



2023 ESG



Pan-International Group's Sustainability Report

SUSTAINABILITY REPORT



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1. Basic Information and Sustainability Management

1.1 About This Report

1.1.1 Reporting Period

(GRI 2-3)

This is the sustainability report issued by Pan-International Industrial Corp. (hereinafter referred to as Pan-International, the Company, the Group, or “we”), disclosing the Company’s performance, management policies and goals in five major aspects: governance, products, supply chain, environment, and society for the year 2023 (from January 1 to December 31, 2023). The Company publishes a sustainability report annually and on its website.

- Issue of previous report: June 2023
- Issue of current report: August 2024
- Issue of next report: August 2025

The reporting period of this report aligns with that of the consolidated financial statements. To ensure completeness and comparability, certain chapters include information from before January 1, 2023, and after December 31, 2023, which will be indicated in those chapters.

1.1.2 Guidelines Followed

This report adheres to the GRI Standards issued by the Global Sustainability Standards Board (GSSB), the Electrical & Electronic Equipment SASB Standards issued by the Sustainability Accounting Standards Board (SASB), and the framework of Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB).

It also follows the “the Preparation and Filing of Sustainability Reports by TWSE Listed Companies,” as promulgated by the Taiwan Stock Exchange Corporation, and incorporates the United Nations’ 17 Sustainable Development Goals (SDGs) to complete the disclosure of various items.



1.1.3 Boundaries and Scope

(GRI 2-2)

The scope of disclosure in this report primarily covers the Company’s key operating locations, including: Pan-International Industrial Corp. (hereinafter referred to as Pan-International, Taipei), Pan-International Precision Electronic (Dongguan) Co., Ltd. (hereinafter referred to as Dongguan Pan-International), CJ Electric Systems (Wuhu) Co., Ltd. (hereinafter referred to as CJ Electric Systems, Wuhu), Honghuasheng Precision Electronics (Yantai) Co., Ltd. (hereinafter referred to as Honghuasheng, Yantai), New Ocean Precision Component (Jiangxi) Co., Ltd. (hereinafter referred to as New Ocean Precision Component, Jiangxi), and PAN-INTERNATIONAL ELECTRONICS INC. (PIU) (hereinafter referred to as PIU).

Note 1: The sustainability performance of certain entities in the consolidated financial statements is not included in this report, primarily because some subsidiaries are holding companies without substantial operations and, therefore, are not reflected in the statistics. Subsidiaries in Southeast Asian are locally listed companies that disclose relevant information in accordance with local regulations; thus, they are also excluded from the statistics. For all entities in the consolidated financial statements, please refer to the Company’s website.

If the scope of disclosure in each chapter of this report differs from the above, it will be specified within that chapter. The calculation basis for various statistics presented in the report is as follows:

| | |
|--------------------|--|
| Financial Data | The economic income distribution table uses data from the consolidated financial report certified by accountants. Unless otherwise specified, all financial data are presented in New Taiwan Dollars. |
| Environmental Data | Greenhouse gas emissions are based on data inventoried in accordance with ISO 14064-1: 2018, with some plants verified by independent third parties. Water resource and waste statistics are based on data reported by each operating site to local authorities. |
| Other Data | Summarized statistics from each operating base. |

1.1.4 Information Restatement

(GRI 2-4)

Some waste information from the Company’s previous report was incorrectly stated and has been corrected in this year’s report. For details, please refer to section 5.3.3 Waste Disposal and Removal.

1.1.5 Internal Control

The Company has established procedures for preparing and verifying sustainability reports. The Investor Relations Department is responsible for the overall planning and communication of the annual sustainability report. Every year, the Environmental Safety Department is responsible for collecting the information required for the report and drafting its content. Once the annual sustainability report is prepared, it is submitted to the Sustainability Committee for a preliminary review, followed by an internal audit conducted by the audit supervisor. Finally, the report is approved by the Board of Directors.



1.1.6 External Assurance/Verification

(GRI 2-5)

After the report is finalized, management commissions an independent third-party agency for verification. This year we engaged PwC Taiwan to perform limited assurance procedures in accordance with International Standard on Assurance Engagements 3000 (TWSAE3000) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” (referring to International Standard on Assurance Engagements 3000 (ISAE 3000)). For relevant assurance methods and results, please refer to the appendix.

1.1.7 Contact Information

(GRI 2-3)

This report will be published on the Market Observation Post System and the Company’s website for all stakeholders to access. Through the issuance of this report, we hope to have further communication and mutual understanding with stakeholders on relevant issues. We welcome any suggestions or feedback you may have on this report. Please contact us using the following methods:

Contact Unit: **Environmental Safety Department, Pan-International Industrial Corp.**

Contact Person: **Jou-Chiung Hung**

Phone: **(02)2211-3066 ext: 7370**

Email: **Gigi.Hung@panpi.com.tw**

Company Website: **<http://www.panpi.com.tw/tw>**

Address: **No. 97, Anxing Rd., Xindian Dist., New Taipei City 231006, Taiwan (R.O.C.)**

Report Download URL:

https://www.panpi.com.tw/tw/sustainability/csr_reports





1.2 Sustainability Strategy and Performance

1.2.1 Message from the Management

ESG Trends and Pan-International's Commitment

With strong advocacy and promotion from the United Nations, governments, leading enterprises, civic groups, and non-governmental organizations, the disclosure of ESG planning and implementation has become a global trend. The perception of ESG-related items as operating costs has gradually shifted to viewing them as investments that enhance future corporate competitiveness. Pan-International has also followed this trend by investing in various ESG activities, setting annual goals, and gradually achieving them to strengthen the Company's competitiveness and ESG reputation. The results of various activities and future plans will be disclosed in the sustainability report to improve the Company's transparency, so that all stakeholders can understand the Company's responses to their concerns. This will foster better communication and recognition of Pan-International's efforts in ESG.

Pan-International's Environmental Responsibility and Carbon Neutrality Goals

For environmental-related issues, the Company will follow the government's carbon reduction roadmap and aims to achieve net zero emissions by 2050. Carbon inventories have been arranged for each plant, with external units engaged to verify carbon emission data, develop emission reduction plans, as well as establish carbon reduction pathways to gradually accomplish carbon neutrality goals. The increasing frequency of extreme climate disasters caused by global warming introduces uncertainties for business operations. Therefore, the Company has implemented a mechanism to identify climate-related risks and opportunities, systematically assessing the likelihood of climate-related issues events at each plant and their potential impact on operations. This includes identifying potential risks and opportunities, in addition to developing response plans to ensure the normal operation of each plant. In terms of green energy planning, rooftop solar installations have been built at plants in Mainland China and Southeast Asia and integrated into the power supply system. This initiative aims to increase the proportion of green electricity use, support emission reduction plans, and meet customer requirements. Furthermore, the Company

Chairman's Message 1

continues to improve the regeneration rate and recycling rate of water resources, production materials, as well as various consumables to reduce the loss of various resources and pollution to the environment. We aim to fulfill Pan-International's environmental responsibilities and contribute through planning and responding to various issues.

Dedicated Practice and Achievements of Social Responsibility

Those with resources and capabilities should assume greater responsibilities - this reflects our stance on social issues. For disadvantaged groups in society and public welfare organizations in need of assistance, we provide comprehensive support after assessing their needs and resource allocation. To give back to local communities, we regularly hold activities such as blood donation, second-hand donation, community cleaning, visits to remote areas, along with education aid for children from low-income backgrounds. In addition, we believe that extracurricular activities for students enhance their knowledge beyond textbooks, broaden their horizons, and enrich their life experiences. Therefore, we proudly sponsored club activities at two schools. The FRC team 8806 of Our Lady of Providence High School won the League runner-up in the 2024 FIRST Robotics Competition, an accomplishment that we deeply honor. Regarding internal issues, our primary focus is the care and responsibility toward our employees. The Company views employees as our most important asset. While we have built a safe production environment, accidents can still occur due to negligence. Beyond providing comprehensive care for employees, we conduct thorough review accident causes, develop improvement plans, and strengthen education and training to prevent future occurrences. Moreover, the Company values employee rights. We strive to maintain gender equality, prevent improper labor, and prohibit child labor along with other labor rights protections. The Company also regularly reviews employee remuneration and promotions, considering market conditions, inflation, and industry standards. In order to enhance both employee rights and retain talents, we make timely adjustments to monthly salaries, job promotions, and bonus policies.



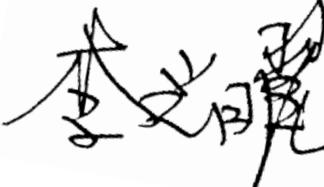
Chairman's Message 2

2023 Operational Challenges and Effectiveness

In 2023, as the pandemic gradually eased and countries began to lift restrictions while focusing on boosting their economies, there were expectations for an economic recovery. However, due to the ongoing deadlock of Russia-Ukraine, the Fed's continued interest rate hikes, and China's slower-than-expected post-pandemic economic recovery, the Company's consumer product business experienced a decline in performance. Conversely, the Company's automotive wire harness revenue increased significantly due to a doubling of shipments from automotive customers in China, which partially offset the revenue decline. In addition, flexible adjustments to the supply chain maintained a growing revenue in the Southeast Asian region. The Company's overall annual consolidated revenue showed a slight decline. With our commitment to transformation, we have preserved the annual gross profit margin at levels consistent with previous years. However, due to decreased revenue and declining profits, the final net profit has shown a slight decline. Moving forward, we will continue to strive for improved profitability as a primary goal in combination with sharing the results of our operations with all stakeholders.



Facing future opportunities and various challenges, the Company will continue to uphold the principles of diligence and integrity while focusing on transformation. We aim to increase high-margin product revenue to improve profitability. At the same time, we will invest more resources in various ESG initiatives and public welfare activities, fulfilling our social responsibilities, safeguarding the rights and interests of all stakeholders, and achieving sustainable business operations.

Chairman 

Board Re-election and Governance Performance

In terms of improving corporate governance, the Board of Directors was re-elected at last year's shareholders' meeting. We successfully achieved several goals, including enhancing board diversity, rejuvenating the Board, ensuring that independent directors accounted for more than half, electing two female directors, and reducing the number of employee directors. We also established a nomination committee to improve the effectiveness of the Board as well as maintain its independence, allowing directors to fully exercise their supervisory powers and improve the autonomy and integrity of corporate governance.

Our Future Outlook and Opportunities

We maintain a cautiously optimistic attitude toward the future business environment, recognizing the coexistence of opportunities and risks. Although we are affected by factors such as US-China competition, geopolitical disputes, and inflation, political situations are changing drastically, while risks are on the rise. However, under the global goal of carbon neutrality, new green industries, such as new materials and renewable energy have emerged, creating opportunities for carbon reduction business. The Company has actively invested in the research, development, and production capacity of automotive wire harnesses, seeking new opportunities in electric vehicles. In the future, we will also expand into energy storage-related wire harness products, generating new green revenue and striving to establish a presence in the green industry.



2023

Pan-International Group Sustainability Highlights

1.2.2 Sustainability Performance



Pan-International Group: Sustainability Report
Attained **ISAE 3000** Assurance for the year
2023

Pan-International Group:
No significant violations in governance **0**

Dongguan Pan-International:
The plant's annual solar utilization rate
reached **16.56%**

Honghuasheng, Yantai:
Jointly obtained
UL2799 Platinum Certification
Zero Waste to Landfill certificate with the legal entities

Honghuasheng, Yantai :
Obtained **ISO 14064-1** organizational
greenhouse gas emission verification
annully since 2022

New Ocean Precision Component, Jiangxi:
The plant's annual **water saving
amount** reached **33.84%**

Pan-International Group:
Annual **carbon emission intensity**
decreased by 3.66%

Honghuasheng, Yantai:
Honghuasheng, Yantai and legal entities jointly
obtained **SEDEX-SMETA Suppliers Ethical
Data Exchange accreditation**



▼ Sustainability Highlights - 2



MSCI (Morgan Stanley Capital International) **ESG Rating: BB**

(AAA-CCC, AAA being the best)

※ Source: Company Investor Integrated Relations Platform <https://irplatform.tdcc.com.tw/ir/zh/#>

▼ ISO Certificates (please refer to appendix for certificates)

| ESG | ISO | Certificate Name | Dongguan Pan-International | New Ocean Precision Component, Jiangxi | Honghuasheng, Yantai | CJ Electric Systems, Wuhu |
|-----|----------------------|--|----------------------------|--|----------------------------|---------------------------|
| G | ISO 9001 | Quality Management System | 2026/12/24 | 2025/1/10 | 2024/9/10 | NA |
| G | ISO 13485 | Medical devices Quality management systems standards | 2025/1/7 | 2025/5/29 | NA | NA |
| G | IATF 16949 | The Requirements of a Quality Management System for Organizations in the Automotive Industry | 2026/12/24 | NA | 2024/11/29 | 2026/11/16 |
| E | ISO 14001 | Environmental Management Systems | 2027/4/3 | 2025/3/11 | 2027/6/27 | 2027/2/1 |
| E | IECQ QC 080000 | Hazardous Substance Process Management System | 2024/8/18 | NA | NA | NA |
| E | ISO 50001 | Energy Management System | NA | NA | 2026/10/12 | NA |
| E | ISO 14064-1 | Greenhouse Gas Inventories | NA | NA | 2023 (From 2022annual) | 2023 (From 2023annual) |
| E | GRS | Global Recycled Standard | NA | In progress as of July 29, 2024 | NA | NA |
| E | UL2799 Certification | Platinum Zero Waste to Landfill Validation | NA | NA | 2025/5/31 (legal entities) | NA |
| S | ISO 45001 | Occupational Health and Safety Management Systems | NA | 2026/4/6 | 2027/9/15 | NA |
| S | ISO/IEC 27001 | Information Security Management System | NA | NA | 2026/7/28 (legal entities) | NA |
| S | SEDEX (SMETA) | Suppliers Ethical Data Exchange Audit | NA | NA | 2023/1/9 obtained | NA |

Note: Dates listed in the table represent the expiration dates of the certificates



1.3 Stakeholder Engagement

1.3.1 Identifying Stakeholders

(GRI 2-29)

A company's operations are interconnected with the environment and community in which it is located and do not function independently. Therefore, a company's decisions have different degrees of impact on downstream customers, upstream suppliers, community partners, and the natural environment. Companies with a sense of responsibility must mitigate the impact of their decisions on stakeholders.

Considering the Company's industry attributes and operations, Pan-International Group's Sustainability Committee, along with the heads of the corresponding external communication departments, referred to the five major principles of the AA1000 Stakeholder Engagement Standard (2015): Dependency, Responsibility, Tension, Influence, and Diverse Perspectives, to assess the groups or organizations that impact Pan-International and are affected by it. After identification, there are seven types of stakeholders related to the Company, including employees, customers, investors/shareholders, suppliers, non-profit organizations, government agencies, and the media. This enables us to concentrate our resources, gain a deeper understanding of stakeholders' concerns, and actively respond.

1.3.2 Stakeholder Communication

(GRI 2-12, 2-29)

To understand and respond to stakeholders' concerns, we engage in both regular and ad-hoc communications with stakeholders through various channels, allowing them to provide feedback at any time regarding ESG issues that matter to them. The Company will respond by formulating strategies or modifying management measures accordingly. The 2023 stakeholder communication mechanisms and issues of concern are summarized as follows:



▼ Pan-International Group’s Stakeholder Communication Mechanism and Management Procedures

| No. | Communication Procedure | Description |
|-----|---|--|
| 1 | Identification for Stakeholder and Issue of Concern | <ul style="list-style-type: none"> The Sustainability Committee’s various issue groups and corresponding external communication departments are responsible for identifying relevant stakeholders and gathering their issues of concern. |
| 2 | Corresponding External Communication Departments | <ul style="list-style-type: none"> Following the annual strategic goals and stakeholder concern response guidelines established by the Sustainability Committee, the responsible departments develop response modes and practices and promote their implementation. |
| 3 | Sustainability Committee | <ul style="list-style-type: none"> Identify major issues of concern for stakeholders and formulate response guidelines. Oversee each relevant department in formulating response strategies, reviewing implementation progress, and making improvements for deficiencies. |
| 4 | Board of Directors | <ul style="list-style-type: none"> Engagement results and ESG-related issues are compiled in the annual sustainability report, which is submitted to the Board of Directors for discussion and approval before being announced publicly. Review the effectiveness of stakeholder communication and annual ESG-related goals. |
| 5 | External Disclosure | <ul style="list-style-type: none"> Disclose stakeholder communication and engagement results annually through sustainability reports and company websites. |

▼ Pan-International Group’s Primary Stakeholders and Communication Results

| Stakeholder | Relationship Description | Communication Channels | Communication Frequency | Primary Issues of Concern ^{Note 1} | Responsible Units | Communication Results |
|-------------|--|--|---|--|--|---|
| Employees | Important partners for company operations and promoting sustainable management | <ul style="list-style-type: none"> Assembly Internal education and training Performance evaluation Grievance channels | <ul style="list-style-type: none"> Irregular Irregular Annual Irregular | <ul style="list-style-type: none"> Benefits and salaries, diversity and equality, human rights, career development | <ul style="list-style-type: none"> Human Resources Department | <ul style="list-style-type: none"> Adjusted employee salaries to align with market and industry trends. Allocated annual performance bonuses and profit-sharing based on evaluation results. Reviewed job levels and positions to promote outstanding talents. |
| Customers | Important partners for promoting sustainable management | <ul style="list-style-type: none"> Customer visits Plant visits Reporting channels | <ul style="list-style-type: none"> Irregular | <ul style="list-style-type: none"> Business integrity, product quality and safety, innovation and R&D, raw material use, marketing and labeling | <ul style="list-style-type: none"> Business Department, Business Units | <ul style="list-style-type: none"> Maintained good customer relationships and ongoing order transactions. Jointly developed new products and expanded revenue. Recognized as excellent suppliers by customers. |
| Suppliers | Important partners for promoting green supply chains, jointly implementing carbon management plans | <ul style="list-style-type: none"> Price negotiation meetings Supplier questionnaires Annual audits Supplier conferences | <ul style="list-style-type: none"> Irregular Irregular Annual Annual | <ul style="list-style-type: none"> Business integrity, supply chain management, product quality and safety, greenhouse gas emissions | <ul style="list-style-type: none"> Procurement Department Manufacturing Department | <ul style="list-style-type: none"> Conducted annual audits of 65 suppliers, 63 of which passed improvement review and were rated as Grade A suppliers. Held irregular educational training sessions on environmental protection, quality, conflict minerals, hazardous substances, and integrity issues |



| Stakeholder | Relationship Description | Communication Channels | Communication Frequency | Primary Issues of Concern ^{Note 1} | Responsible Units | Communication Results |
|---------------------------------------|---|--|--|---|--|---|
| Investors /Shareholders | Important stakeholders supporting the company's Sustainable operations | <ul style="list-style-type: none"> Spokesperson channels Investor conferences Annual shareholders' meeting | <ul style="list-style-type: none"> Irregular Semi-annual/quarterly Annual | <ul style="list-style-type: none"> Operational performance, R&D, customer relationships, business integrity | <ul style="list-style-type: none"> GM's Office Investor Relations Department | <ul style="list-style-type: none"> The GM and spokesperson participated in investor conferences hosted by securities firms to discuss the Company's current operations and future outlook. Responded inquiries from investors and shareholders through spokesperson channels. All proposals at the annual shareholders' meeting were approved by shareholders, and new directors were elected. |
| Communities /Charitable Organizations | Important partners in maintaining community harmony and protecting the environment | <ul style="list-style-type: none"> Community activities Charitable activities Spokesperson channels | <ul style="list-style-type: none"> Quarterly Irregular Irregular | <ul style="list-style-type: none"> Air quality, waste, greenhouse gas emissions, human rights, biodiversity | <ul style="list-style-type: none"> Human Resources Department Investor Relations Department Environmental Safety Department | <ul style="list-style-type: none"> Regularly communicated with village representatives, participated in community activities, and donated resources to give back to residents. Accepted proposals from charitable organizations and cooperated with them to sponsor charitable activities that support disadvantaged groups. Collaborated with environmental groups to provide resources and volunteers for maintaining environmental cleanliness and reducing pollution. |
| Media | Key partners in disclosing company information and ensuring transparency | <ul style="list-style-type: none"> Investor conferences Spokesperson channels | <ul style="list-style-type: none"> Semi-annual/quarterly Irregular | <ul style="list-style-type: none"> Operational performance, business integrity, R&D innovation, customer relationships | <ul style="list-style-type: none"> GM's Office Investor Relations Department | <ul style="list-style-type: none"> Responded to media inquiries and disclosed operations-related information appropriately to enhance company information transparency. |
| Government Agencies | The Company's operations are based on legal compliance, and timely reflect operational issues and industry opinions to government agencies to help adjust policies and support industry development | <ul style="list-style-type: none"> Meetings held by government departments Questionnaires Official document communication | <ul style="list-style-type: none"> Irregular | <ul style="list-style-type: none"> Regulatory compliance, business integrity, energy, information security, labor rights | <ul style="list-style-type: none"> GM's Office Investor Relations Department | <ul style="list-style-type: none"> Assigned personnel from relevant departments to participate in industry and environment-related seminars organized by government agencies, allowing them to provide feedback on behalf of the Company. Invited to participate in Corporate Governance 3.0 - Sustainable Development Roadmap exchange meetings held by the Financial Supervisory Commission and stock exchange to understand relevant policy development plans and formulate company response strategies. |

Note 1: This table provides a brief overview of stakeholders' concerns. For detailed response measures, please refer to the relevant chapters of this report.



1.4 Material Topic Management

1.4.1 Material Topic Assessment Process

(GRI 2-14, 3-1)

Material Topic Assessment Process

Pan-International Group's Sustainability Committee annually evaluates the sustainability issues that significantly impact stakeholders based on the Company's operations, industry type, and the effects generated by the value chain. The evaluation is conducted through stakeholder engagement and consultant advice, in accordance with the materiality, completeness, and stakeholder inclusiveness criteria outlined in GRI 3 of the 2021 version of GRI Standards. The Sustainability Committee then determines the key sustainability issues for the current period. The detailed assessment process is as follows:

Step 1: Identify Key Issues

- (1) Summarize industry attributes: Review the business items, models, product or service types, industry classifications, types of workers for each company in the Group, and analyze all the relevant industry attributes associated with the Group.
- (2) Identify sustainability issues: In addition to considering significant past events, both positive and negative, the Group also evaluates potential risks or opportunities based on feedback from stakeholder communications, as well as global regulations and standards (GRI Standards, TCFD, and Electrical & Electronic Equipment SASB Standards, etc.). Additionally, the Group reviews industry regulations, standards, and benchmark enterprises within the same industry to comprehensively assess sustainability issues relevant to the Company. A total of 25 sustainability issues were identified during this reporting period.

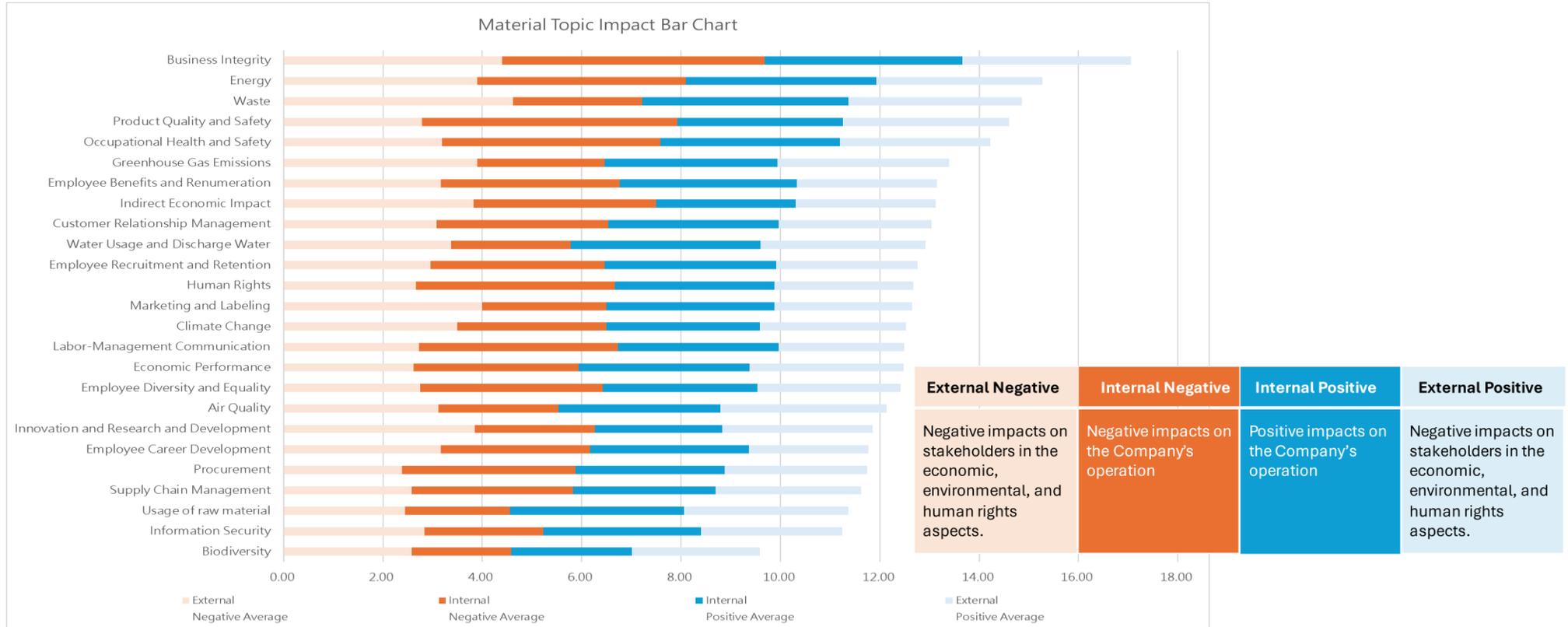
Step 2: Determine Material Topics

We conduct questionnaires for senior executives, members of the Group's Sustainability Committee, and external stakeholders to comprehensively assess the positive and negative impacts of each sustainability issue. Internal personnel evaluate the impact on company operations, while external stakeholders review the effects on the environment, society, and human rights (people). The evaluation aspects include:

- (1) Positive or negative impact: The impact on company operations or stakeholders resulting from the Group's management strategies and actions on various issues can be classified as positive or negative.
- (2) Impact magnitude: Conduct a comprehensive evaluation of factors such as the magnitude of impact on company operations or stakeholders, the probability or frequency of occurrence, the scope of impact, and the ability to remedy any negative effects.

A total of 223 questionnaires were collected in 2023. After excluding invalid responses, 207 valid questionnaires remained, consisting of 31 from internal sources and 176 from external sources. After calculating the positive and negative impact scores of each issue for the Company’s internal and external stakeholders, we set weighted scores based on three industry-related standards or regulations to ensure a comprehensive evaluation.

Finally, we ranked the total scores of each issue from high to low. The Sustainability Committee set “top quarter of total scores” as the materiality threshold, selecting 7 material topics for this period.





Step 3: Reporting on Material Topics and Information

The Sustainability Committee evaluates relevant international standards for material topics, reviews management policies and objectives of material topics, collects annual data, and ensures the disclosure of key sustainability information of this address respond to stakeholders' concerns. After completing the preparation of the annual sustainability report, the Sustainability Committee reviews the report again and submits it to the Board of Directors for approval, ensuring that all disclosed information is accurate and free of any concerns regarding misrepresentation.

Step 4: Continuous Review

The Company conducts an annual review of the implementation of material topic policies and goal achievement rates annually to optimize internal management approaches and quantitative goals. It also compares the differences in topics before and after the next identification process, investigates the reasons for these differences, and presents the findings in the report.

1.4.2 Material Topic Impact Management

(GRI 2-12, 2-13, 3-2)

Material Topic Management Strategy

The Chairman of Pan-International Group is the highest decision-making and supervisory unit for the Company's management of material topics. The Chairman appoints the Sustainability Committee to oversee sustainable material topic management, which includes reviewing and evaluating management approaches, proposing suggestions for improvement, establishing diverse communication channels for stakeholders, and regularly summarizing stakeholder feedback. The Committee reviews these opinions and their impacts, formulates response measures or guidelines, and reports them to the Board of Directors. The Chairman and Sustainability Committee meet at least once a year to discuss the management of material topics and formulate new sustainability development directions and strategic goals for the upcoming year.

Material Topic List

Compared to 2022, this year included "Product Quality and Safety" as a material topic and removed "Economic Performance," "Corporate Governance," "Risk Management," "Climate Change," and "Water Resource Management" from the list of five material topics.



| Material Topics | Corresponding GRI Topics | Corresponding Report Chapter |
|------------------------------------|---|--|
| Business Integrity | GRI 3-3 GRI 205-3 GRI 206-1 | 2.4 Responsible Business Conduct |
| Energy | GRI 3-3 GRI 302-1 GRI 302-3 GRI 302-4 | 5.1 Energy Conservation and Carbon Reduction |
| Waste | GRI 3-3 GRI 306-3 GRI 306-4 GRI 306-5 | 5.3 Waste Management |
| Product Quality and Safety | GRI 3-3 | 3.2 Product Quality and Safety |
| Occupational Health and Safety | GRI 3-3 GRI 403 (all) | 6.4 Workplace Safety |
| Greenhouse Gas Emissions | GRI 3-3 GRI 305-1 GRI 305-2 GRI 305-4 GRI 305-5 | 5.1 Energy Conservation and Carbon Reduction |
| Employee Benefits and Remuneration | GRI 3-3 GRI 202-1 GRI 401-2 GRI 401-3 | 6.2 Remuneration and Benefits |

Note: This management approach list presents only the material topics and their corresponding GRI topics. For detailed information on policies, strategies, management objectives, and approaches, please refer to the explanation provided in each chapter.



2. Corporate Governance

2.1 Company Profile

2.1.1 Basic Information

(GRI 2-1, 2-7, 2-28)

Pan-International Group was established in 1971 with the headquarter located in New Taipei City, Taiwan. It has operating bases in China, the United States, Malaysia, and Thailand engaged in manufacturing, sales, and customer service businesses.

Since its establishment, Pan-International has adhered to the spirit of innovation, aiming to care for employees while maximizing profits for shareholders, and has worked tirelessly to achieve these goals. With the evolution of product technology and changes in the market, the Company’s primary business has expanded from producing and selling terminals and plugs to researching, developing, and manufacturing signal cables, wire harnesses, and PCBs for consumer, communication, industrial, and medical products. Additionally, the Company has entered the professional EMS services to meet customers’ needs for one-stop solutions. Due to climate change and increasing frequency of extreme natural disasters, achieving carbon neutrality to mitigate global warming has become a global trend. Governments worldwide have established goals and carbon reduction pathways. Electric vehicle products align with this trend and are expected to become mainstream consumer products in the future with significant growth potential. To contribute to the carbon neutrality trend and create new business opportunities, the Company actively invests in the automotive wire harness industry, establishes R&D teams, and collaborates with customers to develop electric vehicle wire harness products, aiming to seize industry opportunities. The hard work has yielded significant rewards. Over the past two years, a substantial increase in customer shipments has led automotive wire harness products to become one of the Company’s primary sources of revenue.

Affected by factors such as regional wars, geopolitics, US-China competition, and inflation, the global economy will undergo major changes, and business operators will face greater challenges and decision-making dilemmas. The Company will continue to uphold the principles of diligence and frugality, maintain its transformation operational strategy, and work together with all employees to create revenue, control costs, and improve profitability. Additionally, the Company is committed to addressing major stakeholder concerns, fulfilling corporate social responsibilities, and sharing operating results with all stakeholders to ensure sustainable social development and sustainable operation of enterprises.

| | |
|------------------------------|---|
| Company Name | Pan-International Industrial Corp. |
| Company Type | Listed & Limited Company |
| Date of Establishment | May 19, 1971 |
| Headquarter Location | No. 97, Anxing Rd., Xindian Dist., New Taipei City 231, Taiwan (R.O.C.) |
| Industry Category | Electronic Components and Products Manufacturing |



| | |
|-------------------------------------|--|
| Primary Products or Services | Manufacturing and sales of electronic components such as signal cables, wire harness products, connectors, and PCBs, and providing EMS services. |
| Paid-in Capital | NTD 5,183,462,820 |
| Net Sales | NTD 25,634,258,000 |
| Number of Employees | 3210 |

- **Association Memberships**

Pan-International Group continues to participate in business-related associations. In 2023, the Company was a general member of the Taiwan Electrical and Electronic Manufacturers' Association, exchanging industry knowledge, information, and practical experience with peers and professionals, aiming to respond to changes in the international situation together and improve industry standards.

2.1.2 Operating Locations

▼ Operating Layout of Pan-International Group

| Region | Operating Location and Business Nature | Number of Operating Locations |
|----------------|---|-------------------------------|
| Taiwan | The headquarter and R&D center | 1 |
| Mainland China | Product manufacturing and sales locations | 5 |
| Malaysia | Product manufacturing and sales locations | 2 |
| Thailand | Product manufacturing and sales locations | 1 |
| United States | Sales location | 1 |



2.2 Governance Structure

2.2.1 Governance Framework

(GRI 2-9)

The highest authority of the Company is the shareholders’ meeting, where shareholders elect directors to form the Board of Directors. The Board serves as the Company’s highest governing body, responsible for making overall business decisions. Beneath the Board are functional committees, including the Nomination Committee, Remuneration Committee, and Audit Committee, which respectively oversee the Company’s management, operational performance, financial statements, compensation of directors and managers, and key ESG goals. In addition, an Audit Office has been established to monitor the effectiveness of the Company’s internal control system. Each committee performs its duties and supervises according to its responsibilities and division of powers, reporting its implementation results and resolutions to the Board of Directors to safeguard the interests of the Company and all stakeholders.

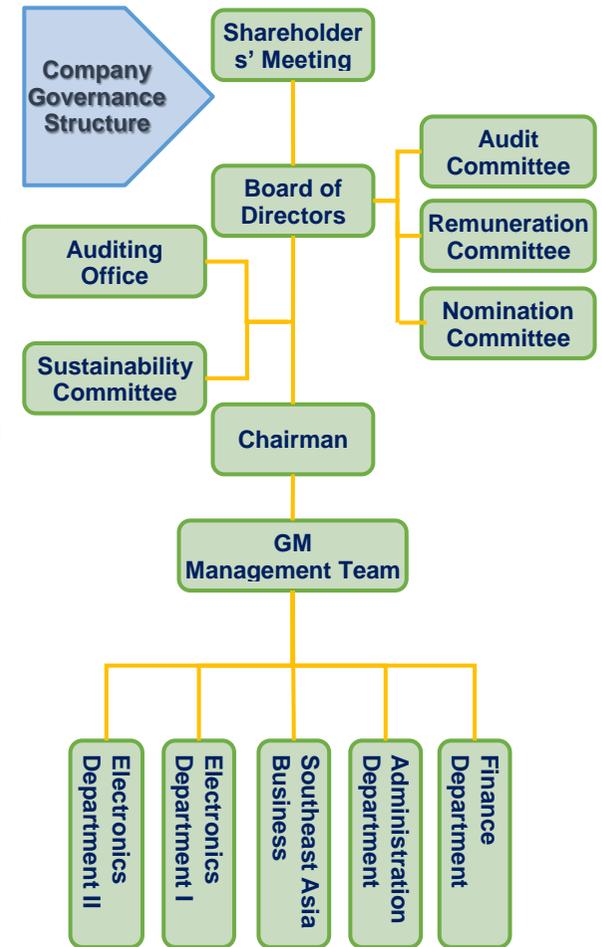
Board of Directors Operations and Composition (GRI 2-9, 2-10, 2-11, 405-1)

The Board of Directors serves as a balancing and supervisory role between the Company’s owners and its management. It exercises the rights and obligations authorized by shareholders and formulates operating guidelines based on stakeholder interests. In addition, it determines the management level of the Company, supervises operational conditions, establishes sustainability development-related strategies, and monitors the effectiveness of their implementation.

Board members are elected through a candidate nomination system, with seven directors elected from the list during the shareholders’ meeting. Directors serve a term of three years and may be re-elected. The nomination and selection criteria focus on the candidates’ independence, professional background, and relevance to the Company’s operational development, while also considering the diversity of the board composition. The current Board of Directors consists of seven directors (including four independent directors), with a male to female ratio of 5:2.

Pan-International Group holds a quarterly board meeting in principle. In 2023, a total of five regular board meetings and one special board meeting were held, with an average attendance rate of 100%. For the attendance of each director and the information of the proposals, please refer to page 16 of Pan-International Group’s 2023Annual Report.

http://www.panpi.com.tw/tw/investor_service/shareholder_meeting/information

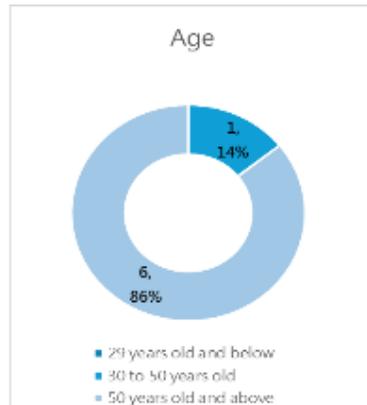
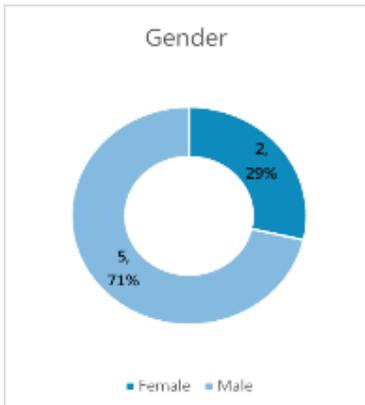




▼ **Pan-International Group’s Director Information** (Current term of Board of Directors: From June 9, 2023, to June 8, 2026)

| Title | Term Years of Service | Name | Gender | Age | Concurrent Position in the Company | Concurrent Position in Other Companies | Functional Committees | | |
|----------------------|-----------------------|-----------------|--------|------------------------|------------------------------------|---|-----------------------|------------------------|----------------------|
| | | | | | | | Audit Committee | Remuneration Committee | Nomination Committee |
| Chairman | 1 | Kuang-Ya Lee | Male | 51 years old and above | - | • Assistant Vice GM of Hon Hai Precision Industry Co., Ltd. | | | |
| Director | 1 | Ying-Shih Huang | Male | 51 years old and above | - | • Senior Officer of Hon Hai Precision Industry Co., Ltd. | | | |
| Director | 22 | Feng-An Huang | Male | 51 years old and above | Vice GM of the Company | - | | | V |
| Independent Director | 1 | Ming-I Kuo | Female | 51 years old and above | - | • Consultant of Lexcel Law Offices | V | V | |
| Independent Director | 4 | Wen-Jung Cheng | Male | 30 to 50 years old | - | • Lead CPA of Fubo United Accounting Firm • Supervisor of Top Food Industry Corporation • Independent Director of SHUN ON ELECTRONIC CO., LIMITED | V | | V |
| Independent Director | 1 | Lin Ching-Wei | Female | 51 years old and above | - | • Director of GREAT DREAM PICTURES, INC. | V | V | |
| Independent Director | 1 | Chih-Keng Chen | Male | 51 years old and above | - | • Professor and Department Head of Vehicle Engineering, National Taipei University of Technology, Taipei Tech | V | V | V |

▼ **Director Gender and Age Distribution Chart**





▼ Director Professional Skills and Experience Distribution

| Title | Name | Director Professional Skills and Experience Distribution | | | | | | | | | | | |
|----------------------|-----------------|--|----------------------|-------------------------|--------------------|---------------------|-----------|----------------------|------------------------|-----------------|------------------------------|----------------------|-------------------------|
| | | Leadership and Decision-making | Operation Management | Finance, Accounting Law | Industry Knowledge | Industry Technology | Marketing | Business Development | Information Technology | Risk Management | Environmental Sustainability | Social Participation | Supply Chain Management |
| Chairman | Kuang-Ya Lee | V | V | | V | V | V | V | | V | V | V | |
| Director | Ying-Shih Huang | V | V | V | V | | | | V | V | V | V | |
| Director | Feng-An Huang | V | V | V | V | | | | V | V | V | V | |
| Independent Director | Ming-I Kuo | V | V | V | | | | | | V | V | V | |
| Independent Director | Wen-Jung Cheng | V | | V | V | | | | V | V | V | V | |
| Independent Director | Lin Ching-Wei | V | V | V | | | | | | V | V | V | |
| Independent Director | Chih-Keng Chen | V | | | V | V | | | V | V | V | V | V |





- **Director Training (GRI 2-17)**

Pan-International Group arranges annual training courses and forums for directors on professional skills, knowledge, and sustainability development-related issues to strengthen their expertise to address operational impacts. In 2023, the directors participated in a total of 51 hours of training courses and major issue forums, which were conducted over twelve sessions.

2023director training items: Page 24 of Pan-International Group’s 2023 Annual Report.

http://www.panpi.com.tw/tw/investor_service/shareholder_meeting/information

- **Remuneration Structure for Directors and Senior Managers (GRI 2-19)**

The remuneration for directors of Pan-International Group includes cash remuneration for independent directors, director remuneration, salaries and remuneration for concurrent employees, and pensions. The Remuneration Committee uses industry benchmarks and individual performance to determine adjustments to individual remuneration. In addition to fixed salaries and retirement pensions, performance bonuses are calculated based on the achievement of various performance indicators. For details on director remuneration, remuneration brackets, and payment standards in 2023, please refer to pages 11 to 13 of Pan-International Group’s 2023Annual Report.

The remuneration system for Pan-International Group’s senior executives is proposed and recommended to the Board of Directors by the Remuneration Committee, and it is approved by the Board. In addition to fixed salaries and retirement pensions, performance bonuses are calculated based on the achievement of various performance indicators. The retirement system for senior executives is the same as that for other employees. For details on senior executive salaries and brackets in2023, please refer to pages 14 to 15 of Pan-International Group’s 2023Annual Report. The Remuneration Committee has formulated the “Executive Salary and Remuneration Regulations” and submitted it to the first Board meeting in 2024 for review and approval. This will serve as the basis for evaluating and determining senior executive remuneration.

