

2023 ESG Report

PRiMAX[®]



Contents

1 Overview Chapter

1.1 About the Report	05
1.2 Message from the Chairman	07
1.3 Awards and Sustainable Achievements of Primax in 2023	08
1.4 Company Overview	11

2 Sustainability Management Chapter

2.1 Sustainability Management and Practice	15
2.2 Primax SDG Blueprint	17
2.3 Identification and management of ESG Issues	23
2.4 Stakeholder Engagement	34

3 Corporate governance Chapter

3.1 Corporate Governance Framework	39
3.2 Operations of Governance	41
3.3 Ethics and Integrity	42
3.4 Operating Performance	46
3.5 Innovation and Service	48
3.6 Risk Management	49
3.7 Privacy and Cyber Security	53

4 Environmental Sustainability Chapter

4.1 Climate Change Financial Disclosure	60
4.2 Greenhouse Gas Reduction	67
4.3 Energy management	69
4.4 Water Resource Management	72
4.5 Pollution Prevention and Management	73
4.6 Green Product Health and Safety Management	75
[Column] Low-Carbon Product Innovation Design Example	77





Contents

5 Responsible supply chain Chapter

5.1 Responsible procurement practices	85
5.2 Supplier due diligence	87

6 Friendly workplace Chapter

6.1 Human Rights Management	94	6.5 Health and safety	116
6.2 Workplace of Diversity and Inclusion	97	6.6 Diverse and Effective Employee Communication	126
6.3 Talent attraction and retention	100	[Column] Primax Care Quarterly Series Activities	128
6.4 Talent Development and Cultivation	109	[Column] Building a Comprehensive ESG Ecosystem Where Everyone Benefits and Finds Joy Within	130

7 Contribution to Society Chapter

7.1 Deepening Education in Remote Areas	132
7.2 Participation in Public Welfare Contributions	134
[Column] Dongguan Primax Growth Classroom	137
7.3 Volunteering Services	138
[Column] Promoting Social Good	139

8 Appendices Chapter

8.1 Certification of ESG-related Systems for Primax Group	142
8.2 GRI Content Index	143
8.3 SASB Index	148
8.4 Sustainability Disclosure Indicators for the Electronic Components Industry	150
8.5 Climate-related Information Disclosure for Listed Companies	151
8.6 Statement of Independent Third-party Verification Opinion	152



Overview *Chapter* 1

- 1.1 About the Report
- 1.2 Message from the Chairman
- 1.3 Awards and Sustainable Achievements of Primax in 2023
- 1.4 Company Overview



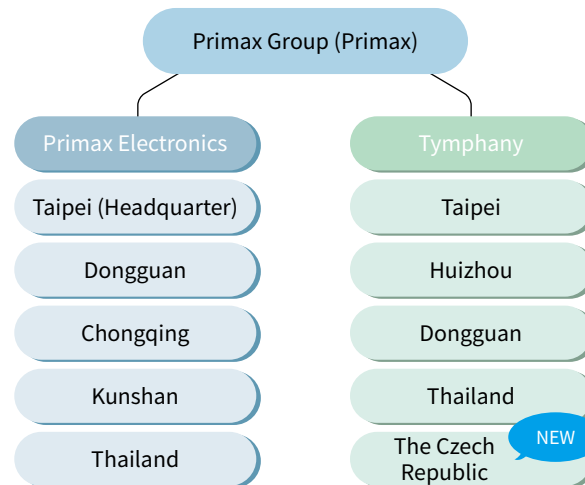
1.1 About the Report

Primax Electronics prepares an annual Sustainability Report in both Chinese and English, which is publicly available on the Company's official website. The Report refers to the tenth Sustainability Report published by Primax Electronics, which is formed by the chapters including [Sustainability Management], [Corporate Governance], [Environmental Sustainability], [Responsible Supply Chain], [Happy Workplace] and [Feedback to Society] to record Primax Group's 2023 ESG issues, management policy and efforts and results of related performance in terms of economy, governance, environment and society (covering the product liability). We hope to demonstrate the efforts and results of Primax in promotion of the sustainable development by issuing the Report, and continue to listen to different stakeholders' expectation and feedback to verify the direction in which Primax should continue to improve on the way to ESG.

Reporting Period and Scope

The information disclosure period of this report commences from January 1, 2023 to December 31, 2023. The report primarily focuses on Primax Group, while the chapters about Environmental Sustainability and Responsible Supply Chain include Tymphany Czech and Huizhou and Shenzhen Offices. The contents of the report follows the materiality disclosure principle of GRI. In consideration of the actual management needs of various material issues, it discloses information from operational locations that are relatively important based on the impact of different topics at each location. To ensure the completeness of the report, some contents cover explanations of events, management policies, targets, and other aspects both before and after 2023.

Primax has adopted stringent practices in preparing this report, and is constantly improving and reviewing the process and scope by which data is gathered, as well as the quality of data presented. Some historical data has been restated in this report to accommodate the broadened scope of report and external assurance; details of which will be explained throughout the chapters.



Note:

1. The 2023 report covers said locations, while the other consolidated reporting entities are not included in this report. For the information on affiliated companies of Primax, please refer to "Annual Report of 2023 Annual General Meeting, P112~P114."
2. After integration and resource optimization, Dongcheng Tymphany was relocated to the Dongguan Factory premises in September 2023.

Writing Principles

The report is written based on the latest GRI Standards (2021 version) issued by the Global Sustainability Standards Board (GSSB), and also in reference to the SASB and Task Force on Climate-related Financial Disclosures (TCFD) issued by International Sustainability Standards Board (ISSB). Meanwhile, the report is also prepared in accordance with the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" of TWSE.

We have emphasized on explaining management policies under the new GRI reporting principles, and made more in-depth responses to material topics to more closely address stakeholders' concerns. Meanwhile, we have also addressed non-material topics in separate chapters to supplement the overall disclosure. Layout of the report is also being constantly improved upon so that stakeholders can more clearly and quickly understand Primax's efforts and performance with regards to sustainability issues.

Edit, review and assurance of report

Internal Review and Assurance

We have performed systematic analyses and determined the priority of stakeholders' sustainability concerns to provide the basis for contents disclosed in this report. After the initial draft of this report is compiled and edited by the Corporate ESG Office, it is reviewed by individual team members in their respective roles, and revisions are made to ensure the quality of the report. External verification is then conducted to further ensure the report's quality. The final report was submitted to the Board of Directors for approval in August 2024.

External Verification and Statement

This report has been entrusted to SGS Taiwan Inspection Technology Co., Ltd., a third-party independent verification organization. The verification process follows the AA1000 ASv3 Type 2 Moderate Assurance level and includes confirmation against GRI and SASB to ensure that the disclosed information in the report complies with the principles of inclusivity, materiality, responsiveness, and impact.

For the third-party verification opinion statement on the ESG report, please refer to Appendix 8.6. For the GRI and SASB Content Index, please refer to Appendices 8.2 and 8.4 for details. For the ESG-related system certification of Primax Group, please refer to Appendix 8.1.

Contact information

Primax Electronics publishes the ESG Report every year and uploads it to the Market Observation Post System of the FSC and also publishes it on the Company's official website. Release date of the report: August, 2024. Please contact us for any queries or suggestions you may have with regards to the content of this report. Contact information is as right:

Category	Data Basis and Assurance
Sustainability Reporting	AA1000AS v3 (Type 2 Moderate Assurance level)
Financial Report	Financial statements audited and certified by KPMG Taiwan (The financial data in the report are all presented in NTD, and the RMB foreign exchange rate is 4.24.)
Environmental Management	ISO 14001: 2015 Environmental Management System ISO 50001: 2018 Energy Management System ISO 14064-1: 2018 Greenhouse Gas Inventory Standard ISO 14046: 2014 Water Footprint IECQ QC080000 HSPM Hazardous Substances Process Management System UL2799 Zero Waste to Landfill Certification
Occupational Health and Safety Management	ISO 45001: 2018 Occupational Health and Safety Management System
Quality Management	ISO 9001: 2015 Quality Management System IATF 16949: 2016 Global Automotive Industry Quality Management System
Cybersecurity management	ISO 27001: 2013 Cybersecurity Management System
Import and Export Security Management	AEO (Authorized Economic Operator) Security Certification C-TPAT (Customs-Trade Partnership Against Terrorism) Verification

Primax Electronics Co., Ltd.

Address: No. 669 Ruiguang Road, Neihu District, Taipei City

Contact: ESG Office

TEL: 02-27981924

Email: ESG@primax.com.tw

Company website <https://www.primax.com.tw/>



Company website

1.2 Message from the Chairman

To our partners who care about the ESG of Primax:

In 2023, the global economic recovery momentum remained vulnerable. Although the lift rate cycle of major central banks is coming to an end, under the expectation that high interest rates would remain for a while in the economies, such as the U.S. and Europe, the ongoing inflationary pressure continues to suppress the end demand. Besides, the post-pandemic recovery is not as good as expected in China. The industry continues to undergo inventory adjustment and distributed regional manufacturing. The overall business environment for the electronics manufacturing industry is still full of challenges. Meanwhile, the climate change issue, which is accelerating the relevant actions of enterprises, AI and digitization trend, keeps testing the enterprises' competitiveness and ESG resilience and competence.

Continue the pace of steady transformation and demonstrate excellent business management and resilience

2023 will be an important year for Primax Group to continue its steady transformation. From the perspective of the core development of products with three senses in one, we continue to expand the layout of and investment in new businesses and new technologies, optimize the product portfolio, and continue to expand in the fields of automobiles, safe life, working from home, acoustics, and smart city, and also proactively invest capital in the development of edge computing and AI-related AIOT products. Meanwhile, we strictly controlled costs, expenses and capital expenditures. As a result, the inventory level quickly returned to the level before outbreak of the pandemic. The outstanding management and resilience enable the Company to achieve the unprecedented performance in gross profit margin, operating profit margin and net profit margin after tax. Meanwhile, the Group's overall cash level has also increased significantly, as the powerful and strong backup for the following transformation plan.

Expand the business locations that set carbon reduction targets based on scientific methods, and work with suppliers to implement carbon reduction.

Primax Group is committed to achieving the net zero goal by 2050, and also planning the net zero roadmap, setting the reduction goal based on the scientific methods specified in the Science Based Targets Initiative (SBTi) and formulating policies and promoting reduction plans in a systematic manner. For the time being, the Group's important production facilities, including the two plant sites of Chongqing and Kunshan, have qualified the 2023 SBTi short-term target review. We will also continue to plan and set the SBT goals throughout the Group. For the supply chain's

carbon reduction management, SDG 17 Partnerships for the Goals is the core goal of Primax 2030 sustainability strategy roadmap. We look forward to leading our suppliers to jointly set forth the carbon reduction goals and improve the sustainability capabilities at the same time. In 2023, Primax has implemented important supplier engagement plan and progressively set up feasible goals based on the understanding of the current status of suppliers' energy management and carbon emissions and ultimately seek to maximize Primax's influence on sustainability.

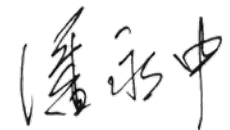
Create an organizational culture of diversity, equality, and inclusion, and strive to provide talents with a sustainable happy workplace.

Primax Electronics is committed to creating a trustful and open workplace where employees can feel respected and belonged, and are able to express their thoughts and opinions without fear. Our commitments to promoting diversity, fairness, and inclusion cover the four major directions, namely friendly breeding measures, occupational family balance, creation of a secure workplace, and achievement of social inclusion and common good. Meanwhile, we plan related measures and systems and also join the "Taiwan Talent Sustainability Action Alliance" to support the philosophy of talent sustainability with practical actions. In 2023, Primax Group has won the awards including HR Asia--Best Companies to Work for in Asia, Commonwealth Sustainable Talent Award, Best DEI Companies to Work for, Happy Enterprise and Sports Enterprise, etc.. In the future, we will keep improving based our original intention for "People-oriented and Sustainable Management."

Results and recognition of ESG promotion

Through various ESG ratings at home and abroad, Primax Electronics continues to review its own ESG operating performance to make improvement and also grow. In 2023, Primax was selected as a member of 2024 Sustainability Yearbook of S&P Global Ratings, an international sustainability rating institution, for the first time and received the recognition by the Industry Mover Award in the industry. In the Climate Change Questionnaire of the world's most authoritative non-profit-seeking organization for environmental indicators, CDP, Primax received the highest rating, i.e. "Leadership A," among 21,000 companies, reflecting the actions taken by the Company proactively against the global climate change issues and the Company's leadership in terms of the information disclosure transparency..

Chairman and Chief Executive Officer



1.3 Awards and Sustainable Achievements of Primax in 2023

RE100

On April 29, 2022, Primax Electronics joined the RE100 initiative officially.

Zero violation

Primax Group did not violate environmental/environmental protection laws and regulations in 2023.

Primax Group

Total GHG emission
▼ **63.56%**
compared to the base year, 2019.

Use of Renewable Energy

Use of renewable energy accounting for **42.34%** of the total electricity consumption in 2023.

Recognized as a leader-level in climate change and supply chain engagement from CDP.

E environment

Primax Group has set a net-zero pathway to achieve the goal of net-zero emissions by 2050.

Primax Group's waste emission volume ▼ **5.69 %** from 2022.

Primax Group's energy consumption ▼ **11.52%** from 2022.

In 2023, the carbon emissions through the energy conservation program was reduced by about **6,219 metric tons CO₂e**.

Primax Group's water consumption ↓ **6.61%** from the base year, 2020.

Primax Group emissions were **100% compliant with laws**.

Products made by Primax Group are **100% compliant** with laws and customers' requirements on health and safety.

2023 **Establishment of a sustainable control tower carbon management information system**.

Implement **16 main products' carbon footprint**, which accounts for about **60%** of the operating revenue in 2023.

The innovative low-carbon product design, HVS40, **reduced carbon emissions by nearly 52% compared to older models**.

In 2023, Tymphany Huizhou was honored as Guangdong Province Outstanding Ecological **Environmental Protection Demonstration Project and Huizhou Clean Production Enterprise**.

In 2023, Primax ChongQing was honored as a **district-level water-saving enterprise in Yongchuan District, Chongqing City**.

Primax Taipei was recognized as one of the **Top 50 in the 2023 CommonWealth Sustainable Talent Awards.**

Primax Taipei and Tymphany Huizhou won the Award for **HR Asia-Best Companies to Work for in Asia** in 2023.

Primax Taipei won the Womany Diversity for **Better Tomorrow Award (DBTA)** in 2023.

Dongguan Primax won **the awards including the Best ESG Companies to Work for and Best Human Resources Team** in 2023.

Tymphany Taipei won the 2023 **HR Asia-Caring Company Award** in 2023.

S
social

Zero violation of human rights or discrimination within the Primax Group in 2023.

Tymphany Huizhou won the **caring company award in 2023.**

In 2023, Primax ChongQing was honored as the **Advanced Unit for Employing People with Disabilities in Yongchuan District.**

Primax Group's employee salary and benefit expenses accounted for approximately **14.5%** of the operating revenue in 2023.

In 2023, **100%** of full-time employees participated in performance evaluation.

The social assistance granted to Primax Electronics totaled **NT\$10.45 million in 2023.**

Primax Electronics' volunteer service took **5,679.5** hours in total in 2023.

Tymphany Taipei received the 2023 **Healthy Workplace Certification Health Promotion Mark.**

The Group's education and training took **106,735 hours** in 2023.

Dongguan Primax won the **Compassion Award in 2023.**

Tymphany Taipei won the **Healthy Workplace-Vitality Award in 2023.**



Ranked 20th in the 2023 **CommonWealth Sustainable Talent Awards for Large Enterprises.**

Won the award for **Taiwan's Top 100 Sustainable Model Enterprises"** by TCSA (Taiwan Corporate Sustainability Awards) in 2023.

Rated **A** in MSCI ESG.

Selected as a member of 2024 S&P Global Sustainability Yearbook and won the **Industry Mover Award** in the industry.

Won the **score of A** in climate change and supply chain engagement from CDP (Leadership).

G

Corporate Governance

Won the TCSA Sustainability Report **Platinum Award in 2023.**

The consolidated net operating revenue was NT\$**60,488,402** thousand in 2023.

The consolidated net income was NT\$**2,633,489** thousand in 2023.

In 2023, all directors' continuing education hours **100%** comply with the relevant requirements.

We are committed to increasing the proportion of female directors. In 2023, the proportion of female or foreign directors was **22%**.

Independent directors accounted for more than half of the Board members. The proportion of independent directors accounted for 56%.

No material adverse news with Primax Group.

Zero violation
In 2023 Group did not violate economic or social laws and was not fined.

In 2023, Primax Group's R&D expenses accounted for **5.11%** of operating revenue.

In 2023, a total of **733** people won invention awards.

As of the end of 2023, a total of **897** patents were approved.

Zero leakage
In 2023, Primax Group received no complaint concerning violation of customers' sensitive information.

Zero complaints

In 2023, Primax Group received no cybersecurity-related complaint from external parties or the authority.

81.8% of Primax Group's suppliers had signed the Supplier Commitment Statement in 2023.

In 2023, a total of **62** suppliers' on-site audits and 100% of them completed the CPA.

