Pan-International Industrial Group

Supplier Code of Conduct

1. General Principles and Scope of Application

1. **Purpose:** Pan-International Industrial Corp. and its affiliated companies (hereinafter referred to as the "Group") are dedicated to implementing corporate social responsibility (CSR) and advancing sustainable development across environmental, social, and governance (ESG) dimensions. The Group expects all business partners to uphold the principles of integrity, legal compliance, humane treatment, and environmental protection, working jointly to build a robust, safe, and responsible green supply chain.
2. **Applicability:** This Code applies to all suppliers, contractors, processing plants, agents, and relevant service providers of the Group (hereinafter collectively referred to as "Suppliers"). Suppliers shall also actively promote and require their upstream suppliers and subcontractors to adhere to the principles and provisions set forth in this Code.

2. Business Ethics and Integrity

Suppliers shall adhere to the highest standards of business ethics across all business operations and interactions:

1. **Integrity and Anti-Corruption:** Any form of bribery, solicitation of bribes, kickbacks, money laundering, extortion, or embezzlement is strictly prohibited. Suppliers and their employees shall not offer improper gifts, hospitality, commissions, or other improper benefits to Group personnel. Suppliers shall establish oversight and enforcement procedures to ensure compliance with anti-corruption laws and regulations.
2. **Conflict of Interest Prevention:** Suppliers shall avoid any personal conflicts of interest with Group employees that may impair objective and professional judgment. Any relevant conflicts of interest or kinship relationships shall be proactively disclosed and reported to the Group.
3. **Fair Competition and Antitrust:** Suppliers shall strictly comply with fair trading, competition, and antitrust laws and regulations, upholding the principle of fair competition. Price-fixing, bid-rigging, market allocation, or any other anti-competitive practices are strictly prohibited.
4. **Information Disclosure and Transparency:** Information regarding business activities, financial metrics, and operational performance shall be accurately recorded and disclosed transparently in accordance with applicable laws, industry practices, and mutual agreements. Any falsification, concealment, or misrepresentation is strictly prohibited.
5. **Intellectual Property and Confidentiality:** Suppliers shall strictly protect the information belonging to the Group, customers, and other suppliers, including trade secrets, patents, technical know-how, design schematics, trademarks, and non-public information. The transfer of technology and know-how shall safeguard intellectual property rights. Without prior written authorization, suppliers shall not disclose protected information to third parties, nor utilize proprietary patents or tooling/molds for unauthorized purposes.
6. **Data Privacy and Personal Information Protection:** When processing personal data of employees, customers, and business partners, suppliers shall comply with applicable privacy, personal data protection, and information security laws and regulatory requirements, establishing and maintaining corresponding cybersecurity safeguards. The collection, storage, processing, transmission, and sharing of personal data must adhere to the principles of lawfulness, fairness, and data minimization,

respecting the reasonable privacy expectations of employees, business partners, and customers.

3. Labor Rights and Human Rights Protection

Suppliers shall adhere to international human rights standards (such as the Universal Declaration of Human Rights and core conventions of the International Labour Organization), treating all employees with dignity and respect:

1. **Prohibition of Forced Labor:** All forms of forced, bonded, indentured, or involuntary labor, as well as human trafficking, are strictly prohibited. Holding employees' identity credentials, passports, or work permits, or levying unreasonable recruitment deposits and fees, is prohibited.
2. **Prohibition of Child Labor and Protection of Young Workers:** The employment of child labor under the statutory minimum working age (or under 15 years of age) is strictly prohibited. When employing young workers under 18 years of age, suppliers shall not assign them to night shifts, overtime, hazardous duties, or work that jeopardizes their physical or mental health. If child labor is identified, the child concerned shall immediately cease working and shall be provided with necessary assistance and appropriate remediation.
3. **Wages and Statutory Benefits:** Wages, overtime pay, and statutory benefits paid to employees shall comply with or exceed the legal requirements of the operational jurisdiction. Wage deductions as a disciplinary measure are strictly prohibited, and clear, itemized wage statements must be provided periodically. The headcounts, contract periods, and management practices for temporary, dispatched, and outsourced labor must strictly comply with local legal limits.
4. **Working Hours and Rest:** Total working hours (including standard hours and overtime) shall comply with applicable laws regarding working hours, overtime, rest periods, and leave in the operating jurisdiction. Overtime shall be managed lawfully and respect employees' voluntary consent; coercion or improper pressure to force overtime is prohibited. Employees shall be entitled to statutory rest breaks and leave entitlements.
5. **Non-Discrimination and Diversity & Inclusion:** Suppliers shall not engage in discrimination regarding hiring, promotion, compensation, training, or other employment matters based on gender, age, race, nationality, religion, disability, sexual orientation, marital status, or political opinion.
6. **Humane Treatment and Anti-Harassment:** Any form of workplace violence, sexual harassment, verbal abuse, corporal punishment, or mental coercion is strictly prohibited. Suppliers shall foster a friendly, equal, and safe work environment.
7. **Freedom of Association and Collective Bargaining:** Suppliers shall respect employees' rights to form and join trade unions and engage in collective bargaining in accordance with applicable laws, providing open, accessible, and reprisal-free multi-channel communications.

4. Occupational Health and Safety

Suppliers shall implement robust occupational health and safety management to mitigate the risk of workplace injuries and illnesses:

1. **Operational Safety and Hazard Prevention:** Suppliers shall identify, evaluate, and control physical, chemical, mechanical, and other safety hazard factors in the workplace. Machinery and equipment must be fitted with appropriate protective safeguards and undergo regular maintenance and inspection. Gender-responsive measures shall be implemented as needed to protect pregnant women and nursing mothers from working conditions hazardous to their health or that of their children, with reasonable workplace accommodations provided for nursing mothers.

2. **Personal Protective Equipment (PPE):** For hazardous operations, suppliers shall provide appropriate, compliant, and sufficient personal protective equipment free of charge, and supervise its proper use, maintenance, and regular replacement to prevent occupational accidents.
3. **Emergency Preparedness and Fire Safety:** Suppliers shall develop and implement appropriate emergency response plans commensurate with facility size and risk profile. These plans must cover incident reporting, personnel notification, emergency evacuation, response training and drills, external communications, and post-disaster recovery mechanisms to minimize harm to life, the environment, and property, thereby ensuring business continuity. Suppliers shall conduct necessary emergency training and drills regularly in accordance with local regulations and risk management requirements. Workplaces and supplier-provided employee dormitories (where applicable) must be equipped with appropriate fire-fighting equipment and emergency exit facilities, ensuring emergency exits and evacuation routes remain clear and unobstructed at all times.
4. **Occupational Disease Prevention and Health Monitoring:** For employees exposed to hazardous substances, high noise levels, or heavy dust environments, regular occupational medical examinations and tiered health management follow-ups shall be conducted. Procedures for the prevention, management, tracking, and reporting of occupational injuries and illnesses must be established to encourage proactive reporting by employees. Cases must be classified and logged, necessary medical care provided, root causes investigated, and corrective actions implemented, while assisting employees with safe return-to-work protocols. Employees have the right to withdraw from imminent danger without retaliation, and shall not be required to return until the risk has been reasonably mitigated.
5. **Sanitation and Living Facilities:** Clean and sanitary drinking water and restroom facilities must be provided for workers. Where employee cafeterias or dormitories are provided, suppliers must maintain living and dining environments that comply with sanitation and safety standards, equipped with adequate emergency evacuation routes, hot shower water, sufficient lighting and ventilation, individually lockable storage spaces for personal and valuable belongings, as well as reasonable personal space and freedom of entry/exit.

5. Environmental Protection and Sustainability

Suppliers shall proactively carry out environmental management and promote resource circularity, energy conservation, and carbon reduction:

1. **Environmental Permits and Compliance:** Obtain all required environmental permits (such as pollutant discharge permits) in accordance with the law, strictly fulfilling regulatory monitoring and routine reporting obligations.
2. **Chemical and Hazardous Substance Management:** Products, parts, and packaging materials supplied to the Group must strictly comply with RoHS 2.0, REACH, and the latest prohibited/restricted substance standards, as well as product/manufacturing substance management regulations and customer specifications (including recycling and disposal labeling). Suppliers shall provide Material Safety Data Sheets (MSDS/SDS), third-party test reports (e.g., SGS), and Declarations of Non-Use of Prohibited Substances upon request.
3. **Pollution Prevention and Waste Management:** Industrial wastewater and waste gases generated from production processes must be treated through compliant facilities and meet applicable emission/discharge standards prior to release. Classification, appropriate storage, labeling, and lawful disposal of general and hazardous industrial waste must be executed, prioritizing source reduction and resource recycling.