- **Resignation and Retirement Policy for Directors and Senior Executives**

The notice period for resignation of Pan-International Group’s directors and senior executives complies with local government regulations. The number of notice days and calculation method of severance pay are the same as those for other employees. In addition to severance pay, no other payments or benefits in kind will be provided to departing directors and senior executives. For details, please refer to page 70 of Pan-International Group’s 2023 Annual Report.

http://www.panpi.com.tw/tw/investor_service/shareholder_meeting/information

- **Linkage between Director and Senior Executive Remuneration and ESG Performance**

The Company is currently developing short-term and medium-term ESG implementation plans and achievement goals; therefore, the remuneration of directors and senior executives has not yet been linked to ESG performance. A procedure for ESG performance evaluation will be established after commissioning an independent professional organization to assess the performance evaluation model and target items for the Company’s directors and



senior executives. ESG performance indicators will be gradually introduced each year to link individual participation in ESG issues and the achievement of ESG goals with their annual bonuses, thereby strengthening the accountability of directors and senior executives for the Company’s sustainability vision.

• **Clawback Provision**

A clawback mechanism has not yet been established. In the future, we will seek advice from external consultants and consider the Company’s operating conditions for further discussion.

• **Board Performance Evaluation (GRI 2-18)**

In principle, the Company conducts an annual performance evaluation of the Board of Directors, functional committees (including the Audit Committee, Remuneration Committee, and Nomination Committee) and individual board members. To further enhance the effectiveness of board operations and strengthen corporate governance, the Company will engage an independent professional organization or external expert scholar team to conduct a performance evaluation every three years. This evaluation will serve as a reference for improving the performance of the Company’s board operations.

| Measurement Items for Board Performance Evaluation | Performance Evaluation for Individual Board Members |
|---|---|
| 1. Participation in Company Operations 2. Enhancing the Quality of Board Decisions 3. Board Composition and Structure 4. Director Selection and Ongoing Education 5. Internal Control | 1. Understanding of Company Goals and Tasks 2. Awareness of Director Duties 3. Participation in Company Operations 4. Internal Relationship Management and Communication 5. Director’s Expertise and Ongoing Education 6. Internal Control |

▼ Board Evaluation Implementation

| Evaluation Cycle | Evaluation Period | Evaluation Method | Evaluation Scope | Evaluation Result |
|------------------|-------------------------------------|-------------------|---|-------------------|
| Once a Year | From January 1 to December 31, 2023 | Self-Evaluation | Overall Performance of the Board of Directors | Excellence Grade |
| Once a Year | From January 1 to December 31, 2023 | Self-Evaluation | Individual Board Members | Excellence Grade |
| Once a Year | From January 1 to December 31, 2023 | Self-Evaluation | Audit Committee | Excellence Grade |
| Once a Year | From January 1 to December 31, 2023 | Self-Evaluation | Remuneration Committee | Excellence Grade |
| Once a Year | From January 1 to December 31, 2023 | Self-Evaluation | Nomination Committee | Excellence Grade |

2023 performance evaluation results: Page 17 of Pan-International Group’s 2023Annual Report.

http://www.panpi.com.tw/tw/investor_service/shareholder_meeting/information

• **Conflict of Interest Management (GRI 2-15)**



The rules of procedure for Pan-International Group’s board meetings, Audit Committee, and Remuneration Committee, include provisions on avoiding conflicts of interest. When a director’s proposal involves the interests of themselves, their spouse, or relatives within the second degree of kinship, or companies that have a controlling or subordinate relationship with the director, they must disclose their interests at the board meeting. If there is any concern about harming the Company’s interests, they shall not participate in the discussion and voting and must exclude themselves from both. Additionally, they may not exercise voting rights on behalf of other directors. The names of the related directors, important content explanations and recusal are all recorded in the meeting minutes. Directors and managers must complete an annual related party transaction declaration, with results reported to the Audit Committee.

- For 2023 related party transactions, directors, controlling shareholders, or other stakeholders, please refer to page 41 of Pan-International Group’s 2023 Annual Report.

http://www.panpi.com.tw/tw/investor_service/shareholder_meeting/information

In addition, the Company has established codes of ethical conduct for personnel at different levels, as well as separate codes for directors and managers, and for employees. The Audit Office and General Administration oversee the implementation of these codes and regularly report the implementation results to the Board of Directors. As of the end of 2023, Pan-International Group had not experienced any major conflicts of interest.

2.2.2 Functional Committee

(GRI 2-9, 2-14)

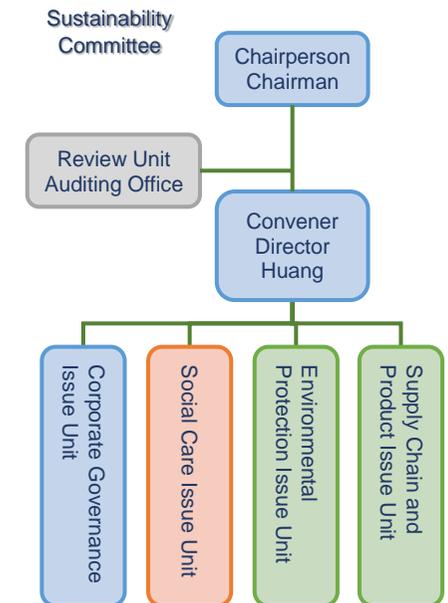
- **Sustainability Committee (GRI 2-12, 2-13, 2-14, 2-16)**

Pan-International Group has established a Sustainability Committee, managed by the Chairman, which serves as the highest-level dedicated sustainability unit within the Company. The Committee consists of the Chairman, Director Huang, the GM, and relevant department heads. The Sustainability Committee is responsible for managing, resolving, and supervising the governance strategies, the effectiveness of policy implementation, and the achievement rates of major ESG issues related to the Company’s operations. The Committee reports implementation results to the Board of Directors annually.

Under the committee, four implementation units are established based on functional responsibilities: Environmental Protection Issue Unit, Social Care Issue Unit, Corporate Governance Issue Unit, and Supply Chain and Product Issue Unit. The GM acts as the overall commander, coordinating group members and appointing the heads of responsible departments as group leaders. The implementation groups are responsible for identifying major ESG issues related to the Company’s operations, formulating management strategies and goals, and preparing annual sustainability reports. The GM will regularly review the performance and achievement of the implementation groups and report the results to the Board of Directors annually.

- **Implementation of Sustainability Committee**

In 2023, the Sustainability Committee communicated three major matters with the Board of Directors, including reporting on the annual integrity management results and the sustainability report, and proposing to formulation of the “Procedures for Preparing and Verifying Sustainability Reports.” The related reports and procedures were all approved by the Board of Directors.





▼ 2023 Sustainability Committee Communications with the Board of Directors

| Meeting Date | Major Matters Communicated with the Board of Directors | The Board's Major Suggestion | ESG Committee Resolution Results | The Board's Resolution Results |
|-----------------|--|------------------------------|---|-------------------------------------|
| May 09, 2023 | Reported 2022 annual integrity management results | None | Approved by all attending committee members | Approved by all attending directors |
| May 09, 2023 | Formulated procedures for preparing and verifying sustainability reports | None | Approved by all attending committee members | Approved by all attending directors |
| August 08, 2023 | Submitted 2022 annual sustainability report | None | Approved by all attending committee members | Approved by all attending directors |

• **Remuneration Committee (GRI 2-19, 2-20)**

The Remuneration Committee consists of three members, all of whom are independent directors, meeting the independence requirements of regulations. Their terms of office run from June 9, 2023, to June 8, 2026. The Company has formulated the “Remuneration Committee Charter” to define the powers and responsibilities of the Remuneration Committee, which is responsible for setting and regularly evaluating the remuneration systems and standards for directors and managers. In principle, the Committee meets once every six months. In 2023, a total of five meetings were held, with a 100% attendance rate from all members.

To ensure the transparency in the remuneration system and protect stakeholders’ interests, Pan-International Group will implement an external stakeholder mechanism, with third-party independent consultants regularly reviewing the performance of the Company’s Board of Directors and various committees. Moreover, the remuneration distributed to employees and directors each year must be approved at the shareholders’ meeting.

This year’s employee and director remuneration was approved at the shareholders’ meeting on June 9, 2023.

• **Audit Committee**

The Company’s Audit Committee is composed of four independent directors, with terms of office from June 9, 2023, to June 8, 2026. Its responsibilities include reviewing the Company’s financial statements, overseeing the appointment and independence of certified public accountants, formulating or revising internal control systems, and ensuring that the Company’s internal rules comply with relevant laws and regulations. Meetings are held quarterly, and when necessary, department heads, internal auditors, accountants, legal consultants are invited to participate in discussions. In 2023, a total of six meetings were held, with members achieving a 100% attendance rate.

Audit Committee implementation: Pages 18 to 20 of Pan-International Group’s 2023 Annual Report

• **Nomination Committee**

The Company’s Nomination Committee consists of two independent directors and a general director, with terms of office from June 9, 2023, to June 8, 2026. Its responsibilities include nominating candidates for the Company’s directors, assessing the qualifications of those candidates, structuring the functional committees under the Board, reviewing the organizational regulations of each functional committee, evaluating operational rules of the Company’s Board of Directors, and reviewing the Company’s corporate governance practices, as well as other matters assigned by the Board of Directors. In 2023, a total of three meetings were held, achieving a 100% attendance among its members.

Nomination Committee implementation: Pages 26 to 27 of Pan-International Group’s 2023 Annual Report.



2.3 Economic Performance

(GRI 201-1)

Every November, each business unit and department prepares its budget for the following year. The Accounting Department summarizes the sales, R&D, production, procurement, personnel expenses, and capital expenditure budgets to prepare the projected income statement, which is then submitted to the GM for review. At the first Board meeting of the upcoming year, the GM presents the annual budget and business plan to the Board of Directors and conducts quarterly report on the implementation results.

The Company’s revenue from automotive products in 2023 was significantly driven by increased shipments from automotive customers in China. Revenue from automotive wire harness accounting for more than 17% of total consolidated revenue, highlighting the results of the Company’s transformation efforts and the growth in automotive product revenue. In addition, despite the increasing flexibility of the supply chain, the Southeast Asia Business Division continued to achieve revenue growth. However, in the second half of the year, shipments of consumer products declined due to customers’ tendency to stockpile and uncertainty regarding future demand. This resulted in a significant drop in revenue for related products. Overall, while the Company has actively adjusted its product mix to maintain its gross profit margin, the decline in revenue has resulted in a slight decrease in profitability, along with a drop in investment income and other non-operating contributions. This has led to a decrease in overall annual profitability compared to the previous year.

In summary, for the year 2023, the Company’s consolidated revenue was NT\$25,634,258,000, a decrease of 2.4% compared to 2022. The consolidated net profit after tax was NT\$1,489,833,000, with earnings per share after tax of NT\$2.42. For explanations and analysis of other financial performance, please refer to the Company’s annual report.

▼ Pan-International Group’s Consolidated Financial Performance

| Items | 2021 | 2022 | 2023 |
|---|------------|------------|------------|
| Operating Revenue (NT\$ thousand) | 24,226,194 | 26,257,340 | 25,634,258 |
| Net Profit Before Tax (Net Loss) (NT\$ thousand) | 1,549,425 | 2,056,433 | 1,841,792 |
| Net Profit After Tax (Net Loss) (NT\$ thousand) | 1,162,597 | 1,566,399 | 1,489,833 |
| Earnings Per Share (Loss)(NT\$) | 1.87 | 2.55 | 2.42 |
| Cash Dividend (NT\$/share) | 1.00 | 1.40 | 1.30 |

Note: Cash dividends are the amounts resolved for distribution in the earnings distribution proposals for each reporting year. The distribution amount for 2023 was approved by the shareholders’ meeting on May 31, 2024.

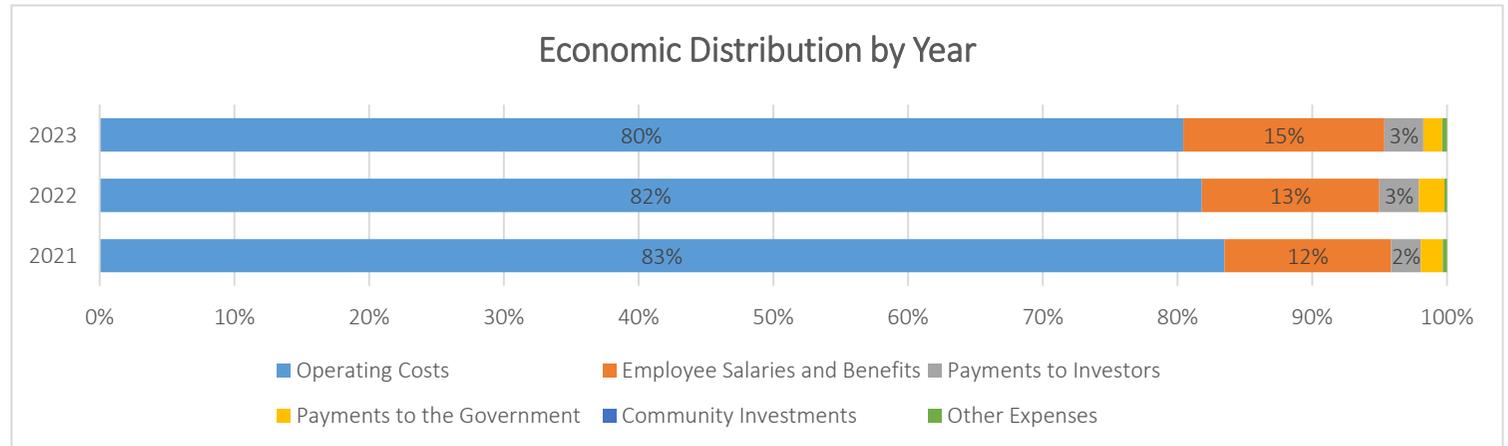
The Company analyzes its consolidated financial position from the perspective of stakeholder economic distribution according to GRI standards. This year, the total direct economic income generated (including operating income and non-operating income) amounted to NT\$26,015,079,000, and the total amount distributed was NT\$25,199,096,000. The top three items of economic distribution were operating costs (80.5%), employee salaries and benefits (14.9%), and payments to investors (2.9%).



▼ Direct Economic Value Generated and Distributed in the Past Three Years (Unit: NT\$ thousand)

| Economic Value | Item/Subject | 2021 | 2022 | 2023 |
|---------------------------------|--------------------------------|------------|------------|------------|
| Direct Economic Income | Net Operating Income | 24,226,194 | 26,257,340 | 25,634,258 |
| | Financial Investment Income | 202,530 | 262,150 | 203,428 |
| | Government Subsidies | 38,760 | 44,221 | 28,254 |
| | Other Income | 5,997 | 4,051 | 149,139 |
| Direct Economic Value Generated | | 24,473,481 | 26,567,762 | 26,015,079 |
| Economic Distribution | Operating Costs | 19,894,377 | 21,047,693 | 20,268,775 |
| | Employee Salaries and Benefits | 2,949,612 | 3,388,415 | 3,764,016 |
| | Payments to Investors | 525,473 | 756,041 | 724,841 |
| | Payments to the Government | 386,828 | 490,034 | 351,959 |
| | Community Investments | 0 | 0 | 0 |
| | Other Expenses | 72,940 | 44,865 | 89,505 |
| Economic Value Distributed | | 23,829,230 | 25,727,048 | 25,199,096 |
| Economic Value Retained | | 644,251 | 840,714 | 815,983 |

Note: Economic value retained =
Direct economic value generated
- Economic value distributed.





2.4 Responsible Business Conduct

Material Topic Management Approach: Business Integrity

Corresponding GRI Indicators: GRI 3-3, 205-3, 206-1

| | | | | | | |
|---|------------------------|--|----------------------------|--|----------------------|---------------------------|
| Impact Description | | <ol style="list-style-type: none"> 1. Damage to company reputation and corporate image. 2. Bear liable for compensation related to negligence. 3. Loss of orders. | | | | |
| Location | | Pan-International, Taipei (Parent Company) | Dongguan Pan-International | New Ocean Precision Component, Jiangxi | Honghuasheng, Yantai | CJ Electric Systems, Wuhu |
| Policies or Commitments Established or Followed | Internal Regulations | v | v | v | v | v |
| | Government Regulations | v | v | v | v | v |
| Responsible Units | | <ol style="list-style-type: none"> 1. GM's Office 2. Business Division Management Department 3. Human Resources Department 4. Information Department 5. Investor Relations Department 6. Auditing Office | | | | |
| Management Actions | | <ol style="list-style-type: none"> 1. Strengthen internal education and training in integrity and business responsibility. 2. Enhance information security protection mechanisms. 3. Improve document and system data control mechanisms to prevent leakage. 4. Plan both regular and irregular audit programs. 5. Establish whistleblower mechanisms and reporting channels. 6. Arrange liability insurance to protect the Company's interests. | | | | |
| Process for Monitoring the Effectiveness of Actions | | <ol style="list-style-type: none"> 1. Regularly review information systems for any data breaches. 2. Effectively implement regular and irregular audit programs. 3. Regularly review whether liability insurance coverage is sufficient. | | | | |



| Management Performance Indicators | | | | |
|---|--|------------------------|---------------------------|----------------------------|
| Indicators | 2023 Achievement | Short-term Goal (2024) | Mid-term Goal (2022-2027) | Long-term Goal (2022-2050) |
|  Zero violations of ethical management cases | Achieved 100% in 2023  | | | |

2.4.1 Ethical Management

(GRI2-23, 2-24, 2-25, 2-26, 205-3)

The Company formulates regulations on corporate ethical management based on the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” promulgated by the Financial Supervisory Commission. The Corporate Governance Issue Unit of the Sustainability Committee adheres to the ethical management policy and establishes “Integrity, Honesty, Compliance, and Fraud Prevention” as guiding principles, aiming to achieve zero incidents and promote the Company’s ethical management operations. Simultaneously, the Company identifies potential impacts on various stakeholders in its business relationships, reviews specific risks, formulates relevant preventive measures and plans. It also follows up on incidents handling through human resources and audit units to improve and optimize responsible business conducts, ensuring compliance with ethical management goals and standards.

Regarding responsible business conduct, the Company is committed to providing customers with one-stop solutions while ensuring the confidentiality of their products and preventing the leakage of trade secrets and related information. The Company insists on maintaining product quality to avoid hazards and losses. The current implementation results are positive, with no related incidents occurring. Relevant information is published in the Company’s annual report and on its website.

| Approval Unit | Implementation Unit | Policy Regulations | Reference (Government official documents, guidelines, initiatives, etc.) |
|--------------------|-------------------------------------|---|---|
| Board of Directors | Company directors and all employees | Pan-International Industrial Corp. Code of Ethical Management | Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies |
| Board of Directors | Company directors and all employees | Pan-International Industrial Corp. Procedures Ethical Management and Guidelines for Conduct | Procedures for Ethical Management and Guidelines for Conduct for TWSE/TPEX Listed Companies |



Pan-International Group implements a series of measures and management mechanisms to ensure that members of each the operating base and the Company’s stakeholders understand the Company’s ethical management policy. These measures include signing relevant documents, facilitating communication meetings, and holding training sessions and briefings, totaling 3,582 hours of ongoing promotion. Due diligence is also performed on suppliers to facilitate review and screening.

| Identity | | Timing | Documents to be Signed | Contract Signing Rate |
|-------------------|--------------------|-------------------------|---|-----------------------|
| Workers | New employees | Upon entry | Integrity Commitment / Integrity Conduct and Intellectual Property Rights Agreement | 100% |
| Business Partners | New suppliers | Before signing contract | Supplier Evaluation Report / Supplier Risk Level and Evaluation Form / Environmental Protection Agreement | 100% |
| | Existing suppliers | When signing contract | Integrity Commitment / Declaration of Non-use of Conflict Minerals / Environmental Protection Agreement | 100% |

The Company conducted ethical management-related training courses, explaining prohibited behaviors in the Company’s business execution during the courses, including professional ethics regulation courses (trade secrets, intellectual property, information use, fair competition) / anti-corruption courses (including bribery, providing or receiving improper benefits, fraud, extortion, money laundering), to prevent unethical behaviors from occurring.

To mitigate the impact caused by any violations of ethical management and professional ethics, employees of Pan-International Group’s operating bases can report through internal whistleblower reporting procedures, while suppliers and stakeholders can report any illegal or unethical conduct through reporting and grievance channels.

Reporting channels include dedicated phone lines/websites/mailboxes (judyjuang@panpi.com.tw). Reports will be handled and investigated by the Audit Office and Human Resources Department based on the reported content and related evidence. If the reported matter involves directors or managers, it should be directed to the independent directors. The handling unit will verify reports according to company regulations and implement strict confidentiality measures to protect whistleblower’s personal information and the investigation process. Once the report is verified as true, corresponding disciplinary measures will be implemented based on the Company’s ethical management policies and regulations, including seeking compensation for losses, termination of employment contracts and business contracts.

As of 2023, Pan-International Group had no violations of ethical management, competitive behavior, anti-trust, and monopoly related laws. The implementation results were reported to the second Board meeting in 2023. We will continue to implement the above management measures to reduce potential risks and avoid the occurrence of negative incidents.

2.4.2 Human Rights Policy

The Company adheres to international human rights conventions, including the Universal Declaration of Human Rights and the International Labor Organization Declaration of Fundamental Principles and Rights at Work. It implements various human rights requirements, such as non-discrimination, prohibition of child labor, and prohibition of forced labor, to protect the fundamental rights of employees and stakeholders. In addition, the Company has



begun internal reviews to examine the operating conditions of each plant and is drafting codes of conduct for employees and human rights as a policy basis for protecting employee rights. The employee and human rights code of conduct is expected to be completed and announced publicly in 2024.

- Human Rights Policy Training

To help employees, suppliers, and external stakeholders understand the content of Pan-International Group's various human rights policies, we not only provide human rights policy education and training courses for new employees but also adopt diverse methods such as training sessions, contract requirements, promotional meetings, company websites, opinion mailboxes, and various feedback channels. This ensures that all personnel understand their rights and company regulations. Moreover, all implementation results are publicly disclosed on the Company's official website and in the sustainability report.

- Communication and Remedies for Human Rights Policies or Cases

The Company has set up feedback channels and opinion mailboxes to enable all employees and external stakeholders to communicate various human rights incidents with dedicated departments, including suggestions for policy improvements, potential risk warnings, and reports of human rights violations. To maintain fair procedures for reviewing and investigating complaint or reports, a cross-departmental team composing of the Human Resources Department and the Audit Office is responsible for investigating human rights incidents and formulating improvement measures.

The Company has not experienced any human rights incidents such as discrimination, employment of child labor and forced labor this year.

2.4.3 Regulatory Compliance

(GRI 2-27)

In 2023, the Company had no violations of environmental regulations, social regulations, governance and economic regulations, and product and service regulations.

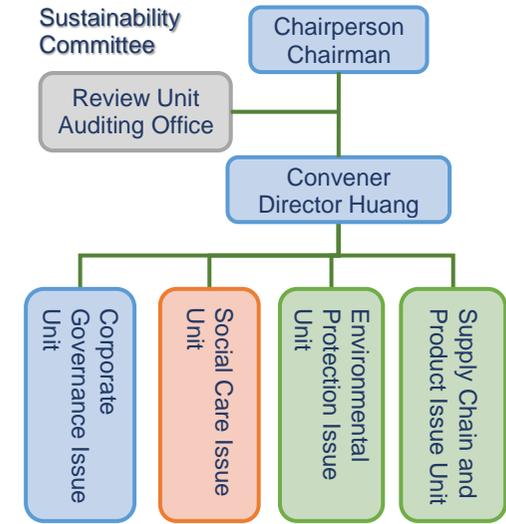
2.5 Risk Management

2.5.1 Risk Management Organization

Risk management plays a crucial role in dealing with risks and opportunities arising from internal and external factors. Risks and opportunities arising from global trends and the environment may affect an enterprise's profitability and even its survival. Instead of relying on unpredictable environments and variables, it's better to continuously improve competitiveness and influence of the enterprise, fully seizing business opportunities, and tackling the challenges of a new era.

- Risk Management Committee Organizational Chart

According to Article 27 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the "Sustainability Committee" established under the Company's Board of Directors serves as the highest authority responsible for risk management, while the "Corporate Governance Issue Unit" acts as the executive body for implementing risk management. The responsibilities of each department are as follows:



| | |
|--|---|
| Board of Directors | The Board of Directors is the highest supervisory unit for risk management, its responsibilities include reviewing annual risk management reports, risk execution reports, and audit reports to ensure the effectiveness of the risk management system. The Board of Directors meeting unit irregularly interacts and communicates with various staff function heads on environmental and social issues related to the Company. Additionally, it conducts an annual review of the impact and strategic goals of ESG initiatives. |
| Sustainability Committee | Resolves major risks and risk management units of the group, executes risk management through risk identification, analysis and formulation of specific methods, and regularly reports to the Board of Directors. |
| Corporate Governance Issue Unit | Identifies risk issues and discusses management goal with risk execution units. |
| All Company Execution Departments | Propose risk management goals and implementation. Regularly report results to risk management units. |
| Risk Audit Unit (Audit Office) | Assesses the effectiveness of the operation of risk management systems and mechanisms. Conducts audit operations and regularly submits risk management results to the Audit Committee and the Board of Directors. |

Emergency Response Unit:

To coordinate resources and address swiftly in the event of emergencies or major incidents, the GM will act as the commander, convening units such as the Administration Department, Human Resources, Legal Affairs, Business and Finance to establish the Emergency Response Unit. This group will review the affected departments, the extent of damage, and develop response plans. Quick decisions and announcements will be made to maintain the transparency of the Company.

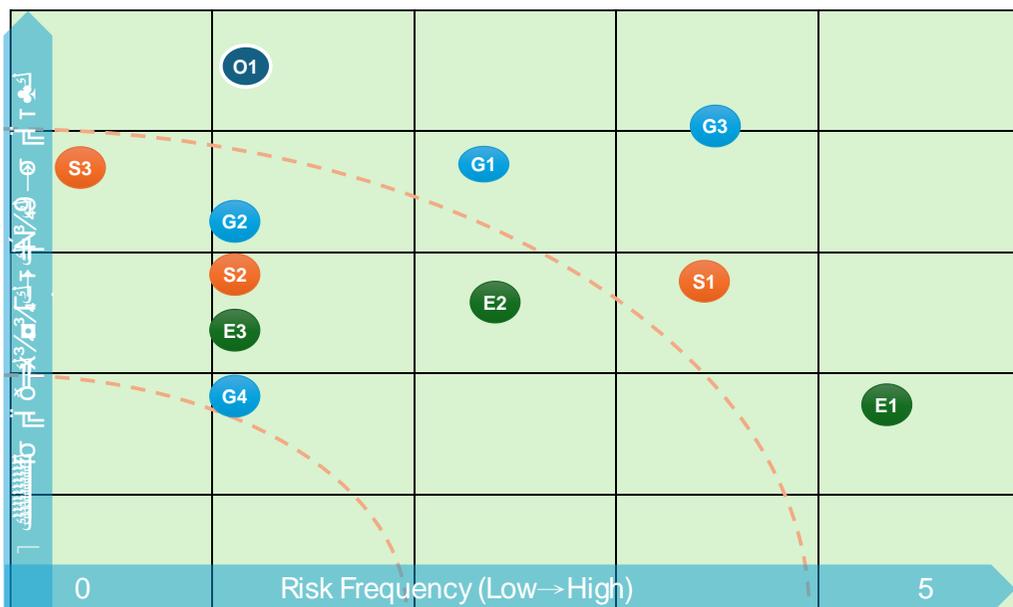


2.5.2 Risk Identification and Response Measures

As the Company has not yet established a responsible unit for environmental risk assessment, it has not yet introduced an environmental risk assessment procedure and does not use the precautionary principle as an assessment measure. However, we plan to implement the Company’s risk system management in line with risk management principles and guidelines. Based on the scope of Pan-International Group’s risk management policies and procedures, we have completed internal risk identification and assessment and implemented mitigation measures. The details are as follows:

| Risk Aspect | Risk Issue Identification | Impact | Risk Mitigation Measures |
|-----------------------------|---|--|---|
| Corporate Governance Aspect | Information security issues | Operational, product, and customer confidential information may be hacked or stolen | Formulate information security policies and control procedures, increase manpower and organization, protect system security through external consultants |
| | Business Integrity | Loss of trust from customers and suppliers, causing losses to future operations and increasing monitoring costs | Strengthen promotion, raise integrity awareness, improve reporting channels, and actively prevent fraud |
| | Market fluctuations | Wrong decisions will cause significant losses to the Company | Carefully evaluate market and product development directions and assess investment proposals and decisions |
| | Regulatory compliance | Violations of regulations will cause operational losses and increase control costs in the future | Strengthen promotion, raise awareness of legal compliance, and strictly manage internal control procedures |
| Social Aspect | Employee care | Negative impact on corporate image, increasing employee recruitment costs | Regularly review remuneration policies to improve employee benefits |
| | Workplace safety accidents | Cause substantial losses to the Company and employees | Formulate response SOPs, conduct regular drills and reviews, strengthen work safety education to enhance awareness of workplace safety |
| | Earthquakes/fires | Will interrupt company operations and cause asset loss | Formulate response SOPs, conduct regular drills and reviews, and increase insurance coverage |
| Environmental Aspect | Carbon inventory and reduction planning | Negative impact on corporate image, which may lead customers to reduce their willingness to order | Complete carbon inventory and disclose externally as required, formulate carbon reduction plans based on inventory results |
| | Update regional environmental protection regulation | Violations will result in government fines and heightened supervision, leading to increased operating costs and reduced customer order willingness | Compile information and regulations from various operating regions, modify operating policies and strengthen internal promotion to raise legal compliance awareness |
| | Floods (water shortage) | Disrupt production processes, potentially causing operational interruptions | Establish water-saving plans, improve recycling and reuse rate of production water |
| Others | Severe infectious diseases | Cause operational interruptions and losses | Formulate response SOPs and prepare backup options |

▼ Risk Issue Impact Table



- E1** Carbon inventory and reduction planning
- S1** Employee care
- G1** Information security issues
- E2** Update regional environmental protection regulation
- S2** Workplace safety accidents
- G2** Business integrity
- E3** Floods (water shortage)
- S3** Earthquakes/fires
- G3** Market fluctuations
- O1** Severe infectious diseases
- G4** Regulatory compliance



2.6 Climate-Related Financial Disclosures

In response to international trends, as well as regulation, investor, supply chain, and consumer demands on climate issues, Pan-International Group implemented climate-related financial disclosures (TCFD) in 2022 to continue promoting climate governance to achieve low-carbon operations and environmental sustainability.



- Based on the four core elements of climate-related financial disclosure: “Governance,” “Strategy,” “Risk Management,” “Metrics and Targets.”
- Establish a risk framework, identify material risks and opportunities that may impact operations, and propose related response strategies.
- Integrate climate change with corporate governance, business strategy, and risk management. Information helps guide the enterprise’s decisions on climate risk and opportunities, while funding supports the overall transition to low-carbon economic development.
- Ultimate goal - Enhance competitiveness under low-carbon transition.

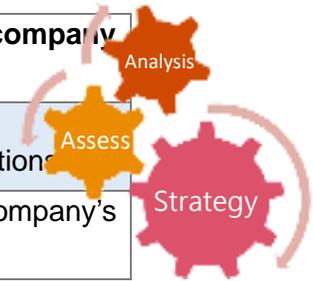
• Climate Governance: Currently introduced in Pan-International, Taipei, Dongguan Pan-International, and Honghuasheng Yantai

To effectively identify and manage the Company’s climate-related risks and opportunities, Pan-International Group’s [Sustainability Committee] is chaired by Director Huang Feng-An. The Environmental Safety Department serves as the executive unit responsible for identifying and managing climate change risks and opportunities, reporting the results, and formulating control measures, which are presented to the Chairman at the annual senior manager meeting of the Environmental Safety Department. [The Sustainability Committee] regularly reports Pan-International’s climate risk issues to the Board of Directors, which then determines related management policies and reviews their implementation status.

| Climate Governance [Organizational Structure] | | | |
|---|---|--|--|
| Board of Directors | [Sustainability Committee] Senior Manager Meeting | | Environmental Safety Department |
| | Convener: Director Huang Feng-An / Administration Department Vice GM Members: GM Ming-Feng Tsai / Assistant Vice GM Yu-Yuan Chen / Assistant Vice GM Shih-Hua Kuo / Specialist Jou-Chiung Hung | | |
| Supervise risks Formulate policies | Develop Control measures | | Identify climate risks and opportunities |

• **Strategy: Process of Listing Climate-Related Risks and Opportunities and Developing Strategies**

| | |
|-----------------|--|
| Assess | Comprehensively assess and evaluate the impact of various issues of climate risk and opportunity on company operations |
| Analysis | <ul style="list-style-type: none"> • Introduce climate-related risk and opportunity identification mechanisms • Identify climate change risks and opportunities based on the status of Pan-International's various business operations |
| Strategy | Propose corresponding response strategies based on the impact of climate change risks and opportunities on the Company's various business operations. |

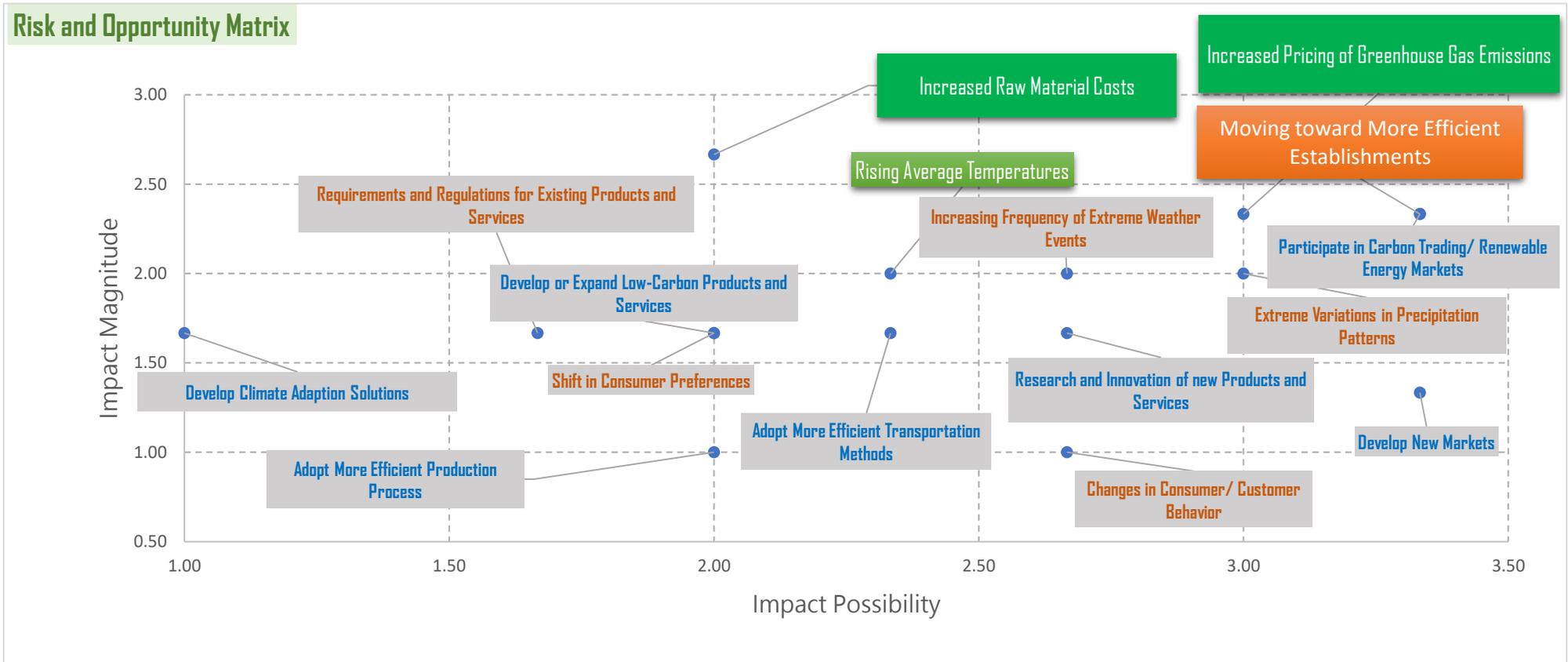


• **Risk Management: Risk and Opportunity Identification Process**

| Screen Climate Risks and Opportunities | Company Training and Inventory | Identify Material Risks and Opportunities | Senior Executive Confirmation | Material Risks and Opportunities |
|--|--|--|--|---|
| Select climate risk and opportunity issues related to the electronics manufacturing industry based on its characteristics, including a list of eight risks and eight opportunities | <ul style="list-style-type: none"> • Evaluate the risk value based on the analysis, impact possibility (L), and impact degree (M), and summarize the Company's overall material climate risks and opportunities, including three risks and one opportunity • Evaluate climate-related risk and opportunity information and management strategies | <ul style="list-style-type: none"> • Convene relevant company management and business execution units to discuss climate-related issues, clarify the definitions of various climate risks and opportunities, analyze domestic and foreign regulations, as well as market and technology trends • Further conduct a composite analysis of various issues and understand the impact on Pan-International's operations, reputation, management through factors such as impact possibility, impact magnitude, and timing of occurrence | Finally, the identified results are reviewed by senior executive to confirm relevant climate risks and opportunities and integrate them into the Company's overall risk management for control | <ul style="list-style-type: none"> • Use climate risk/opportunity level (impact magnitude * possibility) for ranking • Select the top 25% of material climate risks and opportunities for Pan-International Group through evaluation tables and matrix charts |



▼ Draw [Risk and Opportunity Matrix] to select [Material Issues]



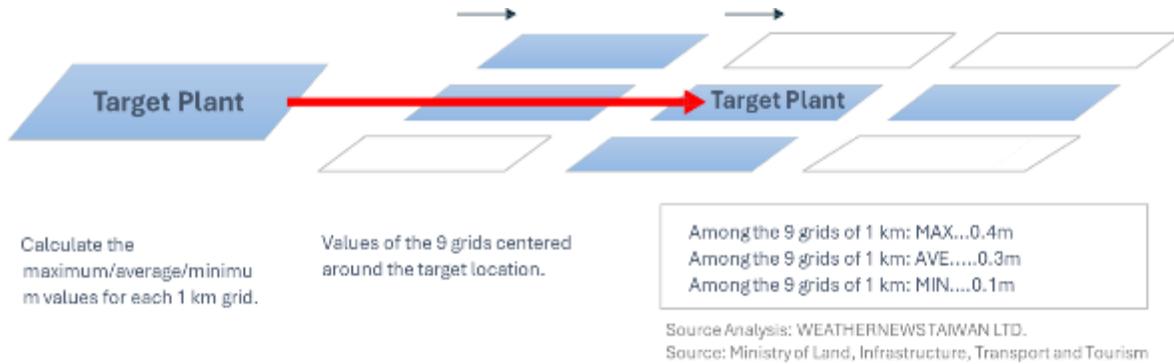
| The Group's Climate Finance Material Issues | |
|---|--|
| Risk | <ul style="list-style-type: none"> Increased pricing of greenhouse gas emissions Increased raw material costs Rising average temperatures |
| Opportunity | <ul style="list-style-type: none"> Moving toward more efficient establishments |



• Metrics and Goals

| Indicators | Location | Goal |
|--|------------------|--|
|  Greenhouse Gas | Headquarter | Complete carbon inventory of the parent company in 2023 Complete the inventory of the parent company and its subsidiaries by 2026 Complete verification of the parent company by 2027 Complete the verification of subsidiaries' consolidated statements by 2028 |
| | Dongguan, Yantai | Set up dedicated departments and personnel to conduct annual greenhouse gas inventories, formulate reduction plans, and promote implementation of annual energy-saving goals |
|  Energy Management | Headquarter | New plants are green buildings, which can effectively reduce temperatures and save electricity costs |
| | Dongguan, Yantai | ◆ Dongguan: Plan to implement ISO 50001 Energy Management System ◆ Yantai: Passed ISO 50001 Energy Management System accreditation at the end of 2023 |
| | Dongguan, Yantai | Under staggered electricity usage, plants schedule their production in shifts |
| | Dongguan, Yantai | From the end of 2022 to early 2023, the construction of photovoltaic power stations, which serve as an alternative energy for self-use, was successively completed. In the future, 10% of our power will come from renewable energy generated by these photovoltaic power stations |
| | Dongguan, Yantai | Replace energy-saving refrigeration equipment to prevent rising energy consumption due to increasing temperature |

• **2023 - Climate Flood Risk Analysis: Targeting Wuhu, Dongguan**



- RCP 8.5: “High emissions business-as-usual scenario.”

[Preset Conditions]

- Scario: RCP8.5
- Model: Average (the overall average of climate model simulations)
- Depth type: Mean (the overall average of the target and the nine adjacent 1km grids)
- Threshold: 0.3m
- Annual Probability of Occurrence
= $\frac{1}{\text{Recurrence Interval}}$

• **Flood Analysis Results / Summary**

[Wuhu Plant]

By 2080 / with a 4% annual probability of flood rising from 0.3 to 0.5m, the following losses are expected:

- \$4.11 million USD in work stoppage losses
- \$380,000 USD in building asset losses
- \$5.49 million USD in depreciable asset losses
- \$12.6 million USD in inventory asset losses

[Dongguan Plant]

No significant risk of flooding

Recommendations

In response to flood risks, the flood threshold can be raised through appropriate strategies to further calculate the difference in financial impact and demonstrate benefits.