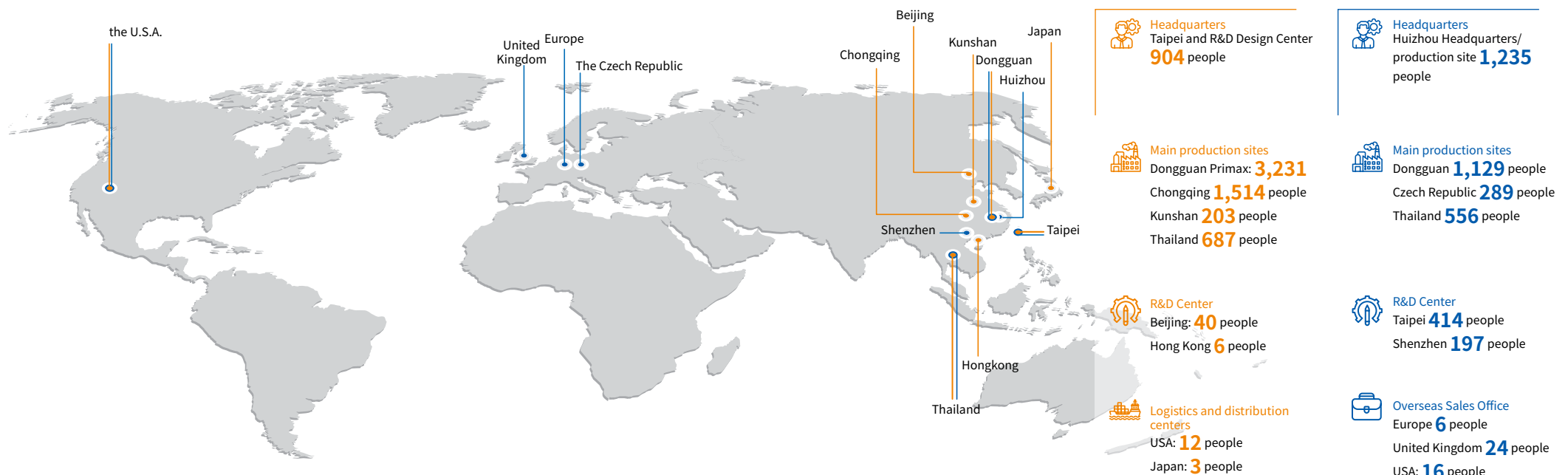
In 2023, the annual **ESG training rate for important suppliers reached 82.7%.**

1.4 Company Overview

Founded in 1984, Primax is a first-class solution provider for information, electronic, and consumer products. The global headquarter is located in the Neihs Technology Park, Taipei City, whereas Liuwu Plant in Dongguan, China, is the Group's main production site and specializes in mass production. Liuwu Plant also manufactures products for Tymphony. Other Primax products are produced by Kunshan Plant and Chongqing Plant. As far as Primax Electronics is concerned, 2023 is an important year for Primax Group to continue its steady transformation. From the perspective of the core development of products with three senses in one, we continue to expand the layout of and investment in new businesses and new technologies, optimize the product portfolio, and continue to expand in the fields of automobiles, safe life, working from home, acoustics, and smart city,

and also proactively invest capital in the development of edge computing and AI-related AIOT products. In terms of global manufacturing, the production and shipment of the factories in Thailand and the Czech Republic have grown steadily, while the construction of the Zhube Innovation Center is underway, which is expected to include advanced laboratories, industry academia incubation center and new product manufacturing center.

Subsidiary - Tymphony has most of its production facilities located in Huizhou and Dongguan, China, and in Czech Republic under the company name TYM Acoustic Europe; it specializes in the R&D, design, manufacturing and sale of audio accessories, headphones and microphones. Meanwhile, we have R&D centers located in Beijing, Shenzhen, and Taiwan, as well as logistic centers and sales offices established in USA and Japan to serve the world's major consumer markets and provide better and faster service to customers. Overall, we envision ourselves as a supplier of IT, electronic and consumer product solutions.



Company profile

Category	Data Basis and Assurance
Company name	Primax Electronics Co., Ltd.
Nature of corporate ownership	Openly issued and publicly listed company (stock ID: 4915)
Paid-up Capital	NT\$4,582,893 thousand
Date of establishment	2006 (initially founded in 1984)
Chairman/General Manager	Liang, Li-Sheng (retired at the end of May 2023) Duh, Jia-Bin (appointed at the end of May, 2023)
Headquarters	No. 669, Ruiguang Road, Neihu District, Taipei City
Consolidated Revenues - 2023	NT\$60,488,402 thousand
Total group head count	10,466 people (globally); 9,873 people (scope disclosed in the report)
Production Volume in 2023	112,843 thousand pcs
Number of total shareholders	26,890 people (as of July 6, 2023)
Total shares count	459,434,324 shares (as of July 6, 2023)

Products and Services

With the mindset of "R&D in Taiwan, Intelligent Manufacturing, Global Logistics," the key to Primax Group's continuous profitability and growth lies in embracing innovation. The company operates across Asia, the Americas, Europe, and other regions, with highly efficient production bases established in Taiwan, China, Thailand, and other locations. Primax Group employs nearly ten thousand employees worldwide. We have a keen understanding of the trends in cloud technology and the IoT. Our focus on technological development revolves around the integration of acoustics, visuals, and human-machine interfaces, aiming to extend our business reach into every individual's living environment. We have continued to improve human-machine interface products and researched and developed touch, voice control, gesture and wearable functions of such products; visual products have achieved notable successes in smart surveillance systems, mobile devices, smart homes, and advanced driver assistance systems. Our insistence on maintaining high yields and high quality in manufacturing and development is backed by our technical expertise. Our implementation of smart system engineering also made us an indispensable partner for leading international brands and allows us to build up the energy needed for future growth.

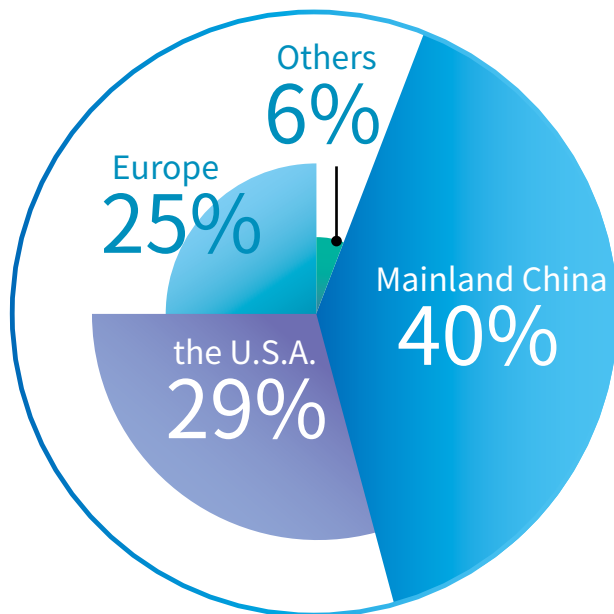
《For the relevance among the upstream, midstream and downstream segments in the industry which Primax is engaged in, please refer to the annual report of 2023 annual general meeting, P59~P61》



Sales of main products

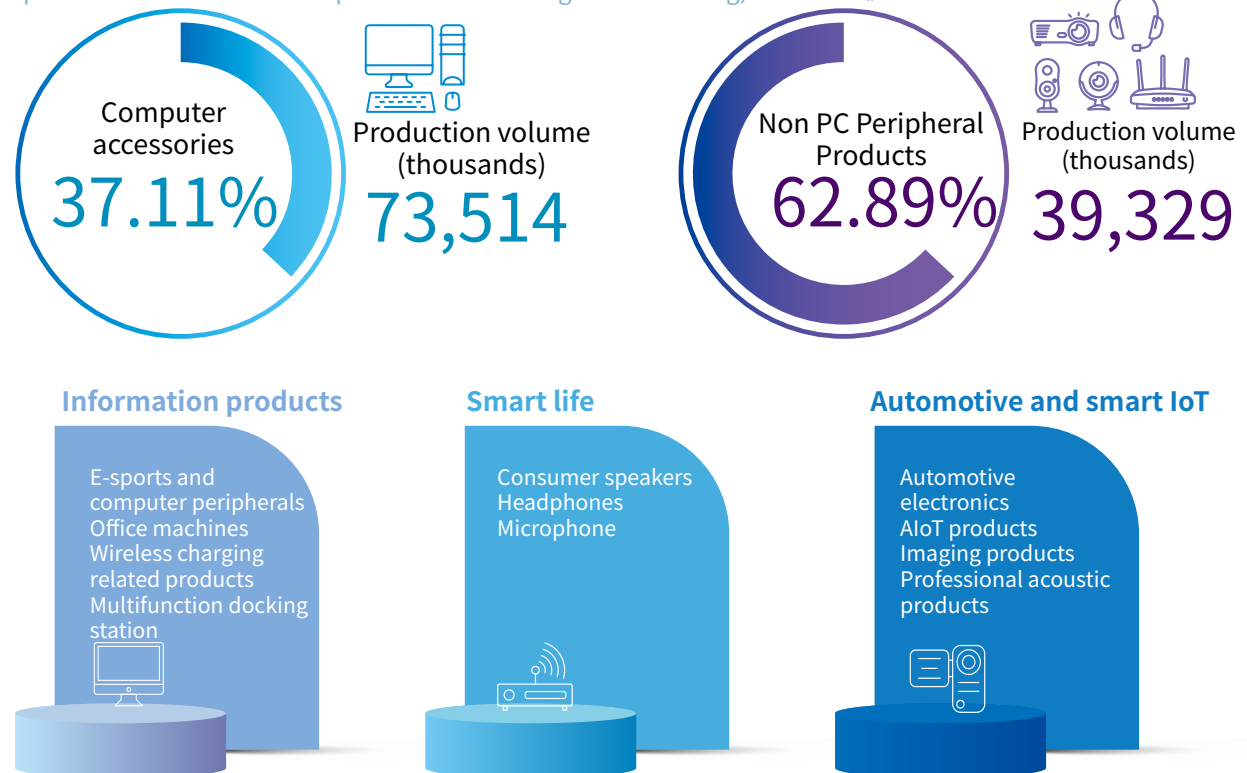
Primax Group sells its products mainly to world-renowned brands. It has developed strong business relationships with upstream and downstream partners, and is recognized as an important business associate by the major brands it works with. The Group also collaborates with its customers on the research, development, design and manufacturing of various products, accessories and components. The main area where our products are sold is mainland China, accounting for about 40% of total sales, followed by the USA, accounting for about 29%.

Sales Region Breakdown



The computer peripherals produced by Primax include keyboards, mice, and peripherals for eSports and game devices., and they are mainly applied to the desktop and notebook computers, and the eSport computers. Mouses and keyboards are the main sales items. The global PC shipments in the first three quarters of 2023 were approximately 163 million units, down by 18.1% from the same period in 2022 and slightly lower than that before outbreak of the pandemic. However, there are several growth drivers in 2024. Among them, Microsoft Windows 12 is expected to be launched in the summer of 2024. The machine replacement wave to be brought by it will drive the global PC shipments to hit a new record again. Therefore, the market outlook is promising.

Among non-computer peripheral products, the main sales item is mobile device camera modules. Through the development of three-in-one products, Primax continues to expand into areas such as automotive, safety, smart living, home office, acoustics, and smart cities. In addition to showcasing the company's leading advantages in technology and product quality, this expansion contributes significantly to profitability and drives growth in gross profit margins. [《For the detailed product and service sale overview, please refer to the annual report of 2023 annual general meeting, P 70~P74.》](#)



Sustainability Management

Chapter 2

- 2.1 Sustainability Management and Practice
- 2.2 Primax SDG Blueprint
- 2.3 Identification and management of ESG Issues
- 2.4 Stakeholder Engagement



► 2.1 Sustainability Management and Practice

2.2 Primax SDG Blueprint

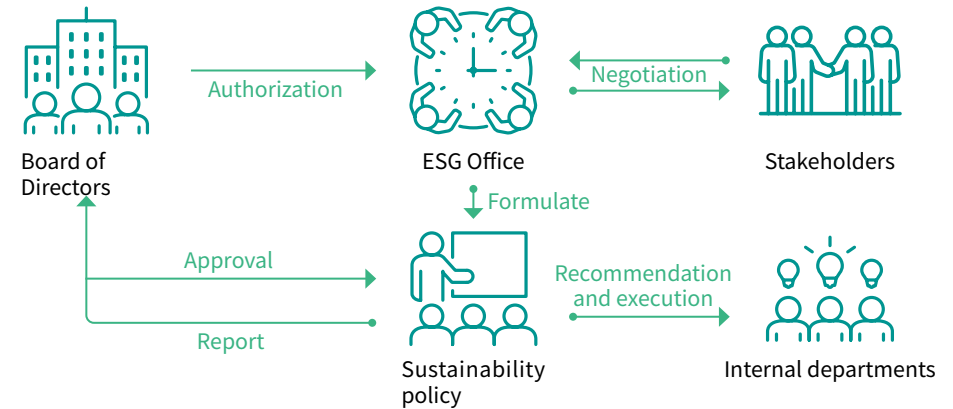
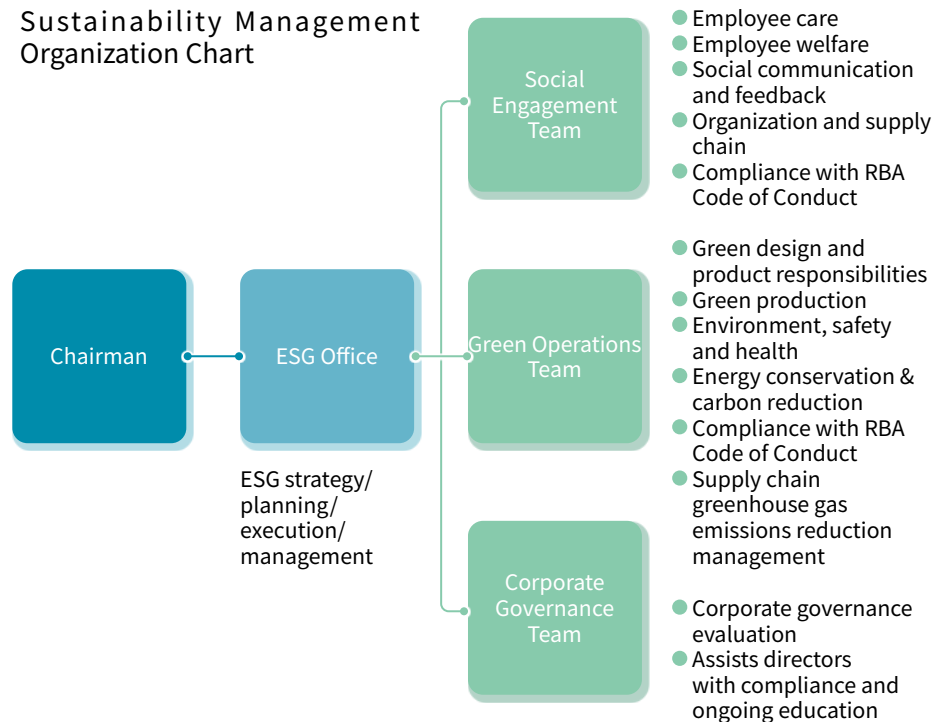
2.3 Identification and management of ESG Issues

2.4 Stakeholder Engagement

2.1 Sustainability Management and Practice

Primax has established the ESG Office under the authorization of the Board of Directors, with Vice General Manager Chiang, Yan-Ying as the convener. The ESG Office aims to implement corporate governance, promote sustainable environmental practices, uphold social welfare, and enhance information disclosure as the four key aspects of corporate sustainability development. To address the economic, environmental, and social impacts, the ESG Office has formed three subcommittees: Corporate Governance, Green Operations, and Social Care. These subcommittees collect external advocacy information related to the economic, corporate governance, environmental, and social aspects that are relevant to the company's operations. They are responsible for engaging with stakeholders, aligning interests, and prioritizing significant issues based on the outcomes of stakeholder engagement. The ESG Office presents the corporate vision blueprint to the Board of Directors, formulates relevant policies, systems, or management guidelines for corporate sustainability, and subsequently obtains the Board's approval for specific implementation plans.

Sustainability Management Organization Chart



The ESG Office reports to the Board of Directors semi-annually, providing updates on stakeholder communication, significant events and disclosure topics, greenhouse gas inventory conclusions, annual execution plans, and more, prior to the publication of the sustainability report. The specific implementation plans are then approved by the Board. At the end of the year, the ESG Office reports on the achievements of the planned executions, risk assessment results, and corresponding measures. This demonstrates Primax's strong commitment to implementing sustainable development. The Board of Directors convened a total of 8 meetings in 2023. The contents of sustainability-related motions are shown in the table below.

Meeting time: 2023/01/16

Contents of Motion: Sponsored the Chengzhi Education Foundation for the KIST Experimental Project at Taoyuan Elementary School in Taitung County for the 2023~2028 academic years.

Meeting time: 2023/06/02

Contents of Motion:

- 2023 Corporate Sustainability Strategy Roadmap Goal Execution Plan Report
- 2022 GHG Inventory Result Report
- Primax Group 2050 Net Zero Pathways Report
- 2022 Sustainability Report Material Topics and Stakeholder Engagement Results

Meeting time: 2023/11/08

Contents of Motion: 2023 Operational and Climate Change Risk Assessment Report

► 2.1 Sustainability Management and Practice

2.2 Primax SDG Blueprint

2.3 Identification and management of ESG Issues

2.4 Stakeholder Engagement

Under the authority and vision of the board of directors, the ESG Office is required to assist fellow departments and units in the implementation of ESG projects in a manner that conforms with the Company's economic, environmental and social efforts. The CSR Office is also responsible for gathering information such as stakeholders' feedbacks on issues of concern, local and global sustainability trends, and best practices of industry leaders, as well as offering suggestions and guidance to departments for the sustainability of the Company.

In 2022, the Board of Directors approved Primax Group's Sustainability Strategy Roadmap and authorized under the Roadmap the Chairman to agree to a total of 29 goals to be implemented by various business and staff units. Meanwhile, since 2023, it has formulated the variable remuneration for senior management teams including the vice president and above by 10 ~ 15% linked to ESG performance. The performance assessment standards include the Company's performance indicators, annual strategic priorities and ESG indicators, aiming to stimulate and improve business efficiency and sustainable competitiveness to help achievement of long-term value creation and ESG goals. [For more detailed information on the sustainability strategy blueprint, please refer to Chapter 2.2, "Primax SDGs Sustainable Strategy Blueprint."]

Advanced Team Performance Assessment Standards



50%~ 60%
Company
Performance
Indicators

Operating revenue, gross profit, net income, earnings per share and return on equity, etc.



20%~ 30%
Annual Strategic
Highlights

Achieve the specific strategic goals within the time limit set for specific important technologies, products, customers, and markets, such as new products as a percentage of operating revenue and improvement of per-capita productivity indicators, etc..



10%~ 30%
ESG Indicators

External ratings, such as DJSI, CDP, MSCI, carbon reduction product design and development completion rate, manufacturing base carbon reduction rate and talent development plans, etc.

Since 2023, the **variable remuneration** for senior management teams including the vice president and above by 10~ 15% has been linked to ESG performance.



2023 Taiwan Corporate Sustainability Awards (TCSA)

2023 Primax
Electronics has won
for 3
consecutive
years



Taiwan Corporate Sustainability
Awards (TCSA)

2.2 Primax SDG Blueprint

As a top solution provider for information, electronic, and consumer products, integrity and pragmatism are our corporate culture and core values. With these values, our corporate mission includes excellent quality, innovation and research and development (R&D), smart manufacturing, and steady growth. Therefore, as our name PRIMAX indicates, we aim to maximize our influence in the three aspects of environmental protection, responsibility, and smart application, while stimulating our employees' pride in Primax through ESG actions on the basis of the core of collaboration with diverse parties.

