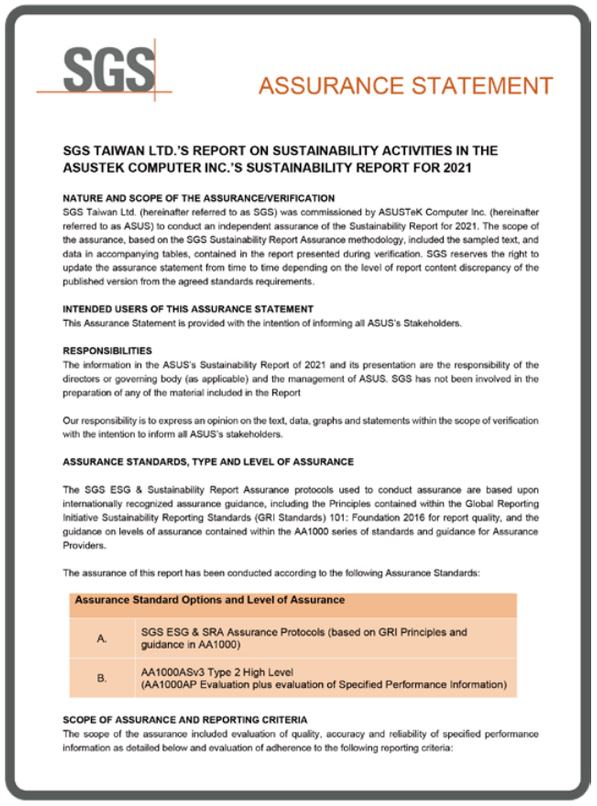
TC-SC-330a.1/TC-SI-330a.1 Percentage of employees that are (1) foreign nationals and (2) located offshore

	Global
foreign nationals	106
located offshore	143

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

Category	10 Principles	Section(s)	Page Number(s)
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	CSR Website: Human Rights Responsible Manufacturing: Sustainable Procurement	7-3
	Make sure that they are not complicit in human rights abuses	CSR Website: Human Rights Responsible Manufacturing: Sustainable Procurement	7-3
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Each subsidiary complies with the collective bargaining agreement in accordance with national laws and regulations.	
	The elimination of all forms of forced and compulsory labour	CSR Website: Human Rights	
	The effective abolition of child labour	CSR Website: Human Rights	
	The elimination of discrimination in respect of employment and occupation	CSR Website: Human Rights	
Environment	Businesses should support a precautionary approach to environmental challenges	Circular Economy Climate Action	5-4~5-9 6-3~6-8
	Undertake initiatives to promote greater environmental responsibility	Circular Economy Climate Action	5-4~5-9 6-3~6-8
	Encourage the development and diffusion of environmentally friendly technologies	Circular Economy	5-7~5-9
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	Governance: Business Ethics	11-13

Appendix D : AA1000AS & SASB Assurance Statement



SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ASUSTEK COMPUTER INC.'S SUSTAINABILITY REPORT FOR 2021

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION
SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by ASUSTeK Computer Inc. (hereinafter referred to as ASUS) to conduct an independent assurance of the Sustainability Report for 2021. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all ASUS's Stakeholders.

RESPONSIBILITIES
The information in the ASUS's Sustainability Report of 2021 and its presentation are the responsibility of the directors or governing body (as applicable) and the 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 text, data, graphs and statements within the scope of verification with the intention to inform all ASUS's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

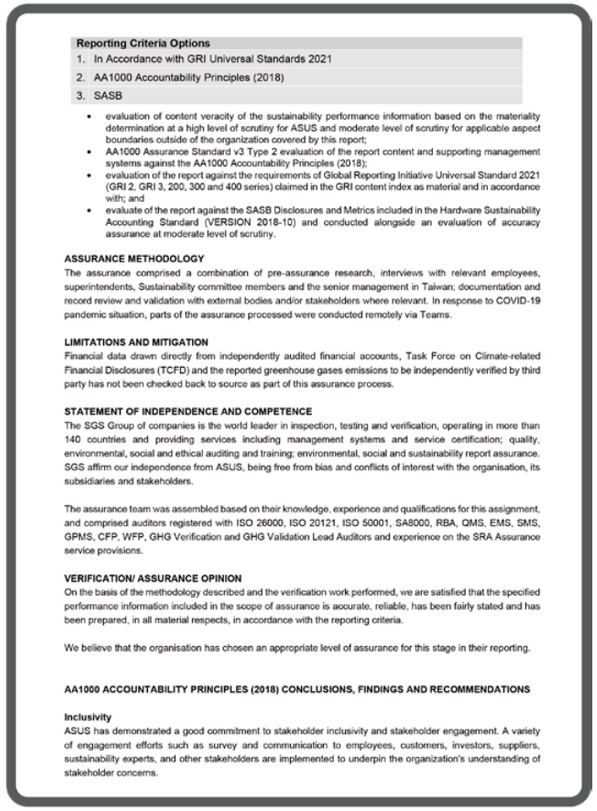
The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

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

Assurance Standard Options and Level of Assurance	
A.	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B.	AA1000ASv3 Type 2 High Level (AA1000AP Evaluation plus evaluation of Specified Performance Information)

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:

TWLPF5008 Issue 2201



Reporting Criteria Options
1. In Accordance with GRI Universal Standards 2021
2. AA1000 Accountability Principles (2018)
3. SASB

- evaluation of content veracity of the sustainability performance information based on the materiality determination at a high level of scrutiny for ASUS and moderate level of scrutiny for applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018);
- evaluation of the report against the requirements of Global Reporting Initiative Universal Standard 2021 (GRI 2, GRI 3, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with; and
- evaluate of the report against the SASB Disclosures and Metrics included in the Hardware Sustainability Accounting Standard (VERSION 2018-10) and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. In response to COVID-19 pandemic situation, parts of the assurance processed were conducted remotely via Teams.

LIMITATIONS AND MITIGATION
Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and the reported greenhouse gases emissions to be independently verified by third party has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from ASUS, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION
On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
ASUS has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

TWLPF5008 Issue 2201

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 and reported for a broad picture of its most significant impacts on the economy, environment, and people.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, ASUS's Sustainability Report of 2021, complies with the Requirements set out in section 3 of GRI 1 and is adequately in accordance with the GRI Universal Standards 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidances defined in GRI 3: Material Topic 2021. For future reporting, it is recommended to have more descriptions on how the organization has applied due diligence as a method for the identification and the evaluation of its impacts on the economy, environment, and people, as well as the role of the highest governance body in overseeing these processes.

SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

ASUS has referenced with SASB's Standard, Hardware Sustainability Accounting Standard (VERSION 2018-10) to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to ASUS's Sustainability Report of 2021. ASUS used SASB accounting metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. To enhance continuous improvements, process to identify, assess, and manage topic-related risks and opportunities may be integrated into ASUS's overall management process for the continuously monitoring of its performances, including benchmarking performances against peers, are recommended for reports.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000
Licensed Report
000-8/V3-H38ZS

David Huang
Senior Director
Taipei, Taiwan
20 June, 2022
WWW.SGS.COM

TWLPF5008 Issue 2201

IN SEARCH OF INCREDIBLE