Recommendation for Wuhu: Raising the water gate threshold to 0.5m through disaster prevention strategies can help reduce the risk of flooding



• **Financial Impact Quantification Table**

▼ BAU Scenario: The following financial expenditures are expected in 2030 if no carbon reduction strategy is implemented

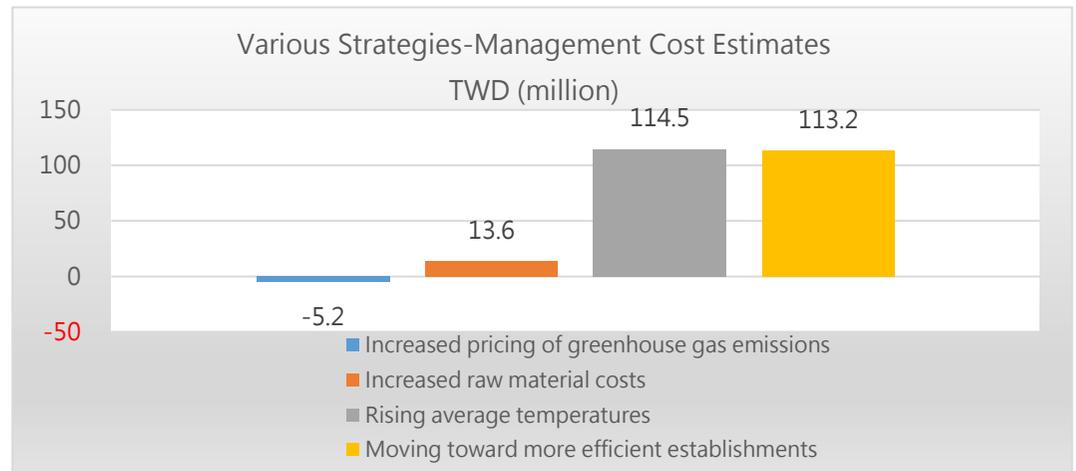
| Financial Impact - BAU Scenario | | Unit: TWD (million) | |
|---------------------------------|---|---------------------|---------|
| | | Unilateral | Total |
| Risk | Rising in average temperatures (warming loss) | 406.4 | 521.722 |
| Risk | High greenhouse gas emission pricing (carbon price) | 115.4 | |

▼ Cost Estimate

| Various Strategies-Management Cost Estimates | | TWD (million) | Item Proportion: % | Notes |
|--|---|---------------|--------------------|--|
| Risk | Increased pricing of greenhouse gas emissions | -5.2 | -2.2% | Yantai Plant, Dongguan Plant: By leasing rooftops to solar energy companies, preferential green electricity fees can be obtained, resulting in a negative expenditure. |
| Risk | Increased raw material costs | 13.6 | 5.8% | |
| Risk | Rising average temperatures | 114.5 | 48.5% | |
| Opportunity | Moving toward more efficient establishments | 113.2 | 48.0% | |

• **Future TCFD Planning**

- Discuss climate issues at least once a year
- Continue to focus on climate risk and opportunity indicators and goals
- Adjust TCFD planning on a rolling basis according to international and government regulations





3. Products and Services

3.1 Product R&D and Innovation

To meet customer demands for new product development and improvements in production technology, the Company continues to invest in R&D personnel, equipment and locations, as well as in optimizing and automating production equipment to improve production efficiency. In addition, in response to new energy vehicle opportunities, the Company is actively developing new products such as high-voltage cable for EV, high-voltage wire harnesses, high-speed wire harnesses, connector wire harness, HDI multi-layer boards, and automotive PCBs to expand product lines and company revenue. Furthermore, for the Company’s other industry products such as Automotive low-voltage harnesses, High-voltage cables for EV, Medical instrument cables, and other connecting cables and devices; PCB for vehicle LCM, Workstations, and Mining Machines PCB; as well as consumer electronics products like Medical Consumables, Wi-Fi 6 for 5G routers, and Charger Inlets, new products are also actively being developed to maintain market competitiveness. Total R&D expenses continue to represent approximately 1-2% of total annual revenue (about NT\$400-500 million), with plans to gradually increase the investment ratio.



Developing Green Products:

To meet customer demands for new product development and improvements in production technology, the Company continues to invest in R&D personnel, equipment and locations, as well as in optimizing and automating production equipment to improve production efficiency. In addition to complete the preparation of equipment required for mass production of **new energy vehicles**, we are also actively developing vehicle wire harnesses, high-voltage wire harnesses, and high-speed wire harnesses for **new vehicle models** to meet customer needs. HDI multilayer boards and automotive PCBs are being completed according to customer product development schedules to fulfill their requirements for product quality and quantity.



Strategic Layout - Entering the New Energy Vehicle Market:

In response to the green transition, the Group is actively investing in new markets for **new energy vehicle-related products**. Pan-International began its layout in 2021 and has continued to increase revenue from related products while enhancing the Company’s visibility and market share in 2022 to 2023. The Company is actively investing to establish itself as a first-tier supplier of automotive wire harnesses and related products. In addition to increasing its revenue share, it also conforms to the strategy of transformation, achieving the goal of improving profitability, enabling employees and shareholders to share the results of operations.





3.2 Product Quality and Safety

Material Topic Management Approach: Product Quality and Safety

Corresponding GRI Indicators: GRI 3-3, 416-2

| | | | | | | |
|---|------------------------|--|----------------------------|--|----------------------|---------------------------|
| Impact Description | | <ol style="list-style-type: none"> Bear product damage compensation liability. Increase product repair costs. Damage to reputation and corporate image. Loss of orders. | | | | |
| Location | | Pan-International, Taipei (Parent Company) | Dongguan Pan-International | New Ocean Precision Component, Jiangxi | Honghuasheng, Yantai | CJ Electric Systems, Wuhu |
| Policies or Commitments Established or Followed | Internal Regulations | v | v | v | v | v |
| | Government Regulations | v | v | v | v | v |
| Responsible Units | | <ol style="list-style-type: none"> R&D Department Plant Manufacturing Department Quality Control Department | | | | |
| Management Actions | | <ol style="list-style-type: none"> Incorporate quality and safety planning when designing and developing products. Develop a comprehensive quality inspection for the supply chain at each station. Establish customer feedback mechanisms to improve product quality. Arrange product liability insurance to protect company interests. | | | | |
| Process for Monitoring the Effectiveness of Actions | | <ol style="list-style-type: none"> Regularly review the inspection results at each quality inspection station and optimize the procedures. Modify designs and processes based on customer feedback to improve product quality. | | | | |

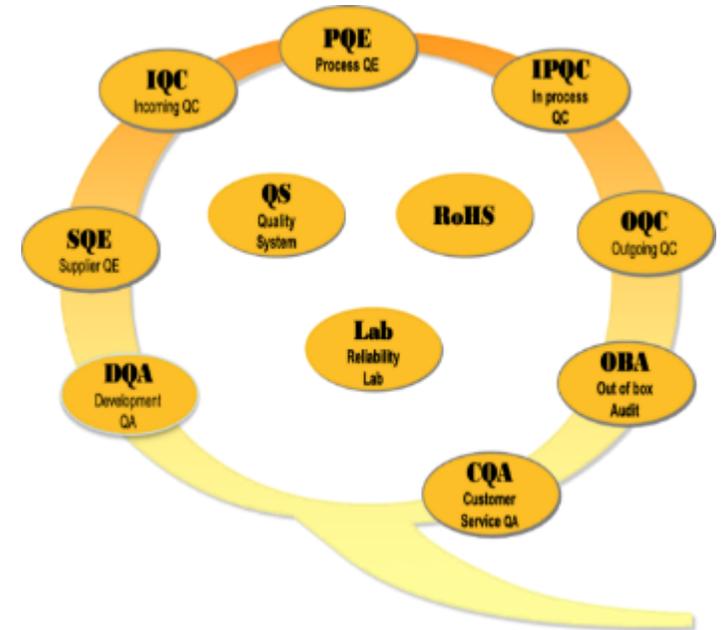


| Management Performance Indicators | | | | |
|-----------------------------------|------------------------------|---|---------------------------|----------------------------|
| Indicators | 2023 Achievement | Short-term Goal (2024) | Mid-term Goal (2022-2027) | Long-term Goal (2022-2050) |
| Zero product safety incidents | Achieved 100% in 2023 |  | | |

Quality, efficiency, cost, and innovation are our fundamental criteria for meeting customer demands and are the key indicators that give customers confidence in Pan-International’s capabilities. Due to our emphasis on product quality, we prioritize it as our top criterion. By establishing a comprehensive production system that includes inspections and checks at every stage--from R&D verification, supplier audits, incoming inspections, production inspections, outgoing inspections, unpacking inspections, and customer service audits--we ensure that our product and service quality meets customer needs. In addition, through external verification units, we have obtained certifications such as ISO 9001, ISO 13485, ISO 14001, ISO 45001, ISO 14064-1, IATF 16946, IECQ QC 080000 etc., certifying that our management, production, special industry, environmental, hazardous substance, and occupational safety management systems meet market requirements.

However, to avoid damage to the Company from accidents, we also purchase product liability insurance to mitigate risk associated with product liability lawsuits. Currently, the overall implementation is positive, with no cases of product liability lawsuit reported.

We provide products and services to customers and win their trust based on the four principles of “quality, cost, efficiency, and flexibility.” In a highly competitive market, we believe that providing end consumers with safe products that do not harm their health is the best way to demonstrate our competitiveness. Therefore, for product assembly manufacturers or brand sellers, we always prioritize “quality” for our electronic components or electronic finished products. Internally, we have established inspection stations throughout the process--from product design, supplier selection, incoming inspection, production inspection, outgoing inspection, unpacking inspection to customer service audit. These connected inspections allow us to identify and address problems immediately to maintain quality stability. In addition, to enhance professional technology and quality management capabilities while meeting customer requirements, the Company has obtained several certifications, including ISO 9001, ISO 14001, ISO 45001, ISO 14064-1, ISO 13485, IATF16949, and IECQ QC 080000. These certifications demonstrate that Pan-International meets professional standards in quality management, environmental management, hazardous substance management, occupational health and safety management, greenhouse gas inventory, and other management capabilities, as well as medical and automotive professional production capabilities, ensuring that we provide customers with safe products.



Quality Inspection Function Cycle ▼



3.3 Customer Relationship Management

Pan-International has long been deeply involved in industries such as consumer electronics, automotive, industrial control, and medical sectors, with extensive experience in the research and development and manufacturing of customized wire harnesses and related components. Leveraging the advantages of our global logistics bases, we can offer customers comprehensive one-stop solutions. Amid the global trend toward net zero emissions, green industries are emerging. We are actively working with customers to develop wire harnesses and related components for new energy vehicles and energy storage equipment, aiming to seize opportunities in the early stages of global green industry development and secure our position in the market.

Customer loyalty to Pan-International is an achievement we take pride in. We treat all customers with integrity by setting accessible levels for their product drawings, formulas, production technologies, trademarks, patents, and other related confidential information, ensuring strict control to prevent any leakage. We require employees and suppliers to sign confidentiality agreements and establish penalties for breaches. We also strengthen the awareness of confidentiality and regulatory compliance through various daily channels, ensuring that personnel who handle confidential information treat it as their own assets and protect it strictly. In addition, various whistleblower reporting channels have been established to form a third-party supervision network to further prevent leakage of confidential information.

Through the joint development of new products, efficient and cost-effective finished product delivery, strict confidentiality in safeguarding customer business opportunities, and global logistics and distribution, we meet all customer needs while maintaining strong and close customer relationships.

3.3.1 Commitment to Customers

- **Zero Cases of Confidential Information Leakage**

| Items | Number of Cases |
|--|-----------------|
| Number of cases involving confidential information leakage in 2023 | 0 |

- **No Product Liability Lawsuits**

| Items | Number of Cases |
|--|-----------------|
| Number of cases involving product liability lawsuits in 2023 | 0 |



4. Sustainable Supply

4.1 Industry Supply Chain

4.1.1 Industry Overview

(GRI 2-6)

The Company is positioned upstream in consumer products, industrial control products, medical products, and automotive industries. We offer signal cables, electronic wire harnesses, PCBs, electronic components, and EMS products and services, which are categorized as technology and labor-intensive product types. Compared with 2022, there have been no significant changes in the industry, upstream suppliers, downstream customers, and other business relationships of the Company.

The Company's headquarter is in New Taipei City, Taiwan, with primary production areas in mainland China and Southeast Asia. The products and services provided by the Company span markets in mainland China, the United States, Southeast Asia, and Europe, with China and Southeast Asia as the main sales markets, accounting for over 80% of revenue.

The cables and connectors produced by the Company are primarily used in computers, their peripheral equipment, and network communication systems, so product growth aligns with the demand for personal computers and peripherals, mobile communications, and other products. We leverage existing cable manufacturing technology to deeply cultivate niche industries, such as components and modules required for automotive/medical/industrial/cloud server markets, thereby raising the technological standards for our products. PCBs are mainly for consumer products such as game consoles, computer monitors, TVs, smart speakers, and notebooks, providing hard boards and HDI boards needed by customers. Electronic Manufacturing Services (EMS) are primarily for extended needs of electronic component customers and diversified, niche product customers, offering comprehensive one-stop services.

4.1.2 Supply Chain Structure

(GRI 2-6, 204-1)

The Company's value chain encompasses upstream suppliers, including raw material suppliers, original manufacturers, trading agents, outsourcing service providers. These suppliers provide the Company with raw materials and semi-finished outsourcing services, such as copper wire, copper clad laminates, plasticized raw materials, packaging materials, PCBA, and injection molding. After undergoing various product processes such as inspection, wire cutting, cleaning, assembly, drilling, electroplating, and molding, the Company supplies signal cables, wire harnesses, PCBs, and other electronic components products, as well as EMS finished products, to downstream assembly customers or brand sellers.



▼ Pan-International Value Chain

| Value Chain | Business Category | Industry Type |
|-----------------------|---|--------------------------------|
| Upstream: Suppliers | Original manufacturers | Technology-intensive |
| | Agents | Service, capital-intensive |
| | Outsourcers (outsourced processing) | Labor-intensive |
| Our Company | Electronic component manufacturers, EMS service | Technology and labor-intensive |
| Downstream: Customers | Product assemblers, EMS service providers | Labor-intensive |
| | Brand manufacturers | Sales service |

• **Upstream Suppliers in the Value Chain (GRI 2-6, 204-1)**

The Company’s suppliers provide raw materials, including copper wire, copper clad laminates, plasticized raw materials, active and passive components, and packaging materials, as well as outsourced services required for signal cables, electronic wire harnesses, PCBs, and electronic components. In 2023, the Company has accumulated over 1,155 suppliers, with local suppliers accounting for over 80% of procurement budgets in important operating locations such as mainland China and Southeast Asia.

The Company categorized suppliers into four grades of A, B, C and D according to the formulated supplier management operation process, supplier performance evaluation methods, and risk level evaluation regulations. Only those meeting Grade A are qualified suppliers and can be procured from. In 2023, original manufacturers accounted for approximately 42%, agents for about 55%, and outsourced processing factories for around 3%.

• **Downstream Customers in the Value Chain (GRI 2-6)**

The downstream segment of the Company’s value chain includes electronic products, automotive assemblers, and brand sellers. The Company supplies downstream customers with consumer products, automotive, industrial control, medical, and communication products, including signal cables, electronic wire harnesses, PCBs, PCBAs, electronic components and EMS services. In 2023, electronic product assemblers and brand sellers in Southeast Asia maintained growth in revenue with the Company compared to last year due to adjustments in supply chain flexibility.



4.2 Supply Chain Management

4.2.1 Supply Chain Management Policy

Sustainable supply chain management practices involve a series of actions that incorporate environmental protection, social feedback, and organizational economics into traditional supply chains. These practices include both internal and external efforts within the Company and can achieve true sustainability in the supply chain from environmental, social, and economic aspects. The implementation scope of sustainable supply chain management practices ranges from green procurement to product lifecycle management, flowing through suppliers, manufacturers, and customers. This approach enhances partner relationships by improving the flow of goods and information, as well as promoting sustainable practical actions.

According to the latest global CEO survey by PwC, supply chain disruption is one of the top 10 threats to enterprises. Over 50% of CEOs have begun to adjust supply chain management and procurement strategies. Sustainable supply chain has become an important part of enterprise practice for continuous operations. Procurement management is a key mechanism for enterprises to fulfill social responsibility and drive the supply chain to achieve sustainable goals. The U.S. National Institute of Standards and Technology (NIST 800-161) includes sustainability as a key issue in supply chain risk management practices.

The Company has established a sustainable supply chain management mechanism focusing on three major aspects: product quality, legal compliance, and social responsibility. We have formulated requirements and evaluation standards for operating conditions, manufacturing and supply capabilities, technology development capabilities, quality assurance capabilities, management system performance, environmental management capabilities and trade security. New suppliers must pass an evaluation to be registered on the “Qualified Supplier List.” Additionally, suppliers are randomly inspected each year to ensure they continue to meet our evaluation standards. Only those confirmed to pass the evaluation are eligible for continued cooperation. We aim to improve supply chain management through pre-assessment, supplier commitments, and regular audits. Considering ESG trends, employee rights, alongside corporate governance and environmental protection, are also key priorities. We will reference international regulations such as the “United Nations Guiding Principles on Business and Human Rights,” the International Labor Organization’s “Declaration on Fundamental Principles and Rights at Work” and the “Universal Declaration of Human Rights” as well as labor laws in various regions. All suppliers will be required to adhere to the Company’s standards and commitments in business practices related to labor rights, health and safety, and employee benefits, ensuring full compliance with the laws and regulations of the regions where they operate.

The Company is committed to practicing corporate social responsibility and aims to expand partnerships with suppliers that closely cooperate in our business. We are gradually integrating corporate social responsibility terms into our supplier contracts, with the long-term goal of requiring 100% of suppliers to fulfill ESG clauses. If suppliers violate the terms of the agreement, we will require them to make improvements within a specified timeframe. Those with serious violations may have their cooperation terminated and dissolved. We actively communicate and share information related to social responsibility with our suppliers, encouraging them to develop materials that reduce environmental impact, or to implement energy saving and carbon reduction measures in their processes or equipment, thereby creating a win-win partnership.

When selecting suppliers, our plants set scoring indicators based on quality, price, environmental accreditation, pollution incidents, labor dispute incidents, non-use of child labor, corruption/bribery incidents, and ethical management. We conduct a strict review process, allowing only qualified suppliers to provide samples for testing.



In addition, before signing contracts and commencing supply, suppliers must sign commitment letters on topics such as integrity, environmental issues, and material composition declarations, affirming their dedication to ethical management and environmental protection.

- **Supplier Evaluation:** We conduct strict evaluations of all suppliers, including assessing their environmental management systems to ensure they comply with relevant environmental regulations and standards. We establish long-term cooperative relationships with suppliers and work together towards the development of green supply chains.
- **Environmental Education and Training:** We offer environmental education and training for suppliers to raise their awareness of environmental protection. We conduct environmental seminars and training courses, share best practice cases, and provide technical support to help suppliers implement environmental management measures.
- **Environmental Requirements:** We require suppliers to comply with strict environmental requirements, including energy saving and emission reduction, resource conservation, and waste management. We work with suppliers to promote the use of environmentally friendly materials and processes and encourage them to develop environmentally friendly products.
- **Monitoring and Auditing:** We regularly monitor and audit suppliers to ensure they meet our environmental requirements and policies. We have established an internal team responsible for monitoring the green sustainable development of the supply chain.



Strategic Approaches



• Supplier Evaluation Management - Key Plants

In addition to monthly assessment of supplier grades based on various indicators such as QCDS (Quality, Cost, Delivery, & Service), AEO (Authorized Economic Operator) certification audits will be conducted at the end of the year. Suppliers that do not meet standards must submit review and improvement plans and receive guidance from the Company. Those who fail to improve after this guidance will be eliminated and replaced with new suppliers.

2022 Supply Chain Conference: Due to the impact of the pandemic, it could not be held. However, we continued to promote various issues through online communication, and strengthened on-site audits and regular evaluation items to ensure the supply chain achieves goals such as compliance with regulations, pollution reduction, and zero accidents.



• **Responsible Mineral Purchase - Manufacturing Plants**

The RBA (Responsible Business Alliance) and RMI (Responsible Minerals Initiative) have developed the “Conflict-Free Smelter Program,” requiring their members and suppliers to investigate and disclose the mineral sources in their supply chains to avoid purchasing minerals from these armed conflict and large-scale violence conflict areas, indirectly supporting armed groups and countries that persecute human rights, to achieve responsible mineral procurement. The scope was later expanded to “conflict-affected” and “high-risk areas.” High-risk areas: These areas are typically characterized by widespread human rights violations and breaches of both domestic and international laws.

The Group also affirms that all products provided to customers do not use metals from “conflict-affected and high-risk areas,” complying with (DRC Conflict-Free) standards.

Therefore, suppliers collaborating with the Group must provide a “Declaration of Minerals Conflict-Free” - declaring that they do not purchase and use “conflict minerals” in conflict-affected and high-risk areas. Meanwhile, we are promoting and requiring the supply chain system to jointly support this initiative. To ensure mineral sources of materials and components.



• **Green Environmental Products - Manufacturing Plants**

Environmental regulations: Regarding the hazardous substance management of the extended RoHS Directive (EU)/2015/863 RoHS 2.0 which added four new phthalate hazardous substances (BBP/ DBP/ DEHP/ DIBP) effective in July 2019, the Group’s key subsidiaries (with production plants) have also formulated RoHS phthalate (including RoHS 2.0) management policies to thoroughly monitor raw materials, packaging materials, auxiliary materials, equipment, tools, and related consumables that may contain hazardous substances. To strengthen monitoring capabilities, we have increased relevant training for employees and require all suppliers to fully cooperate in meeting regulatory requirements and customer standards.

★ **Highlight: Honghuasheng, Yantai and legal entities jointly obtained SEDEX-SMETA Suppliers Ethical Data Exchange accreditation**



4.2.2 Supply Chain Audit Effectiveness

(GRI 308-2)

- Audit Status and Results

The Company had a total of 1,155 qualified suppliers in 2023, of which 79 were new suppliers this year. In 2023, a total of 144 suppliers underwent annual audits, with two being terminated, resulting in 142 qualified suppliers. Therefore, 142 suppliers were ultimately evaluated for their environmental impact. After evaluation, no significant actual or potential negative impacts were identified. Among them, 1,155 represents the total number of suppliers for Pan-International, Taipei, Dongguan Pan-International, and CJ Electric Systems, Wuhu. In addition, relevant information cannot be obtained due to the procurement systems of Yantai and Jiangxi are controlled by the Group.



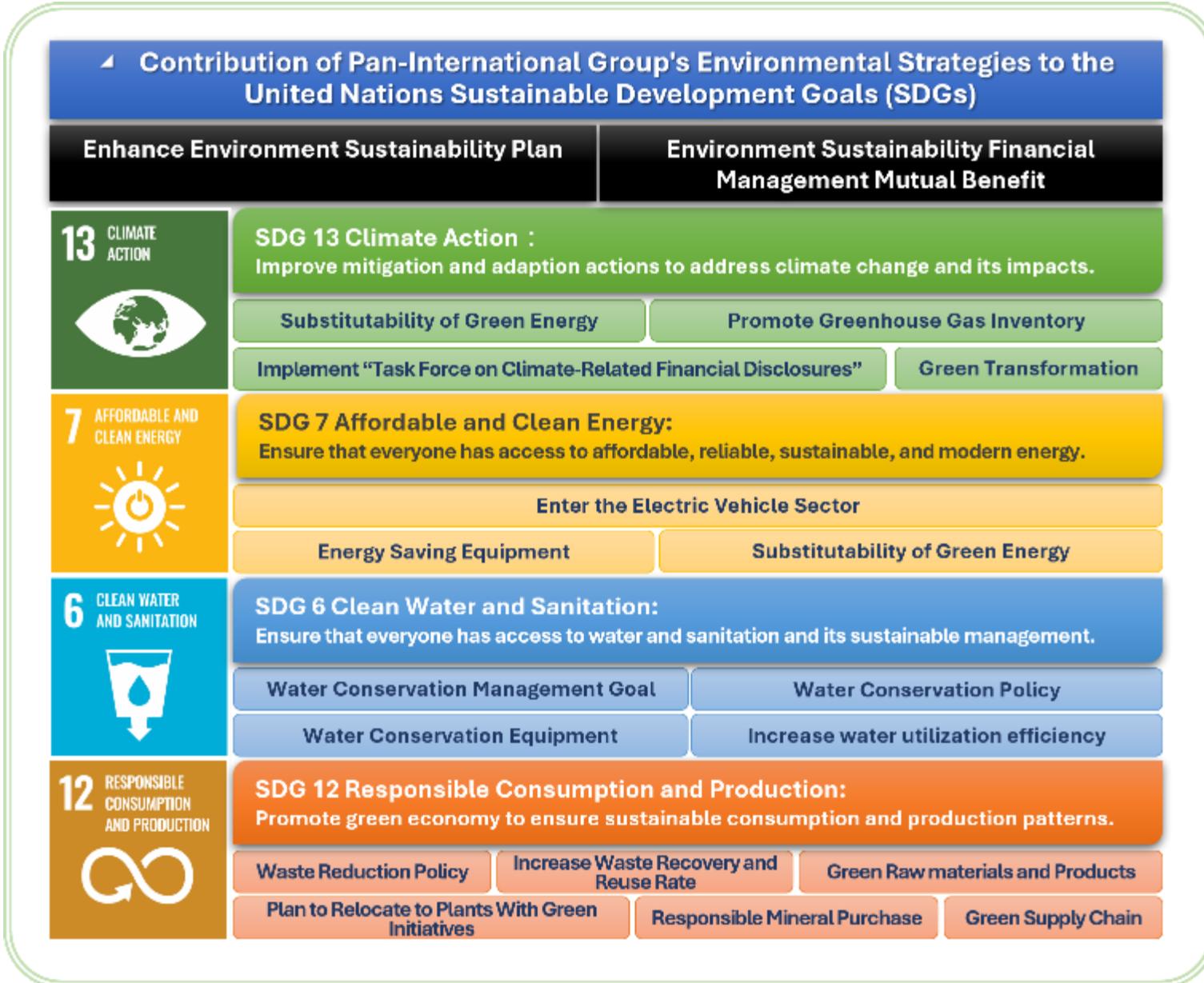
▼ 2023 Supplier Audit Results

| Audit Results | 2023 |
|---|-------|
| Total Number of Suppliers | 1,155 |
| Number of Suppliers Evaluated for Environmental Impact | 142 |
| Number of Suppliers Identified as Having Significant Actual or Potential Negative Environmental Impacts | 0 |
| Percentage of Suppliers Agreeing to Improve After Evaluation | 5% |
| Percentage of Relationships Terminated After Evaluation | 0% |

▼ New Supplier Audits (2023)

| Location | Whether New Supplier Audits Were Conducted | Number of New Suppliers Audited |
|--|--|---------------------------------|
| Pan-International, Taipei | No | 0 |
| US Subsidiary | No | 0 |
| Dongguan Pan-International | Yes | 16 |
| New Ocean Precision Component, Jiangxi | No | 0 |
| Honghuasheng, Yantai | No | 0 |
| CJ Electric Systems, Wuhu | Yes | 63 |

5. Environmentally Friendly





5.1 Energy Conservation and Carbon Reductio

Material Topic Management Approach: Energy, Greenhouse Gases

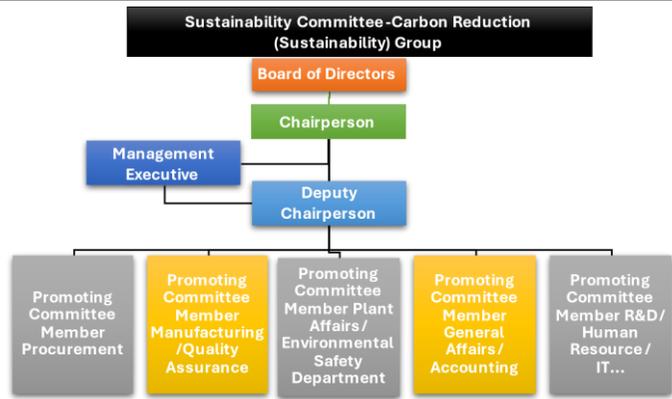
(The management actions for these two issues are highly related, so the management measures for both are explained together)

Corresponding GRI Indicators:

Energy— GRI 3-3, GRI 302-1, GRI 302-3, GRI 302-4

Greenhouse Gas— GRI 3-3, GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-5

| Impact Description | | Energy | | | Greenhouse Gas | |
|---|------------------------|--|---|---|--|---|
| | | 1. Energy consumption leads to rising costs, which increases operating expenses 2. Failure to fulfill corporate social responsibility 3. Deduction on company evaluation score | | | 1. The gradual increase in greenhouse gas emission pricing 2. Extreme climate events 3. Negative stakeholder feedback 4. Violation of local and international regulations 5. Damage to corporate image | |
| Location | | Pan-International, Taipei (Parent Company) | Dongguan Pan-International | New Ocean Precision Component, Jiangxi | Honghuasheng, Yantai | CJ Electric Systems, Wuhu |
| Policies or Commitments Established or Followed | Internal Regulations | √ | √ | √ | √ | √ |
| | Government Regulations | √ | √ | √ | √ | √ |
| Responsible Units | | Sustainability Committee / Chairman / Management Committee | Sustainability Committee / Deputy Chairperson | Sustainability Committee / Deputy Chairperson | Sustainability Committee / Deputy Chairperson | Sustainability Committee / Deputy Chairperson |



- Establish Sustainability Committee: Regularly discuss the implementation and planning of work related to climate change, energy issues, and greenhouse gas emission disclosure and reduction, then report the results to the Board of Directors annually/quarterly.
- Inventory and monitor greenhouse gas emissions
- Set carbon reduction goals and regularly review and improve

Management Actions

| Organization | Plant | Department |
|----------------------|--|-----------------------------------|
| Chairperson | Pan-International, Taipei | Stock Affairs Office |
| Management Executive | | Environmental Safety Department |
| Deputy Chairperson | Dongguan Pan-International | HR Department-1 |
| Deputy Chairperson | | HR Department-2 |
| Deputy Chairperson | CJ Electric Systems, Wuhu | Management Department |
| Deputy Chairperson | | General Affairs Department |
| Deputy Chairperson | New Ocean Precision Component, Jiangxi | Management Department |
| Deputy Chairperson | | Plant Affairs Section - Fengcheng |
| Deputy Chairperson | Honghuasheng, Yantai | Maintenance Section 2 |

Process for Monitoring the Effectiveness of Actions

- Sustainability Committee: For key subsidiaries (with production plants), the Group established a management organization chaired by the Chairman, who acts as the Chairperson. The Committee meets regularly (quarterly) to discuss the implementation and planning of work related to climate change, energy issues, and greenhouse gas emission disclosure and reduction, then report the results to and review with the Board of Directors annually/quarterly.
- The Board of Directors supervises.
- Through the Sustainability Committee to formulate establish and objectives on energy conservation and carbon reduction, as well as coordinating and integrating related promotion strategies and plans of each subsidiary. Regular meetings are held to continuously introduce various energy-saving plans suitable for different plants, confirm and review goal achievement rates, and challenge new energy-saving milestones.



| Management Performance Indicators | | | | |
|--|---|--|--------------------------------|--------------------------------|
| Indicators | 2023 Achievement | Short-term Goal (2024) | Mid-term Goal (2022-2027) | Long-term Goal (2022-2050) |
| (Non-Renewable) Energy Intensity | Short-term goal 100% achieved:  Decreased by 1.46% (under the same conditions as the base year* - Note 1) | Decrease by 1% annually  | Decrease by 5% in five years | Net zero emissions |
| Increase In Plant Green Energy Proportion | Short-term goal 100% achieved:  From 0.06% to 0.68% Note 2 | Increase by 0.5% annually | Increase by 2.5% in five years | Increase by 10% for key plants |
| Emission Intensity | Short-term goal 100% achieved:  Decreased by 3.66% (under the same conditions* - Note 3) | Decrease by 1.5% annually  | Decrease by 7.5% in five years | Net zero emissions |
| Zero Violations | Short-term goal 100% achieved:  100% achieved | Comply with international and local environmental regulations to achieve zero violations. | | |

* The 2022 base year boundary includes locations: Pan-International, Taipei, and subsidiaries in mainland China: Dongguan Pan-International, New Ocean Precision Component, Jiangxi, Honghuasheng, Yantai, CJ Electric Systems, Wuhu

* This year's organizational boundary includes locations: Pan-International, Taipei, US subsidiary, and subsidiaries in mainland China: Dongguan Pan-International, New Ocean Precision Component, Jiangxi, Honghuasheng, Yantai, CJ Electric Systems, Wuhu

* Note 1 Same conditions as the base year: Since the US subsidiary was not included in 2022, the (non-renewable) energy intensity in 2023 decreased by ↓1.46% when excluding the US. Indicators achieved.

* Note 2 Although the construction of Honghuasheng Yantai's solar power was postponed due to the pandemic, Dongguan Pan-International increased its green energy output, enabling the goal to be achieved.

* Note 3 Same conditions: Since the US subsidiary was not included in 2022, 2023 decreased by ↓3.66% when excluding the US, achieving the indicator.

Pan-International Group's global plants are not major carbon emitters and are currently outside the scope of carbon tax or mandatory carbon trading regulations. Therefore, there have been no mandatory requirements in the past, only compliance with local regulations. Given the limited opportunities for carbon reduction in the industry, along with the current global climate issues and corporate responsibility, the Group remains committed to taking carbon reduction actions.



- Schedule for the Group's Greenhouse Gas Disclosure

1. Implemented Task Force on Climate-Related Financial Disclosures starting in 2022.
2. Starting in 2023, the parent company completed 2022 greenhouse gas inventory (Scope 1, 2) and conduct it annually thereafter.
3. Starting in 2023, subsidiaries in mainland China completed the 2022 greenhouse gas inventory (Scope 1, 2) and conduct it annually thereafter.
4. Honghuasheng, Yantai obtained the certification for ISO 14064-1:2018: Organizational Level Greenhouse Gas Emission Certification (completed).
5. New Ocean Precision Component, Jiangxi aims to obtain the certification for ISO 14064-1:2018: Organizational Level Greenhouse Gas Emission Certification (in progress) in 2024.
6. The parent company and its subsidiaries in mainland China plan to obtain the certification for ISO 14064-1:2018 Organizational Level Greenhouse Gas Emission Certification in 2025 (in planning).
7. The parent company and its consolidated subsidiaries plan to complete the 2025 greenhouse gas inventory in 2026.
8. The parent company plans to complete the 2026 greenhouse gas verification in 2027.
9. The consolidated subsidiaries plan to complete the 2027 greenhouse gas verification in 2028.

- Strengthen Energy Disclosure:

From 2023, key subsidiaries in mainland China (with production plants) are required to a comprehensive inventory of all energy structures for 2022 (including thermal energy, natural gas, and gasoline/diesel inventory) and to perform this inventory annually thereafter. (Completed)

5.1.1 Energy Management

Due to energy shortages, global warming, and increasingly severe climate change, energy management and transition have become crucial components of international energy policies. The selection and consumption of energy are closely linked to issues such as company costs, environment, and safety. Improving energy utilization efficiency and reducing energy consumption will help save costs and mitigate the impacts of climate change.

Energy Structure: Due to the nature of the industry, the energy structure used by the Group's subsidiaries in mainland China primarily consists of purchased electricity, which accounts for over 80-90% of total energy consumption.

Energy Management Method: Sustainability Committee: For key subsidiaries of the Group (with production plants), a management organization is established with the Chairman acting as the Chairperson. The Committee regularly (quarterly) discuss the implementation and planning of work related to climate change, energy issues, and greenhouse gas emission disclosure and reduction, then report the discussion results to the Board of Directors annually/quarterly.

Energy Management Strategy: The main objective is to reduce the consumption of non-renewable purchased electricity. Additionally, there has been a focus on increasing the establishment of solar (photovoltaic) power stations to boost the generation of green energy.

Energy Conservation and Carbon Reduction Implementation: Through the Sustainability Committee, we establish guidelines and goals for energy conservation and carbon reduction. We also coordinate and integrate the promotion strategies and plans for energy conservation and carbon reduction across each subsidiary. Regular meetings are held to continuously introduce various energy-saving plans, challenging new energy-saving milestones.



Energy Saving Planning:

1. In response to energy-saving planning, Pan-International, Taipei will relocate to a new plant with green building concepts in 2024.
2. For plants in mainland China, in addition to self-building solar power stations, China is actively promoting energy structure adjustments in response to global energy-saving and carbon reduction trends; large-scale applications of new energy sources such as wind power and solar power generation are being widely increased. The Group's plants utilize local electricity, contributing to carbon reduction through the use of green energy.
3. Subsidiaries in mainland China are successively building or evaluating solar power stations.
4. Evaluating the introduction of ISO 50001 for each plant.
5. Encouraging process improvement and equipment energy saving.

To effectively improve the Company's energy use efficiency, we have introduced the ISO 50001 Energy Management System standard for the higher energy-consuming plant - Honghuasheng, Yantai, and plan to encourage other plants to follow. In accordance with ISO 14064-1:2018 Greenhouse Gas Inventory Standards, we conduct an energy resource inventory by directly measuring various energy uses through on-site meters. We also estimate plant energy consumption using mass balance method and procurement quantity method. The Sustainability Committee - Energy Management Unit is responsible for integrating the energy use status from each operating location, identifying the main energy types of each site, and formulating energy-saving improvement plans and short, medium, and long-term goals. The Sustainability Committee supervises the implementation of energy policies annually and adjusts energy plans in a timely manner to ensure the achievement of energy-saving goals.

As of the end of 2023, Honghuasheng, Yantai passed ISO 50001 external verification. The Company also strengthens the promotion of company energy-saving policies, holds relevant promotion activities and education and training courses to enhance employees' energy-saving and carbon reduction concepts.

| Location | Whether ISO 50001 Has Been Implemented | Energy Supervision Unit and its Responsibilities | Energy Data Collection Method |
|--|--|---|---|
| Pan-International, Taipei | None | Environmental Engineering Department | Direct measurement, financial data, evidence-based estimation |
| US Subsidiary | None | Pan-International, Taipei assists in management (office with less than 10 people) | Direct measurement, financial data |
| Dongguan Pan-International | Planning | Management Department | Meter monitoring, financial data, evidence-based estimation |
| New Ocean Precision Component, Jiangxi | None | Engineering Department | Model analysis, meter monitoring, financial data, evidence-based estimation |
| Honghuasheng, Yantai | 2026/10/12 | Plant Affairs Department | Direct measurement, meter monitoring, financial data, evidence-based estimation |
| CJ Electric Systems, Wuhu | None | Management Department | Meter monitoring, financial data, evidence-based estimation |

Note: Dates listed in the table represent the expiration dates of the certificates



5.1.2 Energy Consumption

(GRI 302-1, 302-3)

In 2023, within the Group's boundary, the total energy consumption was 492,727.303 gigajoules (GJ), and the energy intensity was 22.333 (GJ/million revenue). The Company's energy consumption is primarily derived from non-renewable purchased electricity, which accounts for over 90% of total energy consumption. The remaining energy proportions comprise less than 4% for purchased thermal energy and less than 4% for fossil fuels. Therefore, in subsequent energy-saving planning, the main goals will be to reduce electricity usage and increase the utilization of renewable energy.

In 2023, the Group's non-renewable energy intensity was 22.18 (GJ/million revenue). **In 2023, the Group's non-renewable energy - total consumption decreased to 489,268.582 GJ, and non-renewable energy - intensity decreased by 1.46% compared to 2022** (excluding the US subsidiary in 2023 to maintain consistency with the 2022 calculation scope), **thus achieving the short-term goal**. (If including the US subsidiary, the total consumption of non-renewable energy decreased to 489,360.165 GJ, reflecting a 3.40% drop compared to 2022) We will continue to implement energy-saving measures to reduce energy consumption and introduce various energy-saving initiatives suitable for different plants. We will also confirm and review goal achievement rates, challenging ourselves to achieve new energy-saving milestones.

The Group's plants in mainland China offer free sites (rooftops) to solar energy operators, allowing them to provide purchased electricity to us at preferential prices. This not only realizes the goals of energy-saving and carbon reduction but also reduces costs and promotes economic circulation.

The following charts illustrate that the Group's energy consumption continues to decrease at each plant, due to actively replacing energy-saving equipment and allocating energy consumption to maximize contribution. Therefore, the plants continue to **decrease energy consumption and energy intensity**. The Company continues to implement and reward electricity-saving programs, strengthening energy use efficiency internally, reducing unnecessary energy consumption, and allowing employees to implement energy-saving and carbon reduction in daily life. Various energy-saving policies are also encouraged in the plants. This approach not only achieves energy-saving and carbon reduction goals but also reduces costs, increases profits, and creates a mutually beneficial situation. Under the advocacy of energy-saving policies, the results have been very good.



Pan-International Group’s Energy Consumption Analysis Table (Unit: Gigajoules, GJ)

| Energy Consumption Items | | Pan-International, Taipei (Including the United States) ^{Note 6} | | | Dongguan Pan-International | | | New Ocean Precision Component, Jiangxi | | | Honghuasheng, Yantai | | | CJ Electric Systems, Wuhu | | | Total | | | | |
|---|-------------------------------|---|---------|---------|----------------------------|------------|------------|--|------------|------------|----------------------|-------------|-------------|---------------------------|-----------|------------|-------------|-------------|-------------|------------------------------------|--------|
| | | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2023 (Excluding the United States) | |
| Purchased Renewable Energy Source | Purchased Electricity (Solar) | 0.000 | 0.000 | 0.000 | NA | 318.362 | 3,367.137 | NA | 0.000 | 0.000 | NA | 0.000 | 0.000 | NA | 0.000 | 0.000 | NA | 318.362 | 3,367.137 | 3,367.137 | |
| Purchased Non-renewable Energy Source | Fossil fuels | 0.000 | 0.632 | 0.000 | NA | 342.188 | 277.613 | NA | 554.697 | 927.526 | NA | 24,659.910 | 16,546.178 | NA | 164.524 | 164.524 | NA | 25,721.952 | 17,915.841 | 17,915.841 | |
| | Purchased Electricity | 525.812 | 459.774 | 470.620 | 23,455.550 | 21,780.497 | 16,688.345 | 32,353.344 | 24,681.888 | 21,851.852 | 495,746.842 | 435,796.056 | 400,535.893 | NA | 7,766.629 | 13,024.524 | 552,081.548 | 490,484.844 | 452,571.235 | 452,479.652 | |
| | Purchased Thermal Energy | 0.000 | 0.000 | 0.000 | NA | 0.000 | 0.000 | NA | 0.000 | 0.000 | NA | 16,368.000 | 18,873.090 | NA | 0.000 | 0.000 | NA | 16,368.000 | 18,873.090 | 18,873.090 | |
| Renewable Energy Source | Total consumption | 0.000 | 0.000 | 0.000 | NA | 318.362 | 3,367.137 | NA | 0.000 | 0.000 | NA | 0.000 | 0.000 | NA | 0.000 | 0.000 | NA | 318.362 | 3,367.137 | 3,367.137 | |
| Non-renewable energy source | Total consumption | 525.812 | 460.406 | 470.620 | NA | 22,122.685 | 16,965.959 | NA | 25,236.585 | 22,779.378 | NA | 476,823.966 | 435,955.161 | NA | 7,931.154 | 13,189.048 | NA | 532,574.796 | 489,360.166 | 489,268.583 | |
| Energy | Total consumption | 525.812 | 460.406 | 470.620 | NA | 22,441.048 | 20,333.096 | NA | 25,236.585 | 22,779.378 | NA | 476,823.966 | 435,955.161 | NA | 7,931.154 | 13,189.048 | NA | 532,893.158 | 492,727.303 | 492,635.720 | |
| Total energy intensity (GJ/million revenue) | | 0.043 | 0.039 | 0.049 | NA | 12.395 | 12.656 | NA | 17.468 | 19.056 | NA | 92.425 | 96.930 | NA | 2.623 | 2.604 | NA | 27.363 | 22.975 | 22.333 | 22.781 |
| Non-renewable energy intensity (GJ/million revenue) | | 0.043 | 0.039 | 0.049 | NA | 12.219 | 10.560 | NA | 17.468 | 19.056 | NA | 92.425 | 96.930 | NA | 2.623 | 2.604 | NA | 27.363 | 22.961 | 22.180 | 22.625 |

Note 1: The calorific values are sourced from the Bureau of Energy, MOEA, multiplying energy usage by unit calorific value and converting to gigajoules (GJ) to calculate energy consumption.