In the spirit of P.R.I.MAX, Primax has formulated its sustainability strategy roadmap in 2022 and responded to the 7 United Nations Sustainable Development Goals (SDGs), expecting to launch the corresponding action plans under the roadmap. The sustainability strategy roadmap consists of three major standards, 8 strategic dimensions and 29 detailed goals. Based on the roadmap, we set the performance indicators of each responsible unit and defined the scope of each goal, in order to ensure that the implementation effectiveness can be evaluated more accurately, implement sustainability into corporate operations more thoroughly, and achieve the goal of corporate sustainable development.



Intelligence & Inclusion Maximum

Primax strives to build a friendly workplace and adopts smart application products as the core to build a sustainable and inclusive society internally and externally.



Preservation Maximum

Facing climate change, Primax proactively manages risks and opportunities and takes action to protect the environment and achieve sustainability on Earth



Responsibility Maximum

Primax takes honesty, integrity, and pragmatism as its corporate DNA, puts them into practice during operations, product design, production and customer service, to create a sustainable value chain



6 Preservation Maximum

1. Broadest management scope
2. Expansion to include the entire Primax Group globally (including PMX & TYM and boundary subsidiary companies indicated in the consolidated financial statements (including MX))

Reducing Environmental Carbon Footprint

Direction of Promotion	2030 Goals	2023 Work Plan and Goals	2023 Achievement Status	Goal Achieved
Global GHG Emissions Reduction (Entire Group and major business locations worldwide)	By 2030, the Primax global group aims to reduce Scope 1 and Scope 2 GHG emissions ^{Note 1} by 60% in comparison to the emissions in 2019.	<ol style="list-style-type: none"> 1. Completion of energy saving refined management plan for the Group. 2. Continue to increase the ratio of renewable energy consumption (including self-generated energy for own use, certificates and PPA). 	In 2023, the Scope 1 and Scope 2 GHG emissions have been reduced by 63.56% (Market base) from the emissions in 2019, such that the goal for 2030 has been achieved early.	😊
	With the base year of 2022, the emissions intensity of computer peripheral products and unit raw materials will be reduced by 40% ^{Notes 2 and 3} by 2030.	<ol style="list-style-type: none"> 1. The Group is committed to the SBT net-zero goal and expected to pass the SBT net-zero goal review in 2025. 2. Optimization of the product carbon footprint inspection system and integration of Scope 3 carbon inspection system. 3. Progressive completion of the product carbon footprint calculation in order to facilitate the understanding of the carbon footprints of different products. 	<ol style="list-style-type: none"> 1. Commitment statement has been submitted timely. The long-term goal is expected to be submitted at the end of 2024. The long-term goal for Scope 3 will include the raw material carbon emissions reduction. 2. The development of sustainability control tower management system has been completed, in order to support the assessment of product carbon footprint. The product footprint inspection system is expected to be optimized continuously in 2024. 3. In 2023, a total of 16 main product calculations have been completed, including the computer peripheral products, such as mouse and keyboard (including wired, wireless and gaming devices), wireless charging tray, computer docking stations, etc.) 	😊
	Ratio of renewable energies reaches 60%.	Continue to implement renewable energy expansion plan, and achieve RE 40%.	In 2023, the total amount of renewable energies consumed was 38,150,471 kWh, accounted for 42.34% of the total electricity consumption and accounted for 41.19% of the total energy consumption in 2023.	😊
	100% of newly constructed facilities worldwide meet the green building standards.	For Primax' s Taiwan Innovation Center currently under construction, its building design planning and construction comply with the EEWB Taiwan green building regulatory requirements.	Zhubei Plant is expected to be completed in 2025, and it is currently executed according to the plan.	😊
Value Chain GHG Emissions Reduction	Key suppliers shall reduce GHG emissions by 5% annually.	<ol style="list-style-type: none"> 1. Implement important suppliers' response to climate change survey. 2. Promote GHG emissions reduction by important suppliers. 3. Complete carbon reduction partnership project planning. 	<ol style="list-style-type: none"> 1. Important suppliers' response to climate change survey coverage reached 68%. 2. Completed Escorecard system adjustment, and included important suppliers' GHG inventory and reduction in the quarterly evaluation items. 3. Completed the carbon reduction partnership project planning and completed 2024 Q1 field survey to promote suppliers to establish carbon management goals. 	😊

Strengthening Climate Resilience Actions

Direction of Promotion	2030 Goals	2023 Work Plan and Goals	2023 Achievement Status	Goal Achieved
Enhancing Climate Operational Resilience	Complete the TCFD climate adaptation plan for the global group by 2030.	<ol style="list-style-type: none"> 1. Assessment scope with addition of Primax' s Hsinchu business locations (facility under construction) and subsidiary Tymphany. 2. Include important suppliers in the physical risk assessment. 	<ol style="list-style-type: none"> 1. Thailand plant site and TYM' s main business locations have been included in the scope of assessment. 2. 34 suppliers worldwide have been included in the scope of physical risks, and the sea-level rise and water resource stress assessment have been completed. 	😊

Note 1: The unit is tonne carbon dioxide equivalent (tonne CO₂e). Note 2: This goal is expected to be adjusted after the setting of the Group' s SBT long-term goals. Note 3: Raw material emissions intensity unit = CO₂e/annual revenue of computer peripheral products.

Note 4: Definition of important suppliers: Important suppliers are defined as those with significant risks related to negative ESG impacts or whose products, materials, or services have a significant impact on the Company's competitive advantage, market success, or survival. This includes but is not limited to suppliers accounting for the top 80% of the Group's transactions and on-site service providers.

7

Responsibility

Maximum

1. Most in-depth management scope

2. Integrating Smart Manufacturing with Sustainable Performance to Enhance Primax's Sustainable Business Management

Sustainable operations

Direction of Promotion	2030 Goals	2023 Work Plan and Goals	2023 Achievement Status	Goal Achieved
Smart Manufacturing	Achieve a cumulative 40% growth in per capita pre-tax profit (PBT) at global major operating locations by 2030, using 2022 as the base year.	1. Pre-tax profit per capita increased by 15%. 2. Optimize product portfolio and increase profitability 3. Simplify the process/increase the automation ratio/reduce the manpower input for the production line	Pre-tax profit per capita is -17.07%.	☹️
	Increase the overall equipment efficiency (OEE) at global major operating locations from 57% to 81% by 2030, using 2022 as the base year.	1. OEE increased by 8% (utilization rate increased from 60% to 68%) 2. Increase the production value and increase the utilization rate of the automated production line. 3. Multi-models inline production to improve the utilization rate of the wire body.	The OEE overall equipment efficiency is 62.4%	☹️
	Digitally enhance overall personnel efficiency by 30% at global major operating locations by 2030.	1. The overall personnel efficiency of the Chongqing manufacturing base is increased by 3%. 2. Continuous development and implementation of MES core modules + DPMS platform 3. Optimize the smart manufacturing system, improve system performance, and expand the scope of impact	The personnel efficiency growth of the Chongqing manufacturing base was -0.80%.	☹️
	Accumulate paper savings equivalent to 41 million A4 sheets by 2030 at global major operating locations through digitization, using 2022 as the base year.	1. Accumulative 3 million A4 sheets saved 2. Extension of AMS IT & DT projects to Kunshan/Dongguan/Thailand 3. Seed talent training for smart manufacturing and extend I4.0 capabilities to other manufacturing bases.	Accumulative 3.88 million A4 sheets saved	😊

Responsible recycling

Direction of Promotion	2030 Goals	2023 Work Plan and Goals	2023 Achievement Status	Goal Achieved
Circular Recycling	The annual PCR rate of major operating sites around the world reached 25%.	1. Improve the PLM system: PCR Labeling and Drawing Management System 2. Recalculate the proportion of PCR products, and set goals for 2024 and later in line with the product carbon footprint reduction plan.	1. PLM has completed the system revision. 2. The ratio of PCR is calculated annually, and the long-term goal is to be discussed by the Ecosystem Committee.	😊

2.1 Sustainability Management and Practice

► 2.2 Primax SDG Blueprint

2.3 Identification and management of ESG Issues

2.4 Stakeholder Engagement

Responsible Business

Direction of Promotion	2030 Goals	2023 Work Plan and Goals	2023 Achievement Status	Goal Achieved
Strengthen the information security risk management	Implement ISO 27001 into the important core management processes of major global operating locations and obtain third-party certification every three years	<ol style="list-style-type: none"> The subsidiary, Tymphany, obtained ISO 27001 certification. The locations that have passed the certification of the third-party international certification companies every three years include: Primax Electronics: Taipei/Dongguan/Chongqing/Kunshan/Thailand Tymphany: Taipei/Dongguan/Huizhou/Thailand/Czech Republic Expand the scope of certification to core applications: System development, maintenance, and operation management 	<ol style="list-style-type: none"> The subsidiary, Tymphany, obtained ISO 27001 certification. The locations that have passed the certification of the third-party international certification companies in 2023 include: Primax Electronics: Taipei/Dongguan/Chongqing/Kunshan/Thailand Tymphany: Taipei/Dongguan/Huizhou/Thailand/Czech Republic Already expand the scope of certification to core applications: 	😊
Sustainability Performance Linkage	The variable remuneration for senior management teams including the vice president and above by 10~15% to line with ESG by 2030.	Define the bonus plan for key positions in 2023 to line the ESG goal for 10~15%.	Indicators for ESG new product R&D and talent cultivation have accounted for 10~15%.	😊

Note 1: The annual growth goal is 5%.

Note 2: Important core management processes: Expand ISO 27001 to cover the Group's R&D engineering, and manufacturing.



16

Intelligence &
Inclusion Maximum

1. Managing the most extensive departments
2. Covering the most departments, including HR (Human Resources), R&D (Research and Development), IP (Intellectual Property), and social welfare.

Diversity and Inclusion Values

Direction of Promotion	2030 Goals	2023 Work Plan and Goals	2023 Achievement Status	Goal Achieved
Supplier Human Rights Risk Management	100% of significant suppliers at global operating locations complete annual supplier social responsibility related training.	90% of significant suppliers at the main operational sites in mainland China complete annual supplier social responsibility related training.	Already completed, training rate 100%	😊
	100% of key high-risk suppliers at global operational sites completed on-site supplier social responsibility audits annually, with necessary improvements being tracked and completed.	90% of key high-risk suppliers at global operational sites completed on-site supplier social responsibility audits annually, with necessary improvements being tracked and completed.	Review has been completed.	😊
Supply Chain Sustainability Capability Building	By 2030, 95% of the first-tier suppliers will join the supply chain ESG management platform.	80% of the first-tier suppliers will join the supply chain ESG management platform.	Achieved.	😊
	By 2030, 100% of key suppliers implement GHG emission management and achieve reduction goals.	1. Key suppliers implement the GHG emission management training. 2. Communicate programs with key suppliers with respect to key suppliers' contractors with high carbon emission strategies.	1. Already completed the training at the annual supplier conference. 2. Expected to engage in the negotiation with key suppliers with respect to their contractors with high carbon emission strategies in Q1 of 2024.	😊
Social Welfare	By 2030, employee volunteer service hours will reach 20,000 hours, using 2022 as the base year.	Volunteer service hours: 2,500 hours.	Total volunteer service hours: 5,679 hours	😊
	Accumulated social assistance amount (including employee donation) reaching NT\$70 million.	Accumulated social assistance amount (including employee donation) reaching NT\$9 million.	Total social assistance amount (including employee donations) about NT\$10.45 million.	😊
	Beneficiaries of social welfare services reaching 100,000 people.	Beneficiaries of social welfare services reaching 140,000 people	A total of 20,298 beneficiaries were served.	😊
	Establishing 60 public welfare cooperative partners.	Adding 8 public welfare cooperative partners	There were a total of 29 new public welfare cooperative partners.	😊

Sustainable Innovation Workplace

Direction of Promotion	2030 Goals	2023 Work Plan and Goals	2023 Achievement Status	Goal Achieved
Excellent Working Conditions	Retention rate of outstanding employees (PRD1&2) at major global operating locations >= 95%.	1. Implementation of individual development plans. 2. Strengthening performance-oriented reward design.	1. Implement the IDP with respect to key positions. 2. 53% successor candidate satisfaction rate	😊
Equal Workplace	The ratio of female key executives and above at main operating locations attains 20%.	1. Implement flexible office arrangements to support female employees in balancing career and family. 2. Continuously optimize family care-related welfare measures (day care/ settling-in/nursing).	1. The fixed weekly working from home hours are adjusted as no more than 4 days per month upon request, in the case of any contingency. 2. Organize the Common Wealth X Primax Electronics SDGs parent-child activity, attended by a total of 119 participants.	😊
ESG Culture Building	Accumulate at least 20,000 ESG education and training participants at global operating locations.	1. Complete the online course production according to the ESG training map. 2. Organize 1~2 physical ESG concept promotion activities.	1. The initial drafts of 6 online videos have been completed, which are expected to be released in January next year. 2. Four events were organized during the ESG-theme month, attended by a total of 267 participants.	😊
	100% completion rate for ESG training for new employees at global operating locations.	Primax has launched a required course for ESG beginners, aiming at 100% attendance rate.	Activated and required for the beginners.	😊
Industry-academia collaboration	Over 800 interns from universities and colleges at global operating locations.	1. Continuously invest in and integrate industry-academia resources. 2. To work with the internal R&D center and Zhubei Innovation Base to a. complete the talent profile and b. decide the schools and departments for the industry-academia collaboration.	1. Organize the Student Sustainable Innovation Annual Conference attended by more than 100 participants 2. Work with KPMG to complete the Youth Sustainability Questionnaire: 1,500 copies	😊
Intelligent Innovation Application	Annual R&D expenditure accounts for 4% of the Company's operating revenue.	The Group's R&D expenditure accounts for 4.3% of the Company's overall operating revenue.	R&D accounts for 5.29%.	😊
Patent Expansion	Accumulate over 4,500 patents granted globally by 2030.	Accumulate over 3,450 patents granted in total.	Cumulative number of approvals: 3,738 cases ^{Note 6}	😊
	Strategic technological patents from the Primax TW R&D Center accounted for 60% of the total patent applications in that year.	Strategic technology patent applications accounted for 50% of the applications filed in 2023.	Strategic technology patents accounted for 55.7% of the annual applications.	😊

Note 1: Definition of important suppliers: Important suppliers are defined as those with significant risks related to negative ESG impacts or whose products, materials, or services have a significant impact on the Company's competitive advantage, market success, or survival. This includes but is not limited to suppliers accounting for the top 80% of the Group's transactions and on-site service providers.

Note 2: The first-tier suppliers are suppliers who directly engage in orders/contracts with Primax.

Note 3: The management scope covers PMX Taipei Headquarters, Dongguan, Chongqing and Kunshan.

Note 4: The same industry refers to Taiwan's Electronics Manufacturing Services (EMS) companies.

Note 5: The patent rights management scope covers PMX Taipei Headquarters, Dongguan, Chongqing and Kunshan.

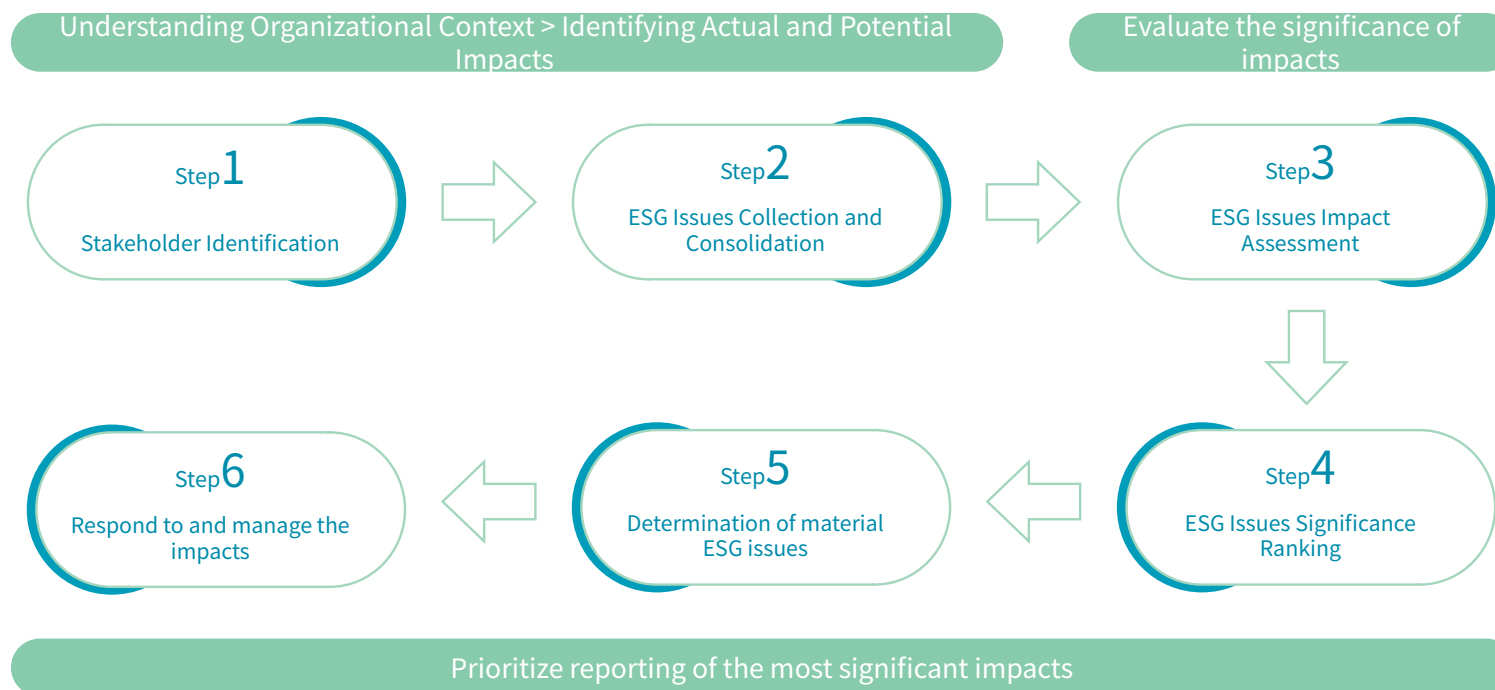
Note 6: Statistics gathered by November 30, 2023

2.3 Identification and management of ESG Issues

This year, we continued to follow the disclosure principles under the latest GRI "GRI 3 Material Topics 2021 " to implement the material issue assessment process, and responded to the EU Double Materiality and the International Financial Reporting Standards No. S1 released by IFRS Foundation to assess the actual or potential impact posed by each ESG Issue on the external economy, environment and human rights, as well as the possible impact on the operations of Primax, from the perspective of Primax' s operating and economic activities.