4. **Energy Conservation, Carbon Reduction, and Water Stewardship:** Establish energy and greenhouse gas (GHG) inventory mechanisms (e.g., ISO 14064 / GHG Protocol), and incrementally implement process energy-saving improvements and water recycling to enhance resource efficiency and jointly advance toward low-carbon transformation goals.
5. **Biodiversity and Land Conservation:** Suppliers shall protect biodiversity and natural habitats, reduce the negative impacts of their operations on ecosystems, land, and natural resources, and avoid deforestation.

6. Responsible Sourcing of Raw Materials (Conflict Minerals Management)

1. **Conflict Minerals Policy:** Suppliers shall commit to establishing a responsible raw material sourcing policy, ensuring that products do not contain minerals or mineral-derived materials originating from conflict-affected or high-risk areas (including, but not limited to, Tantalum, Tin, Tungsten, and Gold ["3TG"], as well as Cobalt and Mica), and strictly complying with standards prohibiting minerals sourced from Conflict-Affected and High-Risk Areas (CAHRAs). Suppliers shall implement origin and supply chain due diligence in alignment with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* or an equivalent recognized framework. Such due diligence shall supplement, rather than replace, the Group's prohibition on purchasing minerals from CAHRAs.
2. **Due Diligence and Traceability:** Suppliers shall cooperate with the Group's conflict minerals due diligence exercises and procure exclusively from smelters that are compliant or validated through the Responsible Minerals Assurance Process (RMAP). Information regarding origin and chain of custody due diligence must be retained, due diligence measures explained upon request, and the latest Conflict Minerals Reporting Template (CMRT) or Extended Minerals Reporting Template (EMRT) submitted.

7. Auditing, Management Mechanisms, and Handling of Violations

1. **Self-Assessment and Audit Cooperation:** Suppliers shall establish corresponding management procedures to implement this Code. The Group or its designated third-party organization has the right to conduct periodic or ad hoc on-site or document-based ESG assessments and audits. Suppliers shall fully cooperate and provide authentic supporting documentation as required.
2. **Deficiency Rectification and Corrective Actions:** For non-conformities identified during audits or evaluations, the supplier shall submit a Root Cause Analysis and a Corrective and Preventive Action Plan (CAP) within the specified timeframe. Both parties shall agree on a risk mitigation schedule, and the supplier shall actively carry out rectifications to prevent, mitigate, or cease the violations.
3. **Handling of Violations:** In the event of serious violations of business ethics (e.g., bribery), employment of child labor, major environmental or occupational health and safety incidents, or refusal to address non-conformities, the Group reserves the right to suspend transactions, reduce order allocations, terminate business relationships, and pursue legal remedies and compensation for damages in accordance with applicable law. The Group also reserves the right to terminate relevant contracts or agreements directly upon determining that a supplier has breached any provision of this Code.

8. Reporting Channels and Whistleblower Protection

1. **Grievance and Whistleblowing Channels:** The Group has established an independent whistleblowing mechanism. When suppliers or their personnel identify any suspected violations of this Code, ethical business principles, or applicable laws

by Group employees or business partners, they may file a named or anonymous report through the following channels:

Whistleblowing Email: report@panpi.com.tw
Postal Mail: Office of the Chairman, Pan-International Industrial Corp., 6F, No. 200, Jian 8th Rd., Zhonghe Dist., New Taipei City, Taiwan

2. **Whistleblower Protection Policy:** The Group maintains strict confidentiality regarding the identity of whistleblowers and the content of reports, and maintains a zero-tolerance policy against any form of retaliation, reprisal, intimidation, or discrimination directed at good-faith whistleblowers.