Note 2: Calorific value conversion: China Gasoline has a calorific value of 10,300kcal/kg; China natural gas has a calorific value of 8,505kcal/m³, based on <GB/T 2589-2020 General Principles for Calculation of Energy Consumption.

Note 3: As most of the Group’s subsidiaries are factory-type industries, million revenue is used as the denominator for intensity.

Note 4: The Group acquired CJ Electric Systems, Wuhu in 2022, so there is no relevant information for 2021.

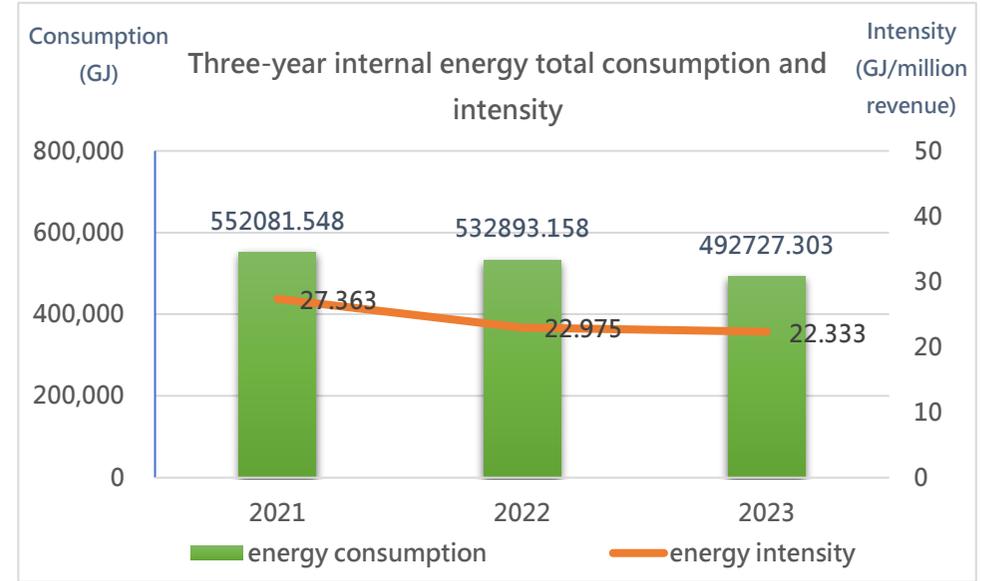
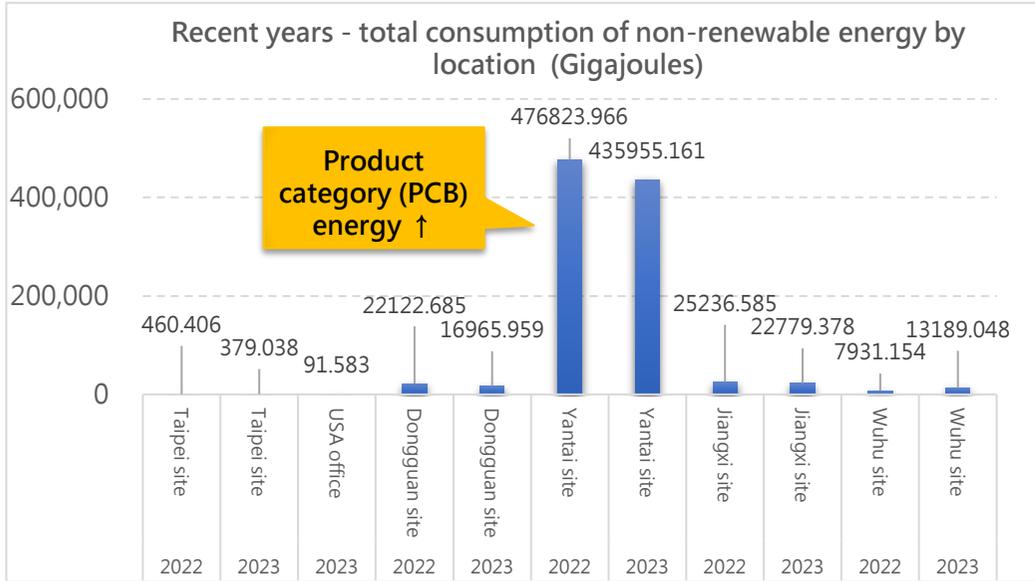
Note 5: CJ Electric Systems, Wuhu expanded in 2023 (Dechan Plant area increased by 10,600 pings).

Note 6: From 2023, Taipei Headquarters includes US subsidiary data.

Note 7: The 2022 sustainability report did not calculate fossil fuels and thermal energy.

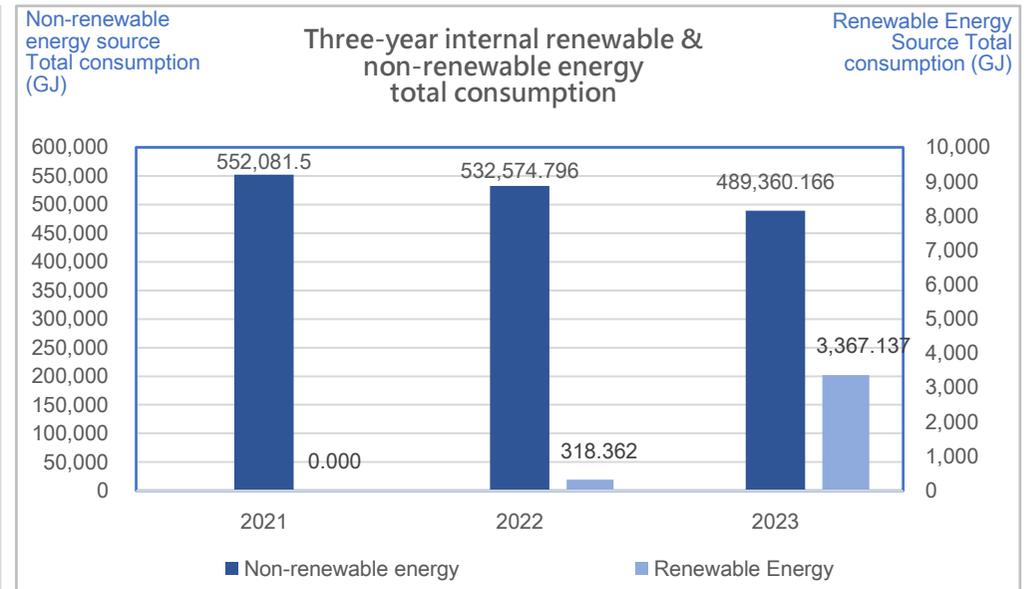
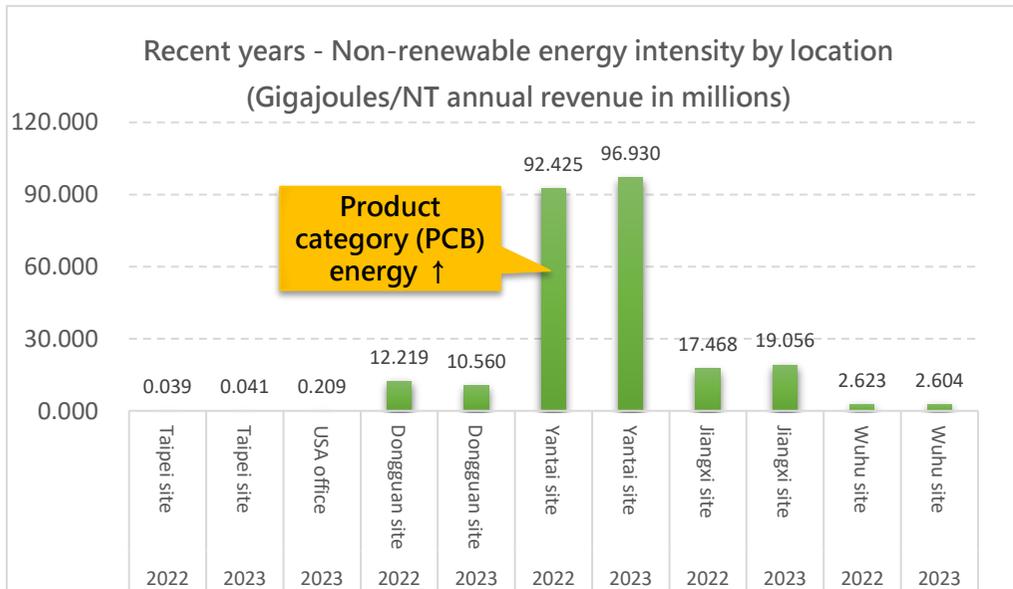
Note 9: Conversion: China gasoline 1 L = 1 L x 0.725 L/kg density x gasoline calorific value 10300 kcal/kg = 14206.8966 kcal/L x 4.187 KJ/kcal = 0.0595 GJ

Note 10: Conversion: China diesel 1 L = 1 L x 0.840 L/kg density x diesel calorific value 10200 kcal/kg = 12142.8571 kcal/L x 4.187 KJ/kcal = 0.0508 GJ



Note 1: To analyze carbon reduction trends, the US chart is illustrated separately / Honghuasheng, Yantai is a PCB plant with different industry from other plants.

Note 2: In 2021, fossil fuels and thermal energy were not included in the calculations.



Note: The total values in the above charts are within the scope of this disclosure

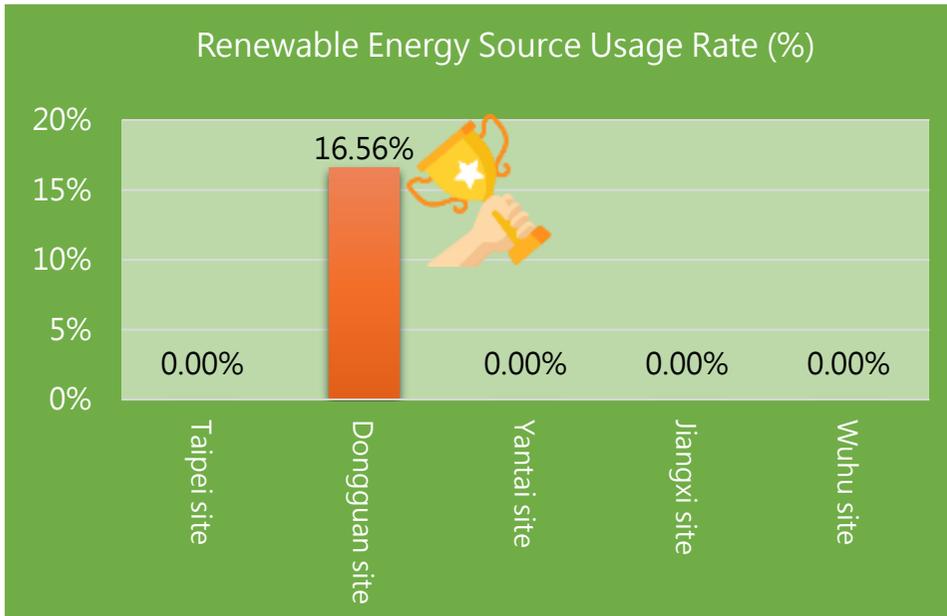


▼ Pan-International Group’s Energy Consumption Proportion (Unit: %)

| Energy consumption items | | Energy Consumption Percentage | |
|---|-------------------------------|-------------------------------|--------|
| | | 2022 | 2023 |
| Purchased - Renewable Energy Source | Purchased Electricity (Solar) | 0.06% | 0.68% |
| | Purchased Electricity | 92.04% | 91.85% |
| Purchased - Non-renewable Energy Source | Purchased Thermal Energy | 3.07% | 3.83% |
| | Fossil fuels | 4.83% | 3.64% |
| Self-produced Energy | Solar, Wind, Hydro | 0.00% | 0.00% |
| Total Renewable Energy Consumption | | 0.06% | 0.68% |
| Total Non-renewable Energy Consumption | | 99.94% | 99.32% |

Note: In mainland China, purchased - renewable energy source is leasing sites (rooftops) to solar energy operators, who then provide the produced solar energy at preferential prices.

▼ 2023 Renewable Energy Usage Rate by Plant (and Future Plans):



Description & Future Plans

- Dongguan Pan-International**
Solar stations started operation in December 2022, Increased to 16.56% in 2023.
- Honghuasheng, Yantai**
The solar station originally scheduled for completion in 2022 was delayed due to the pandemic. Expected completion in the first half of 2024
- New Ocean Precision Component, Jiangxi**
Evaluating whether to build the solar station
- C.J Electric Systems, Wuhu**
Planning the solar station construction



5.1.3 Greenhouse Gas Inventory

Pan-International Group follows Greenhouse gases Part 1: Specification with Guidance, adopting the [operational control approach](#) to set organizational boundaries. The disclosure scope for 2023 is Category 1 direct emissions and Category 2 energy indirect emissions (according to the “Greenhouse Gas Reduction and Management Act” now the “Climate Change Response Act” required disclosure scope). Future plans include evaluating the significance of indirect emission sources from 2024, assessing whether to include Categories 3 to 6 in the inventory, and commissioning external third-party verification. The Group’s Taipei parent company and subsidiaries in mainland China: Dongguan Pan-International, New Ocean Precision Component, Jiangxi, Honghuasheng, Yantai, CJ Electric Systems, Wuhu have conducted annual greenhouse gas inventories since 2022, using this as the base year to regularly assess and control organizational greenhouse gas emissions. The base year 2022 inventory scope was Categories 1 and 2.

We use the emission factor method for calculation, multiplying activity data by emission factors and global warming potential (GWP values) to convert to carbon dioxide equivalent (CO₂e), with tons of carbon dioxide equivalent (tCO₂e) as the unit. Emission factor sources are the latest Greenhouse Gas Emission Factor Management Table (version 6.0.4) announced by the Environmental Protection Administration, Executive Yuan, GWP adopts values from the IPCC Sixth Assessment Report. China’s ecological environment department, China’s calorific values, thermal energy uses values from GB/T 2589-2020 General Rules for Calculation of Comprehensive Energy Consumption and the National Development and Reform Commission’s Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Electronic Equipment Manufacturing Enterprises (Trial) to calculate the calorific values of China’s diesel and gasoline.

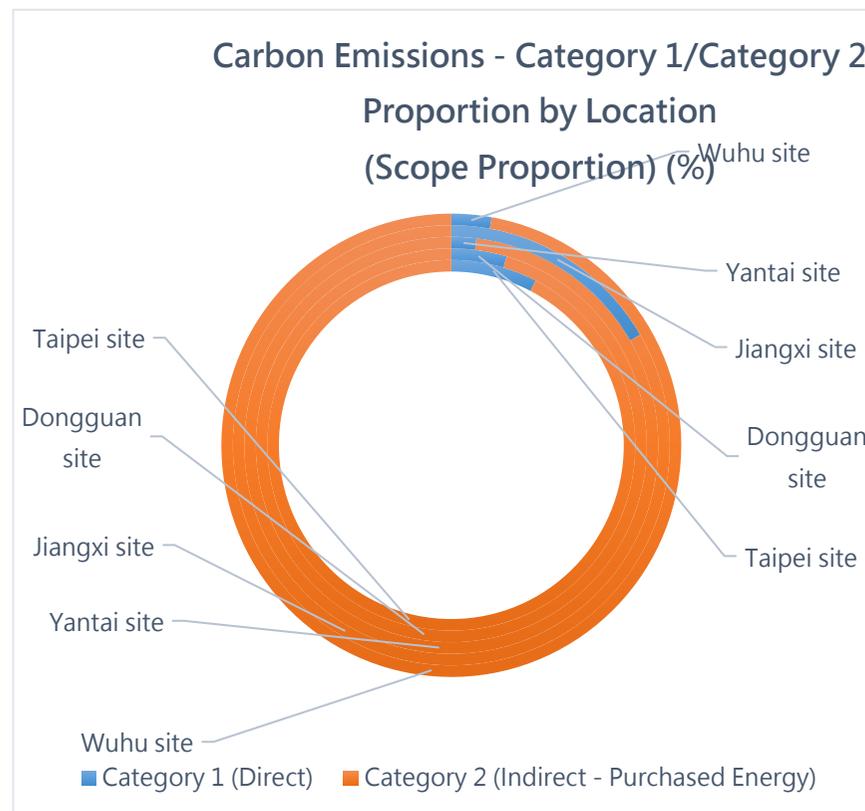
In 2023, the total greenhouse gas emissions for Pan-International parent company, subsidiaries in mainland China, and subsidiaries in the U.S. amounted to 75,619.848 tCO₂e. When calculated per total revenue (NT\$ million), the emission intensity was 3.427 tCO₂e per million dollars of operating income.

As the US subsidiary was not included in the base year (2022), we compare this year’s emissions and emission intensity with the base year on the same basis (excluding the US subsidiary). This year’s emissions **decreased by 8,572.237 tCO₂e carbon emissions / down 10.18%** compared to the base year, and greenhouse gas emission intensity decreased by 3.66% compared to the base year, achieving the short-term indicator. The main reasons for both decrease are actively replacing energy-saving equipment and allocating energy consumption to maximize contribution, as well as each plant’s active planning and construction of solar power stations. Additionally, local power plants in each region are increasing new green energy sources in stages, such as wind power and solar power generation, to continuously optimize the electricity consumption structure, thereby lowering electricity emission factors.

▼ **Greenhouse Gas Emissions Proportion** (Unit: tCO₂e)

| Greenhouse Gas Emissions | 2022 | 2023 |
|--------------------------|--------|--------|
| Category 1 Proportion | 3.84% | 2.46% |
| Category 2 Proportion | 96.16% | 97.54% |

| Carbon Emissions - Categories 1 & 2 Proportion (Scope Proportion) (%) | | |
|---|---------------------|--|
| Plant | Category 1 (Direct) | Category 2 (Indirect - Purchased Energy) |
| Pan-International, Taipei | 7.59% | 92.41% |
| Dongguan Pan-International | 4.57% | 95.43% |
| Honghuasheng, Yantai | 1.94% | 98.06% |
| New Ocean Precision Component, Jiangxi | 16.62% | 83.38% |
| CJ Electric Systems, Wuhu | 2.82% | 97.18% |





▼ **Greenhouse Gas Emissions Analysis Table**(Unit: tCO₂e)

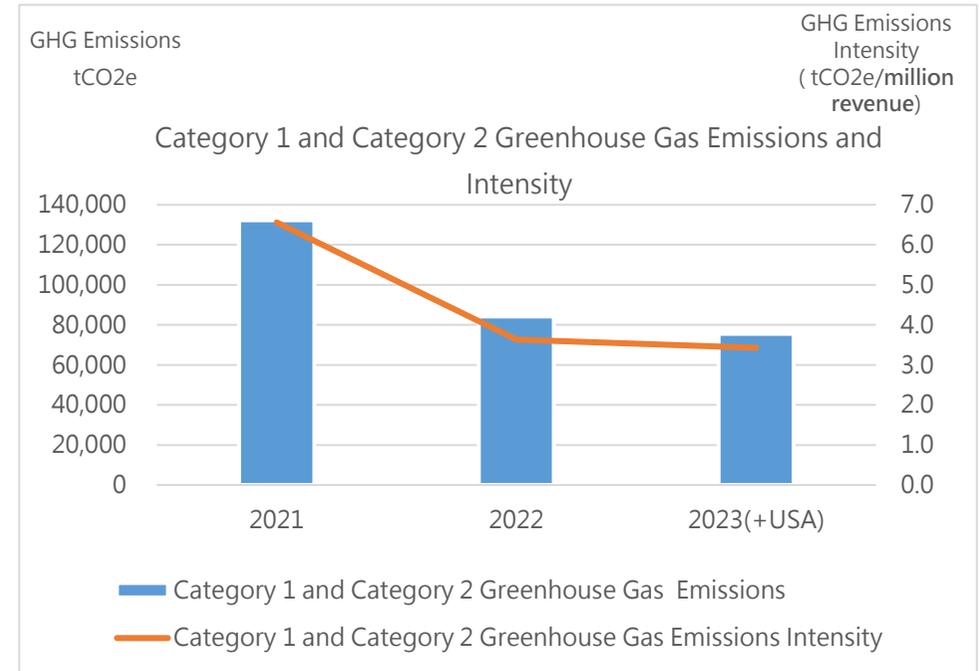
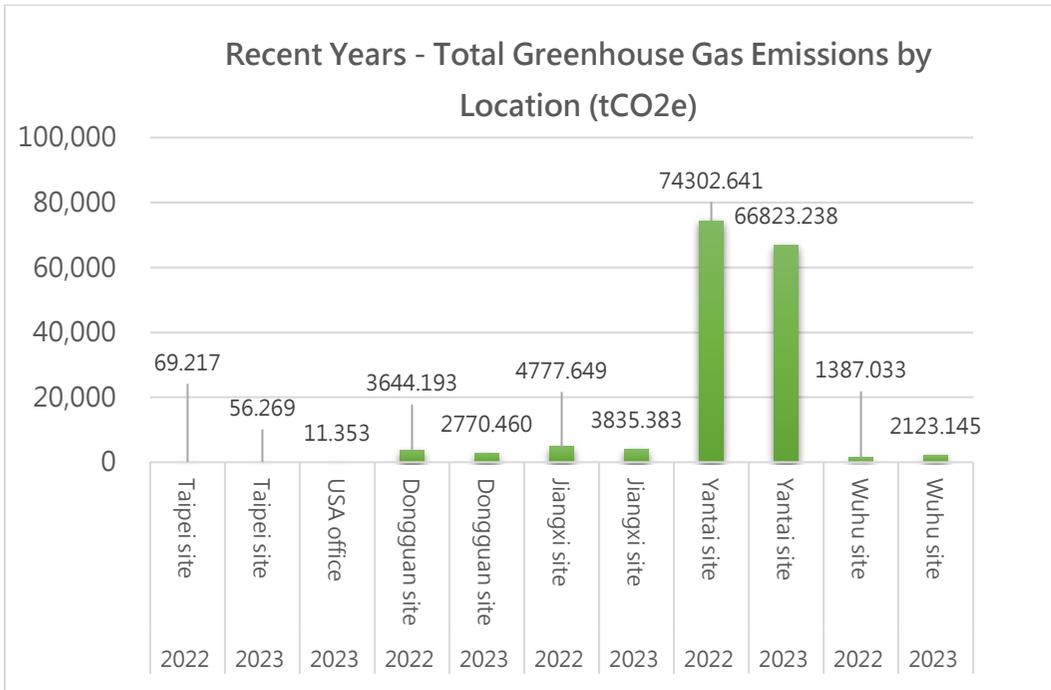
| Items | Pan-International, Taipei (Parent Company) | | | Dongguan Pan-International | | New Ocean Precision Component, Jiangxi | | Honghuasheng, Yantai | | CJ Electric Systems, Wuhu | | Total | | |
|---|--|---------------------------------------|----------------------------------|----------------------------|------------|--|------------|----------------------|-------------|---------------------------|-----------|---------------------------------------|---------------------------------------|----------------------------------|
| | 2022 (Excluding the United States) | 2023 (Excluding the United States) | 2023 (With the United States) | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 (Excluding the United States) | 2023 (Excluding the United States) | 2023 (With the United States) |
| Greenhouse Gas Emissions | | | | | | | | | | | | | | |
| Category 1 | 4.2096 | 4.2687 | 5.0157 | 129.0623 | 126.7471 | 794.2667 | 373.6847 | 2169.5195 | 1295.6259 | 133.5848 | 59.843 | 3230.6429 | 1860.1690 | 1860.916 |
| Category 2 | 65.0069 | 52.0005 | 62.6064 | 3,515.1302 | 2,643.7125 | 3,983.3825 | 3,461.6982 | 72,133.1213 | 65,527.6125 | 1,253.4477 | 2,063.302 | 80,950.0886 | 73,748.3260 | 73,758.932 |
| Total Greenhouse Gas Emissions | 69.217 | 56.269 | 67.622 | 3,644.193 | 2,770.460 | 4,777.649 | 3,835.383 | 74,302.641 | 66,823.238 | 1,387.033 | 2,123.145 | 84,180.732 | 75,608.495 | 75,619.848 |
| Emission Intensity (tCO ₂ e/million revenue) | 0.006 | 0.006 | 0.007 | 2.013 | 1.724 | 3.307 | 3.208 | 14.402 | 14.857 | 0.459 | 0.419 | 3.629 | 3.496 | 3.427 |

Note: The Group acquired CJ Electric Systems, Wuhu in 2022, so there is no relevant information for 2021.

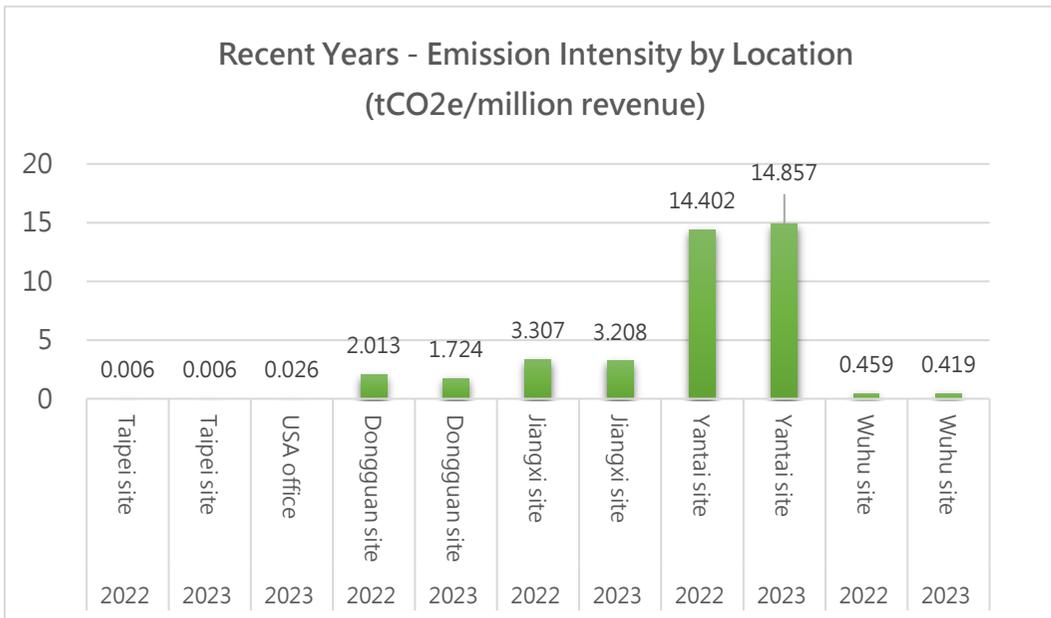
Note: CJ Electric Systems, Wuhu expanded in 2023 (Dechan Plant area increased by 10,600 pings).

Note: From 2023, Pan-International, Taipei includes the data of US subsidiary.

Note: Greenhouse gas types include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs), totaling 4 greenhouse gases.



Note: To analyze carbon reduction trends, the chart for the US is illustrated separately





5.1.4 Energy-saving and Carbon Reduction Measures

(GRI 302-4)

Using 2022 as the base year, Pan-International Group develops energy-saving plans and designs based on **internal energy guidelines or energy management standards** and incorporate efficiency standards for energy-consuming equipment into future equipment replacement priorities, aiming to **achieve net zero emissions by 2050**, reducing **non-renewable energy intensity** by 1% annually, and **reducing emission intensity by 1.5% annually to achieve a 7.5% reduction compared to the base year (2022) by 2027**.

We mainly adopt measures such as **replacing old with new (energy-saving devices), setting up solar plants, making improvements on process and equipment (unit)**, and regularly track performance results. Through these measures in 2023, Pan-International Group saved a total of **35,458.3419GJ** of energy and reduced **5,364.6328tCO₂e** emissions.

▼ Pan-International Group Energy-saving and Carbon Reduction Measures Overview

| Location | Energy-saving Method | Method Description | Energy Saving Items | Energy Saving Volume | Energy Saving Volume (GJ) | Reduction Scope | Carbon Reduction Volume (tCO ₂ e) | Calculation Method |
|--|---|---|---------------------|---|---------------------------|-----------------|--|---------------------------|
| Pan-International, Taipei (Parent Company) | Replacement of old with new (energy-saving devices) | Replace diesel forklifts with electric forklifts | Diesel | 17.97L | 0.6320 | Category 1 | 0.0468 | Direct Measurement |
| Dongguan Pan-International | Replacement of old with new (energy-saving devices) | Replace engine fork lift truck with electric forklift | Diesel | 230L | 11.6937 | Category 1 | 0.7159 | Direct Measurement |
| | Solar plant installation | Photovoltaic (we provide the roof, and the solar power belongs to the ESCO operator, who sells it back to the plant at a lower price as purchased green energy) | Solar energy | Energy generated: 935,316 kWh of solar energy | NA | Category 2 | 533.4107 | Direct Measurement |
| New Ocean Precision Component, Jiangxi | Equipment (unit) improvement: | Install a valve before the pipeline supplying the air compressor and cold dryer. On both ends of the valve, install a 7.5KW booster pump, allowing flexible switching. Use the air conditioning in summer and autumn and turn off the 7.5KW pump to operate with 90KW pump. During the spring and winter, turn off 90KW pump and activate the 7.5KW pump to supply the air compressor and cold dryer exclusively. | Electricity | 247,104 kWh | 889.7770 | Category 2 | 140.9234 | Model analysis |
| | Process improvements: | By reaming the existing mold base from 2CAV to 4CAV, while meeting delivery demands, the equipment's operating time will be reduced by 50%, resulting in a 50% savings in electricity consumption. | Electricity | 25,091 kWh | 90.3482 | Category 2 | 14.3094 | Evidence-based Estimation |
| | Equipment (unit) | Add a heat recovery device to existing drying | Electricity | 18,360 kWh | 66.1111 | Category 2 | 10.4707 | Evidence- |



| Location | Energy-saving Method | Method Description | Energy Saving Items | Energy Saving Volume | Energy Saving Volume (GJ) | Reduction Scope | Carbon Reduction Volume (tCO _{2e}) | Calculation Method |
|---------------------------|-------------------------------|--|---------------------|----------------------|---------------------------|-----------------|--|---------------------------|
| | improvement: | machine, allowing heat to be transferred through insulated pipeline to the air inlet for circulation. This will reduce the drying machine's heating time and frequency, resulting in energy savings. | Electricity | 28,080 kWh | 101.1110 | Category 2 | 16.0140 | based Estimation |
| | Equipment (unit) improvement: | Manual wetting is slow and insufficient. By integrating a solder pot into the terminal crimping machine to improve the level of automation. Only one machine needed to meet production demands, reducing the electricity consumption of three solder pot and eliminating four wetting personnel (the machine will be operated by the personnel from the terminal crimping machine) | | | | | | Evidence-based Estimation |
| | Equipment (unit) improvement: | By changing from coil shipment to direct shaft shipment to streamline the process and lower costs | Electricity | 108,691.2 kWh | 391.3774 | Category 2 | 53.8021 | Evidence-based Estimation |
| Honghuasheng, Yantai | Waste Heat Recovery | Energy-saving Improvement Plan for Waste Heat Recovery in the Compressed Air System | Electricity | 226,528 kWh | 7,587.7819 | Category 2 | 425.6542 | Direct Measurement |
| | Replacement of Old with New | Energy-Saving Improvement Plan for Pressing and Cutting Process | Electricity | 472,124 kWh | 1,699.6461 | Category 2 | 269.2523 | Direct Measurement |
| | Parameter Adjustment | Energy-Saving Improvement Plan for Drilling Machine Efficiency | Electricity | 937,843.49 kWh | 3,376.2360 | Category 2 | 534.8521 | Evidence-based Estimation |
| | Equipment (unit) improvement: | Energy-Saving Improvement Plan for air Compressor System | Electricity | 4,638,600 kWh | 16,698.9570 | Category 2 | 2,645.3936 | Evidence-based Estimation |
| | Equipment (unit) improvement: | Energy-Saving Improvement Plan for Waste gas Scrubber | Natural gas | 538,278 kWh | 1,938.2422 | Category 2 | 306.9799 | Evidence-based Estimation |
| | Equipment (unit) improvement: | Energy-Saving Improvement Plan for Natural gas Boiler Replacing Electric Heating | Electricity | 723,744 kWh | 2,606.0719 | Category 2 | 412.7512 | Evidence-based Estimation |
| CJ Electric Systems, Wuhu | Replacement of Old with New | Plant lighting replaced from 400W halogen lamps to 150W energy-saving lamps | Electricity | 99 kWh | 0.3564 | Category 2 | 0.0565 | Evidence-based Estimation |
| Total | | | | | 35,458.3419 | | 5,364.6328 | |

* The US subsidiary is an office with less than 10 people, so omitted it from this list.



5.2 Water Resource Management

(GRI 303-3~303-5)

The primary water sources of the Group’s key subsidiaries in China (with production plants + 100% operational control) all come from local water companies in China, with water sources from reservoirs. Except for Honghuasheng, Yantai, which is in a water-stressed area, water withdrawal at other locations comes from non-water-stressed areas or protected areas, with little impact on water sources.

The Group’s Dongguan Pan-International, New Ocean Precision Component, Jiangxi, and CJ Electric Systems, Wuhu do not cause significant environmental impacts from water withdrawal and wastewater discharge. The production wastewater generated does not reach industrial wastewater treatment standards and is treated as domestic water, which is then directly discharged into the urban sewage network for collection and treatment at sewage treatment plants.

As the Honghuasheng, Yantai plant’s process involves PCB process water, and the industrial wastewater produced is treated through the on-site sewage treatment plan, which complies with local regulations. The wastewater is treated to meet the domestic discharge standards before being released into the urban sewage network for further treatment. In terms of water conservation, we continuously optimize processes to improve water recycling and reuse rates. Currently, after implementing improvements, wastewater generated from pure water production is reused as recycled water, achieving a recycling and reuse rate exceeding 10%.

For wastewater discharge management, each plant obtains permits from the government in accordance with local regulations and performs basic on-site treatment. Once the wastewater meets discharge standards, it is released into the government’s sewage network for further treatment by government-commissioned agencies.

We continue to vigorously promote and implement water-saving policies, aiming to achieve water reduction goals in the future.

In 2023, Pan-International Group’s total water withdrawal was 1,543.391 thousand cubic meters (million liters) of which 1,339.637 thousand cubic meters (million liters) came from water-stressed areas. The total freshwater withdrawal was 1,543.391 thousand cubic meters, total water discharge was 1,234.713 thousand cubic meters, and total water consumption was 308.678 thousand cubic meters.

An overview of the water withdrawal situation from 2021 to 2023 is summarized as follows:

- The Group (within boundary) has a total water saving rate of about **15.86%** compared to 2022.
- Dongguan Pan-International, New Ocean Precision Component, Jiangxi, and Honghuasheng, Yantai show a decreasing trend in water withdrawal from 2021-2023.
- Honghuasheng, Yantai has a water saving rate of approximately 17.29% compared to 2022, with water savings coming from two measures:
 1. Continuous recycling and reuse of secondary water produced from RO water production.
 2. Replacement of three sets (fifteen towers in total) with water-saving type cooling towers in 2022. Cooling tower



- New Ocean Precision Component, Jiangxi has a water saving rate of about 33.84% compared to 2022, with water savings coming from:

1. Plant-wide pipeline inspection, with plant affairs repairing leakage points to improve unnecessary water consumption

- Pan-International, Taipei is an office with 50 people, showing no significant difference in water withdrawal.
- CJ Electric Systems, Wuhu was not a subsidiary of the Group in 2021, so it is not included in the calculation. It was acquired by the Group in 2022, and the plant expanded in 2023, so water withdrawal increased by 29,383 tonnes compared to 2022 (an increase of 94.18%).
- As the Group is not a major water user, there are no flow meters added to measure water discharge. For water discharge, an estimation method is used: waste (discharge) water volume is approximately equal to 80% of water withdrawal.

▼ **Water Withdrawal (Unit: Thousand cubic meters (million liters))**

| Location | Water Stress Situation | Water Source Category <small>Note2</small> | Water Quality Indicator <small>Note 3</small> | 2021 | 2022 | 2023 |
|---|------------------------|---|--|----------------------|-----------|-----------|
| Pan-International, Taipei (Parent Company) <small>Note 1</small> | Low-Medium | Third-party water | Pure water | 1.837 | 2.123 | 3.484 |
| Dongguan Pan-International | Low | Third-party water | Pure water | 87.997 | 75.938 | 69.948 |
| New Ocean Precision Component, Jiangxi | Low | Third-party water | Pure water | 124.840 | 105.410 | 69.740 |
| Honghuasheng, Yantai | Extremely High | Third-party water | Pure water | 1,961.225 | 1,619.681 | 1,339.637 |
| CJ Electric Systems, Wuhu | Low-Medium | Third-party water | Pure water | NA ^{Note 4} | 31.200 | 60.583 |
| Total water withdrawal | | | | 2,175.899 | 1,834.352 | 1543.391 |

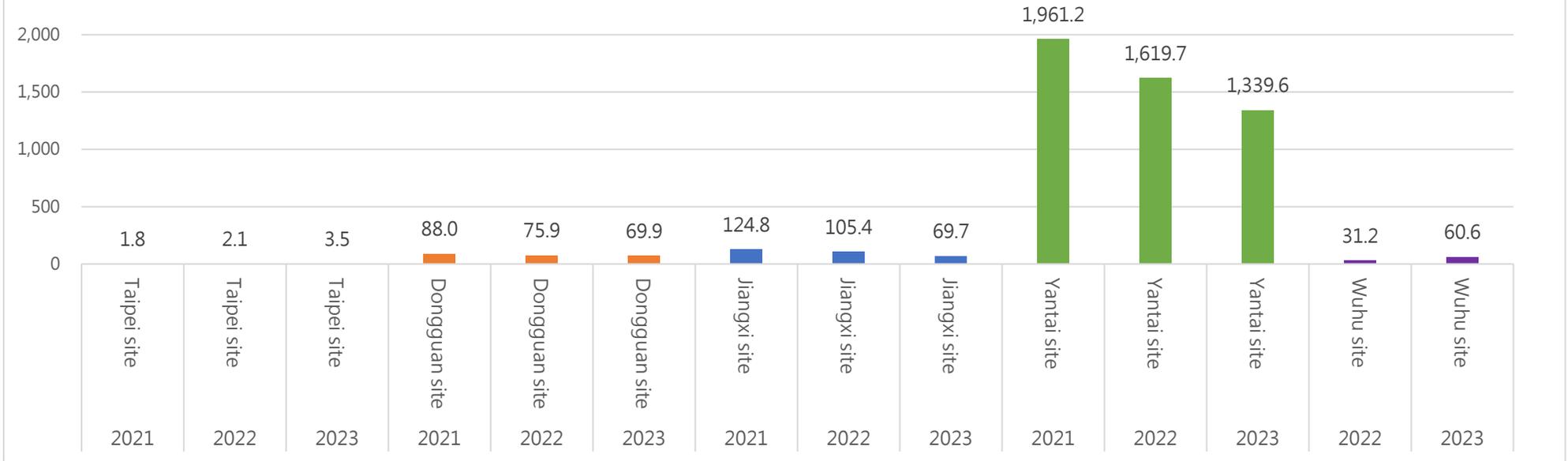
Note 1: Since the US subsidiary only rents a small office in a large area, and has few personnel (about 7 people), the landlord cannot provide water information for that location. As it is difficult to separate and the usage is extremely low, it has been disregarded. Additionally, the Group acquired CJ Electric Systems, Wuhu in 2022, so there is no water withdrawal information for 2021.

Note 2: The water source category for each location is all from third-party water (tap water), excluding other sources such as surface water, groundwater, seawater, and produced water.

Note 3: The water quality indicator for each location is pure water.