The ESG issues assessment process enables Primax to gain a deeper understanding of the positive and negative impacts posed (or potentially posed) outside and inside the organization during its operational activities. The, we may develop management policies that prevent or mitigate negative impacts or proactively create positive contribution. The material ESG issues assessment process of Primax consists of six major steps as explained below.

Material ESG Issues Assessment Process

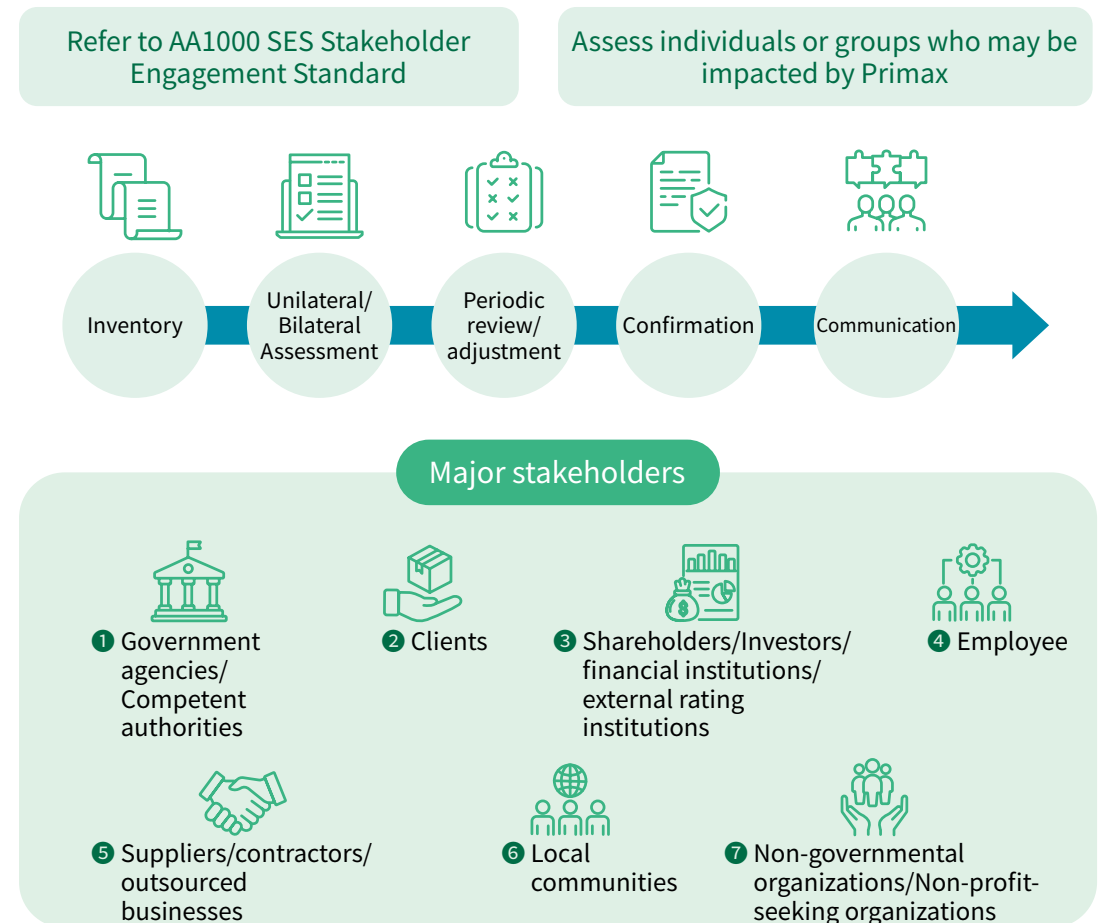


Step 1 Stakeholder identification

For Primax' s stakeholders, we have planned rigorous identification and selection method. In reference to the relevance and upstream & downstream segments of the chain value and business, we took an inventory of the population of Primax' s stakeholders. In addition to the five principles of the AA1000 Stakeholder Engagement Standards (SES): "Dependency, Responsibility, Influence, Diverse Perspectives and Tension," we also assessed the stakeholders actually or potentially affected by various ESG issues management of Primax from the perspective of individuals or groups whose interests are or may be affected by the organization's economic activities, in accordance with the definition of stakeholders under the GRI Standards (2021). Review and adjustment will also be performed on a yearly basis.

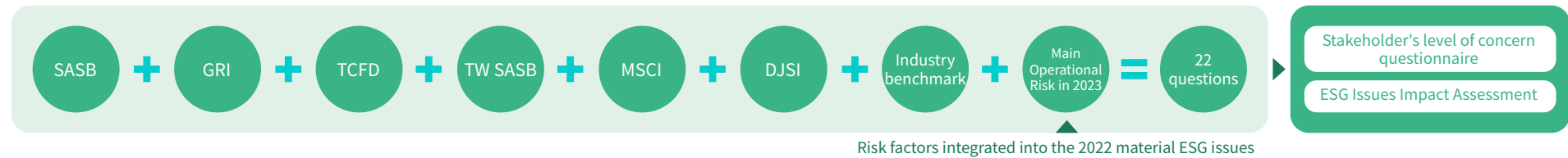
This year, the ESG Office' s assessment result shows that there is no significant change in the main stakeholders of Primax from the previous year, including government agencies/competent authorities, customers, shareholders/investors/financial institutions/external rating institutions, employees, suppliers/contractors/outsource business, local communities, and non-governmental organizations/non-profit-seeking organizations. Meanwhile, we verified the how stakeholders concern about the ESG issues of Primax through the questionnaire. We maintain continuous and positive communication and exchange with stakeholders, promptly providing feedback on the impact of our business activities on each stakeholder. In response, we take appropriate improvement measures, fostering mutual trust, reciprocity, and mutual benefits to build a strong and positive relationship.

Stakeholder identification process

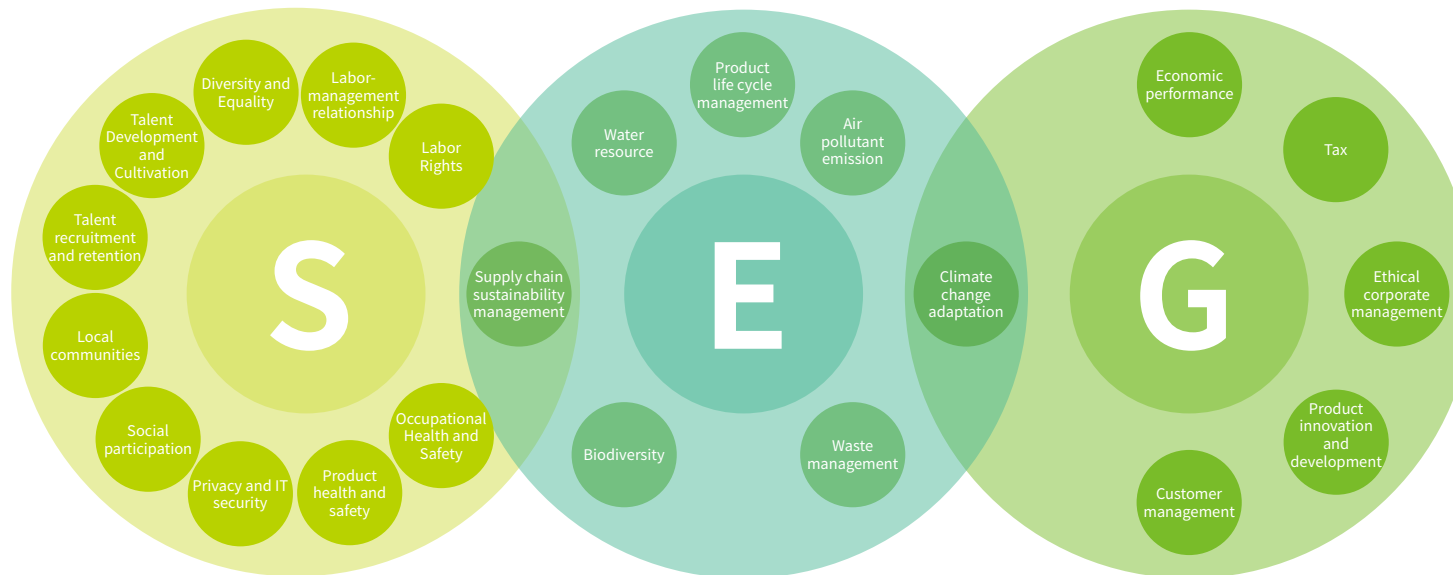


Step 2 Issues Collection and Consolidation

Prior to the ESG issues assessment, we first compiled the ESG issues that might pose some impact on the external economy, environment, human rights or company operations, in reference to sustainability standards and regulations (GRI, SASB, TCFD), ESG rating institutions (DJSI and MSCI, etc.), Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Issues of Concern to Stakeholders, Material Topics in the Upstream and Downstream Segments of the Value Chain (peers and major customers), Industry Characteristics and Relevant Regulations, and ESG advice and suggestions. This year, we also particularly integrate the main operational risk of Primax into the ESG issues and compile a total of ESG issues as the sources of impact assessment and stakeholder's level of concern questionnaire.



Conclusion of material ESG issues

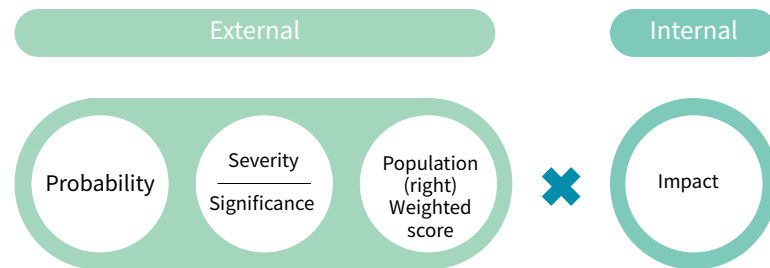


Note: This year, "legal compliance," "corporate governance," and "risk management" were listed as basic ESG issues. In other words, they should be disclosed in the report regardless of their materiality and, therefore, excluded from the ESG issues.

Step 3 ESG Issues Impact Assessment

The ESG Office of Primax and the top executives of each unit at Tymphany conducted a positive and negative impact scenario analysis of each ESG issue based on Primax Group's actual management status, and then assessed the impact posed by each ESG issue externally (economy, environment and population (including human rights thereof) and internally (Primax' s operations) based on the impact scenarios. When assessing the significance of impacts, the likelihood and severity (scale, scope, and remediation difficulty)/importance (scale, scope and likelihood) of each ESG issue shall be taken into consideration. Meanwhile, the level of concern questionnaire was also conducted with respect to the seven major stakeholders, and a total of 64 valid questionnaires were collected as a reference for determination of material ESG issues.

Calculation of Impact Scores



- Negative score: External Negative Impact * Internal Negative Impact
- Positive score: External Positive Impact * Internal Positive Impact

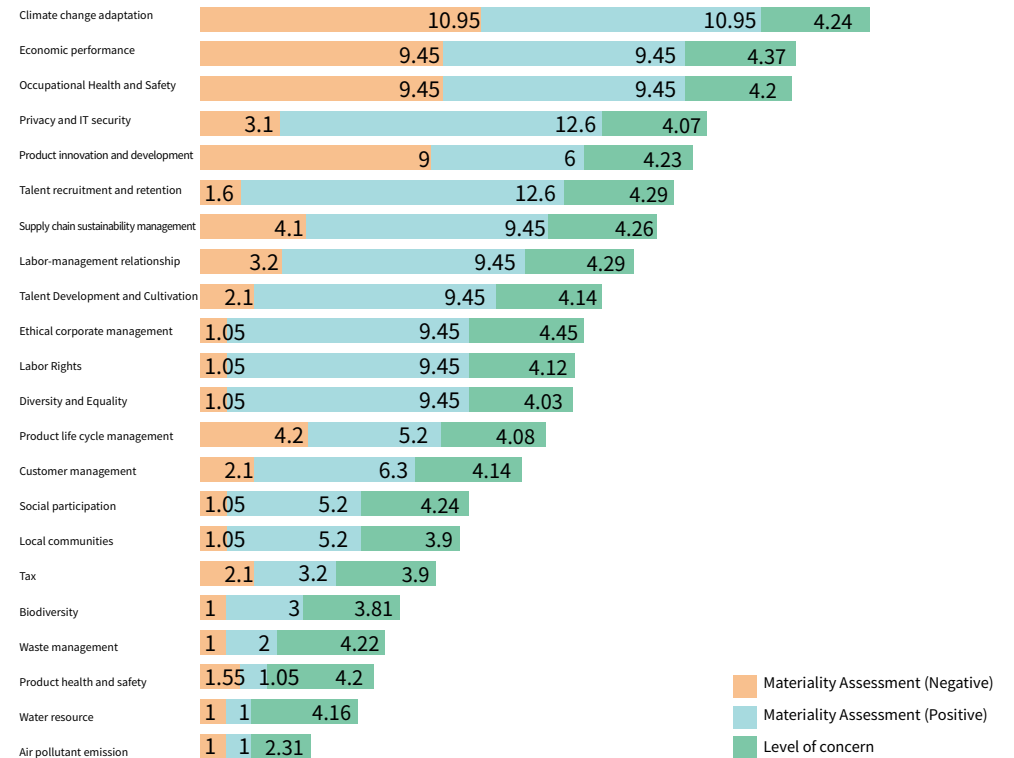
Note:

1. The internal positive and negative impact assessment scores correspond to the possibility scale and financial impact scale in the "Enterprise Risk Management Policy and Procedures" of Primax.
2. Positive and negative impacts are scored on a scale of 1~4. If human rights impact is involved during the evaluation process, bonus points are granted.
5. Expected occurrence: Short-term: 1~3 years; Medium-term: 3~5 years; Long-term: over 5 years.

Step 4 ESG Issues Significance Ranking

After completing the impact assessment of each ESG issue, the ranking is based on the materiality assessment (positive and negative impacts) and the stakeholder level of concern score, and the threshold is set as the benchmark for determination of material ESG issues. The ESG issues with the positive impacts higher than the threshold refer to the 12 issues. The ESG issues with the negative impacts higher than the threshold refer to the 4 issues. The ESG issues with stakeholders' level of concern higher than the threshold refer to the 15 issues, including ethical management, economic performance, and talent recruitment and retention.

ESG Issues Significance Ranking

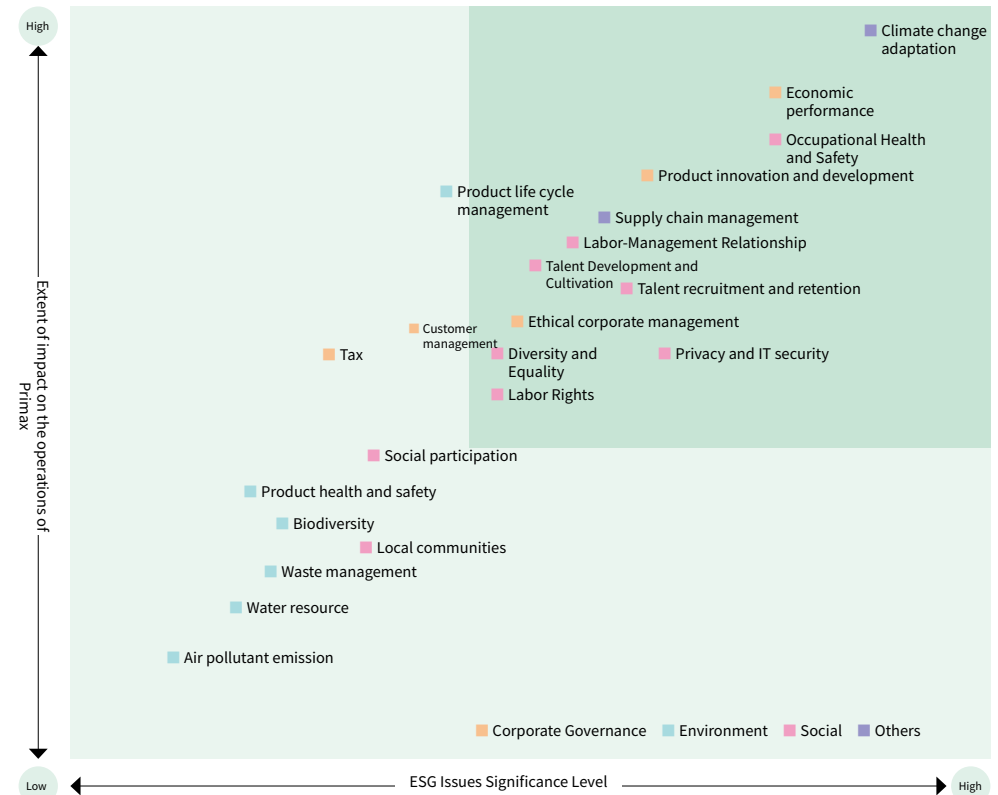
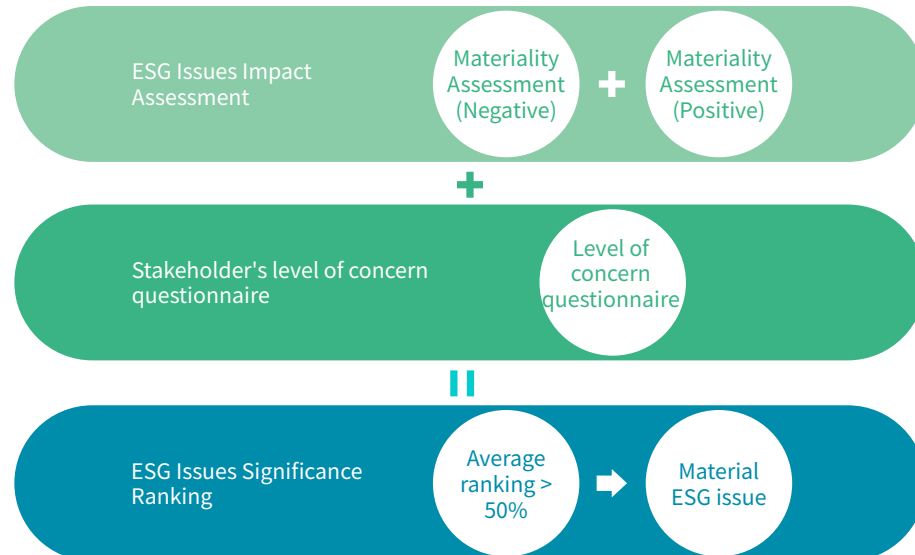


Note: ■ Negative threshold for materiality>5.5 ■ Positive threshold for materiality>6.3 ■ Level of concern threshold>4.1

Step 5 Determination of material ESG issues

After analysis and statistics, the materiality assessment (positive and negative impacts) and stakeholders' level of concern scores are summed up and averaged. Upon comprehensive consideration by the ESG Office and external ESEG experts and advisors, the issues of value set to be higher than the average (4.7 scores) are determined as the material ESG issues of the year, namely the 12 issues including climate change response, economic performance, occupational safety and health, privacy and cybersecurity, product innovation and development, talent recruitment and retention, supply chain sustainability management, labor-management relationship, talent development and cultivation, ethical corporate management, labor rights, and diversity and equality. Compared with the Material ESG Issues of the previous year, product innovation and development are added as a new material ESG issue, primarily because Primax's overall product R&D and innovation are relatively mature, which may have a positive synergistic effect on the Company's operations and external economic development. Therefore, both the positive score and the level of concern score are higher than the threshold. Corporate governance and risk management are identified as basic ESG issues, while there is no significant difference in other material ESG issues.

