



EPEAT Criteria 7.1.3 Social Responsibility Performance Audits of High-Risk Suppliers

Identification of Prioritized Supplier Facilities

MSI conducts an annual assessment to identify its prioritized supplier facilities. This assessment includes all directly contracted suppliers and selected indirect suppliers. Our human rights due diligence practice is risk-based and aligned with the UN Guiding Principles on Business and Human Rights. Risk scores are determined based on worker complaints, current and historical audit performance, high-risk manufacturing processes, geographic location, and other relevant criteria. The assessment covers all risk categories outlined in Annex B and Annex C of the EPEAT Responsible Supply Chains Criteria 2025. Supplier facilities identified as high risk through the assessment are designated as Prioritized Supplier Facilities.

FY2024 Audit Program

During the 12-month period from January to December 2024, we conducted 108 audits on factories of MSI supplier's facilities. MSI audit program is based on a supplier audit schedule of every year, these audits included all prioritized supplier facilities that were due for an audit during this time. The document provided in this document spans MSI entire audit program.

Percentage of Directly Contracted Supplier Facilities

The table below shows the percentage of supply chain facilities directly contracted by MSI that were audited during the past first fiscal year.

FY 2024
70.0%

Percentage of Total Supplier Facilities per Risk Category

The table below reflects the percentage of suppliers in each risk category under the supply chain audit program in the first fiscal year. Our risk categories are defined based on the risk scores identified in the annual risk assessment, with the specific scoring criteria outlined below.

This is the first year MSI has selected the criterion, and it is also the first year that we have certification and/or audit results for the supplier facilities within scope.

	January 2024-December 2024
Low Risk ISO 45001 and SA 8000 Certified or RBA Platinum or Audit Program Score >180	44.2%
Needs Improvement RBA Gold Or Audit Program Score >= 160	30.2%
High Risk RBA Silver Or Audit Program Score <160	25.6%

Continuous Improvement and Capacity Building

MSI's suppliers demonstrate varying levels of engagement in corporate sustainability initiatives. We have begun working closely with them to drive progress and continuous improvement, particularly in complying with the Responsible Business Alliance (RBA) Code of Conduct and meeting MSI's expectations for suppliers. When noncompliance with the RBA Code of Conduct is identified during audits, MSI's Sustainability Office collaborates with the supplier to develop a Corrective Action Plan (CAP) to ensure issues are resolved within the timeframe specified by either the RBA or MSI, whichever is earlier. We also share best practices collected from high-performing suppliers and encourage underperforming suppliers to take appropriate actions to improve their performance.

Major Non-conformances and Corrective Actions

The following tables summarize the major non-conformances and subsequent corrective actions taken at Prioritized Supplier Facilities from January 2024 through December 2024

A.Labor	# of Major Non-Conformances	Number of CAP	% of CAP	Country	Category of Production Spend
Prohibition of Forced Labor	0	0	0%	N/A	N/A
Young workers	0	0	0%	N/A	N/A
Working Hours	4	4	100%	China	Component Supplier
Working Hours	2	2	100%	China	Final Assembly Facility

Wages and Benefits	4	4	100%	China	Component Supplier
Non-Discrimination / Non-	0	0	0%	N/A	N/A
Freedom of Association	0	0	0%	N/A	N/A
Management System	4	4	100%	China	Component Supplier
Management System	2	2	100%	China	Final Assembly Facility

Examples of actions taken to address these major non-conformances with suppliers:

*Training Requirements: Suppliers' HR departments are required to complete professional training on anti-forced labor and fair recruitment practices.

*Wage Transparency: Suppliers must provide payslip formats that clearly itemize basic wages, overtime hours and rates, various allowances, and detailed deductions. Additionally, suppliers must conduct training for employees regarding their wage rights.

*Data Monitoring: Suppliers are required to provide working hour records for direct labor (e.g., on a monthly basis) and perform data analysis to monitor for any abnormal patterns of systemic excessive overtime.

*Management System Requirements: Suppliers must demonstrate the establishment of a digitized working hour management system capable of automatically alerting and restricting excessive overtime scheduling.

B.Health and Safety	# of Major Non-Conformances	Number of CAP	% of CAP	Country	Category of Production Spend
Occupational Health and	0	0	0%	N/A	N/A
Emergency Preparedness	1	1	100%	China	Component Supplier
Occupational Injury and	2	2	100%	China	Component Supplier
Industrial Hygiene	1	1	100%	China	Component Supplier
Physically Demanding	0	0	0%	N/A	N/A
Machine safeguarding	0	0	0%	N/A	N/A
Food, Sanitation and	0	0	0%	N/A	N/A
Management System	1	1	100%	China	Component Supplier

Examples of actions taken to address these major non-conformances with suppliers:

*Professional Training: Suppliers' EHS teams are required to complete RBA-recognized risk management and occupational safety management courses.