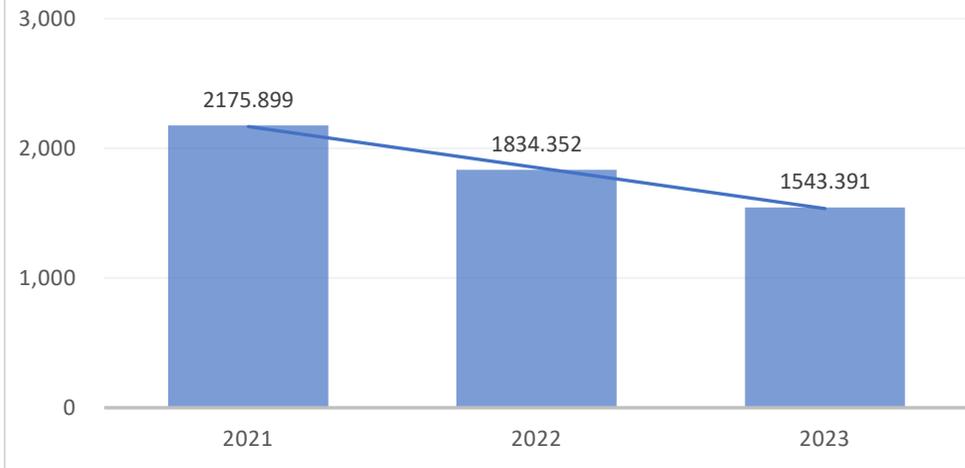


Recent Years - Total Water Withdrawal by Location (Thousand cubic meters (million liters))



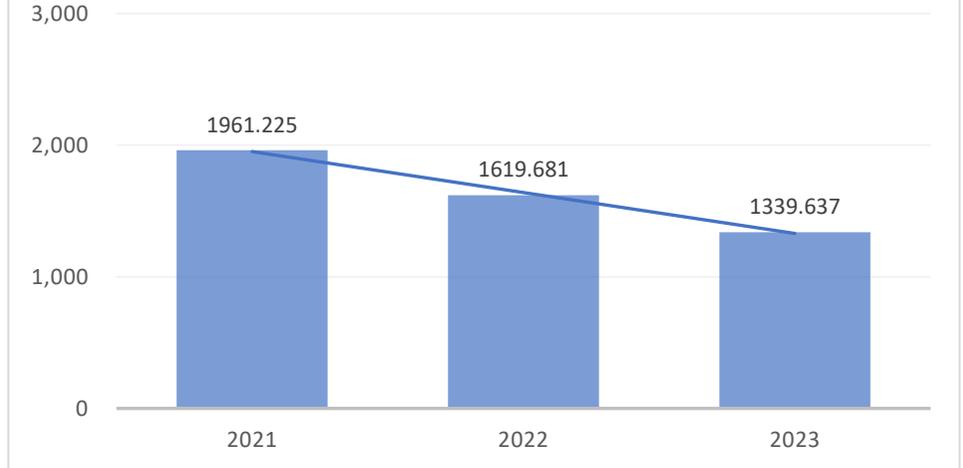
Water Withdrawal from All Areas

Thousand cubic meters (million liters)



Water Withdrawal from Water-Stressed Areas

Thousand cubic meters (million liters)





▼ **Water Discharge (Unit: Thousand cubic meters (million liters))**

| Location | Water Discharge Category ^{Note 2} | Water Quality Indicator ^{Note 3} | 2021 | 2022 | 2023 |
|--|--|---|-----------|-----------|-----------|
| Pan-International, Taipei (Parent Company) ^{Note 1} | Third-party water | Freshwater | 1.470 | 1.698 | 2.787 |
| Dongguan Pan-International | Third-party water | Freshwater | 70.398 | 60.750 | 55.958 |
| New Ocean Precision Component, Jiangxi | Third-party water | Freshwater | 99.872 | 84.328 | 55.792 |
| Honghuasheng, Yantai | Third-party water | Freshwater | 1,841.215 | 1,523.289 | 1,071.710 |
| CJ Electric Systems, Wuhu | Third-party water | Freshwater | NA | 24.960 | 48.466 |
| Total Water Discharge | | | 2,012.955 | 1,695.025 | 1,234.713 |

Note 1: Does not include water information of the US subsidiary, as the usage is extremely small, it is ignored here.

Note 2: Waste (discharge) water volume uses an estimation method, approximately equal to 80% of water withdrawal.

Note 3: The Group acquired CJ Electric Systems, Wuhu in 2022, so there is no information for CJ Electric Systems, Wuhu in 2021.



▼ **Water Consumption (Unit: Thousand cubic meters (million liters))**

| Items | Pan-International, Taipei (Parent Company) | | | Dongguan Pan-International | | | New Ocean Precision Component, Jiangxi | | | Honghuasheng, Yantai | | | CJ Electric Systems, Wuhu | | | Total | | |
|-------------------------|--|-------|-------|----------------------------|--------|--------|--|---------|--------|----------------------|----------|----------|---------------------------|--------|--------|-----------|-----------|----------|
| | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Total Water Withdrawal | 1.837 | 2.123 | 3.484 | 87.997 | 75.938 | 69.948 | 124.840 | 105.410 | 69.740 | 1961.225 | 1619.681 | 1339.637 | NA | 31.200 | 60.583 | 2,175.899 | 1,834.352 | 1543.391 |
| Total Water Discharge | 1.470 | 1.698 | 2.787 | 70.398 | 60.750 | 55.958 | 99.872 | 84.328 | 55.792 | 1841.215 | 1523.289 | 1071.710 | NA | 24.960 | 48.466 | 2,012.954 | 1,695.025 | 1234.713 |
| Total Water Consumption | 0.367 | 0.425 | 0.697 | 17.599 | 15.188 | 13.990 | 24.968 | 21.082 | 13.948 | 120.010 | 96.392 | 267.927 | NA | 6.240 | 12.117 | 162.945 | 139.326 | 308.678 |

Note*: No information for CJ Electric Systems, Wuhu in 2021. The Group acquired CJ Electric Systems, Wuhu in 2022.

Note*: The US subsidiary water information is not included, as the usage is extremely low, it is disregarded here.



5.3 Waste Management

Material Topic Management Approach: Waste

Corresponding GRI Indicators: GRI 3-3, GRI 306-3, GRI 306-4, GRI 306-5

| | | | | | | |
|--|-------------------------------|---|---|---|--|---|
| Impact Description | | 1. Causes environmental pollution 2. Penalties from authorities due to violations of regulations | | | | |
| Location | | Pan-International, Taipei (Parent Company) | Dongguan Pan-International | New Ocean Precision Component, Jiangxi | Honghuasheng, Yantai | CJ Electric Systems, Wuhu |
| Policies or Commitments Established or Followed | Internal Regulations | V | V | V | V | V |
| | Government Regulations | V | V | V | V | V |
| Responsible Units | | Sustainability Committee / Chairman / Management Committee | Sustainability Committee / Deputy Chairperson | Sustainability Committee / Deputy Chairperson | Sustainability Committee / Deputy Chairperson | Sustainability Committee / Deputy Chairperson |
| Management Actions | | <p>Sustainability Committee-Sustainability Group</p> <pre> graph TD Board[Board of Directors] --> Chair[Chairperson] Chair --> MExec[Management Executive] Chair --> Deputy[Deputy Chairperson] Deputy --> Procurement[Promoting Committee Member Procurement] Deputy --> Manufacturing[Promoting Committee Member Manufacturing/Quality Assurance] Deputy --> Plant[Promoting Committee Member Plant Affairs/Environmental Safety Department] Deputy --> General[Promoting Committee Member General Affairs/Accounting] Deputy --> RnD[Promoting Committee Member R&D/Human Resource/IT...] </pre> | | | <ul style="list-style-type: none"> Establish Sustainability Committee: Regularly discuss the implementation and planning of work related to water, waste issues. Set goals for environmental issues and regularly review and improve them. | |



Process for Monitoring the Effectiveness of Actions

- Sustainability Committee: For key subsidiaries (with production plants), the Group established a management organization chaired by the Chairman, who serves as the Chairperson. The Committee meets regularly to discuss waste treatment issues and report the discussion results and review.
- The Board of Directors supervises.
- Through the Sustainability Committee, develop waste treatment guidelines and goals, and coordinate and integrate waste treatment strategies and plans of each subsidiary. Conduct regular meetings to continuously confirm and review goal achievement rates, challenging new energy-saving milestones.

Management Performance Indicators

| Indicators | Short-term Goal (2024) | Mid-term Goal (2022-2027) | Long-term Goal (2022-2050) | 2023 Achievement |
|-----------------|---|---|----------------------------|------------------|
| Zero violations | 100% achieved  | Comply with international and local environmental regulations to achieve zero violations. | | |

*This year's organizational boundary includes locations: Pan-International, Taipei, US subsidiary, and subsidiaries in mainland China: Dongguan Pan-International, New Ocean Precision Component, Jiangxi, Honghuasheng, Yantai, CJ Electric Systems, Wuhu

Explanation:

*Except for Honghuasheng, Yantai (due to its PCB industry being different from other assembly plants), the waste generated by the Group's other subsidiaries in mainland China consists of employee domestic waste and general non-hazardous industrial solid waste. Only a very small amount of hazardous waste is produced, so no specific reduction plans have been set.

* For Honghuasheng, Yantai, it has jointly obtained the UL 2799 Zero Waste to Landfill Highest Level Platinum Certification with Yantai Industrial Park, Hongfujin, Hongfutai, Futaijin in 2023 (expected to obtain the factory's own certificate next year).

* The waste generation and reduction in 2023 have limited reference value because Honghuasheng, Yantai's hazardous waste disposal contractor ceased operations in 2022. As a result, some copper-containing waste (approximately 560 tonnes) generated in 2022 was disposed of in 2023. In essence, the generation of copper-containing waste in 2023 should have decreased.



5.3.1 Waste Impact Assessment

The Group refers to domestic and international environmental impact reports, considering each stage of product life cycle (raw material extraction, production and manufacturing, sales and distribution, product use and waste disposal stages) to identify waste generated from organizational internal and value chain upstream and downstream operational activities. The potential impacts of waste on the environment and society are assessed, allowing the Company to create a value chain and waste impact context diagram.

Except for the plant at Honghuasheng, Yantai, which has a different industry (PCB plant) from other plants, the waste generated by other plants in mainland China of the Group includes hazardous and non-hazardous industrial waste, mainly employee domestic waste, general industrial solid waste, and very small amounts of hazardous waste. Honghuasheng, Yantai plant generates more hazardous waste due to its industry (PCB plant). We develop corresponding management measures to address the potential impacts of various types of waste. Waste management units regularly supervise and assess the implementation effectiveness to mitigate or avoid negative impacts on both the internal organization or the external environment.

▼ Pan-International Group’s Value Chain and Potential Impact Context

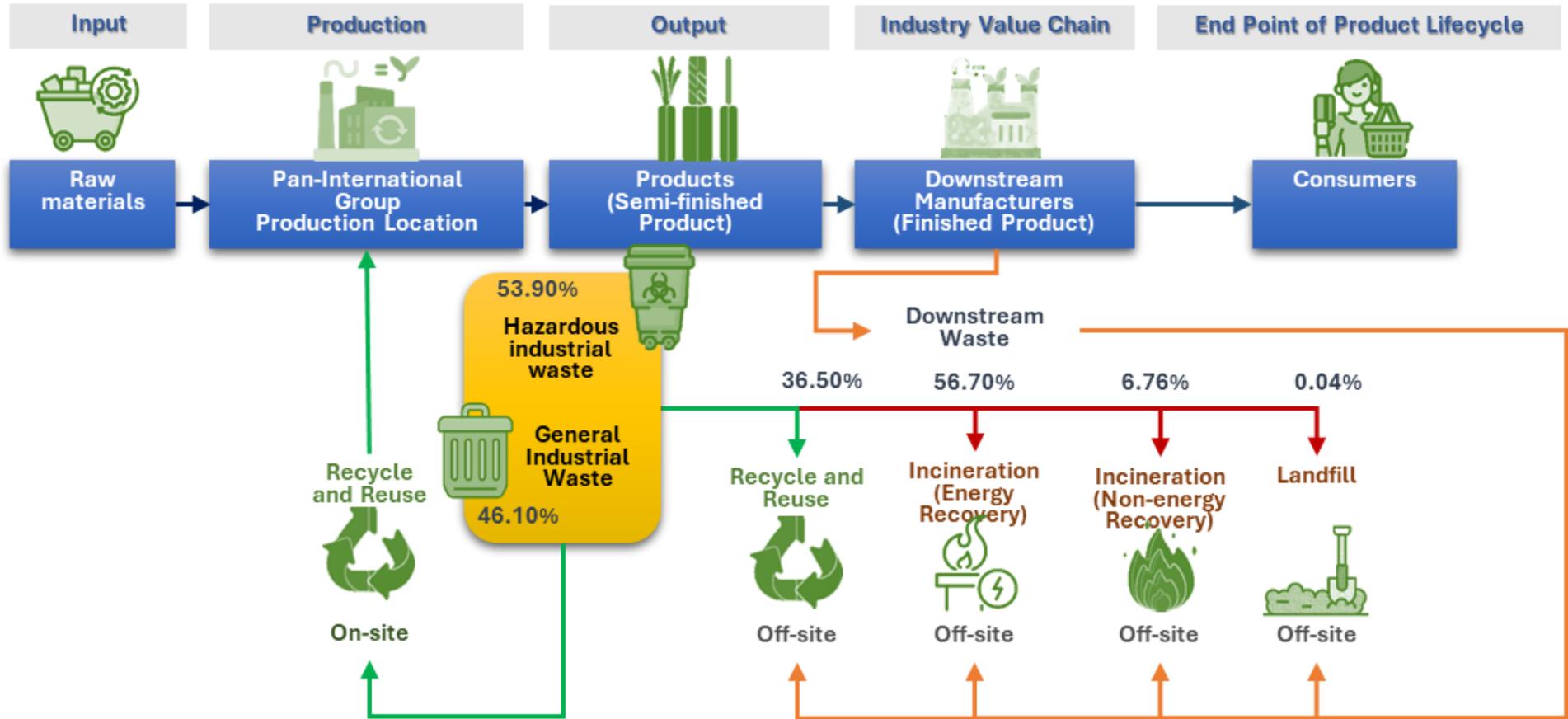
| Location | Value Chain Stage | Activities | Waste Types | Waste Categories | Disposal Methods | Disposal Units | Potential Impacts |
|--|-------------------|---|---------------------------------------|---------------------|--|----------------------|---|
| Pan-International, Taipei (Parent Company) | Own Operations | Daily office waste/others | Domestic waste generated by employees | Non-hazardous waste | Incineration (without energy recovery) | External third party | Improper treatment causes environmental pollution |
| | Own Operations | Daily office waste/Product scrapping or disposal | Domestic waste generated by employees | Non-hazardous waste | Incineration (without energy recovery) | External third party | Improper treatment causes environmental pollution |
| Dongguan Pan-International | Own Operations | Raw material supply/Product processing/Product packaging/Product scrapping or disposal/Others | Industrial solid waste | Non-hazardous waste | Other recycling operations | External third party | Improper treatment causes environmental pollution |
| | Own Operations | Raw material supply/Product processing/Product packaging/Product scrapping or disposal/Others | Hazardous waste | Hazardous waste | Incineration (without energy recovery)/Preparation for reuse | External third party | Improper treatment 1. causes environmental pollution 2. penalties from authorities due to violations of regulations |



| | | | | | | | |
|---|----------------|---|---------------------------------------|---------------------|--|----------------------|---|
| New Ocean Precision Component, Jiangxi | Own Operations | Daily office waste/Product scrapping or disposal | Domestic waste generated by employees | Non-hazardous waste | Incineration (with energy recovery)/ Other recycling | External third party | Improper treatment causes environmental pollution |
| | Own Operations | Raw material supply/Product processing/Product packaging/Product scrapping or disposal/Others | Industrial solid waste | Non-hazardous waste | Recycling | External third party | Improper treatment causes environmental pollution |
| | Own Operations | Raw material supply/Product processing/Product packaging/Product scrapping or disposal/Others | Hazardous waste | Hazardous waste | Incineration (with energy recovery)/ Recycling/Preparation for reuse | External third party | Improper treatment 1. causes environmental pollution 2. penalties from authorities due to violations of regulations |
| Honghuasheng, Yantai | Own Operations | Daily office waste/Product scrapping or disposal | Domestic waste generated by employees | Non-hazardous waste | Incineration (with energy recovery)/ Other recycling | External third party | Improper treatment causes environmental pollution |
| | Own Operations | Raw material supply/Product processing/Product packaging/Product scrapping or disposal/Others | Industrial solid waste | Non-hazardous waste | Recycling | External third party | Improper treatment causes environmental pollution |
| | Own Operations | Raw material supply/Product processing/Product packaging/Product scrapping or disposal/Others | Hazardous waste | Hazardous waste | Incineration (with energy recovery)/ Recycling | External third party | Improper treatment 1. causes environmental pollution 2. penalties from authorities due to violations of regulations |
| CJ Electric Systems, Wuhu | Own Operations | Daily office waste/Product scrapping or disposal | Domestic waste generated by employees | Non-hazardous waste | Incineration (without energy recovery) | External third party | Improper treatment causes environmental pollution |
| | Own Operations | Raw material supply/Product processing/Product packaging/Product scrapping or disposal/Others | Industrial solid waste | Non-hazardous waste | Incineration (without energy recovery)/Other recycling | External third party | Improper treatment causes environmental pollution |



▼ Pan-International Group - Value Chain and Waste Impact Diagram





5.3.2 Waste Management Policy

Waste Management Units

Each subsidiary of the Group has established responsible units for controlling, disposing of, and reporting industrial waste generated from company operations, and **reports industrial waste in accordance with local regulations**. Waste disposal methods are all implemented according to local regulations.

Pan-International Group’s Waste Management Responsible Units:

[Sustainability Committee]: The Chairman serves as the Chairperson, regularly discusses the implementation and planning of work related to disclosure and reduction, then reports the results to and reviews with the Board of Directors annually. Each subsidiary has its own management responsible unit.

Waste Disposal Method: The Company’s Waste Is all Outsourced for Treatment

The Group records waste types, quantities, and tracks waste flow through **online forms, management systems, evidence-based estimates, and other methods**, and compiles annual waste generation using **actual measurement and estimation methods**. All waste is entrusted to qualified external waste treatment operators for transportation and disposal. After receiving the three-part transport form issued by the external transport operator, the quantity (weight) measured in the plant must be verified with consistency. Regular audits are conducted to ensure that the transport and treatment operators dispose of industrial waste in accordance with the Group’s and local regulatory requirements.

Due to the nature of the industry, most of the Group’s subsidiaries are in the assembly industry, so waste classification is relatively simple, with almost all being non-hazardous waste. Except for Honghuasheng, Yantai, which has a different industry (PCB plant) from other plants, other subsidiaries mainly have employee domestic waste as the largest category. Due to the technical or regulatory requirements, the plant cannot dispose of waste on-site. Therefore, all waste—whether hazardous or non-hazardous—is taken off-site and handled by qualified operators approved by the relevant authorities. Additionally, although Honghuasheng, Yantai generates a larger amount of hazardous waste, all waste from the entire plant (both hazardous and non-hazardous) is managed using full recycling and reuse methods.

Highlight: Honghuasheng, Yantai obtained the UL 2799 Zero Waste to Landfill Highest Level Platinum Certification with Yantai Industrial Park, Hongfujin, Hongfutai, Futaijin in 2023 (expected to obtain the factory’s own certificate next year)



To achieve sustainable resource utilization and ensure proper waste treatment, each plant selects legally qualified waste disposal contractors in accordance with internal waste management procedure regulations. And, select contractors who can use “recycling and reuse” and “incineration (with energy recovery)” to replace “incineration (without energy recovery) and landfill” to ensure maximum resource utilization.

It is recommended to use recyclable and reusable materials in the plant to replace disposable materials. For example, using recyclable and reusable materials and packaging such as dry film cores, wood pulp boards, PE films, copper foils, aluminum sheets, film-coated aluminum sheets, aluminum alloys, and other recyclable and reusable packaging materials. This approach aims improve the recycling and reuse rates of materials and packaging. Regarding hazardous waste treatment, the types and quantities of hazardous waste substances are first reported to the environmental protection platform in compliance with regulations. Qualified contractors then come to the plant regularly to handle the treatment.

Our goal is to achieve a circular economy, transforming waste into valuable resources while reducing negative impacts on the environment. We believe that through cross-industry cooperation and global collaboration, we can achieve true waste management and sustainable development.



▼ **Waste Management Responsible Units**

| Location | Waste Classification | Waste Storage | Waste Data Collection | Waste Reporting | Waste Treatment - Outsourced Treatment |
|--|--|--|--|--|--|
| Pan-International, Taipei | Administration Department / Materials Division | Administration Department / Materials Division | Administration Department / Materials Division | None | Administration Department / Materials Division |
| US Subsidiary | Finance | Finance | Finance | None | Finance |
| Dongguan Pan-International | Management Department |
| New Ocean Precision Component, Jiangxi | Engineering Department |
| Honghuasheng, Yantai | Waste Treatment Unit / General Affairs / Environmental Engineering | Waste Treatment Unit / General Affairs / Environmental Engineering | Waste Treatment Unit / General Affairs / Environmental Engineering | Waste Treatment Unit / General Affairs / Environmental Engineering | Waste Treatment Unit / General Affairs / Environmental Engineering |
| CJ Electric Systems, Wuhu | Management Department |

▼ **Waste Disposal Method**

| Location | Waste Recording Method | Waste Generation Measurement Method |
|---|---|--|
| Pan-International, Taipei | Third-party issued receipts | Load count analysis method; Weight volume method |
| US subsidiary (about 10 people in the office) | None | Evidence-based estimation |
| Dongguan Pan-International | Online forms; Management system; Handwritten weighing forms | Load count analysis method; Weight volume method; Material balance method; Evidence-based estimation |
| New Ocean Precision Component, Jiangxi | Online forms; Management system; Domestic waste estimation | Load count analysis method; Weight volume method; Material balance method; Evidence-based estimation |
| Honghuasheng, Yantai | Online forms; Management system; Domestic waste estimation | Load count analysis method; Weight volume method; Material balance method; Evidence-based estimation |
| CJ Electric Systems, Wuhu | Domestic waste estimation | Evidence-based estimation |



5.3.3 Waste Transportation and Disposal

(GRI 306-3~306-5)

Overview of Waste Generation and Disposal Methods

In 2023, the total waste generated by the Group's parent company, subsidiaries in mainland China, and the US subsidiary was 11,232.756 tonnes, of which hazardous industrial waste was 6,054.538 tonnes, accounting for 53.9%; 5,178.218 tonnes were non-hazardous industrial waste, accounting for 46.1%.

The above data is affected by the hot spot waste - Honghuasheng, Yantai. Honghuasheng, Yantai is a PCB plant with a different industry from other plants. Excluding Honghuasheng, hazardous industrial waste was 2.738 tonnes, accounting for 0.24%; non-hazardous industrial waste was 1,141.898 tonnes, accounting for 99.76%.

This year's hazardous industrial waste volume (over 90% generated by Yantai) increased by about 37.7% compared to 2022. This increase is primarily due to Honghuasheng, Yantai's hazardous waste disposal contractor ceasing operations in 2022, resulting in some copper-containing waste (about 560 tonnes) generated in 2022 being disposed of in 2023. Essentially, there should have been a decrease in 2023. Despite this, the plant is still committed to increasing the recycling amount of hazardous waste, and uses the largest copper-containing waste for incineration treatment with energy recovery.

This year, the volume of non-hazardous industrial waste decreased by about 8.6% compared to 2022. This reduction is mainly due to efforts to minimize the reduction of non-recyclable materials and actively seek recyclable materials to replace disposable materials, through reducing packaging, recycling packaging, reusing pallet, and reducing paper documentation by electronic means.

In addition to reducing waste at the source, Pan-International Group enhances the resource value of existing waste by adopting recycling methods. These methods focus on maximizing recycling in compliance with local regulations and feasible technologies, ensuring that waste resources are utilized as effectively as possible.

In 2023, 13.5% of the Company's hazardous industrial waste and 63.5% of non-hazardous industrial waste were managed by recycling methods, accounting for 36.5% of the annual total waste.



▼ Industrial Waste Generation (Unit: Tonnes)

| Items | Pan-International, Taipei (Parent Company)/including the US Subsidiary Data in 2023 | | | Dongguan Pan-International | | | New Ocean Precision Component, Jiangxi | | | Honghuasheng, Yantai | | | CJ Electric Systems, Wuhu | | | Total | | |
|--------------------------------|---|-------|--------|----------------------------|---------|---------|--|---------|---------|----------------------|-----------|------------|---------------------------|---------|---------|------------|------------|------------|
| | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Hazardous industrial waste | 0.000 | 0.000 | 0.000 | 0.431 | 0.464 | 0.464 | 6.867 | 1.918 | 2.274 | 5,580.360 | 4,393.040 | 6,051.800 | NA | 0.131 | 0.000 | 5,587.658 | 4,395.552 | 6,054.538 |
| Non-hazardous industrial waste | 11.264 | 8.587 | 12.097 | 112.500 | 120.000 | 204.668 | 129.000 | 119.500 | 200.133 | 4,815.605 | 5,147.568 | 4,036.320 | NA | 270.000 | 725.000 | 5,068.369 | 5,665.655 | 5,178.218 |
| Total amount | 11.264 | 8.587 | 12.097 | 112.931 | 120.464 | 205.132 | 135.867 | 121.418 | 202.407 | 10,395.965 | 9,540.608 | 10,088.120 | NA | 270.131 | 725.000 | 10,656.027 | 10,061.207 | 11,232.756 |

Note: Due to calculation errors, the waste data for New Ocean Precision Component, Jiangxi and Honghuasheng, Yantai in 2021 and 2022 have been partially corrected (based on the 2023 report, with slight differences from the 2022 report)

Note: The classification of hazardous and non-hazardous waste is based on local regulations at each location.

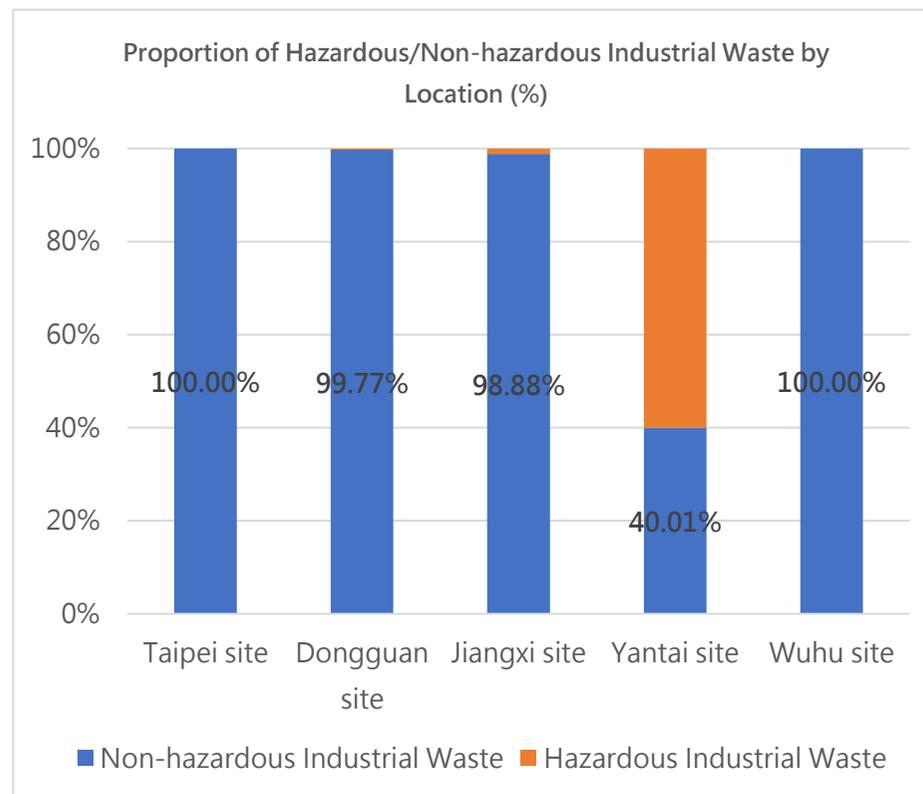
Note: The Group acquired CJ Electric Systems, Wuhu in 2022, so there is no relevant information for 2021.

Note: In 2022, the amount of domestic waste generated by employees in Dongguan was not estimated, while in 2023, the amount of employee domestic waste was added.

Note: CJ Electric Systems, Wuhu expanded in 2023 (Dechan Plant area increased by 10,600 pings).

Note: From 2023, Pan-International, Taipei includes the data of US subsidiary.

Note: In 2022, due to disposal contractor ceasing operations, the hazardous copper-containing waste generated in Honghuasheng, Yantai resulted in some hazardous waste (about 560 tonnes) that needed to be disposed in 2023.



| Proportion of Hazardous/Non-hazardous Industrial Waste by Location (%) | | |
|--|--------------------------------|----------------------------|
| Plant | Non-hazardous industrial waste | Hazardous industrial waste |
| 1.Pan-International, Taipei | 100.00 % | 0.00 % |
| 2.Dongguan Pan-International | 99.77 % | 0.23 % |
| 3.New Ocean Precision Component, Jiangxi | 98.88 % | 1.12 % |
| 4.Honghuasheng, Yantai | 40.0 1% | 59.99 % |
| 5.CJ Electric Systems, Wuhu | 100.00 % | 0.00 % |



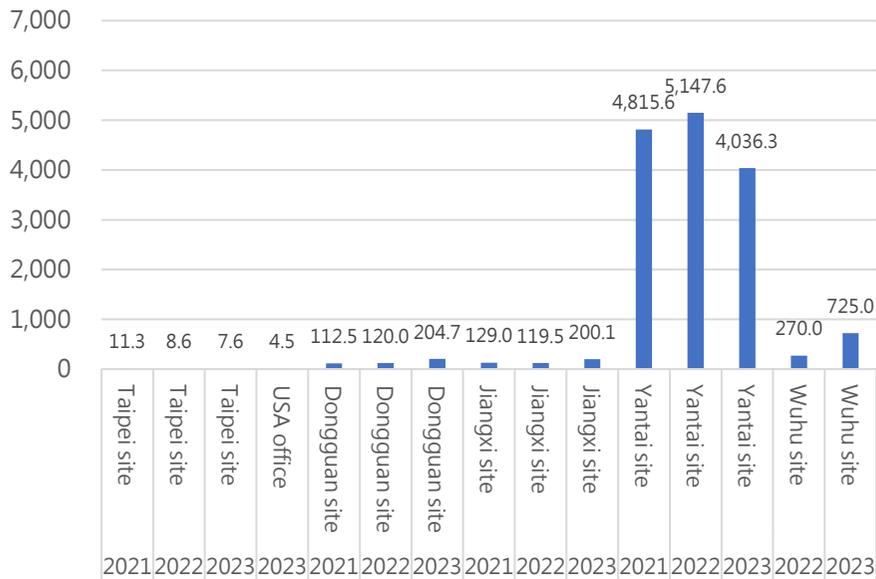
Proportion of Hazardous/Non-hazardous Industrial Waste



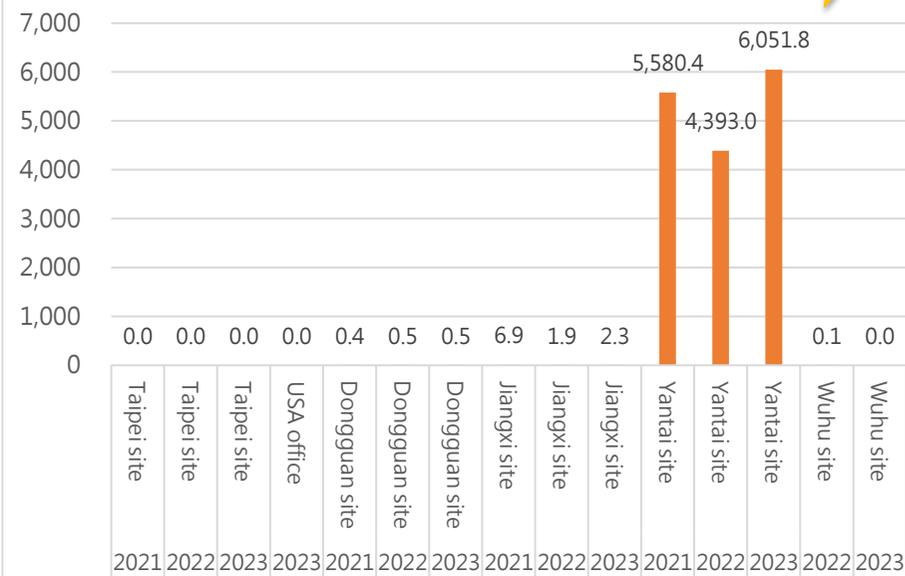
As shown in the figure below, we achieved positive results in terms of hazardous and non-hazardous waste in 2023. Within the current boundary of the Group, almost all plants maintained a downward trend. This demonstrates our efforts and progress. Pan-International Group will continue to firmly implement waste reduction policies. We aim to gradually achieve the goal of zero waste.

Third-party disposal site issue: About 560 tonnes of hazardous waste in 2022 was delayed for disposal until 2023

Recent Years - Non-hazardous Industrial Waste Generation by Location (Tonnes)



Recent Years - Hazardous Industrial Waste Generation by Location (Tonnes)





• **Industrial Waste Disposal Transfer Explanation**

The Company's waste treated by recycling methods mainly includes **non-hazardous waste such as waste wood, waste metal, waste packaging materials, as well as hazardous waste like edge materials, waste metals**. The recycling methods primarily involve **preparation for reuse, recycling, and other recycling operations**. In **2023**, a total of 4,100.112 tonnes of waste were transferred for disposal, **all of which were outsourced to third parties for disposal**.

▼ **Waste Transferred from Disposal by Recycling Operations (Unit: Tonnes)**

| Items | Disposal Transfer Method | Pan-International, Taipei (Parent Company) and the US Subsidiary/Including the US Subsidiary Data in 2023 | | | Dongguan Pan-International | | | New Ocean Precision Component, Jiangxi | | | Honghuasheng, Yantai | | | CJ Electric Systems, Wuhu | | | Total | | | |
|--------------------------------|----------------------------|---|-------|-------|----------------------------|-------|---------|--|-------|---------|----------------------|----------|----------|---------------------------|-------|--------|----------|----------|----------|-------|
| | | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | |
| Hazardous industrial waste | Preparation for Reuse | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.127 | 0.000 | 0.000 | 1.691 | 0.000 | 0.000 | 0.000 | NA | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 1.818 |
| | Recycling | 0.000 | 0.000 | 0.000 | 0.431 | 0.464 | 0.000 | 0.000 | 0.000 | 0.566 | 753.620 | 666.180 | 812.080 | NA | 0.000 | 0.000 | 754.051 | 666.644 | 812.646 | |
| | Other recycling operations | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 5.194 | 1.833 | 0.000 | 0.000 | 0.000 | 0.000 | NA | 0.131 | 0.000 | 5.194 | 1.964 | 0.000 | |
| | Total amount | 0.000 | 0.000 | 0.000 | 0.431 | 0.464 | 0.127 | 5.194 | 1.833 | 2.257 | 753.620 | 666.180 | 812.080 | NA | 0.131 | 0.000 | 759.245 | 668.608 | 814.464 | |
| Non-hazardous industrial waste | Preparation for Reuse | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | NA | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| | Recycling | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 190.240 | 0.000 | 0.000 | 2315.180 | NA | 0.000 | 0.000 | 0.000 | 0.000 | 2505.420 | |
| | Other recycling operations | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 152.828 | 6.000 | 5.000 | 0.000 | 3524.412 | 3788.418 | 602.400 | NA | 0.000 | 25.000 | 3530.412 | 3793.418 | 780.228 | |
| | Total amount | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 152.828 | 6.000 | 5.000 | 190.240 | 3524.412 | 3788.418 | 2917.580 | NA | 0.000 | 25.000 | 3530.412 | 3793.418 | 3285.648 | |

Note: The Group acquired CJ Electric Systems, Wuhu in 2022, so there is no relevant information for 2021.

Note: In 2022, the amount of domestic waste generated by employees in Dongguan was not estimated, while in 2023, the amount of employee domestic waste was added.

Note: CJ Electric Systems, Wuhu expanded in 2023 (Dechan Plant area increased by 10,600 pings).

Note: From 2023, Pan-International, Taipei includes the data of US subsidiary.



• **Industrial Waste Direct Disposal Explanation**

▼ **Waste Directly Disposed of by Disposal Operations (Unit: Tonnes)**

| Items | Direct Disposal Method | Pan-International, Taipei (Parent Company)/Including the US Subsidiary Data in 2023 | | | Dongguan Pan-International | | | New Ocean Precision Component, Jiangxi | | | Honghuasheng, Yantai | | | CJ Electric Systems, Wuhu | | | Total | | |
|--------------------------------|--|---|-------|--------|----------------------------|---------|--------|--|---------|-------|----------------------|-----------|-----------|---------------------------|---------|---------|-----------|-----------|-----------|
| | | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Hazardous industrial waste | Incineration (with energy recovery) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.017 | 4,826.740 | 3,726.860 | 5,239.720 | NA | 0.000 | 0.000 | 4,826.740 | 3,726.860 | 5,239.737 |
| | Incineration (without energy recovery) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.337 | 1.673 | 0.084 | 0.000 | 0.000 | 0.000 | 0.000 | NA | 0.000 | 0.000 | 1.673 | 0.084 | 0.337 |
| | Landfill | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | NA | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| | Total amount | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.337 | 1.673 | 0.084 | 0.017 | 4,826.740 | 3,726.860 | 5,239.720 | NA | 0.000 | 0.000 | 4,828.413 | 3,726.944 | 5,240.074 |
| Non-hazardous industrial waste | Incineration (with energy recovery) | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 9.000 | 8.000 | 9.893 | 0.000 | 0.000 | 1,118.740 | NA | 0.000 | 0.000 | 9.000 | 8.000 | 1,128.633 |
| | Incineration (without energy recovery) | 11.264 | 8.587 | 7.627 | 112.500 | 120.000 | 51.840 | 0.000 | 0.000 | 0.000 | 1,291.193 | 1,359.150 | 0.000 | NA | 270.000 | 700.000 | 1,414.957 | 1,757.737 | 759.467 |
| | Landfill | 0.000 | 0.000 | 4.470 | 0.000 | 0.000 | 0.000 | 12.000 | 10.000 | 0.000 | 0.000 | 0.000 | 0.000 | NA | 0.000 | 0.000 | 12.000 | 10.000 | 4.470 |
| | Other Direct Treatment | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 102.000 | 96.500 | 0.000 | 0.000 | 0.000 | 0.000 | NA | 0.000 | 0.000 | 102.000 | 96.500 | 0.000 |
| | Total amount | 11.264 | 8.587 | 12.097 | 112.500 | 120.000 | 51.840 | 123.000 | 114.500 | 9.893 | 1,291.193 | 1,359.150 | 1,118.740 | NA | 270.000 | 700.000 | 1,537.957 | 1,872.237 | 1,892.570 |

Note: The Group acquired CJ Electric Systems, Wuhu in 2022, so there is no relevant information for 2021.

Note: In 2022, the amount of domestic waste generated by employees in Dongguan was not estimated, while in 2023, the amount of employee domestic waste was added.

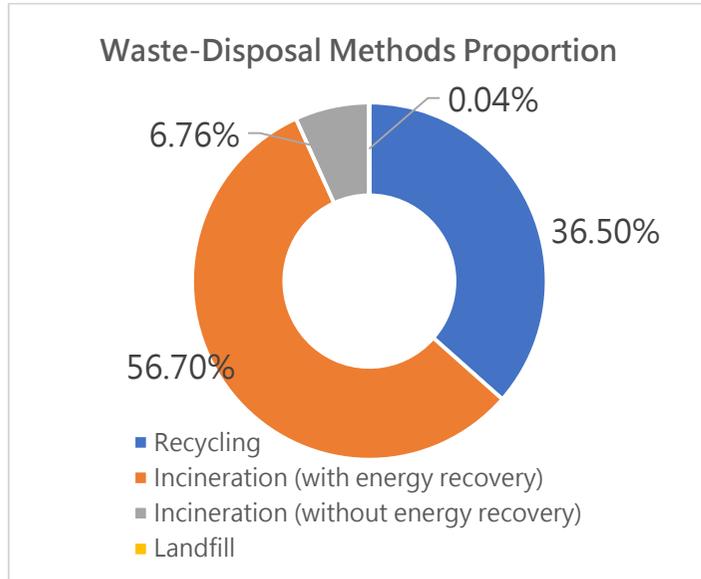
Note: CJ Electric Systems, Wuhu expanded in 2023 (Dechan Plant area increased by 10,600 pings).

Note: From 2023, Pan-International, Taipei includes the data of US subsidiary.

Note: Due to calculation errors, the waste data for New Ocean Precision Component, Jiangxi and Honghuasheng, Yantai in 2021 and 2022 have been partially corrected (based on the 2023 report, with slight differences from the 2022 report)



In addition to the above waste, the remaining waste is directly disposed of by incineration or landfill methods. In **2023**, a total of **7,132.644** tonnes of waste were directly disposed of by the Company, **all of which were outsourced to third parties for disposal**. It is worth noting that in **2023**, **New Ocean Precision Component, Jiangxi and Honghuasheng, Yantai** **changed the incineration without energy recovery to incineration with energy recovery**, to generate heat that can be reused during the waste treatment process.





5.4 Air Quality

(GRI 305-7)



The Group’s Pan-International, Taipei, Dongguan Pan-International, New Ocean Precision Component, Jiangxi, CJ Electric Systems, Wuhu, and US subsidiary, are categorized as office environments and simple electronic assembly plants, which do not produce air pollutants. **Only the subsidiary Honghuasheng, Yantai produces some air pollutants in the manufacturing process due to its different industry - PCB plant**, including:

- Nitrogen oxides and sulfur oxides: Generated by natural gas boilers, these emissions are untreated but comply with direct discharge standards.
- VOCs: Primarily discharged from waste gas scrubber used in processes involving inks (such as inner layer or solder resist ink printing and ink baking lines).

To track and control air pollutant emissions in the plant, in addition to installing relevant prevention equipment, Honghuasheng, Yantai conducts gas testing at emission outlets in the plant through third-party testing and certain automatic online monitoring every six months/annually/others according to different items, ensuring that the generated air pollutants all comply with government regulations/environmental impact assessment commitments.



▼ Honghuasheng, Yantai - Air Pollution Prevention Equipment and Treatment Efficiency

| Air Pollutant Name | Prevention Equipment | Treatment Efficiency (%) |
|----------------------------------|---|--|
| Nitrogen oxides (NOx) | Direct discharge | Meets direct discharge standards |
| Sulfur oxides (SOx) | Direct discharge | Meets direct discharge standards |
| Volatile organic compounds (VOC) | Activated carbon adsorption treatment process & water spray scrubbing | Activated carbon treatment efficiency: 90% |



▼ **Honghuasheng, Yantai - Air Pollutant Emission Concentration Test**

| Major Gas | Actual Tested Emission Concentration (Unit) | Emission Standard (Unit) |
|----------------------------------|---|--------------------------|
| Nitrogen oxides (NOx) | 40 mg/m ³ | 100 mg/m ³ |
| Sulfur oxides (SOx) | 17.5 mg/m ³ | 50 mg/m ³ |
| Volatile organic compounds (VOC) | 1.92 mg/m ³ | 50 mg/m ³ |

Note 1: This table shows the average values of regular testing in 2023

Note 2: Emission standards comply with government regulations/environmental impact assessment commitments/air pollution operating permit

In 2023, Honghuasheng, Yantai emitted 391 kg of nitrogen oxides (NOx), 166 kg of sulfur oxides (SOx), and 933 kg of volatile organic compounds (VOC). No persistent organic pollutants (POP), hazardous air pollutants (HAP), particulate matter (PM), or other major gases currently regulated were produced.

- VOC emissions are fluctuating and difficult to measure precisely. VOC is mainly calculated by the concentration at the time of detection × total exhaust volume, so the concentration at the time of detection will affect the total amount. Honghuasheng continues to strives to treat and discharge VOCs in a manner that exceeds government regulations/environmental impact assessment commitments.