Material ESG Issues Significance Identification



Step 6 Response to and management of the impacts



The 12 material ESG issues selected to be reported as the first priority were approved by ESG Office Chairperson, Vice President Ms. Chiang Yan-Ying, and then submitted to the Sustainable Development and Risk Management Committee and the Board of Directors for approval in August 2024. The positive and negative impacts and effects of each material ESG issue are explained in the table below. For the management policy, please refer to the relevant chapters.

2.1 Sustainability Management and Practice

2.2 Primax SDG Blueprint

► 2.3 Identification and management of ESG Issues

2.4 Stakeholder Engagement

Material ESG issue	Explanation of Impact Materiality Assessment	Potentially Affected Value Chain			Potentially Affected Stakeholders							Relevance to Sustainable Criteria (Issues)	Management approach Response Chapters
		Upper-stream	Primax	Downs-tream	①	②	③	④	⑤	⑥	⑦		
 Climate change adaptation	<p>Positive effect: Primax Group is committed to achieving the RE100, carbon neutrality by 2040 and net-zero by 2050. It continues to carry out reduction and renewable energy utilization plans, responds to and participates in the initiatives, such as RE100, SBTi and TCFD. Through concrete actions, it aims to mitigate the negative effect posed by climate change, thereby helping the business resilience of Primax.</p>	●	●	●	○	○	○		○	○	○	<p>[GRI] Economic Performance: 201-2 [GRI] Energy: 302-1 and 302-3~4 [GRI] Emissions: 305-1~305-5 [Stock Exchange] Sustainable Disclosure Indicator No. 1: Comprehensive Disclosure of Climate-related Information (see Appendix II) [TCFD] Task Force on Climate-related Financial Disclosures [DJSI] Climate Strategy and Operational Eco-efficiency [MSCI] Cleantech Opportunities</p> <p>Climate change adaptation management approach 4.1 Climate Change Financial Disclosure 4.2 Greenhouse Gas Reduction 4.3 Energy management</p>	
	<p>Negative effect: Although, in terms of the annual GHG emission, Primax Group shall not be identified as a high carbon emission industry, if no proactive response measures and achievement of reduction goals committed externally are in place, internally the Group might suffer loss of customers or the Group's goodwill will be affected, and externally, some negative effect may be produced to the control over the global warming.</p>												
 Economic performance	<p>Positive effect: The Company's annual operating revenue and profitability remain stable, and its cash flow is also stable. Although the operating revenue in 2023 was slightly lower than that of the previous year due to the weak market condition of consumer products, the gross profit margin was 15.8% and the operating profit margin was 4.5%, both of which hit the new record. In the future, we will continue to develop niche and high value-added products and optimize the product portfolio to increase gross profit margin and operating profit margin.</p>	●	●		○		○	○	○	○		<p>[GRI] Economic Performance: 201-1, 201-4</p> <p>Management of operational development Approach 3.4 Operating performance</p>	
	<p>Negative effect: In 2023, the Group's revenue growth became sluggish. If it cannot keep up with market changes in the future, it might miss business opportunities, thereby affecting the return on equity (ROE).</p>												

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Material ESG issue	Explanation of Impact Materiality Assessment	Potentially Affected Value Chain			Potentially Affected Stakeholders							Relevance to Sustainable Criteria (Issues)	Management approach Response Chapters
		Upper-stream	Primax	Downs-tream	①	②	③	④	⑤	⑥	⑦		
↓ Occupational Health and Safety*	<p>Positive effect: Occupational safety and health is identified as the most basic condition for a company to take care of its employees. Primax Group has implemented ISO 45001 to strengthen the occupational safety and health risk mitigation and prevention measures proactively, and implement health services and promotion activities to build a sustainable and healthy workplace, in order to ensure all workers' safety and health, improve ESG evaluation, and gain the trust of customers and suppliers.</p> <p>Negative effect: In 2023, there were no major occupational accidents or diseases occurring to the Group, but there were a total of 52 occupational injuries recorded. Although they are considered the general occupational accidents, they still posed negative effect to injured employees and also harmed the Company's goodwill.</p>	●	●	●	○	○	○	○	○	○	○	<p>[GRI] Occupational safety and health: 403-1~403-10</p> <p>[TWSE] Sustainability disclosure indicator No. 4</p> <p>[DJSI] Occupational Safety and Health</p>	Safe and healthy workplace management approach 6.5 Health and safety
→ Privacy and IT security	<p>Positive effect: In 2023, we continued to expand the ISO 27001 information security management system at all operational locations of the Group, including Taipei, Dongguan, Huizhou, Chongqing, Kunshan, Thailand, and the Czech Republic, in order to continue strengthening the Group's cybersecurity and ensure the confidentiality, integrity, availability and compliance of the information, and to protect the interests and rights of the Group's customers, shareholders, employees and suppliers.</p> <p>Negative effect: In 2023, there were no external information security intrusions and data disclosure incidents, and there were no incidents of violation of customers' privacy (including complaints).</p>	●	●	●	○	○	○	○	○			<p>[GRI] Customers' Privacy: 418-1</p> <p>[DJSI] Information Security / Network Security and System Availability, Privacy Protection</p>	Privacy and IT security management approach 3.7 Privacy and IT security

2.1 Sustainability Management and Practice

2.2 Primax SDG Blueprint

▶ 2.3 Identification and management of ESG Issues

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Material ESG issue	Explanation of Impact Materiality Assessment	Potentially Affected Value Chain			Potentially Affected Stakeholders							Relevance to Sustainable Criteria (Issues)	Management approach Response Chapters
		Upper-stream	Primax	Downstream	①	②	③	④	⑤	⑥	⑦		
+ Product innovation and development	Positive effect: "Innovation" is the key for Primax to keep seeking profit and growing. As a one-stop solution provider for IT, electronic and consumer products, we serve customers globally with the mindset of "R&D in Taiwan, Intelligent Manufacturing, Global Logistics." In order to continuously enhance the power of product innovation, the "Taiwan Innovation Center" was established in Hsinchu, as the Group's second R&D center in Taiwan. It is expected to open in early 2025 and to play the role as a technology innovation incubator of Primax for the next decade.	●	●	●		○	○	○	○			[DJSI] Innovative Management and Operational Eco-efficiency	Management of operational development Approach 3.5 Innovation and Service 4.6 Green Product Health and Safety Management
	Negative effect: If the continuous investment in products and innovative technology fails to generate new business operating revenue, the return on equity (ROE) might be affected.												
→ Talent recruitment and retention	Positive effect: Primax Electronics is committed to creating a trustful and open workplace where employees can feel respected and belonged. It won the "2023 DEI-Gold Award" when attending the competition for the first time. In order to promote the values of diversity, equality, and inclusivity, Primax Electronics, again, joined the "2024 TALENT, in Taiwan, Taiwan Talent Sustainability Action Alliance," and proactively participated in the initiatives jointly promoted with 400+ alliance partners, such as MasterCheers, Cheers, and Talent in Taiwan Channel, expecting to create a better future for each partner of Primax. In 2023, Primax won the Award for HR Asia-Best Companies to Work for in Asia, Most Caring Company in Asia Award-Distinguished Award, Healthy Workplace-Vitality Award, and the Middle-Aged and Elderly-Friendly Workplace Certification, etc., again in 2023.		●	●	○	○	○	○				[GRI] Market Presence: 202-1 [GRI] Labor-employer relationship: 401-1~401-3 [GRI] Economic Performance: 201-3 [GRI] Diversity and Equal Opportunity: 405-2 [DJSI] Talent Attraction and Retention [MSCI] Labor Management	Talent Management Approach 6.3 Talent attraction and retention
	Negative effect: Primax offers the salary and welfare system of a specific level to its employees, because of the few problems in talent competitiveness caused by market presence or salary and welfare problems. However, in the long run, aging and low birthrate may cause manpower shortage.												

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Material ESG issue	Explanation of Impact Materiality Assessment	Potentially Affected Value Chain			Potentially Affected Stakeholders							Relevance to Sustainable Criteria (Issues)	Management approach Response Chapters
		Upper-stream	Primax	Downstream	①	②	③	④	⑤	⑥	⑦		
Supply chain sustainability management	<p>Positive effect:</p> <p>Primax Group requires all new suppliers to sign the "Statement of Suppliers" demanding that they should comply with the latest version of the RBA Responsible Business Alliance Code of Conduct, which includes requirements for a safe working environment, respect for employees, environmental protection, and ethical practices. Since 2023, the Group has also explicitly set carbon reduction goals for its suppliers and worked with them to achieve the net zero goal.</p>	●	●	●	○	○	○					[GRI] Supplier Environmental Assessment: 308-1~308-2 [GRI] Child Labor: 408-1 [GRI] Forced or Compulsory Labor: 409-1 [GRI] Supplier Social Assessment: 414-1~414-2 [TWSE] Sustainability disclosure indicator No. 6 [DJSI] Supply Chain Management [SASB] Supply Chain Management, Procurement of Raw Materials [MSCI] Disputed Procurements	Sustainable Supply Chain Management Approach 5. Responsible supply chain
	<p>Negative effect:</p> <p>Primax shall bear the liability and obligation for ESG due diligence management in the supply chain. Any negative ESG incident suffered by a supplier might pose an impact on the operational resilience of both the supplier and Primax, and also affect the corporate identity of Primax.</p>												
Labor-management relationship	<p>Positive effect:</p> <p>At Primax Group, we value people and assure employees the respect and dignity they deserve. These are the reasons why we have implemented equal employment policies and engage local employees in full communication, so that employees are treated fairly anywhere we operate. Meanwhile, Primax has a comprehensive performance evaluation system in place. When an employee's performance is not satisfactory, the Company initiates an Employee Performance Improvement Plan (EPIP) to provide full support and guidance. After thorough coaching, if the employee still cannot meet the performance targets, the termination process will be considered.</p>		●		○		○	○				[GRI] Labor-management relationship: 402-1	Talent Management Approach 6.3 Talent attraction and retention
	<p>Negative effect:</p> <p>Primax maintains harmonious labor-management relationship. In cases where operational changes or incompetence may require employee layoffs, Primax ensures full communication with the employees. In 2023, there were no labor disputes reported at the Company.</p>												

2.1 Sustainability Management and Practice

2.2 Primax SDG Blueprint

► 2.3 Identification and management of ESG Issues

2.4 Stakeholder Engagement

Material ESG issue	Explanation of Impact Materiality Assessment	Potentially Affected Value Chain			Potentially Affected Stakeholders							Relevance to Sustainable Criteria (Issues)	Management approach Response Chapters
		Upper-stream	Primax	Downs-tream	①	②	③	④	⑤	⑥	⑦		
Talent Development and Cultivation	<p>Positive effect:</p> <p>Primax Group has a robust career development and promotion system available to cater for our employees from recruitment, transfer, to retention. These systems have been designed not only to support employees' career development, but also to inspire their potentials and open them up to whole new opportunities. At the same time, in response to individual professional skills, career interests and work styles, the personalized learning and development plan and successor plan are formulated for each individual, allowing every Primax employee to surpass themselves and unlock their unlimited potential. Primax also was also ranked 10th place of the CommonWealth Sustainable Talent Awards in 2023.</p>		●	●		○	○	○				[GRI] Training and Education: 404-1, 404-3 [DJSI] Human Capital Development	Talent Management Approach 6.4 Talent Development and Cultivation
	<p>Negative effect:</p> <p>If employees are not given timely and progressive education and training, they will not only lose their competitiveness in the workplace, but also affect the Company's competitiveness.</p>												
Ethical corporate management	<p>Positive effect:</p> <p>Primax upholds high standards to implement ethical corporate management. It has established a sound whistleblowing and whistleblower protection mechanism. In addition to complying with legal regulations, it also require all employees to act with honesty, credibility, and legal compliance when engaging in business activities. Meanwhile, it discloses information to the public transparently and sufficiently. It was selected into as a member of 2023 S&P Global Sustainability Yearbook and won the Industry Mover Award in the industry.</p>	●	●	●	○	○	○	○	○			[GRI] Anti-corruption : 205-2, 205-3 [GRI] Anti-competitive Behavior: 206-1 [TWSE] Sustainability disclosure indicator No. 7 [DJSI] Business Ethics, Policy Influence [MSCI] Ethical corporate management	Ethics and Integrity Management Approach 3.3 Ethics and Integrity
	<p>Negative effect:</p> <p>Primax Group fulfills its purposes by strictly adhering to its business principles with integrity, legality, and transparency, and is never involved in any other incidents about corruption, customer privacy disclosure, conflicts of interest, money laundering or insider trading.</p>												

2.1 Sustainability Management and Practice

2.2 Primax SDG Blueprint

► 2.3 Identification and management of ESG Issues

2.4 Stakeholder Engagement

Material ESG issue	Explanation of Impact Materiality Assessment	Potentially Affected Value Chain			Potentially Affected Stakeholders							Relevance to Sustainable Criteria (Issues)	Management approach Response Chapters
		Upper-stream	Primax	Downstream	①	②	③	④	⑤	⑥	⑦		
➔ Labor Rights*	<p>Positive effect: The Primax Group treats every employee equally and has established a human rights policy. Regular human rights risk assessments are conducted at each location, and measures are taken to track and address identified risks. Creating a fair, safe, and comfortable workplace environment is considered a responsibility, and the company is committed to eradicating issues related to forced labor, child labor, and excessive working hours.</p> <p>Negative effect: In 2023, one sexual harassment case occurred at one of Primax's overseas locations. It has investigated the case and imposed punishment according to relevant laws and regulations, and also improved the internal system to minimize negative impacts and mitigate the risk over recurrence in the future. As far as human rights management risk is concerned, as there might be the risk over employees' work overtime during a specific shipment period in the factory in Mainland China, in order to avoid such risk, additional manpower has been recruited when needed, and working hours were strictly controlled to achieve the zero-tolerance goal.</p>	●	●	●	○	○	○	○	○		○	<p>[GRI] Non-discrimination : 406-1 [GRI] Child Labor: 408-1 [GRI] Forced or Compulsory Labor: 409-1 [DJSI] Labor Practices Indicators, Human Right</p>	Human Rights Due Diligence Approach 6.1 Human Rights Management
⬇ Diversity and Equality	<p>Positive effect: Primax has established and implemented an equal employment policy to maintain close communication and cooperation with its employees. Meanwhile, it adheres to the goal for diversity of the workplace, and recruits foreign employees in addition to local employees, so that the Company and employees can contact and exchange folk customs of different countries and gain different insights and thinking from different aspects. Primax aims to create an equal employment environment. In 2023, it won the Womany Diversity for Better Tomorrow Award (DBTA)-Gold Award.</p> <p>Negative effect: Primax Group spares no efforts to promote a workplace with equality and diversity and, therefore, never experiences any strikes or recruitment issues due to employment equality or discrimination.</p>	●	●	●	○	○	○	○	○			<p>[GRI] Diversity and Equal Opportunity: 405-1 [DJSI] Labor Practices Indicators [SASB] Employee Diversity and Inclusivity</p>	Human Rights Due Diligence Approach 6.1 Human Rights Management 6.2 Human Resources Overview

Note 1: The above table arranges the ranking in order of the scores of material ESG issues significance.

Note 2: ① Government Agencies/Competent Authorities, ② Customers, ③ Shareholders/Investors/Financial institutions/External Rating Institutions, ④ Employees, ⑤ Suppliers/Contractors/Outsourced Business, ⑥ Local Communities, ⑦ Non-Governmental Organizations/Non-Profit-Seeking Organizations.

Note 3: The sustainability initiatives or regulations addressed are as follows: DJSI - Computers and Peripherals and Office Electronics, MSCI - Electronic Equipment, Instruments, and Components, SASB - Technology and Communication Equipment/Hardware, TWSE Sustainability Disclosure Indicators - Electronic Components Industry.

Note 4: "*" indicates events with actual negative impacts in recent years, and remedial measures will be explained in respective management policies.

2.4 Stakeholder Engagement

Identifying and engaging stakeholders is not only an essential aspect of corporate social responsibility but also a critical factor in achieving sustainable development for the company. Through stakeholder communication and engagement, we can understand each stakeholder's expectations and concerns regarding Primax's business activities, enabling us to formulate appropriate strategies and plans to keep improving Primax's ESG practices. Additionally, maintaining effective communication with stakeholders allows us to understand their interests and expectations, providing valuable insights for the company's sustainable management. This information is incorporated into our reports, demonstrating our commitment and responsibility as an enterprise.

Continue to publish the annual report, ESG report, and climate-related financial disclosure (TCFD) report in Chinese and English.

Communication with and response to stakeholders

Primax places great importance on the interests and opinions of stakeholders and engages in continuous communication and engagement. The engagement approach adopts diverse forms, including unilateral, bilateral, one-to-many, or many-to-one, with the aim of understanding stakeholders' concerns and expectations towards Primax. The ESG Office conducts biannual communication with key representatives of various stakeholder groups, gathering their perspectives on sustainability issues and identifying any significant impact events. The consolidated report from these engagements serves as a reference for identifying material issues and is regularly presented to the Board of Directors.