*Drill Requirements: Suppliers are required to submit emergency drill records and post-action review reports annually.

*Emergency Response Facility Checklist: Suppliers are required to periodically submit self-inspection checklists for their emergency response facilities.

*Chemical Inventory Management: Suppliers must maintain and upload a comprehensive chemical inventory, ensuring all chemicals have Safety Data Sheets (SDS) and proper labeling.

*Hazardous Equipment and Inspection: Suppliers must establish and upload a list of hazardous equipment and provide monthly self-inspection photos or records of machine guarding points.

Allegation Management

MSI takes reports of potential human rights violations and occupational health and safety (OHS) concerns seriously. If you become aware of or suspect any violations of applicable laws, regulations, or the MSI Group Supplier Code of Conduct, we encourage you to report them through the following channels:

Reporting Email:

Micro-Star Int'l Co., Ltd. (Taipei) Email: audit@msi.com

MSI Computer (Shenzhen) Co., Ltd. Email: jubao@msi.com

MSI Electronics (Kunshan) Co., Ltd. Email: lianzheng@msi.com

This feedback information is a critical input to help us validate supplier compliance with the RBA Code of Conduct and build greater context around issues and how they are addressed. Supplier employees and contractors can also respond via email outside of the workplace, ensuring the confidentiality of their feedback. MSI also introduces this reporting method to relevant stakeholder employees through audits and supplier conferences.

All reports of misconduct will be kept confidential to the fullest extent permitted by applicable law, using the reporting methods described above. We encourage suppliers to submit such reports in writing, as this facilitates the investigation process and enables effective follow-up. MSI will investigate the reported allegations as promptly as possible and take appropriate action when necessary to mitigate actual or potential human rights violations. Suppliers are expected to provide reasonable assistance to MSI in any investigation of conduct that may violate this Principle or applicable laws, subject to compliance with applicable legal and contractual obligations. This is to verify whether these principles and laws are being followed in the provision of supplier products and/or services.

Stakeholder Engagement

MSI has communicated with the following organizations regarding its supply chain initiatives to seek their feedback:

*Responsible Business Alliance

Note: This is not an exhaustive list of stakeholders consulted.

Freedom of Association and Collective Bargaining

Micro-Star Int'l Co., Ltd. and its subsidiaries (collectively, the "MSI Group") are committed to upholding the principles of corporate and social responsibility, and expect our supply chain partners to promulgate safe work environments, fair and equal treatment of employees, and compliance to ethical management practices. This MSI Group Supplier Code of Conduct ("Code of Conduct") is created to ensure MSI Group suppliers and/or subcontractors (collectively, "Suppliers") commit to and comply with this Code of Conduct, and all applicable laws, regulations, and industry standards in all transactions with or on behalf of the MSI Group. The MSI Group desires to drive continuing improvements in our supply chain through diligent communication, evaluation, and audits to ensure elimination of all forms of illegal business activities. Supplier adherence to this Code of Conduct shall be an essential consideration in our supplier selection criteria.

MSI Group's Supplier Code of Conduct is designed to ensure that employee rights are protected in accordance with the RBA Code of Conduct. This includes, but is not limited to: the prevention of forced labor, debt bondage or indentured labor, and human trafficking; the prohibition of child labor; the prevention of inhumane treatment; the prohibition of discrimination and harassment in employment and occupation; and the protection of workplace health and safety, fair wages, working hours and benefits, freedom of association, and effective grievance mechanisms. As an MSI supplier, compliance with the MSI Supplier Code of Conduct is mandatory. This includes adherence to the RBA Code of Conduct, MSI's Responsible Sourcing Policy, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, which encompasses principles related to forced labor, child labor, freedom of association and the right to organize, collective bargaining, non-discrimination, and health and safety, among others, as well as other relevant standards, policies, and social dialogue requirements.

The section on Freedom of Association and Collective Bargaining in the RBA Code of Conduct 8.0 states:

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and wage-related issues.

Workers and their representatives must be able to communicate openly with management regarding working conditions and management practices without fear of discrimination, retaliation, intimidation, or harassment.

In line with these principles, participants must respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly, as well as the right of workers to refrain from such activities.

Where the rights to freedom of association and collective bargaining are restricted under law, workers must be allowed to freely associate and engage with alternative lawful worker representative organizations.

The RBA audit program covers these requirements, which are also incorporated into our audit programs for both our own facilities and our suppliers.