- The emissions of nitrogen oxides and sulfur oxides in 2023 decreased compared to 2022 and 2021, primarily due to (1) the replacement of the pressing boiler in Plant A2 with a new type of boiler (reducing emissions) and (2) the removal of one steam humidification boiler.



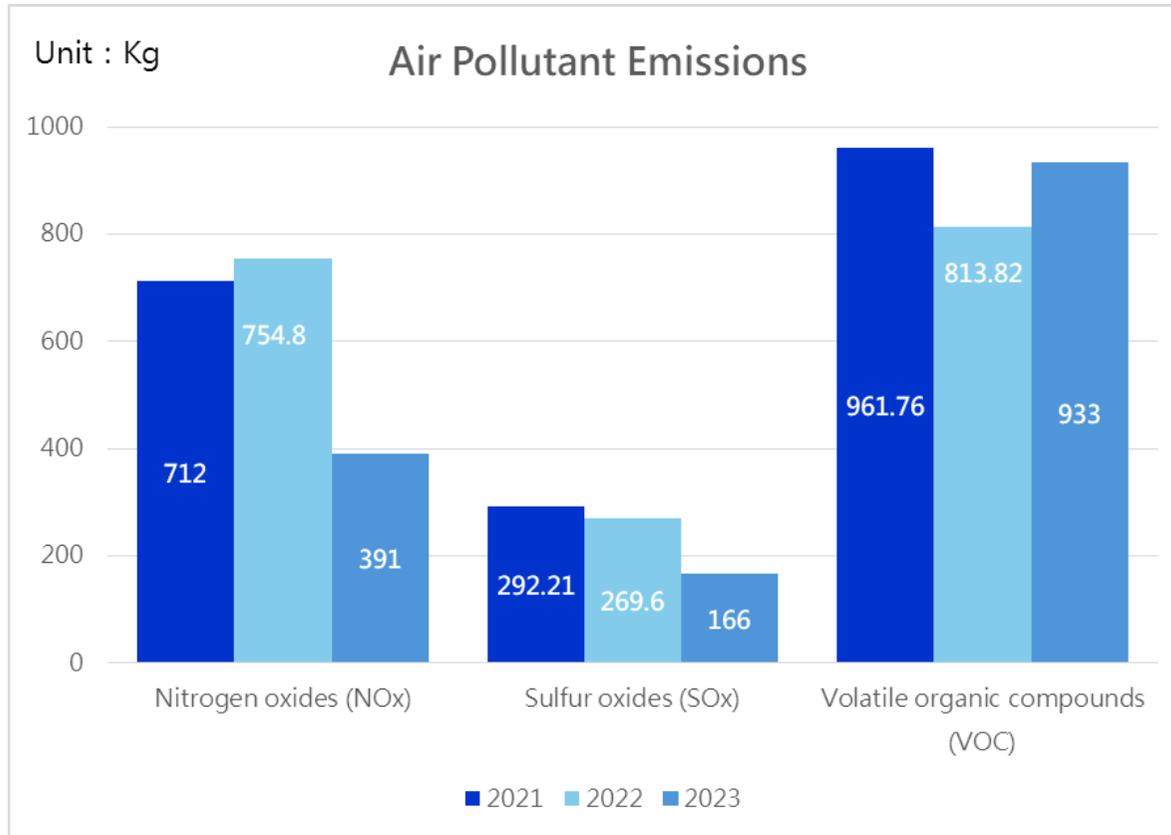
▼ **Honghuasheng, Yantai Air Pollutant Emissions Over the Years (Unit: kg)**

| Items | 2021 | 2022 | 2023 |
|----------------------------------|--------|--------|------|
| Nitrogen oxides (NOx) | 712 | 754.8 | 391 |
| Sulfur oxides (SOx) | 292.21 | 269.6 | 166 |
| Volatile organic compounds (VOC) | 961.76 | 813.82 | 933 |

Note 1: Measurement method explanation: Emissions are monitored emission concentrations.

Note 2: Coefficient source: There is no coefficient for monitoring emission concentrations.

Note 3: VOC is calculated based on the concentration at the time of detection x total exhaust volume





6. Happy Workplace

6.1 Human Capital

6.1.1 Human Resource Management

Pan-International Group values its employees as the Company's most important asset. Therefore, based on the labor laws and regulations of the locations where the Company operates, we develop human resource management procedures, compensation mechanisms, and work rules. We also regularly review the latest regulatory requirements to protect employees' labor rights. The Group clearly stipulates the prohibition of child labor, discrimination, workplace sexual harassment, forced labor, and other related incidents. We establish independent complaint channels to provide employees with a safe, equal, and free working environment.

The Group focuses on educational background, professional skills, integrity and enthusiasm in hiring, and legally hires people with disabilities to protect their work rights. Employees of the same job level (ability) receive the same welfare measures, salary standards and education and training systems, regardless of gender, age, nationality, and other factors. Annual performance evaluations are conducted as a basis for employee retention, promotion, salary adjustment or bonus allocation.

6.1.2 Talent Recruitment

(GRI 2-7, 2-8, 202-2, 401-1, 405-1)

• Year-end Employee Composition

As of the end of 2023, Pan-International Group had a total of 3,210 employees within **the scope of this disclosure**, comprising 3,209 permanent employees and one temporary employee. Classified by employment type, there were 3,209 permanent employees and one part-time employee, with no employees working under non-guaranteed hours. In addition, some of the Company's affairs are undertaken by **dispatch companies**, about 50 people, such as **office and plant security, cleaning personnel, employee cafeteria contractors, employee dormitory managers, transportation drivers**, etc. There have been no significant **structural** changes in the workforce in the past three years. The number of employees in 2023 decreased by approximately 40% compared to 2022, primarily due to workforce reductions at various locations (except for a slight increase in personnel at CJ Electric Systems, Wuhu's expansion).

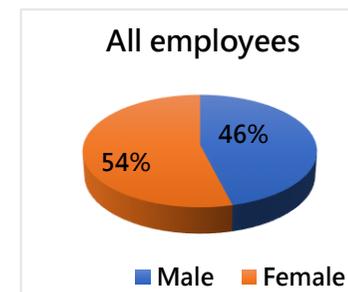


▼ Employee Structure at the End of 2023 (Unit: Person)

| Employment Type | Gender | Region | | | Total |
|---------------------|----------|--------|-------|---------------|-------|
| | | Taiwan | China | United States | |
| All employees | Male | 38 | 1,435 | 4 | 1,477 |
| | Female | 23 | 1,707 | 3 | 1,733 |
| | Subtotal | 61 | 3,142 | 7 | 3,210 |
| Permanent Employees | Male | 38 | 1,435 | 4 | 1,477 |
| | Female | 23 | 1,707 | 2 | 1,732 |
| | Subtotal | 61 | 3,142 | 6 | 3,209 |
| Temporary Employees | Male | 0 | 0 | 0 | 0 |
| | Female | 0 | 0 | 1 | 1 |
| | Subtotal | 0 | 0 | 1 | 1 |
| Full-time Employees | Male | 38 | 1,435 | 4 | 1,477 |
| | Female | 23 | 1,707 | 2 | 1,732 |
| | Subtotal | 61 | 3,142 | 6 | 3,209 |
| Part-time Employees | Male | 0 | 0 | 0 | 0 |
| | Female | 0 | 0 | 1 | 1 |
| | Subtotal | 0 | 0 | 1 | 1 |

Definition: This table is the statistics within the scope of this disclosure

- Permanent employees: Employment contracts with no fixed term (indefinite contracts).
- Temporary employees: Employment contracts with a fixed term (fixed-term contracts).
- Full-time employees: Employees whose weekly working hours meet the requirements of full-time status as defined by local regulations.
- Part-time employees: Employees whose weekly working hours below the requirements of full-time status as defined by local regulations.



▼ Number of Employees in the Past Three Years (Unit: Person)

| Year | End of 2021 | End of 2022 | End of 2023 |
|----------------------------|-------------|-------------|-------------|
| Number of Male Employees | 2,359 | 2,397 | 1,477 |
| Number of Female Employees | 2,658 | 2,870 | 1,733 |
| Total Number of Employees | 5,017 | 5,267 | 3,210 |



• Employee Diversity

Within **the scope of this disclosure** of the Group, the proportion of male and female employees is 46% and 54%, respectively, with employees aged 30 to 50 being the majority, accounting for 78.2% of the total number. In addition, 21 people with disabilities are employed according to law. To support the Group’s concept of diversity and equality, 80 employees with indigenous and minority ethnic identities are also part of the workforce.

To promote employee diversity, we recruit overseas talents, and the workforce is composed of **multiple** nationalities. While focusing on diverse employment and expanding into overseas markets, our employees are mainly local nationals, with overseas employees accounting for approximately 0.2% of the total workforce. When recruiting non-local employees and overseas employees, the Group complies with relevant domestic and foreign regulations and carefully assesses potential risks that may arise (such as immigration and visa regulations). We assist in effectively managing visas, work permit, residential relocation, and other work-related regulations and rights. Additionally, we try to cooperate with local organizational units to gather local living conditions to help employees quickly adapt to their new environment and provide a comprehensive workplace. The Group’s senior managers are mainly local employees. This year, 95.8% of senior managers are residents, with only one senior executive being a foreign national.

▼ Total Number of Employees by Level and Diversity Indicators at the End of 2023 (Unit: Person)

| Job Level | | Senior Managers | Mid-level Managers | Entry-level Managers | Entry-level Employees | Total |
|---|------------------------|-----------------|--------------------|----------------------|-----------------------|---------|
| Total Number of Employees at Each Level | | 24 | 257 | 481 | 2,448 | 3,210 |
| Percentage of Total Employees at Each Level (%) | | 0.7 % | 8.0 % | 15.0 % | 76.3 % | 100.0 % |
| Diversity Indicator | | | | | | |
| Gender | Male | 21 | 161 | 288 | 1,007 | 1,477 |
| | Female | 3 | 96 | 193 | 1,441 | 1,733 |
| Age | 29 years old and below | 0 | 72 | 24 | 472 | 568 |
| | 30 to 50 years old | 17 | 167 | 447 | 1,879 | 2,510 |
| | 51 years old and above | 7 | 18 | 10 | 97 | 132 |
| Indigenous identity | | 1 | 0 | 2 | 77 | 80 |
| Whether with Disabilities | | 0 | 0 | 0 | 21 | 21 |
| Education Level | PhD | 0 | 0 | 0 | 0 | 0 |
| | Master’s | 3 | 4 | 1 | 9 | 17 |
| | Higher Education | 17 | 144 | 118 | 362 | 641 |
| | Secondary Education | 4 | 109 | 204 | 827 | 1,144 |
| | Primary Education | 0 | 0 | 158 | 1,250 | 1,408 |
| Nationality | Taiwanese | 23 | 254 | 480 | 2,445 | 3,202 |
| | Foreign | 1 | 3 | 1 | 3 | 8 |



▼ Percentage of Employees by Level and Diversity Indicators at the End of 2023 (Unit: %)

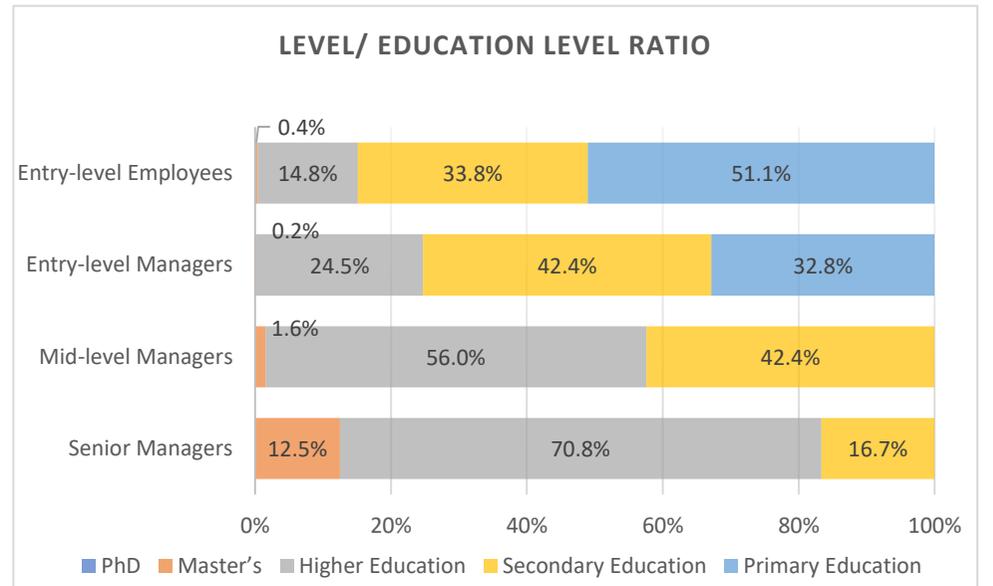
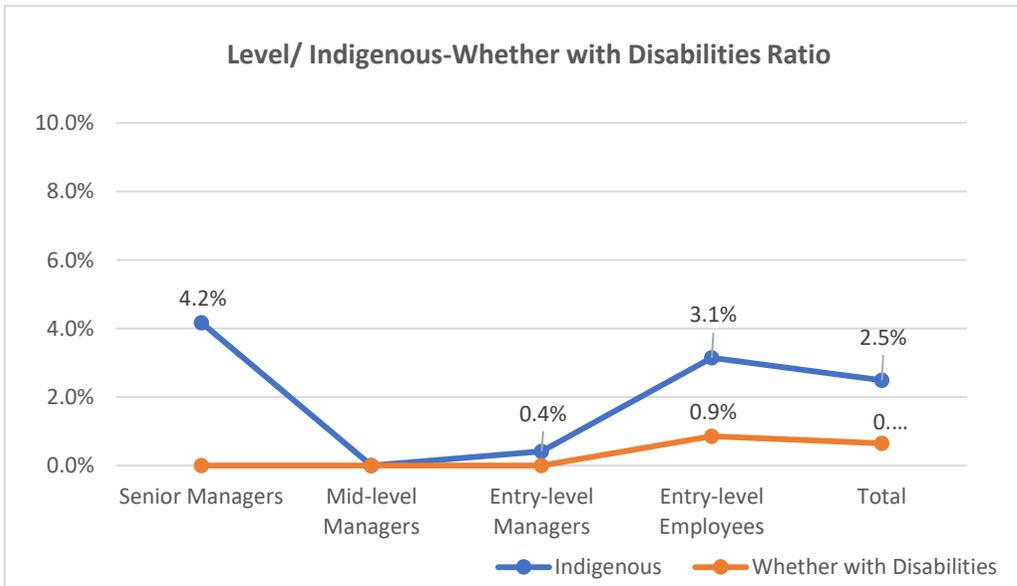
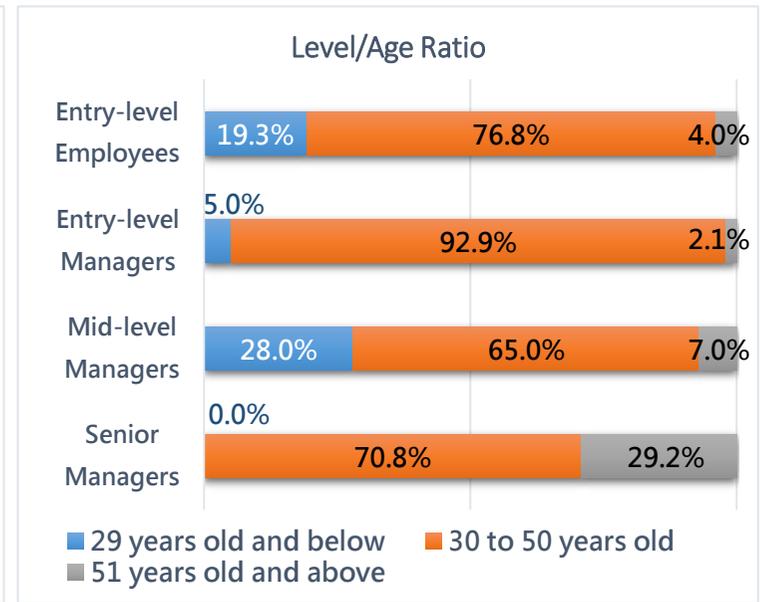
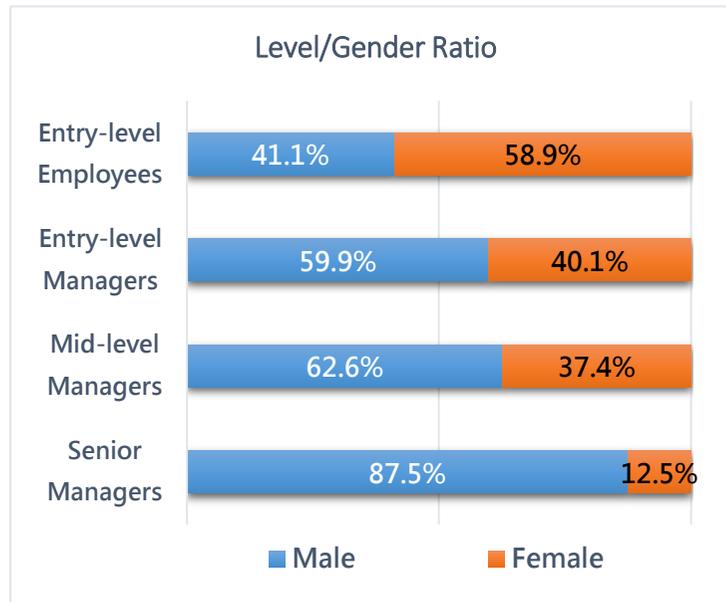
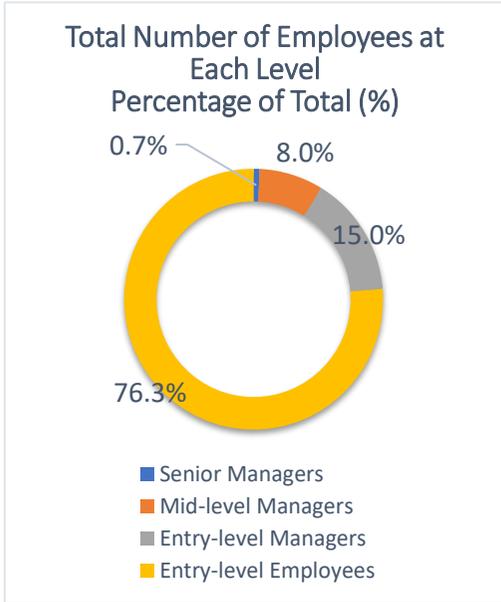
| Job Level | | Senior Managers | Mid-level Managers | Entry-level Managers | Entry-level Employees | All employees |
|---------------------------|------------------------|-----------------|--------------------|----------------------|-----------------------|---------------|
| Gender | Male | 87.5 % | 62.6 % | 59.9 % | 41.1 % | 46.0 % |
| | Female | 12.5 % | 37.4 % | 40.1 % | 58.9 % | 54.0 % |
| Age | 29 years old and below | 0.0 % | 28.0 % | 5.0 % | 19.3 % | 17.7 % |
| | 30 to 50 years old | 70.8 % | 65.0 % | 92.9 % | 76.8 % | 78.2 % |
| | 51 years old and above | 29.2 % | 7.0 % | 2.1 % | 4.0 % | 4.1 % |
| Indigenous identity | | 4.2 % | 0.0 % | 0.4 % | 3.1% | 2.5% |
| Whether with Disabilities | | 0.0 % | 0.0 % | 0.0 % | 0.9% | 0.7% |
| Education Level | PhD | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| | Master's | 12.5 % | 1.6 % | 0.2 % | 0.4 % | 0.5 % |
| | Higher Education | 70.8 % | 56.0 % | 24.5 % | 14.8 % | 20.0 % |
| | Secondary Education | 16.7 % | 42.4 % | 42.4 % | 33.8 % | 35.6 % |
| | Primary Education | 0.0 % | 0.0 % | 32.8 % | 51.1 % | 43.9 % |
| Nationality | Taiwanese | 95.8 % | 98.8 % | 99.8 % | 99.9 % | 99.8 % |
| | Foreign | 4.2 % | 1.2 % | 0.2 % | 0.1 % | 0.2 % |

Note: The percentages in this table are calculated based on employees of the same level and type. For example, the percentage of male entry-level employees = number of male entry-level employees ÷ total number of entry-level employees

Note: This table is the statistics within the scope of this disclosure



▼ At the end of 2023 - Chart by Level and Diversity Indicators





• Personnel Turnover

We have a comprehensive recruitment system and hope that employees will cooperate with the Company. We also respect employees' career change choices. In 2023, the Group recruited a total of 740 new employees, including 342 males and 398 females, mainly aged 30 to 50. Additionally, 930 employees left (including 58 employees who retired), including 342 males and 588 females. Reasons for leaving include family care, relocation, career change, and other factors. To protect employee rights and improve the recruitment system, the heads of responsible units conduct interviews with all departing employees to understand the specific reasons for leaving, as a reference for subsequent human resource management improvements.

◆ Pan-International Group's Severance Notice Period

If the company encounters major operational changes, such as operational organization adjustments, changes in manpower demand, force majeure factors, or considers employees to be unsuitable, it must notify the employees in advance according to the notice period stipulated by the Labor Standards Act, and provide severance pay.

- - Worked for more than three months but less than one year: ten days in advance
- - Worked for more than one year but less than three years: 20 days in advance
- - Worked for more than three years: 30 days in advance

▼ Total Number and Percentage of New Hires in 2023

| Gender | Age | Region | | | Total | New Hire Rate (%) |
|--------|------------------------|--------|-------|---------------|-------|-------------------|
| | | Taiwan | China | United States | | |
| Male | 29 years old and below | 0 | 203 | 0 | 203 | 23.2% |
| | 30 to 50 years old | 2 | 130 | 0 | 132 | |
| | 51 years old and above | 0 | 7 | 0 | 7 | |
| | Subtotal | 2 | 340 | 0 | 342 | |
| Female | 29 years old and below | 1 | 148 | 0 | 149 | 23.0% |
| | 30 to 50 years old | 3 | 246 | 0 | 249 | |
| | 51 years old and above | 0 | 0 | 0 | 0 | |
| | Subtotal | 4 | 394 | 0 | 398 | |
| Total | | 6 | 734 | 0 | 740 | 23.1% |

Note: This table is the statistics within the scope of this disclosure

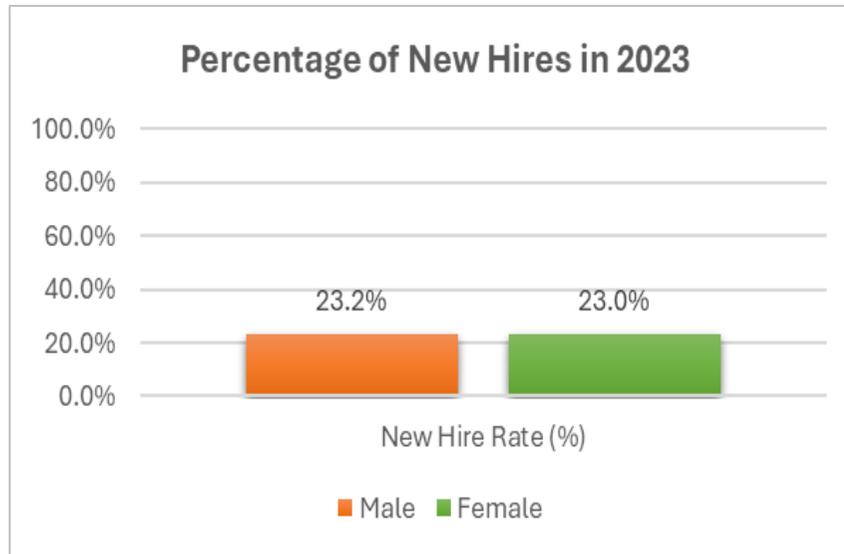
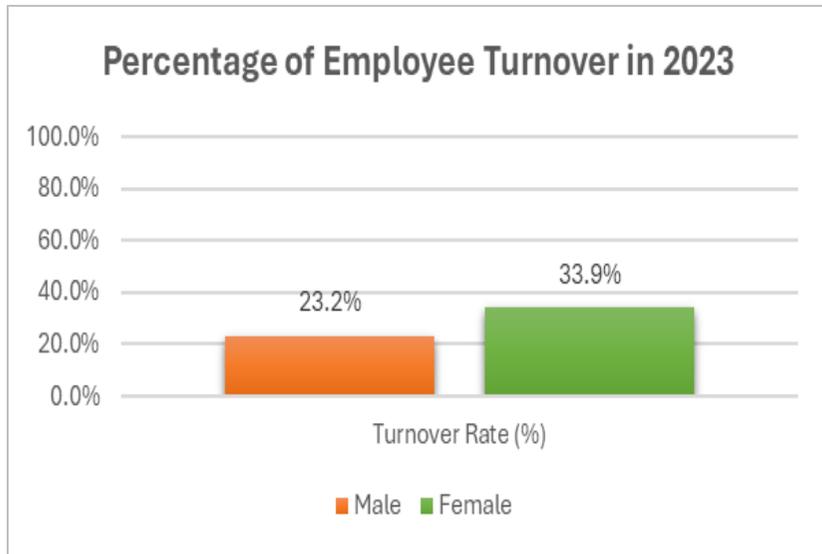
Note: The percentages in this table are calculated based on new hires of the same type and total employees of the same type. For example, the percentage of males = number of new male hires ÷ total number of males



▼ Total Number and Percentage of Employee Turnover in 2023

| Gender | Age | Region | | | Total | Turnover Rate (%) |
|--------|------------------------|--------|--------|---------------|-------|-------------------|
| | | Taiwan | Taiwan | United States | | |
| Male | 29 years old and below | 0 | 147 | 0 | 147 | 23.2% |
| | 30 to 50 years old | 2 | 177 | 0 | 179 | |
| | 51 years old and above | 9 | 6 | 1 | 16 | |
| | Subtotal | 11 | 330 | 1 | 342 | |
| Female | 29 years old and below | 0 | 134 | 0 | 134 | 33.9% |
| | 30 to 50 years old | 0 | 444 | 0 | 444 | |
| | 51 years old and above | 0 | 10 | 0 | 10 | |
| | Subtotal | 0 | 588 | 0 | 588 | |
| Total | | 11 | 918 | 1 | 930 | 29.0% |

Note: This table provides the statistics for the boundaries of this disclosure Note: The percentages in this table are calculated based on departing employees of the same type and total employees of the same type, for example, the percentage of males = number of departing male employees ÷ total number of males





6.1.3 Labor-Management Agreement

(GRI 2-30)

Pan-International Group strives to create a harmonious and equal communication platform between employees and the Company. We establish diverse and effective communication channels, including **labor-management meetings, employee welfare committee, employee opinion mailbox, employee opinion surveys**, etc., to protect the rights and obligations of both labor and management while improving the labor environment and labor-management regulations in a timely manner.

▼ Types of Employee Communication Channels

| Communication Channels | Description |
|-------------------------------------|--|
| Labor-Management Meetings | Labor representatives for all previous labor-management meetings were formally elected by all employees, and together with management representatives appointed by the Company, a total of one labor-management meeting was held this year. (Each company has different regulations, meetings must be held at least once) |
| Employee Welfare Committee Meetings | According to relevant laws and regulations, as well as the Group’s employee welfare regulations and the organizational charter of the Employee Welfare Committee, meetings are held regularly every three months to formulate or revise various employee welfare plans. A total of four Employee Welfare Committee meetings were held this year. (Each company has different regulations; meetings must be held at least once per quarter) |
| Employee Opinion Mailbox | Provide internal email mailboxes or establish care centers to allow employees to reflect their opinions or suggestions in a timely manner. |

▼ 2023 Employee Feedback Statistics

| Communication Channels | Number of Opinions | Primary Content of Feedback | Number of Cases Processed | Number of Cases Not Processed |
|--------------------------|--------------------|--|---------------------------|-------------------------------|
| Employee Opinion Mailbox | 17 | Wages, meals, privacy, salary adjustments, order | 17 | 0 |



• Labor Union

Within the scope of this disclosure, Dongguan Pan-International, Honghuasheng, Yantai, and New Ocean Precision Component, Jiangxi have established labor unions.

At Honghuasheng, Yantai, all employees, except Taiwanese managers, are eligible to join the union as members. The union has signed a collective agreement with the Company that outlines work rules and labor conditions. This agreement is valid for **three** years, and representatives from both the union and the Company negotiate renewal or a new agreement **one** month before each term expires. The current agreement is effective from September 22, 2023, to September 21, 2026.

For New Ocean Precision Component, Jiangxi, all personnel can join the union as members. The union has signed a collective agreement with the Company that stipulates work rules and labor conditions. The agreement is valid for **three** years, and representatives of the union and the company negotiate renewal or a new agreement **three** months before each term expires.

For Dongguan Pan-International, all employees are eligible to join the union as members. The union has signed a collective agreement with the Company according to the guidance of the general union, stipulating work rules and labor conditions. The agreement is valid for five years, and representatives of the union and the company negotiate renewal or a new agreement three months before each term expires.

In **2023**, 99.75% of employees joined labor unions, and all union members benefited from the protections provided by collective agreements.



6.2 Remuneration and Benefits

Material Topic Management Approach: Employee Benefits and Compensation

Corresponding GRI Indicators: GRI 3-3, GRI 202-1, GRI 401-2, GRI 401-3

| | | | | | | |
|--|-------------------------------|--|--|--|--|--|
| Impact Description | | 1. Remuneration does not meet legal standards and violates laws 2. Employees are unable to receive their rightful benefits 3. Poor remuneration or benefits diminish employee satisfaction 4. Damage to corporate image | | | | |
| Location | | Pan-International, Taipei (Parent Company) | Dongguan Pan-International | New Ocean Precision Component, Jiangxi | Honghuasheng, Yantai | CJ Electric Systems, Wuhu |
| Policies or Commitments Established or Followed | Internal Regulations | √ | √ | √ | √ | √ |
| | Government Regulations | √ | √ | √ | √ | √ |
| Responsible Units | | Sustainability Committee / Chairperson (Corporate Governance Unit) | Deputy Chairperson (Corporate Governance Unit) | Deputy Chairperson (Corporate Governance Unit) | Deputy Chairperson (Corporate Governance Unit) | Deputy Chairperson (Corporate Governance Unit) |
| Management Actions | | <div style="display: flex; align-items: flex-start;"> <div style="flex: 1;"> <pre> graph TD A[Sustainability Committee - Carbon Reduction (Sustainability) Group] --> B[Board of Directors] C[Chairperson] --> B D[Deputy Chairperson] --> C E[Management Executive] --> D F1[Promoting Committee Member Procurement] --> D F2[Promoting Committee Member Manufacturing/Quality Assurance] --> D F3[Promoting Committee Member Plant Affairs/Environmental Safety Department] --> D F4[Promoting Committee Member General Affairs/Accounting] --> D F5[Promoting Committee Member R&D/Human Resource/IT...] --> D </pre> </div> <div style="flex: 2; padding-left: 20px;"> <ul style="list-style-type: none"> ▪ Establish Sustainability Committee: The Corporate Governance Unit regularly discusses the implementation and planning of related work (remuneration and benefits), and then reports to the Board of Directors annually. ▪ Review and improve annually </div> </div> | | | | |



Process for Monitoring the Effectiveness of Actions

- Sustainability Committee: For key subsidiaries (with production plants), the Group has established a management organization chaired by the Chairman, who serves as the Chairperson. The Committee meets regularly (quarterly) to discuss corporate governance, social care, and environmental protection.
- This topic is related to the implementation and planning of social care work, which is then reported to and reviewed by the Board of Directors annually.
- The Board of Directors supervises.
- Through the Sustainability Committee, develop guidelines and goals, and coordinate and integrate relevant strategies and plans of each subsidiary. Regular meetings are held to confirm and review goal achievement rates and challenge new energy-saving milestones.

Management Performance Indicators

| Indicators | 2023 Achievement | Short-term Goal (2024) | Mid-term Goal (2022-2027) | Long-term Goal (2022-2050) |
|---|-----------------------|------------------------|---------------------------|----------------------------|
| The salary exceeds the local minimum wage | Achieved 100% in 2023 | | | |
| Benefits superior to local basic benefits | Achieved 100% in 2023 | | | |

6.2.1 Equal and Competitive Remuneration

(GRI 2-21, 202-1)

• Male-Female Compensation Ratio

Pan-International Group focuses on talent retention and development, committing to providing competitive salaries and comprehensive employee benefits. The Group’s salary standards are set based on local regulations, industry trends, and local living conditions, with the principle of being superior to the minimum requirements. Salary and remuneration are not affected by gender, race, language, religion, age, party affiliation, marital status, and other conditions. In this equal and inclusive workplace, the starting salaries for women and men are the same. However, the final compensation (basic salary plus remuneration) differs based on years of service, experience or job allowances. The salaries of the Group’s employees include basic salary, meal allowance, various bonuses or allowances. Annual salary adjustments are made based on operating conditions, while bonuses are awarded based on employee performance to motivate employees and encourage talents to grow with the Company.



In 2023, the ratio of the highest individual annual total remuneration to the median annual total compensation of the Company (excluding the highest-compensated individual) was 5.86. In addition, the ratio of the percentage increase in the highest compensated individual’s annual total compensation to the median percentage increase in average total compensation (excluding the highest compensated individual) was -0.64. The above statistics may show positive or negative fluctuations since the change in the highest remuneration is directly related to the Company’s profits. (Calculation conditions: 1. Employees who have worked for less than twelve months are not included in the calculation. 2. The highest paid person is at the assistant vice GM level. 3. New hires during the year do not receive a bonus, so there is a larger remuneration gap. 4. This data only applies to Taiwan)

In 2023, the average and median salaries of non-managerial permanent employees of the Group increased by 14.53% and 7.04%, respectively, compared to 2022. Despite a slight decline in company profits, the Group prioritized improving the salary levels of entry-level employees to protect their quality of life, considering inflation and changes in the overall economic environment.

• Ratio of Entry-level Employee Salaries to Local Minimum Wage

The Group adheres to the relevant requirements of local labor laws in its operations. According to the functions of each plant in the Company’s operating system, a legal and compliant salary structure is established. In Taiwan, the standard starting salary exceeds the basic salary stipulated by the “Labor Standards Act.” In other operating regions, local regulations on minimum wages are also followed. In 2023, the average monthly basic salary of entry-level employees at major operating locations was about 1-1.5 times higher than the legal minimum wage.

▼ Ratio of Entry-level Employee Salaries to Legal Minimum Salaries at Major Operating Locations

| Major Operating Location | Country | Multiple Times Above the Minimum Wage |
|--|----------------|---------------------------------------|
| Pan-International, Taipei (Parent Company) | Taiwan | 1.52 |
| Dongguan Pan-International | Mainland China | 1.05 |
| New Ocean Precision Component, Jiangxi | Mainland China | 1.00 |
| Honghuasheng, Yantai | Mainland China | 1.02 |
| CJ Electric Systems, Wuhu | Mainland China | 1.00 |
| PIU | United States | 1.50 |

Note: In 2023, the local legal monthly basic salary in Taiwan was NT\$26,400. In mainland China, it was RMB 1,900 in Dongguan, RMB 1,740 in Jiangxi, RMB 2,200 in Yantai, and RMB 1,930 in Wuhu. In California, USA, the local legal was USD 17.3/hr.



6.2.2 Comprehensive Welfare Measures

(GRI 401-2)

• Welfare Measures

To enhance employee cohesion and improve market competitiveness, Pan-International Group has developed various welfare measures, such as generous performance bonus systems, insurance, marriage/funeral/childbirth allowances, and various subsidies. In addition, the Group has established an Employee Welfare Committee responsible for promoting and planning these welfare measures. All full-time employees are eligible for these benefits. The welfare funds is contributed monthly by the Company and employees, with funds allocated to the Employee Welfare Committee account. These funds are used for various activities or subsidies. The Committee regularly tracks the usage of the welfare funds and gathers employee feedback to ensure its proper utilization.

▼ Pan-International Standard Benefits

| Items | Pan-International, Taipei (Parent Company) | US Subsidiary | Dongguan Pan-International | New Ocean Precision Component, Jiangxi | Honghuasheng, Yantai | CJ Electric Systems, Wuhu |
|--|--|---|---|---|---|---|
| Insurance | <ul style="list-style-type: none"> Enroll in labor insurance and national health insurance in compliance with legal grade tables Plan group comprehensive insurance, including coverage for life insurance, accident insurance, medical insurance, cancer insurance, and other protections Overseas travel insurance (for business travelers) | <ul style="list-style-type: none"> Enroll in labor insurance and commercial health insurance in compliance with local regulations Travel insurance (for business travelers) | <ul style="list-style-type: none"> Enroll in social insurance and provident fund (endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing provident fund) according to local regulations | <ul style="list-style-type: none"> Enroll in social insurance and provident fund (endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing provident fund) according to local regulations | <ul style="list-style-type: none"> Enroll in social insurance and provident fund (endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing provident fund) according to local regulations | <ul style="list-style-type: none"> Enroll in social insurance and provident fund (endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance, and housing provident fund) according to local regulations |
| Leave Benefits | <ul style="list-style-type: none"> Provide annual leave in accordance with the Labor Standards Act | <ul style="list-style-type: none"> Provide holidays in accordance with local regulations | <ul style="list-style-type: none"> Provide holidays in accordance with local regulations | <ul style="list-style-type: none"> Provide holidays in accordance with local regulations | <ul style="list-style-type: none"> Provide holidays in accordance with local regulations | <ul style="list-style-type: none"> Provide holidays in accordance with local regulations |
| Marriage/Funeral/Childbirth and Holiday Allowances | <ul style="list-style-type: none"> Childbirth subsidy Three festival bonuses Birthday gift | <ul style="list-style-type: none"> Birthday gift Thanksgiving bonus | <ul style="list-style-type: none"> Three festival gifts | <ul style="list-style-type: none"> Childbirth subsidy Birthday gift Marriage and funeral allowances | <ul style="list-style-type: none"> Childbirth subsidy Three festival bonuses Birthday gift | <ul style="list-style-type: none"> Childbirth subsidy |



| Items | Pan-International, Taipei (Parent Company) | US Subsidiary | Dongguan Pan-International | New Ocean Precision Component, Jiangxi | Honghuasheng, Yantai | CJ Electric Systems, Wuhu |
|-------------------------|--|--|--|---|---|--|
| Subsidies or Allowances | <ul style="list-style-type: none"> • Marriage and funeral allowances | <ul style="list-style-type: none"> • Christmas bonus | | <ul style="list-style-type: none"> • Injury and illness condolences | <ul style="list-style-type: none"> • Marriage and funeral allowances • Injury and illness condolences | |
| | <ul style="list-style-type: none"> • Health check subsidy • Travel allowance • Education and training subsidy (for courses arranged by employees themselves, not the courses held by the Company) | <ul style="list-style-type: none"> • Retirement pension subsidy | <ul style="list-style-type: none"> • Health check subsidy | <ul style="list-style-type: none"> • Health check subsidy | <ul style="list-style-type: none"> • Health check subsidy • Health check subsidy • Travel subsidy • Hospital condolences • Assistance for employees in difficulty • Assistance for employees' immediate family members • Assistance for employees and their families in the event of disasters | <ul style="list-style-type: none"> • Health check subsidy |
| Benefit Activities | <ul style="list-style-type: none"> • Employee trips • Year-end party • Club activities • Meal subsidies | <ul style="list-style-type: none"> • Holiday gatherings | <ul style="list-style-type: none"> • Year-end party | <ul style="list-style-type: none"> • Year-end party • Club activities • Employee trips | <ul style="list-style-type: none"> • Year-end party • Club activities • Senior employee condolences | |
| Others | <ul style="list-style-type: none"> • Flexible Working Hours | <ul style="list-style-type: none"> • Flexible Working Hours | <ul style="list-style-type: none"> • Employee Dormitories | <ul style="list-style-type: none"> • Employee Dormitories • Plant Shuttle Buses | <ul style="list-style-type: none"> • Employee Dormitories • Plant Shuttle Buses | <ul style="list-style-type: none"> • Employee Dormitories |

• Retirement Benefit System

To protect the rights and interests of retired employees, the Group's bases adopt retirement pension systems in accordance with local regulations and legally contribute to retirement pensions. When employees are about to retire, farewell parties are also to express appreciation for their dedication and hard work. In Taiwan, for employees who adopt the old pension system, when they meet the retirement conditions and apply for retirement pensions, they are paid from the "Labor Retirement Reserve Fund Account". For those who adopt the new pension system, they are paid from the "Labor Pension Individual Account."



| Location | Retirement System | | Contribution Status |
|--|--|---|--|
| Pan-International, Taipei (Parent Company) | Old System | Employees in Taiwan who joined on or before June 30, 2005, are entitled the retirement pension benefits under the old system, in accordance with Taiwan’s Labor Standards Act and Labor Pension Act. Employees who joined on or after July 1, 2005 are entitled the retirement pension benefits under the new system. | According to the “Labor Standards Act,” 6% of employees’ total salary is contributed monthly to the “Labor Retirement Reserve Fund Account” at the Bank of Taiwan. |
| | New System | | According to the “Labor Pension Act,” 6% of their total salary is contributed monthly to the “Labor Pension Individual Account” at the Bureau of Labor Insurance. |
| US Subsidiary | According to local tax regulations, employees participate in the 401(K) tax plan, contributing fixed amounts to tax-free accounts for use after retirement. | | Based on each employee’s preference, contributions are made to the 401(K) plan, and the Company adds an additional 30% of the employee’s contribution to the plan. |
| Dongguan Pan-International | According to the Labor Contract law, when workers reach the legal retirement age, labor contracts are terminated, and they receive pension insurance benefits paid by the social insurance fund. | | Enroll in social insurance according to local regulations and pay pension insurance premiums. |
| New Ocean Precision Component, Jiangxi | According to the Labor Contract law, when workers reach the legal retirement age, labor contracts are terminated, and they receive pension insurance benefits paid by the social insurance fund. | | Enroll in social insurance according to local regulations and pay pension insurance premiums. |
| Honghuasheng, Yantai | According to the Labor Contract law, when workers reach the legal retirement age, labor contracts are terminated, and they receive pension insurance benefits paid by the social insurance fund. | | Enroll in social insurance according to local regulations and pay pension insurance premiums. |
| CJ Electric Systems, Wuhu | According to the Labor Contract law, when workers reach the legal retirement age, labor contracts are terminated, and they receive pension insurance benefits paid by the social insurance fund. | | Enroll in social insurance according to local regulations and pay pension insurance premiums. |

Note: For detailed retirement pension contribution amounts, please refer to page 70 of this year’s annual report.