Government agencies/ Competent authorities



Significance to Primax

As a corporate citizen, Primax fully supports government policies and maintains good relationship with local authorities by complying with rules.

Major issues of concern

Result of discussion

Response Chapters of the Report

Ethical corporate management
Climate change adaptation
Waste management
Economic performance
Occupational Health and Safety
Product health and safety
Labor Rights
Labor-management relationship

1. We received a total of 141 official documents from the government/supervisory authorities.
2. Issued 51 messages on the MOPS.

3 Corporate Governance
4 Environmental Sustainability
6.1 Human Rights Management
6.3 Talent attraction and retention
6.5 Health and safety

Communication methods and channels

Frequency of communication

Relevant records

Official correspondence	Immediate	Correspondence
MOPS	Immediate	http://mops.twse.com.tw/mops/web/index
Company website	Immediate	https://www.primax.com.tw/
ESG level of concern questionnaire	Unscheduled	Questionnaire


2.1 Sustainability Management and Practice

2.2 Primax SDG Blueprint

2.3 Identification and management of ESG Issues

▶ 2.4 Stakeholder Engagement

Clients		
Significance to Primax	Primax earns the trust of its customers through innovative technologies, high-quality products and services. Customers' opinions and feedbacks provide direction for our ongoing improvements and efforts.	
Major issues of concern	Result of discussion	Response Chapters of the Report
Supply chain sustainability management	1. A total of 36 DRI Visits were completed.	3.5 Innovation and Service 3.7 Privacy and Cyber Security 4 Environmental Sustainability 6.1 Human Rights Management 6.5 Health and safety
Occupational Health and Safety	2. A total of 242 customer online audits were completed.	
Climate change adaptation	3. A total of 14 customer physical audits were completed.	
Ethical corporate management		
Green innovation and life cycle management		
Waste management	✔ For specific engagement cases, please refer to the special columns in Section 4.6: Low-Carbon Product Innovation Design Example	
Biodiversity		
Privacy and IT security		
Communication methods and channels	Frequency of communication	Relevant records
GP, CSR, RBA, QPA/QSA audits	Annually	Customers' audit records
Customers' GP/environmental protection requirements	Annually	Customers' specifications
Satisfaction survey to clients	Annually	Customers' response records
Convention of clients and suppliers	Annually	Meeting records
Product RFQ	Case-by-case basis	RFQ
ESG level of concern questionnaire	Unscheduled	Questionnaire


Shareholders/Investors/financial institutions/external rating institutions 		
Significance to Primax	Primax maintains a high standard of corporate governance, fostering good interactions and robust oversight mechanisms with investors, shareholders, and financial institutions. Additionally, it regularly reviews its sustainability performance through external evaluations, striving for continuous sustainable development.	
Major issues of concern	Result of discussion	Response Chapters of the Report
Economic performance	1. Co-organized 4 quarterly corporate briefings. 2. Convened one annual general meeting 3. Participated in 63 investment forums and investor meetings 4. Issued 34 press releases about operations in both English and Chinese	3 Corporate Governance 4 Environmental Sustainability 5. Responsible supply chain 6.1 Human Rights Management 6.3 Talent attraction and retention
Labor-management relationship		
Supply chain sustainability management		
Ethical corporate management		
Customer management		
Climate change adaptation		
Green innovation and life cycle management		
Talent recruitment and retention		
Communication methods and channels	Frequency of communication	Relevant records
Annual general meetings	Annually	Shareholder meeting registry and minutes
Quarterly performance seminar and phone conference	Quarterly	Information published in investor seminars, available from MOPS
Monthly revenue announcements	Monthly	Monthly revenues and news releases, available from MOPS and company website
Domestic interview sessions	Monthly	E-mail, on-site visit by investors, and phone interview by investors
Overseas investor forums	Annually	Information published in investor seminars, available from MOPS
ESG level of concern questionnaire	Unscheduled	Questionnaire


2.1 Sustainability Management and Practice

2.2 Primax SDG Blueprint

2.3 Identification and management of ESG Issues

▶ 2.4 Stakeholder Engagement

Employee		
		
Significance to Primax	"People" is one of Primax's core values. We view employees as the most important capital, make it our responsibility to care for their well-being.	
Major issues of concern	Result of discussion	Response Chapters of the Report
Economic performance	1. Convene labor-management meetings regularly according to legal requirements. 2. Organized a total of 22 labor union/ welfare committee meetings. 3. Organized a total of 308 labor union/ welfare committee meetings. 4. Conducted a total of 290 interviews with grassroots employees. 5. PrimaxCare e-newsletter has accumulated 44,100 push notifications.	3.3 Ethics and Integrity 3.4 Economic performance 3.5 Innovation and Service 3.7 Privacy and Cyber Security 6.2 Workplace of Diversity and Inclusivity 6.3 Talent attraction and retention 6.4 Talent Development and Cultivation 6.5 Health and safety
Talent recruitment and retention		
Occupational Health and Safety		
Ethical corporate management		
Product innovation and development		
Diversity and Equality	✔For specific engagement cases, please refer to the special columns in Section 6.6 : · Primax Care Quarterly Series Activities · Building a Comprehensive ESG Ecosystem	
Privacy and IT security		
Talent Development and Cultivation		
Communication methods and channels	Frequency of communication	Relevant records
Labor-Management meeting	Quarterly	Labor-management meeting minutes
Interview for employee’s performance	Annually	Employee performance evaluation worksheet
Communication meetings between departments	Immediate	Communication meeting minutes
Discussions with entry-level employees	Immediate	Interview records
Union/welfare committee meeting minutes	Quarterly	Welfare committee meeting minutes
Opinion Engagement surveys	Unscheduled	Survey report (random best employer the employee questionnaire survey of “best company to work for” award in 2021)
Internal communication channels	Immediate	Mail, electronic bulletin boards, elevators, PrimaxCare e-newsletter, Podcasts, and the FB fan page.
Grievance and consultancy channel	Immediate	CSR mailbox, employee assistance hotline, grievance mailbox and opinion box
ESG level of concern questionnaire	Unscheduled	Questionnaire

Suppliers/contractors/outsourced businesses		
		
Significance to Primax	Primax aims to work hand-in-hand with its suppliers in a mutually beneficial relationship, and collaborate and learn from each other toward achieving sustainable development.	
Major issues of concern	Result of discussion	Response Chapters of the Report
Economic performance	1. 100% of suppliers undergo a new AVL assessment and sign a declaration. 2. A total of 204 key suppliers have completed supplier training. 3. A total of 44 key suppliers have completed on-site audits.	3.3 Ethics and Integrity 3.4 Economic performance 3.5 Innovation and Service 3.6 Risk Management 4 Environmental Sustainability 5. Responsible supply chain 6.1 Human Rights Management 6.5 Health and safety
Labor-management relationship		
Customer management		
Supply chain sustainability management		
Product innovation and development		
Ethical corporate management		
Occupational Health and Safety		
Climate change adaptation		
Communication methods and channels	Frequency of communication	Relevant records
New AVL appraisals/declaration	One per entity	QCDS record/declaration
Environmental requirement of Primax and clients	Immediate	E-supply/GP Portal /correspondence
Annual review	Annually	Supplier review records
Trainings for suppliers (GHG/CFP/GP)	Unscheduled	Training materials
Convention of suppliers	Annually	Meeting records
ESG level of concern questionnaire	Unscheduled	Questionnaire





2.1 Sustainability Management and Practice

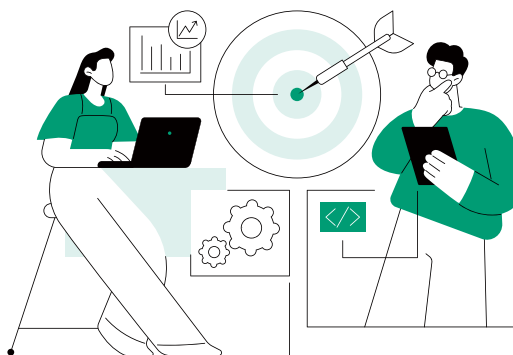
2.2 Primax SDG Blueprint

2.3 Identification and management of ESG Issues

▶ 2.4 Stakeholder Engagement

Local communities 		
Significance to Primax	Primax operates in various locations around the world and regularly conducts risk assessments related to the local environment, society, and economy. The company maintains a friendly relationship with the communities to foster mutual prosperity and well-being.	
Major issues of concern	Result of discussion	Response Chapters of the Report
Social participation	1. Published the 2023 TCFD report. 2. Organized a total of 121 volunteer activities. 3. Sponsored and contributed to public welfare events in Taipei, with a total of 10,450,000 NTD.	4 Environmental Sustainability 5. Responsible supply chain 6.3 Talent attraction and retention 6.5 Health and safety 7 Contribution to Society
Supply chain sustainability management		
Occupational Health and Safety		
Local communities		
Product health and safety		
Climate change adaptation		
Waste management		
Talent recruitment and retention		
Communication methods and channels	Frequency of communication	Relevant records
Risk assessment	Annually	TCFD report
Volunteer events	Unscheduled	Event records
Donation	Unscheduled	Certificate of appreciation or receipt
ESG level of concern questionnaire	Unscheduled	Questionnaire

Non-governmental organizations/ Non-profit-seeking organizations		
Significance to Primax	Non-profit organizations are independent third parties that assist government authorities and businesses in various sustainability issues. By communicating and collaborating with non-profit organizations, Primax hopes to contribute efforts to these issues.	
Major issues of concern	Result of discussion	Response Chapters of the Report
Social participation	1.Received a total of 42 official documents from non-government/non-profit organizations.	<div>3.3 Ethics and Integrity</div> <div>3.4 Economic performance</div> <div>3.7 Privacy and Cyber Security</div> <div>4 Environmental Sustainability</div> <div>6.3 Talent attraction and retention</div> <div>7 Contribution to Society</div>
Local communities		
Economic performance	<div><input checked="" type="checkbox"/> For specific engagement cases, please refer to the special columns in Section 7:</div> <div><div>· "Children" walk side by side with science at Dongguan Primax Growth Classroom</div><div>· Established the Social Responsibility Awards to promote the growth of social common good goals.</div></div>	
Ethical corporate management		
Privacy and IT security		
Talent recruitment and retention		
Climate change adaptation		
Biodiversity		
Communication methods and channels	Frequency of communication	Relevant records
Phone interview	Annually	Phone interview records
ESG email / Mail	Unscheduled	Mail
Official correspondence	Unscheduled	Correspondence
ESG level of concern questionnaire	Unscheduled	Questionnaire



Corporate governance

Chapter 3

3.1 Corporate
Governance
Framework

3.2 Operations of
Governance

3.3 Ethics and
Integrity

3.4 Operating Performance

3.5 Innovation and service

3.6 Risk Management

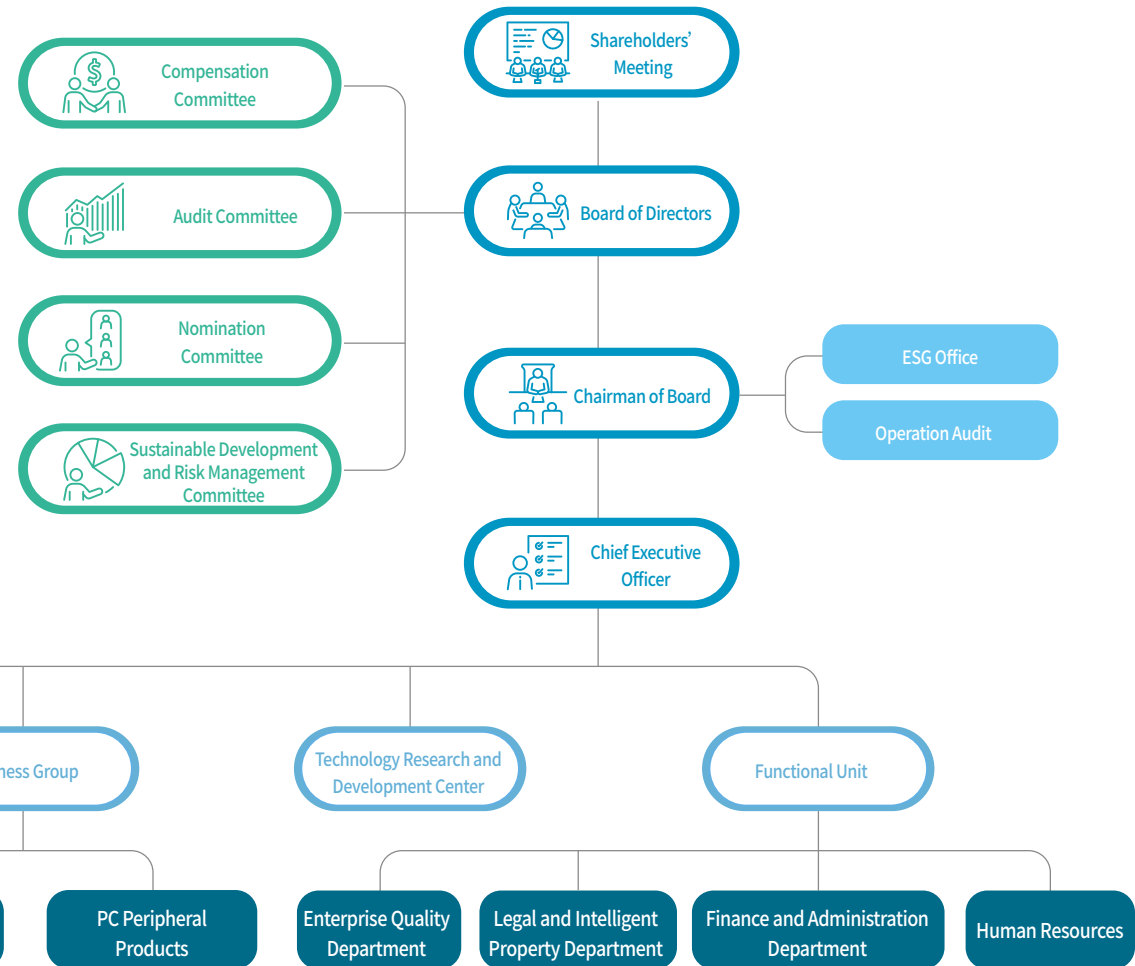
3.7 Privacy and Cyber
Security



3.1 Corporate Governance Framework

The board of directors of Primax Electronics has long adopted high standards of corporate governance, even higher than what some laws require, as the foundation of its operations. This high level of corporate governance ensures the efficiency of board functions, protects shareholders' interests, and provides the critical foundation to the Company's sustainability.

To strengthen the structure of the Board of Directors and improve the division of labor, the Remuneration Committee, Audit Committee, Nomination Committee and Sustainable Development and Risk Management Committee have been set up under the Board of Directors. For the number of members, term of office, responsibilities and powers, and major tasks of each committee established under the Board of Directors, please visit the Company's website, and refer to P24~P28 of the 2023 Annual Report for Annual General Meeting for the details of its operations. ✨



3.1 Corporate Governance Framework

Management 3.7 Privacy and Cybersecurity

3.2 Operations of Governance

3.3 Ethics and Integrity

3.4 Operating Performance

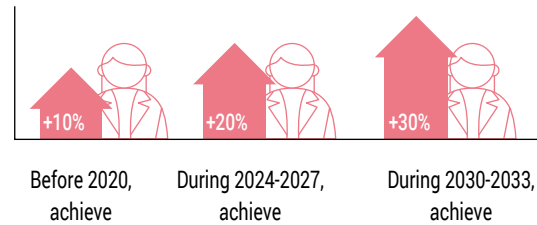
3.5 Innovation and Service

Diversity of board directors

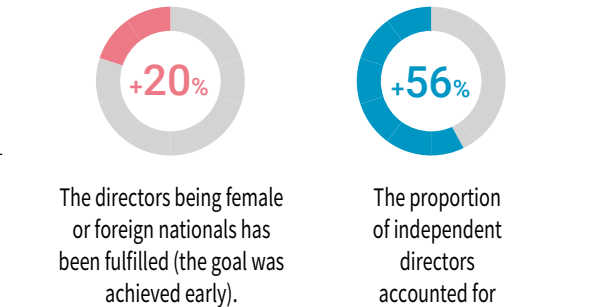
Board members at Primax Electronics are chosen through nomination and elected by all shareholders in a transparent, electronic voting session. All members possess the necessary abilities, knowledge and experience to exercise their powers and responsibilities. All directors have placed the Company's and shareholders' long-term interests at the top of their priority, and formulated strategies in an objective manner. The current term of the Board of Directors is from July 13, 2021, to July 12, 2024. The Board shall convene a meeting at least once per quarter. A total of 8 board meetings were convened in 2023, with a 98.55% average attendance rate of all directors. Mr. Liang, Li-Sheng is the original founder of Primax Electronics (retired at the end of May 2023), who served as both the Chairman of the Board and General Manager concurrently to accelerate global expansion and decision-making efficiency in response to rapid changes in the industry. To address this situation, a majority of the current Board of Directors of Primax Electronics are not concurrently employees or managers, and the number of independent directors has been increased to strengthen the Board's structure. Furthermore, considering the long-term needs of corporate governance, the Board has approved a succession plan to actively cultivate potential candidates to succeed to the General Manager, and the appointment of a new General Manager will be made at an appropriate time as deemed necessary. Please refer to "Board of Directors and Functional Committees" on the Company's official website for the profiles of the board members.

Primax Electronics places great importance on promoting board diversity and has set specific phased goals for achieving a diverse board composition. During the director selection process, the Nomination Committee considers candidates from different age groups and encourages a gradual generational transition to ensure a diverse and inclusive representation on the board. In respect of professional background, all directors have experience in management and from industries, including R&D, marketing, and finance. In terms of directors' professional knowledge and skills, all nine directors possess knowledge and skills in leadership and decision-making and business management, with expertise in risk management, information technology, financial accounting, and law.

Target percentage of female or foreign directors

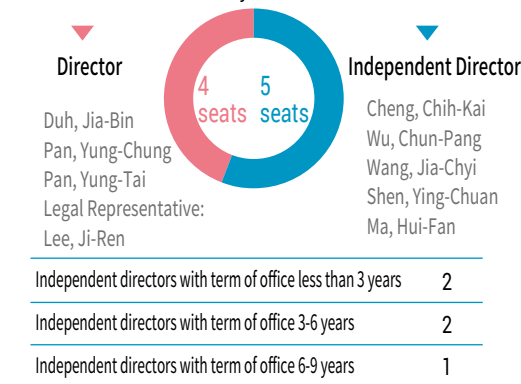


Board Diversity



Gender and Age of Directors

The Board of Directors consists of 9 members, all of whom are nationals of the country.



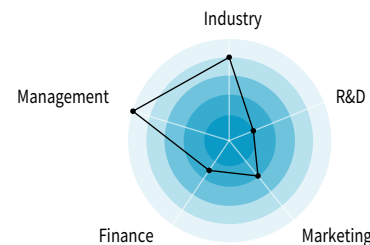
Gender distribution of the Board



董事年齡分布



Professional Experience of Directors



Professional Knowledge and Skills of Directors



3.2 Operations of Governance

Directors' remuneration

A Compensation Committee has been created directly under the board of directors in accordance with "Primax Electronics Compensation Committee Charter" to review remuneration policies, systems, standards, and structures, and to approve and evaluate performance targets for all directors, executives, and managers. All of the committee members are independent directors.

The compensation to directors of Primax Electronics include the remuneration and reward to the directors. Based on the Articles of Association, for the rewards of directors, shall there be profit, no more than 2% of it shall be contributed as the rewards of directors. This is subjected to a discussion of the Compensation Committee and a resolution of Board, as well as the presentation to the Shareholders' Meeting. By referring the operating performance and sustainable development, the contribution to the such performance, and the outcomes of appraisal by the Board, reasonable rewards are provided. The remuneration to Chairman is proposed by the HR Department with the considerations of competitive environment, operational risks on the basis of the management regulations and bonus plan assessment. The Compensation Committee approves the proposal by assessing the performance, for the resolution of the Board. The relevant appraisals and reasonableness of compensations are reviewed by the Compensation Committee and the Board; the remuneration system is subjected to reviewing based on the actual operation and relevant laws and regulations. [Please refer to P18~P21 of the 2023 Annual Report of Annual General Meeting](#) for details on the calculation of the compensation to directors, supervisors and senior managers. ✨

Continuing education of board directors

To improve performance of the board members, training courses are arranged regularly by the Company in accordance with "Primax Electronics Corporate Governance Best Practice Principles," "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies" and other relevant regulations of the competent authorities. Meanwhile, the Company keeps an eye on the latest domestic and overseas developments in economic, environmental and social governance. The continuing courses cover topics including finance, risk management, business, commerce, accounting, law, corporate governance, integrity & ethics, and corporate social responsibility to help the board members maintain their

values, professionalism and capabilities.

A total of 9 directors of Primax Electronics attended the continuing education for 66 hours in total in 2023 and, therefore, complied with the requirements of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies." Among the continuing education courses, the training percentage for those related to corporate sustainability, corporate governance and risk management was 100%, and for those related to ethical management about 22%. Communication with the whole directors was conducted via email, with a 100% completion rate for communication sessions. For detailed further education information, [please refer to the company's official website.](#) ✨

Performance evaluation of the Board of Directors and Functional Committees

For sound corporate governance and improvement of the Board's functionality, Primax Electronics has formulated the Regulations Governing Evaluation on the Board of Directors in 2016 and disclosed them on the official website and MOPS. The internal performance evaluation for the Board of Directors in 2023 was completed by the Finance and Information Management Division by the end of 2023, and the evaluation was conducted in the form of questionnaires. Performance evaluations on the Board, Board members, and other four major functional committees all produced outcomes ranging from Good to Excellent. The average scores given by directors for each questionnaire, 4.84, ranged from 4 (Agree) to 5 (Strongly agree). The general outcomes of the 2023 internal performance evaluations were reported to the Board on January 24, 2024.

In addition to internal performance evaluation, we also conducted the external performance evaluation in 2023, and appointed the Taiwan Investor Relations Institute (TIRI) as the unit handling the external performance evaluation on the Board of Directors. TIRI completed the evaluation with the tool developed according to the best practice principles for the performance evaluation at home and abroad in December 2023. After evaluation, the overall Board of Directors and individual board members were judged to be objective and independent, and the gender equality policy was also implemented step by step. Further, in order to maintain the professionalism and experience of the Board members and senior management, the Company has formulated a succession plan for Board members and key management members. The functional committees covered by the Board of Directors can improve the supervision function and strengthen the management function. The overall evaluation results ranged from Agree (4) to Strongly Agree (5). For detailed internal and external performance evaluation results, [please refer to the official website of Primax.](#) ✨

3.3 Ethics and Integrity

Ethics and Integrity Management

Material ESG Issue: Ethical Corporate Management

[GRI] Anti-corruption: 205-2, 205-3;
Anti-competition: 206-1
[TWSE] Sustainability disclosure
indicator No. 7
[DJSI] Business Ethics, Policy Influence
[MSCI] Ethical corporate management

Management purpose and importance

To avoid financial and non-financial losses and other risks and enhance stakeholders' long-term trust in Primax, Primax fulfills its purposes by strictly adhering to its business principles with integrity, legality, and transparency. In addition to complying with laws, Primax also requires all its employees to uphold integrity, credibility and discipline in all commercial activities, and make full and transparent disclosures to the public in ways that facilitate the sustainable development of various business lines.

Remedial Measures

If any actual negative incident occurs, remedial plans are formulated for individual incidents, and the management system and process are reviewed and improved at the same time to mitigate the risk over negative impacts

Short-term indicators/goals

- Violations of zero-tolerance-related codes of conduct and business ethics
- Organize relevant ethical corporate management education and training courses every year
- The Company requires the suppliers and partners to sign the "Statement of Suppliers."

Goal achievement rate/performance

- ☺ Primax Group encountered no grievance concerning employees' ethics and integrity in 2023.
- ☺ A total of 813 ethical corporate management education and training courses at Primax were attended by 13,947 participants.
- ☺ Tymphany Huizhou organizes the RBA basic training (including ethics and integrity) for 0.5 hour each year, with 100% training percentage for the beginners.
- ☺ 100% of the Company's suppliers and partners have signed the "Statement of Suppliers."

Mid-term and long-term indicators/ goals

- 100% signing rate for the Code of Conduct for new suppliers
- Compliance with procedures was already audited by a third-party unit.

Specific actions in 2023

- Through various communication meetings, promotional videos and fun activities, we convey our integrity values throughout the Company and arrange the anti-corruption education and training program.
- The training percentage of directors for integrity-related courses is approximately 25%, and the percentage of integrity-related communication and promotion 100%.

Note: ☺ Goal achieved ☹ Goals achieved continuously ☹ Goal not achieved

Performance management achievements

- Primax Group had no conflicts of interest, corruption and bribery incidents or any material negative message in 2023.
- In 2023, no violations of economic laws & regulations, such as money laundering and insider trading, were committed by Primax Group and no fine was imposed on it.

Explanation of impact measurement quantification

- Affected external stakeholders: suppliers
- Descriptions about the impact: Corruption incidents or violations of the Code of Conduct have seriously affected the Company's reputation and trust relationship.
- Impact assessment overview: The corporate reputation is critical to market value. Suppliers who violate the Code of Conduct might be subject to the most severe punishment, i.e. termination of the cooperative relationship, so as to affect the transaction amount.
- Impact performance: No violations of economic laws & regulations, such as conflicts of interest, incidents of corruption and bribery, money laundering or insider trading, occurring, or fines imposed, in the past three years

Primax' s important internal regulations

Articles of Incorporation

Procedures for Acquisition or Disposal of Assets

Rules for Performance Evaluation of Board of Directors

Operational Procedures for Loaning of Funds to Others

Compensation Committee Charter

Operating Procedures for Endorsements

Audit Committee Charter

Corporate Governance Best Practices

Nomination Committee Charter

Sustainable Development Best Practice Principles

Sustainable Development and Risk Management Committee Charter

Operational Procedures for Ethical Management and Guidelines of Conduct

Corporate Risk Management Policies and Procedures

Rules for Prevention of Insider Trading

In all business activities, Primax Electronics engages in business activities based on the principles of fairness, honesty, trustworthiness and transparency. It has formulated the "Operational Procedures for Ethical Management and Guidelines of Conduct," which have been approved by the Board of Directors. The Human Resources Division serves as the primary promoter and reports the implementation status to the Board of Directors at least once a year. Shall there be any unethical event, the dedicated unit would report the treatment and the followup review and improving measures to the Board. Further, the Board of Directors and senior management implement their commitments to the management policies proactively and have signed the Statement of Ethical Corporate Management Best Practice Principles to fully implement the ethical management policy. For details on the Company's implementation of ethical corporate management, please refer to P40~P41 of the 2023 Annual Report of Annual General Meeting. ✨

Furthermore, the Company's "Work Rules" and "Employee Code of Conduct" require all employees to comply with laws and ethical guidelines when performing business activities, whereas suppliers and business partners are bound to sign the "Statement of Suppliers" in order to create a trading environment following the principles of fairness, honest, trustworthiness and transparency.

Employee code of conduct

Primax Electronics is committed to fulfilling its mission of "maximizing yield for shareholders and customers, and creating a joyful environment for employees to work in." To achieve such goals, we need the trust and support from customers, business partners, shareholders and the general public, and employees who are honest, credible and law-abiding become an important foundation. The "Employee Code of Conduct" is the basic standard of conduct that all employees of Primax shall abide by when performing related business activities. It includes personal ethical standards, regulations on gifts and hospitality, protection of trade secrets, avoidance of conflicts of interest, compliance with fair trade, whistleblowing methods and disciplinary principles.

The relevant facts will be investigated if any of Primax' s employees is found or accused of being involved in any unethical conduct. If any violations of relevant laws and regulations or the employee code of conduct are proven, depending on the severity of the circumstances, sanctions such as reprimand, retraining, reprimand or demerit, withholding of performance bonus or dividend, demotion or dismissal may be imposed in accordance with the work rules applicable locally. In the case of material circumstances, the employment contract may be terminated in accordance with local laws and the terms of the employment contract, and the Company may pursue the employee' s criminal and civil liabilities pursuant to laws.

Employee code of conduct

Whistleblowing and disciplinary principles

Integrity and respect are the basic principles that all employees are bound to adhere. Violators will be subject to disciplinary actions, and employees are encouraged to report misconducts in this regard.

Individual moral standards

All conduct must be based upon integrity and respect; acts of violence/discrimination/sexual harassment/fraud/deception are strictly prohibited.

Rules on gifts and treatments

Acceptance of cash kickbacks, gifts, vouchers and any other improper gains or any kind is forbidden.

Avoidance of conflicting interests

Employees must not abuse their job authorities to seek gains for self or for any third party.

Protection of business secrets

Business secrets are key to the Company's competitiveness, and therefore must be protected against infringement or improper disclosure.

Compliance with fair trading

The Company competes fairly and honestly by leveraging its ability to provide exceptional goods and services.

Ethical corporate management education and training


Every year, Primax Electronics regularly organizes various communication meetings, promotional videos, and fun activities to convey the integrity value in simple terms. Meanwhile, it also arranges employees to undergo anti-corruption education and training. Each new employee must participate in the orientation training courses for 8 hours within one month after his/her onboard. The courses include the introduction and explanation of ethics and integrity for one hour. The training percentage of new employees was 100%. Meanwhile, the Company also offered ethical corporate management education and training courses to the existing employees. In 2023, a total of 813 classes were organized, attended by a total of 17,790 participants. In 2023, Tymphany Huizhou organized the RBA basic training (including ethics and integrity) for 0.5 hour in 2023, where 3,882 employees and non-employees received a total of 1,941 hours of training, with 100% of new employees receiving training. (RBA basic education training for new employees and training for existing employees have not been conducted at other locations).

In addition to employees, Primax works with third-party accreditation entities to hold annual social responsibility training for suppliers every year step by step. The training is mainly based on the RBA Code of Conduct, including four major topics of labor, health and safety, environment, and a code of ethics. In addition to communicating the RBA COC V7.0 standards with all suppliers through the GPMS system, we offered relevant training sessions to let suppliers understand the degree of Primax' s concern about the above issues. Please refer to the chapter on sustainable supply chain for the percentage of suppliers which received training.



To encourage employees in Primax Chongqing to earnestly participate in professional training.

Avoidance of conflicting interests

Primax Group has formulated the "Corporate Governance Best Practice Principles" and "Operational Procedures for Ethical Management and Guidelines of Conduct," which state that, if a director, manager, or any stakeholder attending or presenting at the Board meeting has interest in any motion discussed in the Board meeting, himself/herself or on behalf of the juristic person represented by him/her, he/she must state the stakes involved during the current meeting session and shall disassociate from all discussions and voting if the stakes are in conflict against the Company's interests. Meanwhile, the concerned party may not exercise voting rights on behalf of other directors. All of the directors are highly disciplined in their conducts, and have managed to disassociate themselves from agendas that present conflicting interest. For more disclosures regarding avoidance of conflicting interests managed by the highest governance body, please refer to the section about corporate governance on "P 24 of the 2023 Annual Report of Annual General Meeting." 

Robust internal audit system

In order to implement the corporate governance and self-supervisory mechanism, in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies," and in consideration of the overall business activities of Primax and its subsidiaries, Primax Group has the Chairman call the audit unit and managers to prepare the internal control system subject to approval of the Board of Directors, aiming to "promote the effective operation of the corporate organization."

Primax Electronics has set up an operation audit unit, including one chief internal audit officer and two dedicated personnel. Each unit and subsidiary of the Company conducts a self-inspection at least once a year. Then, the internal audit unit will review the self-inspection results of each unit and subsidiary. The result, together with the deficiencies found in the internal control by the internal audit unit, will serve as the reference helping the managers evaluate the effectiveness of the overall internal control system. The Audit Committee and directors shall hold regular meetings with the chief internal audit officer regarding the deficiencies found in the internal control system, and meeting minutes shall be prepared to facilitate the implementation of the internal control system. The minutes shall be submitted to the Board of Directors.

The Company's internal audit unit formulates an annual audit plan for the next year based on the risk assessment results by December of each year, and implements various audit items according to the audit plan. The internal auditors summarize the problems discovered during the audit, formulate improvement suggestions, prepare the "Internal Audit Report" and request each improvement unit to complete the improvement countermeasures and then submit them to the chief internal audit officer and Chairman for review. Deficiencies and abnormalities found in the internal control system during the inspection shall be disclosed in the audit report honestly. Upon submission of the report, we will follow up them at least on a quarterly basis until they are corrected, in order to ensure that relevant units have taken appropriate improvement measures in a timely manner. In 2023, the internal audit plan has been completed, and all units have been audited. For details on the communication between independent directors and chief internal audit officers and CPAs, [please refer to the Company's website](#). 🌟

A convenient complaint and reporting channel

Primax has established the "Operational Procedures for Ethical Management and Guidelines of Conduct," "Employee Communication and Feedback Management Measures," and "Employee Code of Conduct." We have also set up complaint and reporting channels to facilitate communication and feedback from internal and external stakeholders. We encourage both internal and external individuals to speak up and report any dishonest or improper behavior. Cases reported and verified through investigation may be eligible for rewards to foster a positive culture. Furthermore, we have implemented a whistleblower protection mechanism to ensure the confidentiality of the whistleblower's identity and the content of the report. We are committed to safeguarding the whistleblower from

any improper treatment related to the report to protect their rights.

Externally, we have a dedicated ESG (Environmental, Social, and Governance) sustainable website section that includes an ESG mailbox as a communication channel with external stakeholders. This mailbox allows stakeholders to raise any questions, suggestions, complaints, reports of misconduct, or other relevant matters related to Primax Electronics. It is managed by the ESG Office, which is responsible for handling the received correspondence and messages, notifying relevant internal departments for evaluation and response, and maintaining open and constructive communication. Throughout 2023, the ESG mailbox received a total of 216 effective communication letters, covering various categories, including public welfare proposals, product business, research and exchanges, and other collaboration topics. Notably, there were no cases of environmental, social, or customer complaints, or any external complaints filed.

Internally, we provide diverse employee communication channels. If any employee is unsure whether a situation violates applicable laws, regulations, binding policies, or company norms, they can seek advice and assistance from supervisors, human resources, or legal departments. We aim to maintain a positive labor-management relationship while safeguarding employees' rights. Primax Group encountered no grievance concerning employees' ethics and integrity in 2023.

Compliance

Primax Group firmly believes that compliance lays the foundation of ESG. We uphold our commitment and continue to work hard to ensure that all corporate activities comply with local regulatory requirements. In 2023, no major disciplinary incidents occurred to Primax Group.

 Grievance channels	 Contact department	 Case investigation/handling procedure
<p>Internal</p> <ul style="list-style-type: none"> Employee Suggestion Box Directly report to the immediate supervisor or HR department General Manager's Mailbox Email exclusive for employee complaint and whistleblowing Discussions with entry-level employees <p>External</p> <ul style="list-style-type: none"> ESG Section/ESG Mailbox 	<p>Internal</p> <ul style="list-style-type: none"> Human Resources Central Plant Affairs Division <p>External</p> <ul style="list-style-type: none"> Handled by the ESG Office as a dedicated unit 	<ul style="list-style-type: none"> Upon receipt of any complaints, the responsible unit's supreme supervisor will initiate the investigation. Conduct technical and feasibility evaluations and collect evidence about the complaints. Provide immediate responses on the results of the complaint handling. Records of case acceptance, investigation process, and outcomes should be kept for five years. The dedicated unit should report the reported issues, handling procedures, and subsequent review and improvement measures to the Board of Directors.

Note: The material penalties referred to are those imposed based on the Taiwan Stock Exchange Corporation's "Verification and Public Processing Procedures for Material Information of Listed Companies," Article 26, Clause 3, Subparagraph 1, which involves a cumulative fine amount exceeding one million New Taiwan Dollars.

3.4 Operating Performance

Management of operational development

Major ESG issues: Economic performance, product innovation and development

[GRI] Economic Performance: 201-1, 201-4
[DJSI] Innovative Management and Operational Eco-efficiency

Management purpose and importance

Continue to enhance the Company's competitive advantages in R&D and technologies, invest resources in the development and design of new products and new technologies, and improve production processes, while developing ecological design methods and promoting innovation in various smart production processes to improve efficiency, reduce costs, and reduce the impact of products and processes on the environment, thereby maintaining the Company's competitiveness during the transition to adapt to climate change, proving a stable work environment to employees, and, in turn, achieving sustainable development

Remedial Measures

We will continue to develop niche and high value-added products and optimize the product portfolio to increase gross profit margin and operating profit margin

Short-term indicators/goals

- Continue increase market share and reduce costs across all product lines.
- Continue to increase investment in product R&D.