Note: Annual report link: https://www.panpi.com.tw/tw/investor_service/financial/reports or refer to the content announced on the Market Observation Post System of the Taiwan Stock Exchange Corporation.



6.2.3 Family-Friendly Workplace

(GRI 401-3)

We are committed to creating a family-friendly environment. In addition to allowing statutory parental to leave without pay, to be considerate of the hard work of parenting parents, the Group also provides **childbirth subsidies, family care leave that is superior to regulations, flexible work hours and other mechanisms**. Cozy breastfeeding rooms equipped with refrigerators, freezers and other facilities are also set up in offices to allow female colleagues who are breastfeeding to be free from worries.

In 2023, the Group's reinstatement rate for employees applying for parental leave was 100%, with all employees returning to the Company after their parental leave. The retention rate of those still employed one year after reinstatement was 90%. The retention rate was not 100% because some employees left due to their personal career planning factors.

▼ 2023 Parental Leave Personnel Analysis

| Category | Male | Female | Total |
|---|------|--------|-------|
| Number of employees eligible for parental leave this year (A) | 2 | 27 | 29 |
| Number of employees applying for parental leave this year (B) | 0 | 26 | 26 |
| Number of employees due to return from parental leave this year (C) | 0 | 19 | 26 |
| Number of employees returning to work after parental leave this year (D) | 0 | 19 | 26 |
| Number of employees returning to work after parental leave in the previous year (E) | 17 | 31 | 48 |
| Number of employees still employed twelve months after returning from parental leave in the previous year (F) | 16 | 27 | 43 |
| Parental leave application rate (%) (=B/A) | 0% | 96% | 90% |
| Reinstatement rate (%) (=D/C) | NA | 100% | 100% |
| Retention rate (%) (=F/E) | 94% | 87% | 90% |

Note: In mainland China, parental leave is referred to as maternity leave together with maternity leave, with varies in durations in each province, such as 180 days of maternity leave in Dongguan (must have worked for two years) (starting fifteen days before childbirth). The above parental leave data is calculated according to local regulations.



6.3 Diverse Development

6.3.1 Training and Development

(GRI 404-1)

Pan-International Group attaches great importance to employee competency development, believing that only continuous and up-to-date education and training can lead employees and the Company to grow together. We provide diverse learning channels and training courses with both depth and breadth to enhance employee skills and knowledge. Please see below for learning channels and training courses.

| Learning Channels | Training Courses |
|---------------------------------|-----------------------------------|
| On job training | New employee training |
| Physical courses | Professional competency courses |
| Online courses | General courses |
| External education and training | Language enhancement courses |
| Job rotation | Management and leadership courses |
| Others | Others |

▼ Number of Training Courses and Participants/Hours in 2023

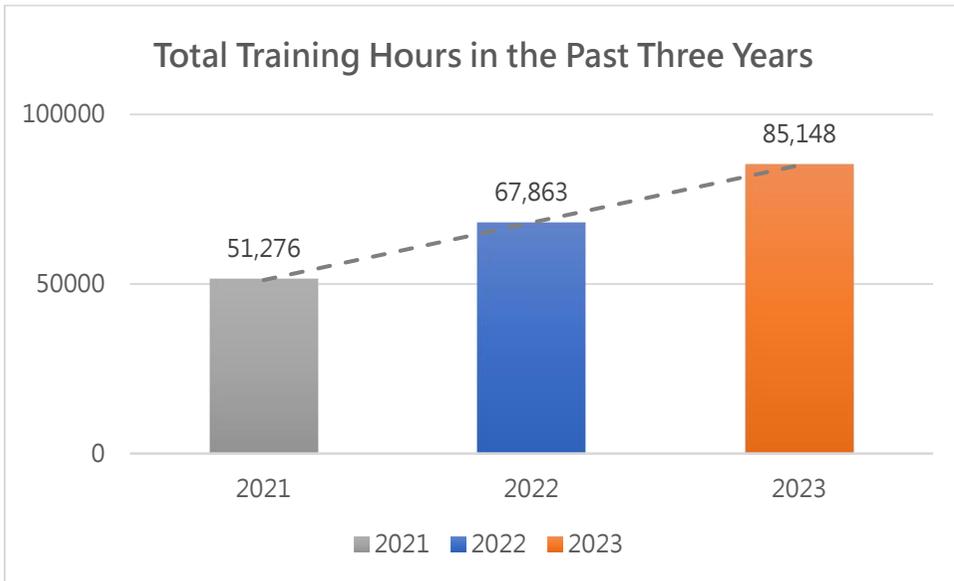
| Course Category | Number of Classes | Total Participants | Total Number of Participants and Training Hours |
|---------------------------------|-------------------|--------------------|---|
| New employee training | 145 | 15,496 | 30,633 |
| Professional competency courses | 13 | 279 | 1,939 |
| General courses | 105 | 26,206 | 52,536 |
| Language enhancement courses | 0 | 0 | 0 |
| Management Leadership Courses | 7 | 17 | 40 |
| Total | 270 | 41,998 | 85,148 |



▼ Training Participants/Hours in the Past Three Years

| Year | End of 2021 | End of 2022 | End of 2023 |
|-----------------------------|-------------|-------------|-------------|
| Total Training Participants | 4,991 | 3,717 | 41,998 |
| Total Training Hours | 51,276 | 67,863 | 85,148 |

In 2023, a total of 270 classes were conducted, training 41,998 participants and accumulating 85,148 training hours. Overall, the average training hours per employee was 27 hours. Compared to 67,863 person-hours in 2022, this represents a 25.47% increase, highlighting a significant growth trend and underscoring the Company’s commitment to investing in employee education and training.





Average Training Hours by Gender

Our employee education and training policy does not differ by gender. In 2023, the average training hours for males was 33.66 hours, and for females was 20.44 hours. The reason for higher average training hours for males is that special operation training hours are longer, and most operators are male.

▼ Average Training Hours by Gender (Unit: Hours)

| Gender | 2023 |
|--------|-------|
| Male | 33.66 |
| Female | 20.44 |

Note: Average training hours = Total training hours for each gender ÷ Number of employees of each gender at year-end

• Average Training Hours by Job Level

The average training hours for each job level in 2023 are presented in the table below. Compared to the previous two years, the average training hours for each level have shown steady growth, reflecting the Company’s increasing investment in employee education and training year by year. This commitment supports employees’ career development and creates a win-win situation for both the Company and its employees.

▼ Average Training Hours by Job Level

| Job Level | 2023 |
|-----------------------|-------|
| Senior Managers | 0.6 |
| Mid-level Managers | 12.99 |
| Entry-level Managers | 40.18 |
| Entry-level Employees | 25.52 |

Note: Average training hours = Total training hours for each job level ÷ Number of employees at each job level at year-end



6.4 Workplace Safety

Material Topic Management Approach: Occupational Health and Safety

Corresponding GRI Indicators: GRI 3-3, GRI 403 (all)

| | | | | | | |
|--|-------------------------------|--|--|--|--|--|
| Impact Description | | 1. Affects personnel physical health 2. Violates labor safety laws, subject to government fines or work stoppages 3. Damages company and customer image 4. Increases the risks of workplace safety | | | | |
| Location | | Pan-International, Taipei (Parent Company) | Dongguan Pan-International | New Ocean Precision Component, Jiangxi | Honghuasheng, Yantai | CJ Electric Systems, Wuhu |
| Policies or Commitments Established or Followed | Internal Regulations | √ | √ | √ | √ | √ |
| | Government Regulations | √ | √ | √ | √ | √ |
| Responsible Units | | Sustainability Committee / Chairperson (Corporate Governance Unit) | Deputy Chairperson (Corporate Governance Unit) | Deputy Chairperson (Corporate Governance Unit) | Deputy Chairperson (Corporate Governance Unit) | Deputy Chairperson (Corporate Governance Unit) |
| Management Actions | | <pre> graph TD Board[Board of Directors] --> Chair[Chairperson] Mgmt[Management Executive] --> Chair Chair --> Deputy[Deputy Chairperson] Deputy --> M1[Promoting Committee Member Procurement] Deputy --> M2[Promoting Committee Member Manufacturing/Quality Assurance] Deputy --> M3[Promoting Committee Member Plant Affairs/Environmental Safety Department] Deputy --> M4[Promoting Committee Member General Affairs/Accounting] Deputy --> M5[Promoting Committee Member R&D/Human Resource/IT...] </pre> | | | | <ul style="list-style-type: none"> ▪ Sustainability Committee: The occupational safety units of each plant in the Social Care Issue Unit regularly discuss the implementation and planning of related work, and then report the results to the Board of Directors annually. ▪ Review and improve quarterly |



Process for Monitoring the Effectiveness of Actions

- Each plant has its own occupational safety unit tailored to its needs, responsible for formulating safety-related matters suitable for the plant.
- Sustainability Committee: For key subsidiaries (with production plants), the Group has established a management organization chaired by the Chairman, who serves as the Chairperson. The Committee meets regularly (quarterly) to discuss corporate governance, social care, and environmental protection.
- This topic is related to the implementation and planning of social care work, which is then reported to and reviewed by the Board of Directors annually.
- The Board of Directors oversees the Sustainability Committee, which formulates guidelines and goals, and coordinates and integrates relevant strategies and plans of each subsidiary. Regular meetings are held to confirm and review goal achievement rates and challenge new energy-saving milestones.

| Management Performance Indicators | | | | |
|--|---|--|---------------------------|---|
| Indicators | 2023 Achievement | Short-term Goal (2024) | Mid-term Goal (2022-2027) | Long-term Goal (2022-2050) |
| Timely improvement rate of safety hazards: 99% | Achieved 100% in 2023 |  | | |
| Number of occupational safety incidents: 1 | Not achieved in 2023, corrective actions have been reviewed and implemented | | |  |
| Occupational disease rate: 0 | Achieved 100% in 2023 |  | | |

6.4.1 Occupational Health and Safety Management

(GRI 403-1~403-8)

As a group that values employee well-being, Pan-International Group considers employee safety and health one of our top priorities. To ensure employee safety and health in the workplace, we insist on regularly evaluating workplace safety measures, occupational health management, and employee welfare measures. In addition, we also provide subsidies for employees to have annual health check-ups. We provide the best working environment and support for our employees to achieve their personal and professional goals.



Pan-International Taipei, US subsidiary are only offices, and Dongguan Pan-International, CJ Electric Systems, Wuhu are smaller in scale. These four locations have not yet established ISO 45001:018 occupational health and safety management systems, but they follow the internally established occupational health and safety management regulations and implement them effectively. The US location has no relevant regulations and has not conducted risk assessments due to the small number of personnel and its office-only environment. The implementation includes: (1) Workplace safety measure assessment: Regularly assess workplace safety measures, including inspecting facilities, equipment, and operating procedures to ensure compliance with relevant safety standards and regulations. We also conduct risk assessments to identify areas that may pose potential risks to employee health and safety and take appropriate measures to reduce risks. (2) Occupational health management: We value employee occupational health management and provide them with relevant support and services. This includes providing occupational health check-ups, encouraging healthy lifestyles, and providing mental health support. Our goal is to ensure employees physical and mental health at work and provide necessary resources and guidance to support their health needs.

Honghuasheng, Yantai and New Ocean Precision Component, Jiangxi have established occupational health and safety management systems based on relevant local regulations and ISO 45001:2018 occupational health and safety management system standards, adopting the PDCA cycle concept - Plan, Do, Check, Act as the management framework basis. They have set up occupational health and safety committees to identify all possible risks in the workplace, formulate management methods and control procedures, and regularly conduct internal audits to effectively prevent various accidents and protect workers' health and safety.

Note: External workers refer to all workers other than employees who perform work designated by the Group within or outside the Group's premises, such as raw material suppliers, equipment maintenance contractors, external consultants, etc.

• **Scope of Occupational Health and Safety Management System**

The following operating locations of the Group have established occupational health and safety management systems and passed external third-party verification. The management system standards adopted by each operating location and the number and proportion of workers covered are shown in the table.

| Operating Location | Occupational Health and Safety Management System Certification Standard | Applicable Area | Scope of Workers Covered ^{Note 1} | | | | Types of Workers Excluded |
|---|---|-----------------|--|----------------------------------|----------------------------|----------------------------------|---------------------------|
| | | | Employees (persons) | Percentage (%) ^{Note 2} | External Workers (persons) | Percentage (%) ^{Note 3} | |
| New Ocean Precision Component, Jiangxi | ISO 45001 | Whole plant | 1047 | 100% | 42 | 100% | None |
| Honghuasheng, Yantai | ISO 45001 | Whole plant | 1240 | 100% | - | - | None |

Note 1: The above table reflects the number of people covered by the occupational health and safety management system, which has undergone internal audits and external verification.

Note 2: Percentage of employees covered = **All employees must participate**

Note 3: Percentage of workers covered = **External workers of New Ocean Precision Component, Jiangxi must participate; Honghuasheng, Yantai has no external workers**



• Occupational Health and Safety Committee

The Occupational Health and Safety Committee of New Ocean Precision Component Jiangxi is composed of both labor and management, with a total of 65 members. A senior manager serves as the chairman, and there are 29 labor representatives, accounting for 50% of all committee members. **The Occupational Health and Safety Committee includes labor representatives.** It is responsible for reviewing the Company's occupational health and safety management methods, assessing the effectiveness of implementing various management procedures, evaluating occupational health and safety education and training plans, and analyzing occupational accident investigation reports.

A management group is formed under the Occupational Health and Safety Committee, responsible for regularly conducting risk assessments and planning and promoting occupational health and safety policies. The group also arranges annual education and training, occupational health services, and health promotion activities. The methods for managing occupational health and safety are published on the company website and occupational health and safety management policies are promoted. Multi-language public procedure documents are provided for foreign employees, ensuring that all employees clearly understand the Company's occupational health and safety policies.

• Worker Communication and Reporting Mechanism

The management group of New Ocean Precision Component, Jiangxi has an independent reporting mechanism. Workers can anonymously provide feedback, communicate and consult on occupational health and safety related matters through dedicated lines and a mailbox at ya-chu.quan@fit-foxconn.com. When foreign employees need assistance with communication or consultation, employees who are fluent in foreign languages or commissioned translators serve as intermediaries to facilitate effective two-way communication.

In addition, according to the **Occupational Safety and Health Act**, we encourage employees, suppliers, or contractors to proactively report safety and health concerns in the workplace. If there is an immediate risk, workers can stop work and move to a safe location without jeopardizing the safety of others. They should also report to the department head and occupational health and safety management unit. After receiving a report, the management group must conduct an immediate investigation, assessing the likelihood and severity of the hazard. They will formulate handling measures and report to the Occupational Health and Safety Committee for review. The investigation and resolution results will be announced to all workers in the Company. Employees or external workers who actively report can receive outstanding awards to encourage workers to report potential occupational health and safety risks and jointly supervise to reduce the occurrence of dangerous incidents.

• Occupational Health and Safety Risk Assessment

Pan-International Group's subsidiary, New Ocean Precision Component, Jiangxi, has developed a hazard identification and risk assessment management document in accordance with local occupational health and safety regulations. This document is implemented by the occupational health and safety management unit under the Occupational Health and Safety Committee. In**2023**, professional training on hazard identification and assessment was conducted for the occupational health and safety management unit, and members were encouraged to obtain external relevant licenses.



The occupational health and safety management unit conducts an **annual** review of the work areas at each operating location, as well as those of upstream and downstream suppliers. They classify these areas into **four levels of high risk, medium-high risk, medium risk, and low risk** based on the severity of danger, likelihood of occurrence, and existing protective facilities. They assess the possible types of major occupational accidents or occupational diseases and set up risk reduction control measures for **medium and high risk** items (no high risk items were identified after assessment). External personnel are regularly assigned to audit the effectiveness of control measures. To ensure the effectiveness of implementation, New Ocean Precision Component compares the external audit results with the original goals. External audit personnel, who have received professional training in hazard identification and risk assessment and obtained relevant certifications at the local site, conduct the audits. They hold regular meetings to review deficiencies and track effectiveness, thereby formulating subsequent improvement directions.

In addition to routine assessments, New Ocean Precision Component conducts additional risk assessments for such non-routine events, such as major changes to the equipment or operating procedures, serious occupational accidents, or major complaints from workers. These assessments involve revising the original risk level judgments and preventive measures to ensure a prompt response and to prevent future incidents.

▼ **Risk Levels of Operating Locations**

| Operating Location | Location Risk Level | Number of Audits | Number of Audits with Major Violations |
|--|---------------------|------------------|--|
| New Ocean Precision Component, Jiangxi | Low Risk Level | 6 times | 0 times |

▼ **Risk Level Classification and Corresponding Management Mechanisms**

| Risk Level | Management Mechanism |
|-------------------------|---|
| High Risk | Establish operating control procedures and supervise measurement requirements, review the effectiveness of control and supervision every six months, and list them as key inspection and improvement items for supervisors. |
| Medium-high Risk | Establish operating control procedures and supervise measurement requirements and review the effectiveness of control and supervision annually. |
| Medium Risk | Conditionally accept, with appropriate procedures, controls and safety protection in place, and establish control measures as needed. |
| Low Risk | Accept status, no measures need to be taken. |

▼ **Pan-International Group’s High-risk Items in the Workplace and Control Measures**

| Operating Location | Risk Item | Hazard Type | Control Measures |
|---------------------------|-----------|-------------|------------------|
| No High-Risk Items | | | |

Note: The above information is within the scope of this disclosure: Pan-International, Taipei, Dongguan Pan-International, New Ocean Precision Component, Jiangxi, Honghuasheng, Yantai, CJ Electric Systems, Wuhu



• Occupational Health and Safety Education and Training

Occupational health and safety education and training and promotion are the foundation for enhancing the safety and health awareness of employees and contractor. All employees of **Pan-International Group** must receive general occupational safety education and training every year, and appropriate occupational safety education and training is formulated according to the nature of each plant. The following is the occupational safety education and training situation of New Ocean Precision Component, Jiangxi: All employees must receive general occupational safety education and training every year, and knowledge and skill training for employees and external workers is conducted separately according to the work types and work environments of different departments to enhance employee safety awareness and prevent accidents from occurring.

| Category | Course Content | Trainees | Training Hours/Times |
|------------------------------|---|--|----------------------|
| General Training | General occupational safety education and training, including regulatory overview, occupational health and safety concepts and work rules, standard operating procedures, emergency incident response handling, fire safety and first aid knowledge, etc. | All employees | 8hours/4times |
| Occupational Hazards | Occupational accident and disease prevention, such as workplace hygiene management training, emergency response training, PPE selection management and wearing training, and hazardous chemical warehouse standardized management training, etc. | All employees | 8hours/4times |
| Dangerous Activities | Education and training for high-risk activity operating procedure, such as occupational health and safety management training, transportation safety management training, electrical safety training, and industrial safety training, etc. | Occupational Health and Safety | 8 hours/4 times |
| Dangerous Situation Training | Emergency response training for dangerous situations, such as fire drills, earthquake drills, special operation management training, chemical spill drills, and forklift drills, etc. | Occupational health and safety and outsourced construction | 8 hours/4 times |

• Occupational Health Services and Health Promotion Activities

The Group evaluates noise, chemicals, lasers as factors that may pose major risks to employees based on the work environment and the nature of work. All operating locations of **Pan-International Group** provide employees with appropriate protective equipment to wear during different operation processes to prevent excessive exposure to harmful substances, noise, lasers and other hazards in accordance with local and national occupational safety regulations. In addition, annual physical health examinations are arranged for employees working in special work environments, and employee physical conditions are regularly tracked for early treatment. The Group also cooperates with medical clinics and institutions. If employees show symptoms related to occupational diseases, they can go to cooperating medical units for testing and treatment.

In addition, New Ocean Precision Component, Jiangxi has established a safety risk grading control system, establishing one diagram, one card, and three lists for control. It conducts annual physical examinations for all employees, provide protective equipment to minimize risks for positions with inherent hazards. Further, it performs pre-job, on-the-job, and post-job physical examinations for employees, creating employee health management files for each employee, to identify and handle problems promptly.

In terms of personal health, all operating locations of Pan-International Group offer full-time employees a subsidy for one general health examination every year. Additionally, the Company monitors and manages employees who receive moderate to high abnormal results in their health checks. Considering



factors such as employee age, health check results from the past three years, and common major diseases identified by the Health Department, Pan-International Group recognizes several prevalent personal health risks. These include cancer, lack of exercise, unhealthy diets, psychological stress, and other physical and mental risk factors. To address these issues, the Company organizes annual health lectures, cancer screenings, on-site doctor consultations, and similar services. Additionally, Pan-International Group hosts weight loss competitions, marathons, and walking events to promote physical activity. These initiatives aim to enhance employees' knowledge of physical care and encourage them to adopt regular exercise habits for improved physical and mental well-being.

▼ **2023 Physical Health Examination**

| Operating Location | Pan-International, Taipei | Dongguan Pan-International | New Ocean Precision Component, Jiangxi | Honghuasheng, Yantai | CJ Electric Systems, Wuhu | Total (persons) |
|-------------------------------------|---------------------------|----------------------------|--|----------------------|---------------------------|-----------------|
| Items | Health Examination | Health Examination | Health Examination | Health Examination | Health Examination | 1177 |
| Frequency | Annual | Annual | Annual | Annual | Annual | |
| Number of People Examined This Year | 34 | 119 | 299 | 608 | 117 | |

Note: Implementation method: Employees make appointments for annual health examinations at hospitals contracted by the Group.

▼ **Health Promotion Activities Held in 2023**

| Health Promotion Activities | Activity Description and Effectiveness |
|---|--|
| March 8 Women's Day Health Consultation | Care for employees and promote their health |
| Expert Health Consultation & Lecture on March 8 Women's Day | Care for employees and promote their health |
| Supervisors' Development | Enhance leadership skills and facilitate communication among supervisors |
| Tug of War Competition | Strengthen employee relationships and promote their health |
| Fishing Competition | Strengthen employee relationships and promote their health |
| Fun Sports Meet | Strengthen employee relationships and promote their health |
| Safety Knowledge Competition | Enhance employee relationships and strengthen their safety awareness |
| Sending Blessings and Spring Festival Couplets to Employees | Care for employees |
| Caring for Employees with Disabilities and Sending Benefits | Care for employees |
| Visiting Hospitalized Employees | Care for employees |

| Health Promotion Activities | Activity Description and Effectiveness |
|----------------------------------|--|
| Fun Hand and Foot Activity | Strengthen employee relationships and promote their health |
| Fun Pitching Activity | Strengthen employee relationships and promote their health |
| Fun Basketball Shooting Activity | Strengthen employee relationships and promote their health |
| Fun Sandbag Activity | Strengthen employee relationships and promote their health |
| Fun Ring Toss Activity | Strengthen employee relationships and promote their health |
| Summer Cool Delivery Activity | Strengthen employee relationships and promote their health |
| Winter Warmth Delivery Activity | Care for employees |
| Senior employee condolences | Care for employees |
| Badminton Club Activity | Strengthen employee relationships and promote their health |
| | |



• **Supplier Occupational Health and Safety Audit**

In addition to requiring all operating locations under **Pan-International Group** to strictly comply with local occupational health and safety regulations, we also require suppliers to follow the Group’s supplier code of conduct, which includes occupational health and safety regulations. Each plant continues to conduct an annual audit on key suppliers to confirm compliance with the Group’s occupational health and safety regulations and investigates the number of occupational injuries and occupational diseases that occurred that year to assess supplier occupational health and safety management deficiencies. For non-serious cases, the plant proposes improvement items and suggested improvement actions, giving suppliers a **3-month** improvement period. After **3 months**, a re-audit is conducted to confirm that there are no major occupational safety risks in their workplace. **All key suppliers passed the Group’s occupational health and safety audit** this year.

In addition, the Group holds multiple occupational health and safety education and training sessions for both new and existing suppliers, such as explaining **Pan-International’s** occupational health and safety regulations, general safety and health training, high-risk contractor operation emergency response drills, etc., and shares the Group’s experience in managing a safe and healthy workplace, fostering a collaborative effort to create a safe and healthy work environment throughout the supply chain.

▼ Occupational Health and Safety Risk Assessment

| Location | Whether Occupational Health and Safety Risk Assessment Has Been Conducted | Assessment of High-Risk Occupational Health and Safety Items and Response Measures |
|--|---|--|
| Pan-International, Taipei | No High-Risk Items | No High-Risk Items |
| US Subsidiary | None | None |
| Dongguan Pan-International | Occupational health and safety risk assessment has been conducted | No High-Risk Items |
| New Ocean Precision Component, Jiangxi | Occupational health and safety risk assessment has been conducted | No High-Risk Items |
| Honghuasheng, Yantai | Occupational health and safety risk assessment has been conducted | No High-Risk Items |
| CJ Electric Systems, Wuhu | Occupational health and safety risk assessment has been conducted | No High-Risk Items |



▼ Occupational Health and Safety Education and Training

| Category | Course Content | Trainees and Total Training Hours/Times | | | | |
|---|--|---|----------------------------|--|----------------------|---------------------------|
| | | Pan-International, Taipei | Dongguan Pan-International | New Ocean Precision Component, Jiangxi | Honghuasheng, Yantai | CJ Electric Systems, Wuhu |
| General training, work-related hazard, dangerous activities, dangerous situation training | General occupational safety education and training, including regulatory overview, occupational health and safety concepts and work rules, standard operating procedures, emergency incident response handling, fire safety and first aid knowledge, etc. | 90 hr 1 time | 63.5 hr 11 time | 16 hr 8 time | 18415 hr 16 time | 160 hr 7 time |
| | Occupational accident and occupational disease prevention, such as workplace hazards and protection, etc. | | | | | |
| | Education and training on high-risk activity operating procedure, such as electrical fire prevention and mechanical safety training, confined space safety training, forklift safe driving, special facility safety management qualification and operation certificate, etc. | | | | | |
| | Emergency response training for dangerous situations, such as fire drills, earthquake drills, etc. | | | | | |



6.4.2 Occupational Injuries and Occupational Diseases

(GRI 403-2, 403-9, 403-10)

• Incident Investigation Process

Pan-International Group has established standard occupational health and safety incident reporting procedures. When an incident occurs, the injured person, workplace supervisor, or other personnel present should respond immediately according to the safety and health management process. On-site personnel should promptly report to the occupational accident reporting system under the **Occupational Health and Safety Committee**, providing details such as nature of the incident, identity of injured personnel, incident location, incident cause, and the extent the injuries. After receiving the report, the **Occupational Health and Safety Committee** will classify the severity level of the incident and notify the human resources unit, **Occupational Health and Safety Committee**, or medical institution. They will jointly investigate whether there were any deficiencies or abnormalities in the work environment, personnel operation, and standard operating procedures at the time of the incident. Once the cause of the accident is determined, the Committee needs to report the accident investigation results and improvement plan to the head of the accident department and the **Occupational Health and Safety Committee**. They will decide on measures to improve work environment or standard procedure and announce the post-investigation handling and subsequent improvement results to all employees and suppliers. Within three months of the accident, training and promotion of new control guidelines will be strengthened.

• Occupational Accident Records

Pan-International Group employees experienced a total of one occupational accident in 2023, which was a serious incident.

| Serious or Fatal Accident Incidents | Description | Improvement Measures |
|-------------------------------------|---|---|
| Toe fracture | A new employee was independently using a stacker in the warehouse for loading and unloading when improper operation (reckless operation) caused the stacker to rapidly reverse and crush the foot, resulting in a toe fracture. | <ol style="list-style-type: none"> 1. The use of stackers requires the wearing of protective equipment, and independent operation is prohibited. 2. Operation of stackers requires supervision, and the shift supervisor must ensure that all group members have left the warehouse area at the end of each shift. 3. Strengthen patrols, promotion, and education training. |



• The accident rates this year increased compared to previous years

Pan-International Group’s employees experienced a total of **one** serious occupational accident in**2023**, with no fatalities occurring. The occupational accident rate this year was **0.1**, which is higher than the **recordable accident rates of 2021 and 2022**. The Company’s Occupational Health and Safety Committee reviewed the reasons and found that it was due to **employees not wearing protective equipment as required and new employees improperly operating alone against regulations**, causing this year’s accident rate to increase. Therefore, the committee will re-examine management deficiencies and strengthen promotion and education training to improve workplace safety and employee safety awareness. **Pan-International Group** will continue to optimize management measures with the goal of reducing the recordable accident rate to **zero by 2025**.

◆ Employee Occupational Injury and Occupational Disease Statistics Table

| Location | Total Working Hours (hours) | | | Number of High-Consequence Work-Related Injury (Times) ^{Note 1} | | | High-Consequence Work-Related Injury Rate ^{Note 2} | | | Number of Recordable Accidents (Times) ^{Note 3} | | | Recordable Accident Rate ^{Note 4} | | |
|--|-----------------------------|------------|------------|--|------|------|---|------|------|--|------|------|--|------|------|
| | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Pan-International, Taipei (Parent Company) and the US Subsidiary ^{Note 5} | 108,300 | 112,100 | 135,548 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dongguan Pan-International | 1,575,100 | 1,573,200 | 1,104,984 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Ocean Precision Component, Jiangxi | 4,928,000 | 3,466,400 | 3,460,040 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Honghuasheng, Yantai | 5,453,300 | 4,531,000 | 2,929,158 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CJ Electric Systems, Wuhu | NA ^{Note 6} | 2,344,000 | 5,553,016 | 0 | 0 | 1 | 0 | 0 | 0.18 | 0 | 0 | 1 | 0 | 0 | 0.18 |
| Total | 12,064,700 | 12,026,700 | 13,182,746 | 0 | 0 | 1 | 0 | 0 | 0.1 | 0 | 0 | 1 | 0 | 0 | 0.1 |

| Location | Number of Occupational Diseases (cases) | | | Occupational Disease Rate ^{Note 6} | | |
|--|---|------|------|---|------|------|
| | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Pan-International, Taipei (Parent Company) and the US Subsidiary ^{Note 5} | 0 | 0 | 0 | 0 | 0 | 0 |
| Dongguan Pan-International | 0 | 0 | 0 | 0 | 0 | 0 |
| New Ocean Precision Component, Jiangxi | 0 | 0 | 0 | 0 | 0 | 0 |
| Honghuasheng, Yantai | 0 | 0 | 0 | 0 | 0 | 0 |
| CJ Electric Systems, Wuhu | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 |



Note 1: High-consequence work-related injuries refer to occupational injuries that cause employees to be unable or difficult to recover to their pre-injury health status within six months, excluding fatalities.

Note 2: High-consequence work-related injury rate = Number of high-consequence work-related injuries ÷ Total working hours × 1,000,000.

Note 3: Number of recordable accidents refers to all occupational injury incidents that occurred that year, including the number of high-consequence work-related injuries and occupational injury fatalities. However, there have been no occupational injury fatalities in the past three years.

Note 4: Recordable accident rate = Number of recordable occupational injuries ÷ Total working hours × 1,000,000.

Note 5: Occupational disease rate = Number of occupational diseases ÷ Total working hours × 1,000,000.

Note 6: No information for CJ Electric Systems Wuhu in 2021. The Group acquired CJ Electric Systems, Wuhu in 2022.

Note 7: From 2023, the Group included Pan-International Electronic (USA) Inc. in the calculation.

Note 8: This table presents the statistics within the scope of this disclosure

- **Close Call**

The Group has not experienced any reportable incidents in the past three years. Note: This is the statistics within the scope of this disclosure

- **External Workers - Zero Accident Rate for the Past Three Years**

Through education and training promotion, safety control and supplier audits in recent years, Pan-International Group's recordable accident rate for external workers this year and in 2021 and 2022 were all zero accidents. Pan-International Group will continue to strengthen promotion and training for suppliers, with the goal of maintaining zero accidents for external workers' recordable accident rate each year.

- **External Workers - Zero Occupational Injury and Occupational Disease Rate for the Past three Years**

For the Group: The number of recordable occupational injuries and occupational diseases for external workers at Pan-International, Taipei, Dongguan Pan-International, New Ocean Precision Component, Jiangxi, Honghuasheng, Yantai, and CJ Electric Systems, Wuhu from 2021 to 2023 was 0.



7. Social Integration

7.1 Social Participation

Pan-International Group highly values local communities and social welfare and has demonstrated strong commitment and concrete actions in this area. We firmly believe that the success of a company is closely related to the health and prosperity of local communities and society. A prosperous environment not only brings stable economic conditions, but also provides a better quality of life and cultivates talents with innovation and development potential.

Therefore, we cooperate with local communities to carry out a series of projects aimed at improving the quality of life of community residents, including providing better education and health services. Our community engagement programs not only focus on the needs of residents, but also strive to build long-term partnerships with them. In addition, Pan-International Group achieved remarkable results in social welfare over the past year, actively participating in various public welfare activities such as urban and rural activities, police-community cooperation, caring for the vulnerable, donating second-hand goods, accompanying the elderly and caring for the elderly, promoting sustainable development concepts, and striving to narrow the urban-rural gap and reduce environmental impact.

We express sincere appreciation to all our partners, employees, and community members who support us. Thanks to your support and involvement, we've been able to achieve these accomplishments. We look forward to continuing to work together in the future to build a more just, sustainable, and prosperous community and inclusive society.

Social Participation - Strategic Approaches





While growing as a company, Pan-International Group does not forget to fulfill its commitment to “corporate social responsibility” and is committed to contributing to economic development and society. We follow the United Nations Sustainable Development Goals (SDGs), including:

SUSTAINABLE DEVELOPMENT GOALS



- SDG 1 No Poverty: End poverty in all its forms, everywhere.
- SDG 2 Zero Hunger: End hunger.
- SDG 3 Good Health and Well-Being: Ensure healthy lives and promote well-being for all at all ages.
- SDG 4 Quality Education: Provide fair, quality education and promote lifelong learning.
- SDG 5 Gender Equality: Promote gender equality.
- SDG 6 Clean Water and Sanitation: Ensure access to water and sanitation for all.
- SDG 7 Affordable and Clean Energy: Promote affordable and clean energy.
- SDG 8 Decent Work and Economic Growth: Promote inclusive and sustainable economic growth and productive employment.
- SDG 9 Industry, Innovation and Infrastructure: Promote innovation and infrastructure development.
- SDG 10 Reduced Inequalities: Reduce inequality within and among countries.
- SDG 11 Sustainable Cities and Communities: Make cities inclusive, safe, resilient and sustainable.
- SDG 12 Responsible Consumption and Production: Promote green economy and sustainable consumption and production.
- SDG 13 Climate Action: Take urgent action to address climate change and its impacts.
- SDG 14 Life Below Water: Conserve and sustainably utilize oceans, seas and marine resources.
- SDG 15 Life on Land: Protect and sustainably utilize terrestrial ecosystems and prevent land degradation.
- SDG 16 Peace, Justice and Strong Institutions: Promote peace and justice, and establish effective, accountable, and inclusive systems.
- SDG 17 Partnerships for the Goals: Establish diverse partnerships to jointly promote the vision of sustainable development.

We will continue to act in these areas to fulfill our commitment to society.



Annual Social Participation Overview - Content, SDGs, Donation Amount

2023 Pan-International Group's Public Welfare Activities Summary Table

| Plant | Category | Activity | Stakeholder | SDG/Public Welfare Nature | Public Welfare Target | Donation Amount NT\$ | Other Donations |
|----------------------------|-----------|---|--|--|---|----------------------|---------------------------------|
| Pan-International, Taipei | Community | Anhe station, Friends of ROC Police Association Social peace, care for elderly individuals living alone and underprivileged families where grandparents are raising grandchildren | New Taipei City Friends of the Police Association, Xindian Office, and Anhe station, Friends of ROC Police Association | SDG1 No Poverty, SDG10 Reduced Inequalities | Social peace, disadvantaged groups, non-governmental public welfare organizations | 80,000 | Living supplies, personnel care |
| Pan-International, Taipei | Community | Anhe Village Senior Health, Community Leisure | Club for Seniors in Xindian, Anhe | SDG3 Good Health and Well-Being, SDG11 Sustainable Cities and Communities | Community seniors | 60,000 | Living supplies, personnel care |
| Pan-International, Taipei | Community | Support the disadvantaged, primarily focusing on vulnerable healthcare resources | Genesis Social Welfare Foundation (Xindian Branch) | SDG3 Good Health and Well-Being, SDG10 Reduced Inequalities | Disadvantaged medical groups | 200,000 | Living supplies, personnel care |
| Pan-International, Taipei | Community | Community elderly, disadvantaged groups | New Taipei City Cian Association, New Taipei City, Xindian District | SDG3 Good Health and Well-Being, SDG10 Reduced Inequalities, SDG11 Sustainable Cities and Communities | Community elderly, disadvantaged groups | 2,000 | Living supplies, personnel care |
| Pan-International, Taipei | Social | Domestic and international relief, non-governmental public welfare organizations | Safety & First Aid Services Association, ROC | SDG3 Good Health and Well-Being, SDG11 Sustainable Cities and Communities, SDG17 Partnerships for the Goals | Domestic and international relief, non-governmental public welfare organizations | 100,000 | |
| Pan-International, Taipei | Social | Remote area medical care and long-term care, disadvantaged medical groups | Mennonite Christian Hospital | SDG3 Good Health and Well-Being, SDG10 Reduced Inequalities | Remote area medical care and long-term care, disadvantaged medical groups | 100,000 | |
| Pan-International, Taipei | Social | Home services for seniors without medical care, dependents, and relatives | Huashan Social Welfare Foundation | SDG3 Good Health and Well-Being, SDG10 Reduced Inequalities | Home services for seniors without medical care, dependents, and relatives | 120,000 | Living supplies, personnel care |
| Pan-International, Taipei | Social | Project of used goods recycling - Remote schools and communities (mainly) - Donation of second-hand goods | GIVE-CIRCLE CO., LTD (Project of used goods recycling) | SDG1 No Poverty, SDG2 Zero Hunger, SDG4 Quality Education, SDG6 Clean Water and Sanitation, SDG10 Reduced Inequalities, SDG11 Sustainable Cities and Communities, SDG12 Responsible Consumption and Production, SDG17 Partnerships for the Goals | Remote schools and communities (mainly) - Donation of second-hand goods | 22,680 | Second-hand goods |
| Pan-International, Taipei | Social | Utilize technology to improve medical consultation services and health promotion courses for elderly in remote areas, and refer more serious cases to medical units | Digital Humanitarian Association | SDG3 Good Health and Well-Being, SDG10 Reduced Inequalities, SDG11 Sustainable Cities and Communities, SDG17 Partnerships for the Goals | Disadvantaged groups in remote areas | 3,000 | |
| Dongguan Pan-International | Social | Voluntary blood donation | Community co-organized | SDG3 Good Health and Well-Being | Medical groups | 0 | Blood donation |



| | | | | | | | |
|--|-----------|--|------------------------------|--|---------------------------------------|--------|---------------------------------|
| Dongguan Pan-International | Social | Charitable donations - For employees suffering from serious illnesses, the Company issues relief subsidies, and all employees participate in initiating acts of goodwill | Company initiative | SDG3 Good Health and Well-Being | Relief for vulnerable | 80,000 | Living supplies, personnel care |
| New Ocean Precision Component, Jiangxi | Community | Sending warmth - For employees with difficulties, model workers, and employees sticking to front-line positions during Spring Festival greetings | Union co-organized | SDG3 Good Health and Well-Being | Relief for vulnerable | 5,200 | |
| Honghuasheng, Yantai | Social | Blood donation activity | Industrial park co-organized | SDG3 Good Health and Well-Being | Medical groups | 0 | Blood donation |
| Honghuasheng, Yantai | Community | Community Cleanup up Activities - Around the industrial park and Golden River area | Industrial park co-organized | SDG6 Clean Water and Sanitation | Industrial park surroundings, ecology | 0 | Personnel |
| Honghuasheng, Yantai | Community | Tree planting activity | Industrial park co-organized | SDG11 Sustainable Cities and Communities | Industrial park surroundings, ecology | 0 | Personnel |
| Honghuasheng, Yantai | Community | Community Cleanup Activities - Plant Area C | Industrial park co-organized | SDG11 Sustainable Cities and Communities | Industrial park surroundings, ecology | 0 | Personnel |
| Honghuasheng, Yantai | Community | Community Cleanup Activities - Golden Beach | Industrial park co-organized | SDG11 Sustainable Cities and Communities | Industrial park surroundings, ecology | 0 | Personnel |
| Honghuasheng, Yantai | Community | Community Cleanup Activities - Ecological Park | Industrial park co-organized | SDG11 Sustainable Cities and Communities | Industrial park surroundings, ecology | 0 | Personnel |
| Honghuasheng, Yantai | Community | Community Cleanup Activities - Inside industrial park | Industrial park co-organized | SDG11 Sustainable Cities and Communities | Industrial park surroundings, ecology | 0 | Personnel |

Note: This table is within the scope of this disclosure

Among the public welfare activities, the “Project of used goods recycling” implemented by Pan-International, Taipei since 2020 is particularly worth mentioning. Our employees donate 80% new special items from home through Taiwan’s largest material circulation platform “GC Gift Matching Platform” to match the needs of social welfare organizations and remote schools, ensuring that essential materials reach those who need them most and embodying the concept of circular sharing and sustainable co-prosperity.

In the 2023, 253 items were successfully shared, relatively reducing carbon emissions by 227 kg, benefiting seven public welfare units and schools.



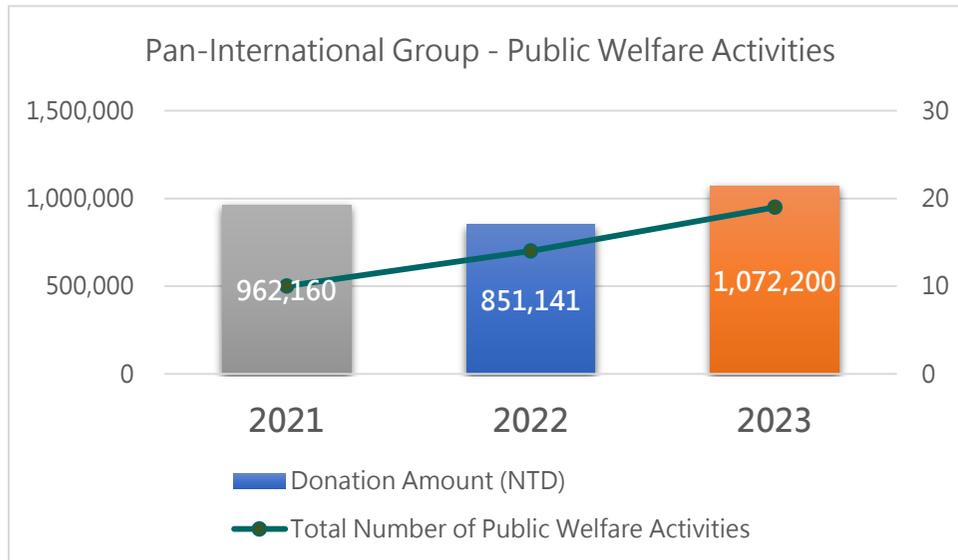
Annual Social Participation - Number of Times, Donation Amount

In 2023, a total of nineteen public welfare activities were held, resulting in a total donation of NT\$1,072,200. This represents a 25.97% increase compared to the NT\$851,141 donated in 2022, highlighting a significant growth trend and demonstrating the company’s commitment to social participation and investment. In addition, we donated intangible resources such as materials, personnel care and labor, further embodying the company’s commitment to social responsibility.

Number of Public Welfare Activities/Total Amount in the Past Three Years (Unit: NTD)

| Year | 2021 | 2022 | 2023 |
|---|---------|---------|-----------|
| Total Number of Public Welfare Activities | 10 | 14 | 19 |
| Donation Amount (NTD) | 962,160 | 851,141 | 1,072,200 |

Note: This table is within the scope of this disclosure





Annual Social Participation Activity Introduction

New Taipei City Friends of the Police Association-Anhe station

Social Peace, Care for Elderly who Lives Alone and Underprivileged Families Where Grandparents Are Raising Grandchildren

感謝狀
為由
廣宇科技股份有限公司
熱心公益、積極參與社會、
展現誠信、善舉無窮、
特此表揚、敬予謝忱。
廣宇科技股份有限公司
董事長 陳建成

1 NO POVERTY **10 REDUCED INEQUALITIES**

New Taipei City, Xindian Anhe-Club for Seniors

Senior Health, Community Leisure

3 GOOD HEALTH AND WELL-BEING **11 SUSTAINABLE CITIES AND COMMUNITIES**

Genesis Social Welfare Foundation-Xindian

Support the Disadvantaged, Primarily Focusing on Vulnerable Healthcare Resources

感謝狀
感謝 廣宇科技股份有限公司
贊助支持本會
舉辦八里耆樂會 活動
熱心公益 特予謝忱
此致
廣宇科技股份有限公司

3 GOOD HEALTH AND WELL-BEING **10 REDUCED INEQUALITIES**

New Taipei City Cian Association, Xindian District

Care for the Elderly, Support the Vulnerable

3 GOOD HEALTH AND WELL-BEING **10 REDUCED INEQUALITIES** **11 SUSTAINABLE CITIES AND COMMUNITIES**

Safety & First Aid Services Association, ROC

Disaster Relief and Assistance for Vulnerable Populations Affected by Domestic and International Disasters

3 GOOD HEALTH AND WELL-BEING **11 SUSTAINABLE CITIES AND COMMUNITIES** **17 PARTNERSHIPS FOR THE DEAL**

Mennonite Christian Hospital

Remote Area Medical Care and Long-Term Care, Vulnerable Medical Groups

3 GOOD HEALTH AND WELL-BEING **10 REDUCED INEQUALITIES**



Huashan Social Welfare Foundation



Home Services for Seniors Without Medical Care, Dependents, and Relatives, Focuses on:
 Provide necessary purchased and second-hand materials to elderly individuals who are isolated (living alone), disabled (mobility-impaired and unable to care for themselves), or suffering from dementia (confirmed or suspected), along with home delivery and care.



Pan-International's Project of Used Goods Recycling-GIVE-CIRCLE CO., LTD



Remote schools and communities - Donation of second-hand goods



Pan-International Group Shares its Carbon Reduction Initiatives

We successfully shared **201** gifts

Resource recycling for carbon reduction **227** Kg

7 non-profit organizations/schools have benefited



In Compliance With 13 ESG Goals

- E**
 - Climate Change
 - Carbon Emissions
- S**
 - Community Plan
 - Customer Communication
- G**
 - Information Transparency
 - Reputation
 - Corporate Ethics
- Environmental Sustainability
- Pollution and Waste Management
- Employee Benefits
- Diversity of Human Rights
- Stakeholder Relations
- Supply Chain Management

In Compliance With 9 SDG Goals



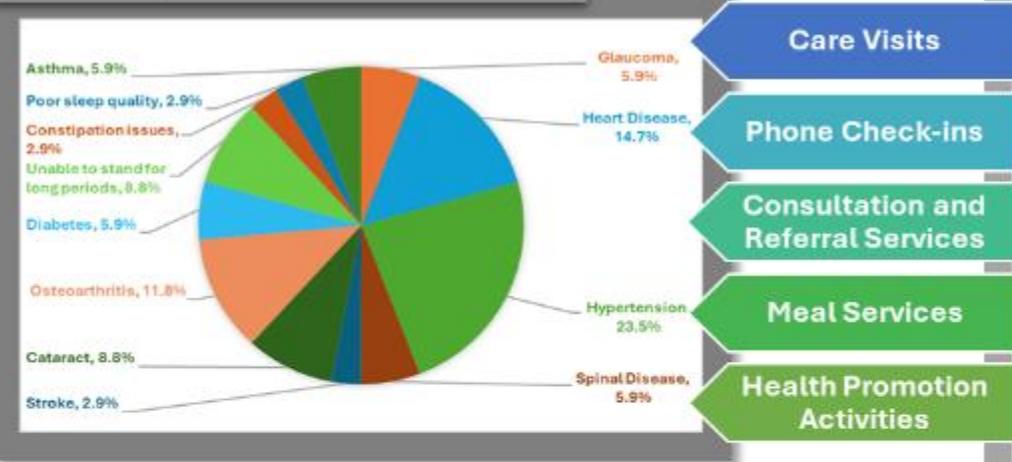


Remote Health Promotion Public Welfare Program-Pan-International&Digital Humanitarian Association

Utilize technology to improve medical consultation services and health promotion courses for elderly in remote areas.



Wulai Zhongzhi Cultural and Health Station



In Compliance With 4 SDG Goals



Promote Health for all Individuals

Participate in health promotion courses to enhance seniors health awareness, maintain good habits, and slow aging.



Ensure Disadvantaged Groups Have the Access to Course Resources

Rural areas have the access to course resources as urban areas.



Create More Job Opportunities

Participate in health promotion courses to enhance seniors health awareness, maintain good habits, and slow aging.



Reduce Inequality in Medical Resources

Seniors can improve their health, while caregivers can enhance their knowledge in related fields to reduce caregiving stress.



Strengthen Relations between Rural and Urban Areas

Promote positive socio-economic and environmental connections between urban, suburban, and rural areas.



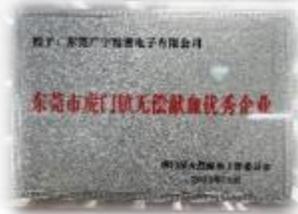
Reduce Carbon Emissions

Digital technology reduces carbon emissions from travel associated with course implementation.

Community-Blood Donation



Blood donation. Collaborate with the community to launch a blood donation campaign, calling on all willing employees at the plant to contribute to this public welfare initiative, helping those in need and supporting the injured.





Appendix

GRI Standards Index Table

Statement of Use: Pan-International Group has reported the ESG information in accordance with the GRI Standards for the period January 1 to December 31, 2023.

GRI 1: Foundation 2021

General Topics

| GRI Standard | Topic | Chapter of the Report | Pages | Omission | |
|--|--|---------------------------------------|-------|---------------|------------------------|
| | | | | Omitted Topic | Reason and Explanation |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | 2.1.1 Basic Information | 18 | NA | |
| | 2-2 Entities Included in the Organization's Sustainability Reporting | 1.1.3 Boundaries and Scope | 4 | | |
| | 2-3 Reporting Period, Frequency, and Contact Point | 1.1.1 Reporting Period | 4 | | |
| | | 1.1.7 Contact Information | 6 | | |
| | 2-4 Restatements of Information | 1.1.4 Information Restatement | 5 | | |
| | 2-5 External Assurance | 1.1.6 External Assurance/Verification | 6 | | |
| | 2-6 Activities, Value Chain, and Other Business Relationships | 4.1.2 Supply Chain Structure | 46 | | |
| | 2-7 Employees | 2.1.1 Basic Information | 18 | | |
| | | 6.1.2 Talent Recruitment | 89 | | |
| | 2-8 Workers who are not employees | 6.1.2 Talent Recruitment | 89 | | |
| | 2-9 Governance Structure and Composition | 2.2.1 Governance Framework | 20 | | |
| | | 2.2.2 Functional Committee | 25 | | |
| | 2-10 Nomination and Selection of the Highest Governance Body | 2.2.1 Governance Framework | 20 | | |
| | 2-11 Chair of the Highest Governance Body | 2.2.1 Governance Framework | 20 | | |
| 2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts | 1.4.2 Material Topic Impact Management | 16 | | | |
| 2-13 Person in Charge of Impact Management | 1.4.2 Material Topic Impact Management | 16 | | | |
| 2-14 Role of the Highest Governance Body in Sustainability Reporting | 1.4.1 Material Topic Assessment Process | 14 | | | |



| GRI Standard | Topic | Chapter of the Report | Pages | Omission | |
|---|---|--|-------|---------------|------------------------|
| | | | | Omitted Topic | Reason and Explanation |
| | 2-15 Conflicts of Interest | 2.2.1 Governance Framework | 20 | | |
| | 2-16 Communication of Critical Concerns | 2.2.2 Functional Committee | 25 | | |
| | 2-17 Collective Knowledge of the Highest Governance Body | 2.2.1 Governance Framework | 20 | | |
| | 2-18 Evaluation of the Performance of the Highest Governance Body | 2.2.1 Governance Framework | 20 | | |
| | 2-19 Remuneration Policies | 2.2.1 Governance Framework | 20 | | |
| | 2-20 Process to Determine Remuneration | 2.2.1 Governance Framework | 20 | | |
| | 2-21 Annual Total Compensation Ratio | 6.2.1 Equal and Competitive Remuneration | 100 | | |
| | 2-22 Statement on Sustainable Development Strategy | 1.2.1 Message from the Management | 7 | | |
| | 2-23 Policy Commitments | 2.4.1 Ethical Management | 30 | | |
| | 2-24 Embedding Policy Commitments | 2.4.1 Ethical Management | 30 | | |
| | 2-25 Processes to Remedy Negative Impacts | 2.4.1 Ethical Management | 30 | | |
| | | 2.4.2 Human Rights Policy | 31 | | |
| | 2-26 Mechanisms for Seeking Advice and Raising Concerns | 2.4.1 Ethical Management | 30 | | |
| | | 2.4.2 Human Rights Policy | 31 | | |
| | 2-27 Compliance With Laws and Regulations | 2.4.3 Regulatory Compliance | 32 | | |
| | 2-28 Membership Associations | 2.1.1 Basic Information | 18 | | |
| 2-29 Approach to Stakeholder Engagement | 1.3.1 Identifying Stakeholders | 11 | | | |
| | 1.3.2 Stakeholder Communication | 11 | | | |
| 2-30 Collective Bargaining Agreements | 6.1.3 Labor-Management Agreement | 96 | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to Determine Material Topics | 1.4.1 Material Topic Assessment Process | 14 | NA | |
| | 3-2 List of Material Topics | 1.4.2 Material Topic Impact Management | 16 | | |



Topic-specific Disclosures

| GRI Standard | Topics | Chapter of the Report | Pages | Omission | |
|--|--|---|-------|---------------|------------------------|
| | | | | Omitted Topic | Reason and Explanation |
| Material Topic: Business Integrity | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of Material Topics | 2.4 Responsible Business Conduct | 29 | | |
| GRI 205: Anti-corruption 2016 | 205-3 Confirmed Incidents of Corruption and Actions Taken | No corruption incidents occurred this year. | - | | |
| GRI 206: Anticompetitive Behavior 2016 | 206-1 Legal Actions for Anticompetitive Behavior, Anti-trust, and Monopoly Practices | No anticompetitive behavior incidents occurred this year. | - | | |
| Material Topic: Energy | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of Material Topics | 5.1 Energy Conservation and Carbon Reduction | 53 | | |
| GRI 302: Energy 2016 | 302-1 Energy Consumption Within the Organization | 5.1.2 Energy Consumption | 58 | | |
| | 302-3 Energy Intensity | 5.1.2 Energy Consumption | 58 | | |
| | 302-4 Reduction of Energy Consumption | 5.1.4 Energy-saving and Carbon Reduction Measures | 66 | | |
| Material Topic: Greenhouse Gas Emissions | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of Material Topics | 5.1 Energy Conservation and Carbon Reduction | 53 | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 5.1.3 Greenhouse Gas Inventory | 62 | | |
| | 305-2 Energy Indirect (Scope 2) ghg Emissions | 5.1.3 Greenhouse Gas Inventory | 62 | | |
| | 305-4 Greenhouse gas Emissions Intensity | 5.1.3 Greenhouse Gas Inventory | 62 | | |
| | 305-5 Reduction of GHG Emissions | 5.1.4 Energy-saving and Carbon Reduction Measures | 66 | | |
| Material Topic: Waste | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of Material Topics | 5.3 Waste Management | 73 | | |
| GRI 306: Waste 2020 | 306-3 Waste generated | 5.3.3 Waste Transportation and Disposal | 80 | | |
| | 306-4 Waste Diverted From Disposal | 5.3.3 Waste Transportation and Disposal | 80 | | |
| | 306-5 Waste Directed to Disposal | 5.3.3 Waste Transportation and Disposal | 80 | | |
| Material Topic: Occupational Health and Safety | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of Material Topics | 6.4 Workplace Safety | 108 | | |
| GRI 403: | 403-1 Occupational Health and Safety Management | 6.4.1 Occupational Health and Safety | 109 | | |



| GRI Standard | Topics | Chapter of the Report | Pages | Omission | |
|--|---|---|-------|---------------|------------------------|
| | | | | Omitted Topic | Reason and Explanation |
| Occupational Health and Safety 2018 | System | Management | | | |
| | 403-2 Hazard Identification, Risk Assessment, and Incident Investigation | 6.4.1 Occupational Health and Safety Management | 109 | | |
| | 403-3 Occupational Health Services | 6.4.1 Occupational Health and Safety Management | 109 | | |
| | 403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety | 6.4.1 Occupational Health and Safety Management | 109 | | |
| | 403-5 Worker Participation, Consultation, and Communication on Occupational Health and Safety | 6.4.1 Occupational Health and Safety Management | 109 | | |
| | 403-6 Promotion of Worker Health | 6.4.1 Occupational Health and Safety Management | 109 | | |
| | 403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships | 6.4.1 Occupational Health and Safety Management | 109 | | |
| | 403-8 Workers covered by an occupational health and safety management system | 6.4.1 Occupational Health and Safety Management | 109 | | |
| | 403-9 Work-related injuries | 6.4.2 Occupational Injuries and Occupational Diseases | 117 | | |
| | 403-10 Work-related ill health | No occupational disease incidents occurred this year. | - | | |
| Material Topic: Employee Benefits and Compensation | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of Material Topics | 6.2 Remuneration and Benefits | 98 | | |
| GRI 202: Market Presence 2016 | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | 6.2.1 Equal and Competitive Remuneration | 99 | | |
| GRI 401: Employment 2016 | 401-2 Benefits provided to full-time employees (excluding temporary or part-time employees) | 6.2.2 Comprehensive Welfare Measures | 101 | | |
| | 401-3 Parental leave | 6.2.3 Family-friendly Workplace | 103 | | |
| Material Topic: Product Quality and Safety | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of Material Topics | 3.2 Product Quality and Safety | 43 | | |
| GRI 416: Customer Health and Safety 2016 | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 3.2 Product Quality and Safety | 43 | | |
| Other Voluntary Disclosures | | | | | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | 2.3 Economic Value | 27 | | |



| GRI Standard | Topics | Chapter of the Report | Pages | Omission | |
|---|---|--|-------|---------------|------------------------|
| | | | | Omitted Topic | Reason and Explanation |
| GRI 202: Market Presence 2016 | 202-2 Proportion of senior management hired from the local community | 6.1.2 Talent Recruitment | 89 | | |
| GRI 303: Water and Effluents 2018 | 303-3 Water withdrawal | 5.2 Water Resource Management | 68 | | |
| | 303-4 Water discharge | 5.2 Water Resource Management | 68 | | |
| | 303-5 Water consumption | 5.2 Water Resource Management | 68 | | |
| GRI 305: Emissions 2016 | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 5.4 Air Quality | 86 | | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | 4.2.1 Supply Chain Management Policy | 48 | | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-2 Negative environmental impacts in the supply chain and actions taken | 4.2.2 Supply Chain Audit Effectiveness | 50 | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 6.1.2 Talent Recruitment | 89 | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 6.3 Training and Development | 105 | | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of Governance Bodies and Employees | 2.2.1 Governance Framework | 20 | | |
| | | 6.1.2 Talent Recruitment | 89 | | |



SASB Standards Index Table

Statement of Use: Pan-International Group has reported the ESG information in accordance with the SASB Standards for the period January 1 to December 31, 2023.

SASB Industry: RT-EE (Resource Transformation - Electrical & Electronic Equipment)

| Indicator Type | SASB Code | Disclosure Topic | Topic | Nature | Quantity | Unit | Chapter of the Report | Pages | Omission | |
|--------------------|------------------------------|---|---|-----------------------|---------------------------|---------------------------|---|-------|--|------------------------|
| | | | | | | | | | Omitted Topic | Reason and Explanation |
| Accounting Metrics | RT-EE-130a.1 | Energy Management | (1) Total energy consumed | Quantitative Analysis | 492,727.302 | Gigajoules (GJ) | 5.1.2 Energy Consumption | 58 | | |
| | | | (2) Grid electricity percentage | Quantitative Analysis | 91.85 | Percentage (%) | 5.1.2 Energy Consumption | 58 | | |
| | | | (3) Renewable energy source percentage | Quantitative Analysis | 0.68 | Percentage (%) | 5.1.2 Energy Consumption | 58 | | |
| | RT-EE-150a.1 | Hazardous waste management | Amount of hazardous waste generated | Quantitative Analysis | 6,054.538 | Tonnes (t) | 5.3.3 Waste Transportation and Disposal | 80 | | |
| | | | Hazardous Waste Recycled Rate | Quantitative Analysis | 13.5 | Percentage (%) | 5.3.3 Waste Transportation and Disposal | 80 | | |
| | RT-EE-150a.2 | Hazardous waste management | Number of reportable spills and the quantity of spills | Quantitative Analysis | None | Number, Kilograms (kg) | No spill incidents occurred this year. | - | | |
| | | | Recovery amount | Quantitative Analysis | None | Kilograms (kg) | | - | | |
| | RT-EE-250a.1 | Product safety | Number of recalls and total units recalled | Quantitative Analysis | None | Quantity | No product recalled this year. | - | | |
| | RT-EE-250a.2 | Product safety | Total amount of monetary losses as a result of legal proceedings associated with product safety | Quantitative Analysis | None | New Taiwan Dollar | | - | | |
| | RT-EE-410a.1 | Product lifecycle management | Percentage of products by revenue that contain IEC 62474 declarable substances | Quantitative Analysis | Not applicable | Percentage of revenue (%) | - | - | The nature of the Company's products is not applicable | |
| RT-EE-410a.2 | Product lifecycle management | Revenue proportion of products with energy efficiency certification | Quantitative Analysis | Not applicable | Percentage of revenue (%) | - | - | | | |
| RT-EE-410a.3 | Product lifecycle management | Revenue from renewable energy-related and energy | Quantitative Analysis | Not applicable | New Taiwan Dollar | - | - | | | |



| Indicator Type | SASB Code | Disclosure Topic | Topic | Nature | Quantity | Unit | Chapter of the Report | Pages | Omission | |
|------------------|--------------|------------------------|---|-------------------------|-------------------------------|-------------------|--|-------|---------------|------------------------|
| | | | | | | | | | Omitted Topic | Reason and Explanation |
| | | | efficiency-related products | | | | | | | |
| | RT-EE-440a.1 | Source of raw material | Description of the risk management associated with the use of critical materials | Discussion and Analysis | - | - | Please refer to the description in Item 6 of the "Electronic Components Industry Sustainability Disclosure Indicators" | 135 | | |
| | RT-EE-510a.1 | Business ethics | (1) Description of policies and practices for prevention of corruption and bribery | Discussion and Analysis | - | - | 2.4.1 Ethical Management | 30 | | |
| | | | (2) Description of policies and practices for anticompetitive behavior | Discussion and Analysis | - | - | 2.4.1 Ethical Management | 30 | | |
| | RT-EE-510a.2 | Business ethics | Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption | Quantitative Analysis | None | New Taiwan Dollar | No corruption incidents occurred this year. | - | | |
| | RT-EE-510a.3 | Business ethics | Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations | Quantitative Analysis | None | New Taiwan Dollar | No anticompetitive behavior incidents occurred this year. | - | | |
| Activity Metrics | RT-EE-000.A | | Production quantities of various product types | Quantitative Analysis | Please refer to Annual Report | Quantity | Please refer to page 68 of the Company's 2023 Annual Report for Shareholders' Meeting. | - | | |
| | RT-EE-000.B | | Number of employees | Quantitative Analysis | 3,210 | People | - | - | | |



Sustainability Disclosure Indicators for Electronic Components Industry (Appendix 1-12)

| No. | Indicators | Indicator Type | Annual Disclosure Status | Unit |
|-----|---|-------------------------|--|---|
| 1 | Total energy consumption | Quantitative | 492,727.302 | Gigajoules (GJ) |
| | Percentage of Purchased Electricity | | 91.85 | Percentage (%) |
| | Percentage of renewable energy use | | 0.68 | Percentage (%) |
| 2 | Total Water Withdrawal | Quantitative | 1543.391 | Thousand cubic meters (m ³) |
| | Total Water Consumption | | 308.678 | Thousand cubic meters (m ³) |
| 3 | Weight of hazardous waste generated | Quantitative | 6,054.538 | Tonnes (t) |
| | Percentage of hazardous waste recycled | | 13.5 | Percentage (%) |
| 4 | Description of occupational accident types, numbers, and rates | Quantitative | One occupational accident occurred this year, caused by improper operation of equipment, resulting in a toe fracture. The occupational accident rate was 0.1. | Rate (%), Number |
| 5 | Product lifecycle management disclosure: Weight of scrapped products and electronic waste (Note 1) | Quantitative | 0 | Tonnes (t) |
| | Product lifecycle management disclosure: Percentage of scrapped products and electronic waste recycled (Note 1) | | 0 | Percentage (%) |
| 6 | Description of risk management related to the use of critical materials | Qualitative Description | Currently, copper-related products are the major raw materials used in the Company's products, so fluctuations in copper prices will have a certain impact on costs and profits. In order to reduce the impact of copper price fluctuations, the procurement department has established a copper price monitoring mechanism, and adopts centralized purchasing or advance purchasing methods promptly to stabilize costs. The business department maintains good relationships with customers and appropriately raises prices to reflect material costs. At the same time, front-end manufacturing process production lines are set up in factories to further control production costs. The monthly business review meeting also lists copper price fluctuation analysis as an important review item for immediate decision-making to reduce the impact of this risk on the Company's operations. | Not applicable |
| 7 | Total amount of losses because of legal proceedings associated with anticompetitive behavior regulations | Quantitative | 0 (No anticompetitive behavior incidents occurred this year) | Reporting currency |
| 8 | Main product output by product category | Quantitative | Please refer to page 68 of the Company's 2023 Annual Report for Shareholders' Meeting. | Varies by product type |



Limited Assurance Statement from Accountants



會計師有限確信報告

資會綜字第 23011990 號

廣宇科技股份有限公司 公鑒：

本會計師受廣宇科技股份有限公司（以下簡稱「貴公司」）之委任，對 貴公司選定 2023 年度永續報告書所報導之關鍵績效指標（以下簡稱「所選定之關鍵績效指標」）執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

標的資訊與適用基準

本確信案件之標的資訊係 貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於 貴公司 2023 年度永續報告書第 137 頁之「確信項目彙總表」。前述所選定之關鍵績效指標之報導範圍業於永續報告書第 5~6 頁之「報告書範疇與邊界」段落述明。

管理階層之責任

貴公司管理階層之責任係依照適用基準編製永續報告書所選定之關鍵績效指標，且設計、付諸實行及維持與所選定之關鍵績效指標編製有關之內部控制，以確保所選定之關鍵績效指標未存有導因於舞弊或錯誤之重大不實表達。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之實質解釋，則更取決於個別之假設與判斷。

會計師之獨立性及品質管理

本會計師及本事務所已遵循會計師職業道德規範有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw



本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令有關之政策或程序。

會計師之責任

本會計師之責任係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信案件，基於所執行之程序及所獲取之證據，對第一段所述 貴公司所選定之關鍵績效指標是否未存有重大不實表達取得有限確信，並作成有限確信之結論。

依確信準則 3000 號之規定，本有限確信案件工作包括評估 貴公司採用適用基準編製永續報告書所選定之關鍵績效指標之妥適性、評估所選定之關鍵績效指標導因於舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估所選定之關鍵績效指標之整體表達。有關風險評估程序（包括對內部控制之瞭解）及因應所評估風險之程序，有限確信案件之範圍明顯小於合理確信案件。

本會計師對第一段所述 貴公司所選定之關鍵績效指標所執行之程序係基於專業判斷，該等程序包括查詢、對流程之觀察、文件之檢查與分析性程序是否適當之評估，以及與相關紀錄之核對或調節。

基於本案件情況，本會計師於執行上述程序時：

- 已對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，已對所選定之關鍵績效指標進行分析性程序，並選取樣本進行包括查詢、觀察、檢查及重新執行等測試，以取得有限確信之證據。

相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。因此，本會計師不對 貴公司所選定之關鍵績效指標在所有重大方面，是否依照適用基準編製，表示合理確信之意見。

此報告不對 2023 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信。



有限確信之結論

依據所執行之程序與所獲取之證據，本會計師並未發現第一段所述 貴公司所選定之關鍵績效指標在所有重大方面有未依照適用基準編製之情事。

其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不自就該等資訊重新執行確信工作之責任。

資誠聯合會計師事務所

會計師

吳仁杰



西元 2024 年 8 月 14 日



廣宇科技股份有限公司

西元 2023 年度

確信項目彙總表

| 編號 | 項目 | 確信標的資訊 | 頁次 | 適用基準 |
|----|--------------|---|-----|--|
| 1 | 總取水量 | 2023 年廣宇科技總取水量為 1,543,391 千立方公尺(百萬公升)。 | 68 | 依公司所示之 2023 年度取水量統計數據(數據來源為水費單)，統計範疇為台北總部、東莞廣宇、江西新海洋、煙台宏華勝及蕪湖瑞昌。 |
| 2 | 職業災害比率 | 廣宇科技本年度職業災害事故率為 0.08。 | 118 | 依據公司內部的災害防範規定及作業準則之職業安全與衛生，統計 2023 年各單位可紀錄職業傷害數及總工作時數。 |
| 3 | 誠信經營－供應商盡職調查 | 廣宇科技為導引及落實各經營據點成員及公司之利害關係人，瞭解本公司之誠信經營政策，本公司實施一系列措施及管理機制，針對供應商做盡職調查，以利審查及篩選。 | 31 | 依據公司內部之誠信經營作業程序及行為指南及誠信經營守則，於當年度針對供應商做盡職調查之結果。 |



New Ocean Precision Component, Jiangxi

证书 CN07/21501.13

新海洋精密组件(江西)有限公司

唯一认证机构代码: 41300461611279723
 认证地址: 江西省宜春市奉新县洲湖镇
 国家地址: 中国江西省宜春市奉新县洲湖镇
 标准注册号: CN07/21501.13 中规定的管理体系已通过审核, 并被证明符合下述标准
GB/T 19001-2016 / ISO 9001:2015

所涉及的活动范围:
 100V 电压以下的连接器、线缆及相关电子机械产品的设计和制造

证书的有效性: 2023年06月12日至 2026年06月10日 并须接受符合标准的监督审核以保持有效
 此证书的有效性取决于工厂持续符合标准。

姓名: *[Signature]*
 职位: ERM
 公司: New Ocean
 新海洋精密组件(江西)有限公司
 宜春市洲湖镇79号新海洋大厦18楼 336142
 中国 20130 洲湖镇 - www.sgscn.com.cn

本证书的有效性可在国家认证认可监督管理委员会官方网站 www.ccaac.gov.cn 上查询

SGS, CNAS, IAF

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第 1 页, 共 1 页

此为证书 CN16/20734 译本

认证机构
新海洋精密组件(江西)有限公司
 中国江西省宜春市奉新县洲湖镇

认证标准:
 新海洋精密组件(江西)有限公司
ISO 15485:2016
EN ISO 15485:2016

认证地址: 江西省宜春市奉新县洲湖镇
 国家地址: 中国江西省宜春市奉新县洲湖镇
 标准注册号: CN16/20734 中规定的管理体系已通过审核, 并被证明符合下述标准
ISO 14001:2015

所涉及的活动范围:
 500V 电压以下的连接器、线缆及其相关电子机械产品的设计和制造

证书的有效性: 2023年06月12日至 2024年06月11日 并须接受符合标准的监督审核以保持有效
 此证书的有效性取决于工厂持续符合标准。

姓名: *[Signature]*
 职位: ERM
 公司: New Ocean
 新海洋精密组件(江西)有限公司
 宜春市洲湖镇79号新海洋大厦18楼 336142
 中国 20130 洲湖镇 - www.sgscn.com.cn

本证书的有效性可在国家认证认可监督管理委员会官方网站 www.ccaac.gov.cn 上查询

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此为证书 CN19/2324.10 译本

认证机构
富士康电子工业发展(昆山)有限公司
 新海洋精密组件(江西)有限公司

认证标准:
 富士康电子工业发展(昆山)有限公司
ISO 14001:2015

认证地址: 中国江西省宜春市奉新县洲湖镇
 国家地址: 中国江西省宜春市奉新县洲湖镇
 标准注册号: CN19/2324.10 中规定的管理体系已通过审核, 并被证明符合下述标准
ISO 14001:2015

所涉及的活动范围:
 500V 电压以下的连接器、线缆及其相关电子机械产品的设计和制造

证书的有效性: 2023年06月12日至 2026年06月11日 并须接受符合标准的监督审核以保持有效
 此证书的有效性取决于工厂持续符合标准。

姓名: *[Signature]*
 职位: ERM
 公司: New Ocean
 新海洋精密组件(江西)有限公司
 宜春市洲湖镇79号新海洋大厦18楼 336142
 中国 20130 洲湖镇 - www.sgscn.com.cn

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SGS, IAF

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此为证书 CN20/20228.10 译本

认证机构
新海洋精密组件(江西)有限公司

认证标准:
 新海洋精密组件(江西)有限公司
ISO 45001:2018

认证地址: 中国江西省宜春市奉新县洲湖镇
 国家地址: 中国江西省宜春市奉新县洲湖镇
 标准注册号: CN20/20228.10 中规定的管理体系已通过审核, 并被证明符合下述标准
ISO 45001:2018

所涉及的活动范围:
 500V 电压以下的连接器、线缆及其相关电子机械产品的设计和制造

证书的有效性: 2023年06月09日至 2026年06月08日 并须接受符合标准的监督审核以保持有效
 此证书的有效性取决于工厂持续符合标准。

姓名: *[Signature]*
 职位: ERM
 公司: New Ocean
 新海洋精密组件(江西)有限公司
 宜春市洲湖镇79号新海洋大厦18楼 336142
 中国 20130 洲湖镇 - www.sgscn.com.cn

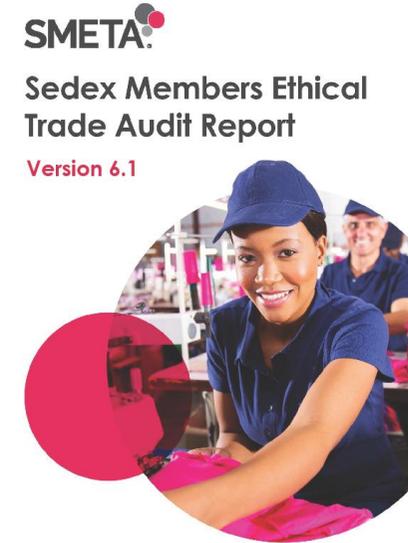
本证书的有效性可在国家认证认可监督管理委员会官方网站 www.ccaac.gov.cn 上查询

SGS, IAF

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Honghuasheng, Yantai





CJ Electric Systems, Wuhu

证书

兹证明，

芜湖瑞昌电气系统有限公司
 中国安徽省芜湖市凤鸣西路 69-1 号 3 号厂房、4 号厂房 1、2 层
 组织机构代码：241000

已建立并实施一个**环境管理体系**

在如下范围内：
 汽车线束的制造

经过审核，其结果已包含于审核报告中，证实质量管理体系满足以下标准的要求：

ISO 14001 : 2015

证书注册号 50053616 LM15
 有效期自 2024-02-02
 有效期至 2027-02-01
 批准日期 2024-02-02

IAF
DAKKS

DQS GmbH
 Christian Gertling
 总经理

Accredited Body: DQS GmbH, August-Schneer-Straße 21, 69433 Frankfurt am Main, Germany
 Responsible Office: 中国北京认证中心(上海)有限公司, 中国上海崇明区北沿公路 1488 号 31 号无牌办公区
 联系电话: 06-07 31 66 07 31, 传真: 06-07 31 66 07 32

本证书的有效性依赖于获证方保持符合认证标准的要求。

证书

兹证明，

芜湖瑞昌电气系统有限公司
 中国安徽省芜湖市凤鸣西路 69-1 号 3、4 号厂房
 组织机构代码：241000
 IATF USI TYS32P

已建立并实施一个**质量管理体系**

在如下范围内：
 线束的设计及制造

经过审核，其结果已包含于审核报告中，证实质量管理体系满足以下国际汽车标准的要求：

IATF 16949:2016
 (含产品设计)

证书注册号 50053616 IATF16
 开具日期 2023-11-07
 证书有效期至 2026-11-06
 IATF 注册号 0487824

2-IAD-GMC-01/01

为及代表 DQS
 Norbert S. Verkatshelam
 Director-Corporate Automotive Program, DQS Holding GmbH

Michael Dreschke
 总经理, DQS Holding GmbH

IATF Contract Office: DQS Holding GmbH, Konrad-Adenauer-Allee 8-10, 61118 Bad Vilbel, Germany
 The validity of this certificate can only be verified by the QR code.

1 / 2



2023 ISO 14064-1: 2018 Organizational Level Greenhouse Gas Verification Certificate- Honghuasheng, Yantai




中国认可
国际互认
审定核查
VALIDATION VERIFICATION
CNAS C012-V

温室气体核查陈述

(正本)
款证书



依据 ISO 14064-3:2019 标准核查
宏华胜精密电子(烟台)有限公司

温室气体报告和清单(发布日期: 2024年08月08日; 覆盖的
时段: 2023年01月01日-2023年12月31日)符合
ISO 14064-1:2018 标准要求

报告年度总排放量: **126,372 吨二氧化碳当量**

类别 1: 直接温室气体排放和逸散量 1250.23 吨二氧化碳当量
类别 2: 输入能源的直接排放 78,155.62 吨二氧化碳当量
类别 3: 交通运输的间接排放 539.50 吨二氧化碳当量
类别 4: 组织使用的产品的间接排放 46426.50 吨二氧化碳当量
类别 5: 组织的产品使用过程相关的排放 0 吨二氧化碳当量
类别 6: 其他间接排放源的排放 0 吨二氧化碳当量

注册地址: 烟台经济技术开发区长沙路 18 号
组织边界: 位于烟台经济技术开发区长沙路 18 号的宏华胜精密电子(烟台)有限公司厂区
相关活动: PCB 的制造
保证等级: 合理保证等级
实质性: 5B

《ISO 14064 现场核查报告》是本温室气体核查陈述的组成部分, 应同
B. 提供给用户



总经理 



中国认可
国际互认
审定核查
VALIDATION VERIFICATION
CNAS C012-V

温室气体核查陈述

编号: CEPREI-2024-GHG-0041

附件

第 1 页 共 1 页

| 序号 | 年度 | 组织边界 | 相关活动 | 排放量(吨二氧化碳当量) | | |
|----|-----------------------|-------------------------------------|--------|--------------|-----------|-----------|
| | | | | 排放量 | 范围 | 合计 |
| 1 | 2023.01.01-2023.12.31 | 位于烟台经济技术开发区长沙路18号的宏华胜精密电子(烟台)有限公司厂区 | PCB的制造 | 类别 1 | 1250.23 | 1250.23 |
| | | | | 类别 2 | 78,155.62 | 78,155.62 |
| | | | | 类别 3 | 539.50 | 539.50 |
| | | | | 类别 4 | 46426.50 | 46426.50 |
| | | | | 类别 5 | 0 | 0 |
| | | | | 类别 6 | 0 | 0 |
| | | | | 合计 | 126,372 | 126,372 |



中国认可
国际互认
审定核查
VALIDATION VERIFICATION
CNAS C012-V

Greenhouse Gas Verification Statement

(Original)
This is to certify that

The Greenhouse Gas Statement (Date issued:2024.08.08;Covered period:2023.01.01-2023.12.31) of

Honghuasheng Precision Electronics(Yantai) Co., Ltd.

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of **ISO 14064-1:2018**

Total GHG Emissions: 126,372 tCO₂e

- Category 1: Direct GHG emissions and removals: 1250.23 tCO₂e
- Category 2: Indirect GHG emissions from purchased energy:78,155.62 tCO₂e
- Category 3: Indirect GHG emissions from transportation:539.50 tCO₂e
- Category 4: Indirect GHG emissions from products used by organization: 46426.50 tCO₂e
- Category 5: Indirect GHG emissions associated with the use of products from the organization: 0 tCO₂e
- Category 6: Indirect GHG emissions from other sources: 0 tCO₂e

Registration Address: No.18,Changsha Road, Yantai Economy And Technology Development Area, Shandong, China

Organizational Boundaries:Honghuasheng Precision Electronics(Yantai) Co., Ltd. Plant area, located at No.18,Changsha Road, Yantai Economy And Technology Development Area, Shandong, China

Activities: PCB manufacturing

Level of Assurance: Reasonable assurance

Materiality: 5%

The ISO 14064 Site Verification Report is an integral part of this GHG verification statement and should be provided to the target user.



No: CEPREI-2024-GHG-0041
Issue date: 2024.08.14

The Certification Body is located in: No.18,Changsha Road, Yantai Economy And Technology Development Area, Shandong, China
No. 18, Changsha Road, Yantai Economy And Technology Development Area, Shandong, China
264000, China

Wang Chunhui
General Manager
CEPREI CERTIFICATION BODY



中国认可
国际互认
审定核查
VALIDATION VERIFICATION
CNAS C012-V

Greenhouse Gas Verification Statement

Statement No.CEPREI-2024-GHG-0041

Attachment

The first page consists of one page

| No. | Year | Organizational Boundaries | Activities | GHG Emissions (tCO ₂ e) | | |
|-----|-----------------------|--|-------------------|------------------------------------|-------------------|----------------|
| | | | | Scope 1 Emissions | Scope 2 Emissions | Total |
| 1 | 2023.01.01-2023.12.31 | Honghuasheng Precision Electronics(Yantai) Co., Ltd. Plant area, located at No.18,Changsha Road, Yantai Economy And Technology Development Area, Shandong, China | PCB manufacturing | Category 1 | 1250.23 | 1250.23 |
| | | | | Category 2 | 78,155.62 | 78,155.62 |
| | | | | Category 3 | 539.50 | 539.50 |
| | | | | Category 4 | 46426.50 | 46426.50 |
| | | | | Category 5 | 0 | 0 |
| | | | | Category 6 | 0 | 0 |
| | | | | Total | 126,372 | 126,372 |



2023 ISO 14064-1: 2018 Organizational Level Greenhouse Gas Verification Certificate- New Ocean Precision Component, Jiangxi



受核查方确认表

(请以中文正楷和英文印刷体填写此表)

带 CNAS 标志的 ISO 14064-1:2018 认证证书:

| 内容 | 中文 | 英文 |
|--|---|---|
| 组织名称 | 新海洋精密组件(江西)有限公司 | New Ocean Precision Component (Jiangxi) Co., LTD |
| 核查周期 | 2023.01.01~2023.12.31 | 2023.01.01~2023.12.31 |
| 总排放量 (tCO ₂ e) | 类别/年份 | 2023 |
| | 类别 1:直接温室气体排放和清除量 Category 1: Direct GHG emissions and removals | 359.65 |
| | 类别 2:输入能源的间接排放 Category 2: Indirect GHG emissions from imported energy | 3,541.82 |
| | 合计 total | 3,901 |
| 注册地址 /邮编 | 江西省宜春丰城市剑南路 | JIANNAN ROAD, FENGCHENG CITY, JIANGXI PROVINCE, P. R. China |
| 组织边界 | 位于江西省丰城市剑南路99号厂区的A2、A3、主机房、餐厅、仓库及招聘大厅 | Including A2, A3, computer room, restaurant, warehouse and recruitment hall which located in No. 99 Jiannan Road, Fengcheng City, Jiangxi Province, P. R. China |
| 相关活动 | 手机、计算机、网络通讯设备、计算机接口设备、医疗、工业4.0的线缆及线缆接插件产品的制造 | Manufacturing of cables and cable connectors for mobile phones, computers, network communication equipment, computer interface equipment, medical, Industry 4.0 |
| 证书范围 | a) 位于江西省丰城市剑南路99号厂区的A2、A3、主机房、餐厅、仓库及招聘大厅; b) 手机、计算机、网络通讯设备、计算机接口设备、医疗、工业4.0的线缆及线缆接插件产品的制造; c) 类别1、类别2的温室气体排放; d) CO ₂ 、CH ₄ 、N ₂ O、HFCs; e) 2023年度 | / |
| 保证等级 | 合理保证等级 | Reasonable assurance |
| 实质性 | 5% | 5% |
| (定期核查/证书变更时填写)原证书编号: CESI2023EV/GHG0035ROM | | |
| 核查组长确认签名: | | 组织代表确认签名: |
| | 2024年7月19日 | 2024年7月19日 |

需增加证书份数: ___份 注: 如不需增加证书份数的,按常规颁发一份证书(含中英文各一张)