Goal achievement rate/performance

- ☺ Continue to expand the layout and investment in new businesses and new technologies, optimize product portfolios, and expand market areas. Engage in edge computing and AI-related AIOT product development proactively
- ☺ R&D expenditure increased by 0.86% from the previous year

Mid-term and long-term indicators/goals

- Accumulate over 4,500 patents granted globally.
- Strategic technological patents from the Primax Taipei R&D Center account for 60% of total patent applications in that year.

Specific actions in 2023

- The Company continued to maintain its R&D momentum. The annual R&D expenses totaled NT\$3,089,186 thousand, or 5.11% of the operating revenue.
- Primax Electroncis works with Morse Micro to jointly launch the Wi-Fi HaLow smart home doorbell to provide innovative solutions for modern homes.
- Established the Group's second R&D center in Taiwan to continuously strengthen the core competitiveness.
- Improve the existing internal regulatory system for intellectual property management, and revise/formulate the patent management procedures, management regulations for intellectual property and confidential documents, and rules for non-disclosure of intellectual property and confidential documents.

Performance management achievements

- The Group's annual consolidated net operating revenues attained NT\$60,488,402 thousand.
- The Group's annual consolidated net income was NT\$2,633,489 thousand.
- Maintained the EPS at 5 or above for 3 consecutive years.
- The dividend was distributed from earnings at NT\$4 per share in 2023, a record high.
- In 2023, the revenue contribution of the factory in Thailand has reached 12~13%.
- As of the end of 2023, a total of 897 patents were approved.
- In 2023, a total of 733 people won invention awards.

Explanation of impact measurement quantification

- Affected external stakeholders:** customers
- Impact description: Continued innovation and transformation will affect the growth of customers of internal computer peripheral products and non-computer peripheral products.
- Operating revenue: The Company entered into new business and new technology and developed business toward niche and high value-added products. Profit before tax for non-computer peripheral products still increased by NT\$51,000 thousand despite the decrease in operating revenue.
- Impact performance: The pre-tax profit from non-computer peripheral products has continued to increase over the past three years.

Note: ☺ Goal achieved ☹ Goals achieved continuously ☹ Goal not achieved

Economic performance

In 2023, the global economic recovery momentum remained weak, and the overall business environment was still full of challenges for the electronics manufacturing industry. As far as Primax Electronics is concerned, 2023 is also an important year for Primax Group to continue its steady transformation. From the perspective of the core development of products with three senses in one, we continue to expand the layout of and investment in new businesses and new technologies, optimize the product portfolio, and continue to expand in the fields of automobiles, safe life, working from home, acoustics, and smart city, and also proactively invest capital in the development of edge computing and AI-related AIOT products.

In terms of ESG, through various ESG ratings at home and abroad, Primax Electronics continues to review its own ESG operating performance to make improvement and also grow. Primax was selected as a member of 2024 Sustainability Yearbook of S&P Global Ratings, an international sustainability rating institution, for the first time and received the recognition by the Industry Mover Award in the industry. Primax also received the highest "Leadership Level A" business in the CDP Climate Change Questionnaire, a globally authoritative non-profit-seeking organization for environmental indicators.

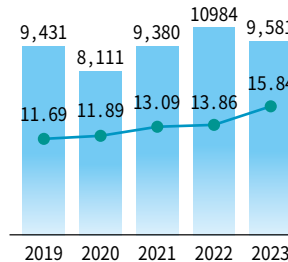
Overall, in 2023, the Group's global consolidated net operating revenue reached NT\$60,488,402 thousand, representing a reduction by approximately 23.7% compared to NT\$79,240,765 thousand in 2022. The consolidated net income totaled NT\$2,633,489 in 2023, representing a reduction by 8.2% compared to NT\$2,869,961,000 in 2022.

2023 consolidated revenues and profit of Primax Group

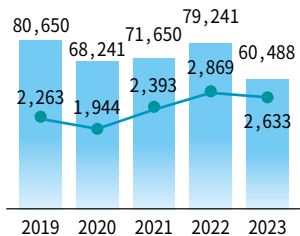
Unit: NTD thousands

Net revenues	60,488,402
Operating Costs	50,907,102
Gross Profit	9,581,300
Operating Expenses	6,838,317
Operating Profit	2,742,983
Non- Operating Income and Expenses	523,389
Employee salary and welfare	8,778,565
Payments to capital contributors (dividends)	1,791,794
Payments to government (income tax, sales tax, VAT etc)	1,060,286
Community investments, such as donation to charity organizations (donation)	9,532
Undistributed earnings	8,311,190
Amount of government grants	22,433

Gross Profit and Margin Trends



Primax consolidated revenues and net profit after tax



The Group's 2023 consolidated net operating revenues was NT\$**60,488,402 thousand**.
The consolidated net income was NT\$**2,633,489 thousand**.

Primax Group's tax policy

- Primax Group has established its own tax policy to minimize taxation risk, optimize after-tax business performance and protect shareholders' interest, which in turn ensures the Group's compliance with tax laws and fulfillment of corporate social responsibilities.
- All business activities comply with local tax laws and regulations and the spirit of legislation thereof.
- Never transfer earnings to regions with low tax burdens, or tax havens; plan the tax framework in a manner consistent with economic substance, and never use tax havens to arrange the tax planning for the purpose of tax avoidance.
- All business activities comply with internationally accepted transfer pricing principles, requirements for disclosure, and arm's length transaction guidelines published by the Organization for Economic Co-operation and Development ("OECD").
- Build relationship with the tax authority on the basis of mutual trust, transparency, and respect.
- Tax risks and tax impacts shall be taken into consideration in the Company's business activities and important decision making.
- Analyze the operating environment and adopt management systems for tax risk assessment.
- Develop taxation expertise through ongoing talent training.
- The Tax Policy shall be implemented upon approval of the Board of Directors. The same shall apply where the Policy is amended.
- The Policy was published upon approval of the Board on May 8, 2024.

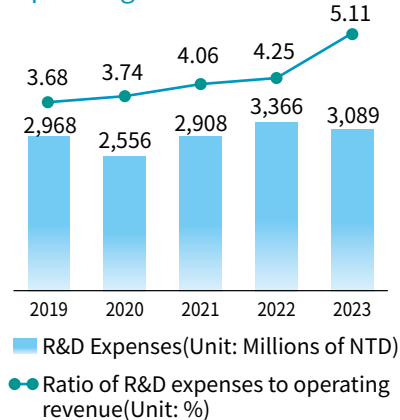
3.5 Innovation and Service

Technology and manufacturing development

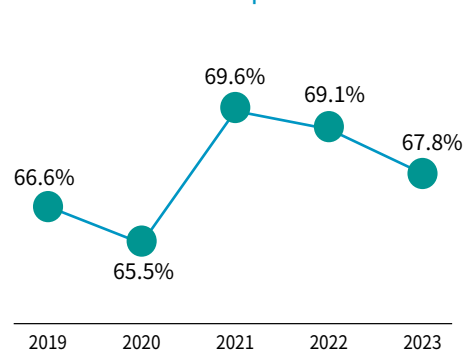
Primax Electronics's continuous profitability and growth are primarily attributed to its embrace of innovation. The company's focus on technology development lies in the integration of acoustics, visuals, and human-machine interfaces, known as "three-senses-in-one" product applications. In an era of constant technological advancements, Primax Electronics strives to develop key new technologies and products that sustain profitability and extend its business into every individual's living environment. The Group committed NT\$3,089,186 to R&D expenses in 2023 as a means to enhance its R&D capacity and competitiveness, i.e. 5.11% of the operating revenue. The fund was applied to the development and design of new products and technologies and enhancement and improvement of production process. For the R&D results in the recent year, please refer to Page 68~Page 69 of the "2023 Annual Report of Annual General Meeting."

In terms of production and global expansion, Primax Electronics continues to serve global customers with the motto of "R&D in Taiwan, Intelligent Manufacturing, Global Logistics." The planned Zhubei Innovation Center in Taiwan is expected to include advanced laboratories, industry academia incubation center and new product manufacturing center.. In terms of global manufacturing layout, production and shipments of the factories in Thailand and the Czech Republic have continued to grow steadily..

Ratio of R&D expenses to operating revenue trend chart



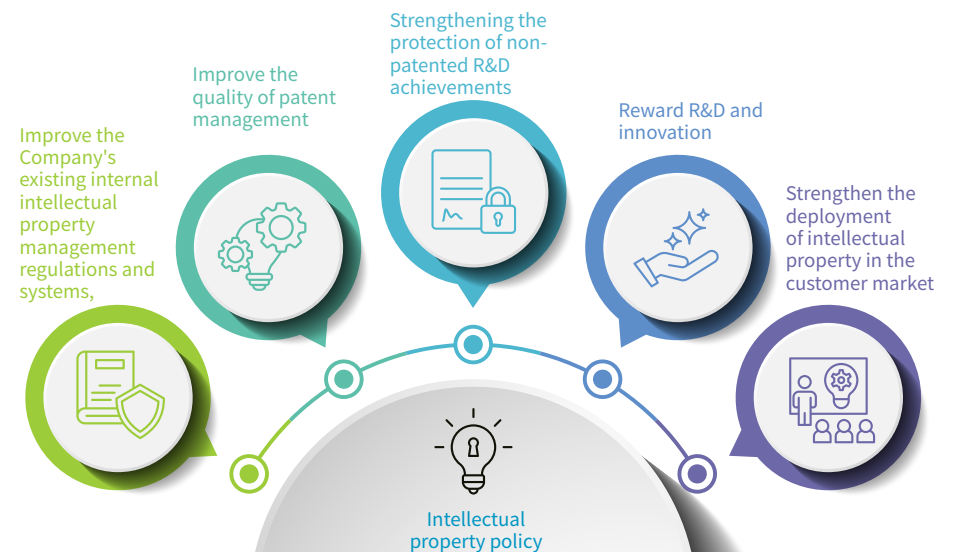
Ratio of R&D personnel



Intellectual property management

To respond to the advancement of technology and maintain the hard-earned advanced technological achievements, Primax, in addition to continuously investing resources in R&D and regularly collecting and analyzing market and technological changes related to the products, has implemented intellectual property strategies in alignment with operational goals and R&D resources, which are detailed as follows and continues to increase intellectual properties to strengthen our competitive advantages. Primax Electronics continues to improve its strength in patents and maintain competitiveness in the observable market indicators. In addition to improving the quality of patent management, it also integrates and improves the Company's existing internal intellectual property management regulations and systems, and strengthen patented R&D protection to ensure intellectual property rights. The relevance of the financial protection subject to the Company's main future revenue products or key technologies. Primax has formulated a patent strategy for the main products developed by it, rewards R&D innovation, and pays close attention to the patent situation of peers to strengthen the patent layout in the customer market. It is expected to achieve the goal of ranking in Top 30 of the first 100 domestic corporate patent applicants by 2030. For detailed implementation information in 2023, please refer to the "Company Website".

To this end, Primax has formulated the following intellectual property policy:



Intellectual property
management plan

1

Patent Management

Internally, Primax Electronics incentivizes innovation through a reward system and evaluation process, encouraging employees to submit invention applications. The company establishes policies and mechanisms for patent management and risk control, employing artificial intelligence tools to systematically manage the quantity and quality of employee patent applications. Externally, close coordination and cooperation with patent authorities in major local and international markets are maintained to enhance examination efficiency and obtain high-quality patent protection. Effective measures are also implemented to mitigate patent risks, and specific products are monitored for competitors' activities and market and patent analysis.

2

Copyright Management

Established copyright management regulations and procedures to govern the acquisition, preservation, and maintenance of copyrighted works.

3

Protection of business secrets

Trade secrets are vital to the company's operations and technological core. Primax Electronics has formulated measures and procedures for managing confidential information and protecting trade secrets. Employee codes of conduct and employment contracts stipulate relevant rules, and educational training is conducted to emphasize the importance of trade secrets and protective measures.

Countermeasures against intellectual property risks

Primax Electronics occasionally receives notices from third parties or clients claiming that the products are involved in intellectual property disputes. Primax Electronics has always adhered to the principle of respecting others' copyrights and insisted on not infringing on others' copyrights when they do not. When responding to such disputes, we analyze the legal, commercial, and technological aspects to formulate response strategies to protect the Company's and our stakeholders' rights and interests.

As of the end of 2023, a total of 897 patents were approved and 1,980 people won invention awards.

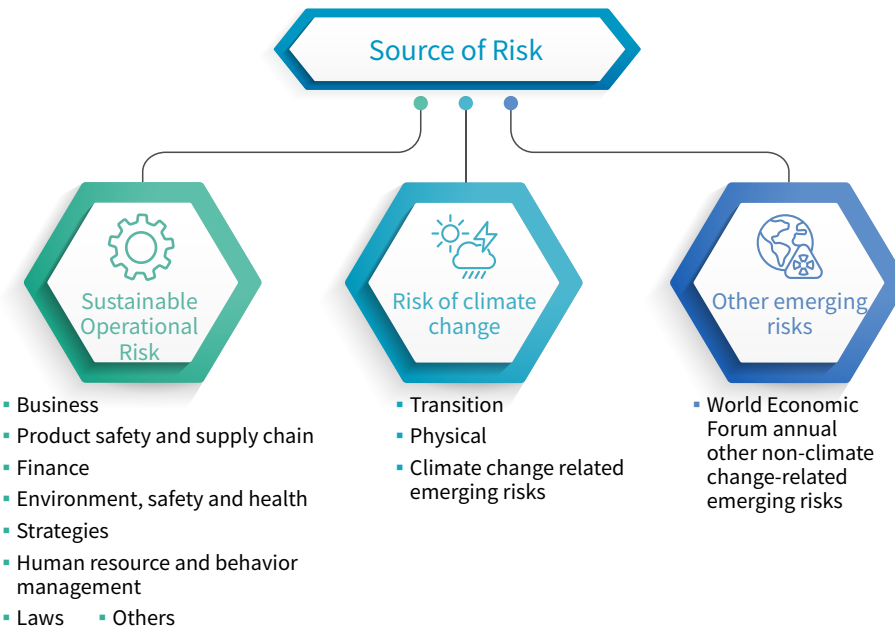
3.6 Risk Management

To achieve the goal of corporate sustainable development and be aligned with the important aspects that clients are concerned about and international trends, Primax Electronics has established a risk management system to regulate the management mechanism of risk management in accordance with the requirements of corporate risk management, thereby improving the operational efficiency of risk management. Primax has established a Risk Assessment Taskforce through the authorization of the Board of Directors, led by the ESG Office, and assigned various functional units to form Risk Assessment Taskforces. At least once a year, we conduct risk and opportunity identification meetings to identify the ESG operational risk, climate change risks and other emerging risks. The 2023 risk identification and disclosure scope covered the main operating locations of Primax Group in Taipei, China and Thailand.

Risk Identification Process

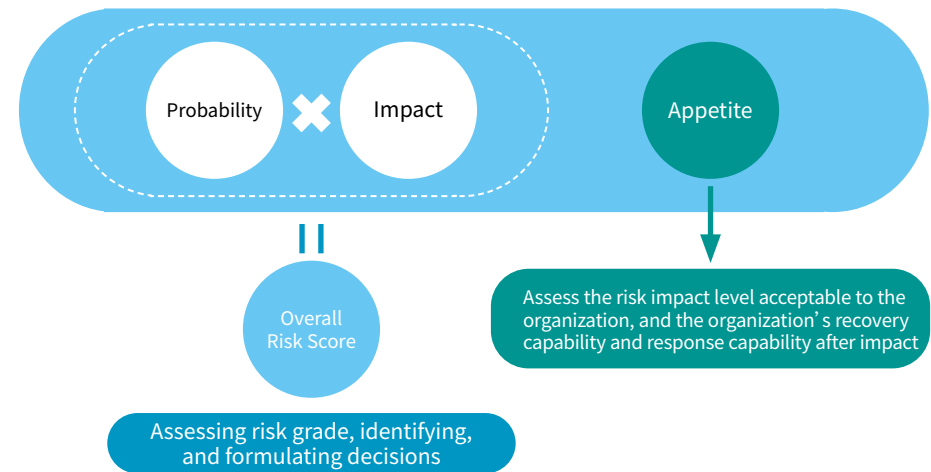
Primax Electronics established the Sustainable Development and Risk Management Committee. The ESG Office serves as the unit dedicated to convening, promoting and executing the Risk Assessment Taskforce. The Risk Assessment Taskforce members shall convene a risk and opportunity identification meeting at least once a year to identify specific corporate risks. The sources of sustainable operational risks come from business risks, financial risks, strategy risks and legal risks, etc. Climate change^{Note} risks are based on transition risks and physical risks suggested by the TCFD guidance. In addition, other emerging risks refer to the top ten emerging risks announced by the World Economic Forum annually, and items related to climate change are excluded. The three main risks also consider the topics concerned by stakeholders, corporate development strategies, domestic and overseas regulatory trends and relevant initiatives. The members compile and establish the "Primax Electronics Risk Integration Questionnaire" to conduct risk assessments for each risk item during the meetings.

Note: For the climate change opportunities, the TCFD opportunity sources are also considered, in order to set up opportunity identification questionnaire for climate change related topics.



The corporate risk sources include the sustainable operational risk, climate change risk and other emerging risks. The extension and analysis of three main axes are considered by assuming the factors potentially affecting the sustainable operation as the risk sources.

The assessment team follows the "Corporate Risk Management Policies and Procedures" to conduct risk assessments. The evaluation criteria include three main factors of "Likelihood," "Impact," and "tolerance". These criteria are measured against the defined scoring scales for impact, likelihood and tolerance, as outlined in the Company's impact scale, likelihood scale, and tolerance scale. The probability measurement considers the chance of occurrence or frequency of risks based on past occurrences. Impact measurement primarily focuses on quantifying financial impacts and is supplemented with qualitative descriptions such as operational disruptions, customer loss, or reputational damage. Tolerance measurement assesses the risk impact level acceptable to the Company, and the Company's recovery capability and response capability after impact. The assessment is conducted based on three timeframes: "short-term (1~3 years)," "mid-term (3~5 years)," and "long-term (5~10 years)." During the assessment, the expected occurrence timeframe for each risk item is determined to further discuss corresponding strategies for short-term, medium-term, and long-term risks. This serves as a basis for regular review and adjustment.



The risk (including climate change opportunity assessment) classification is determined based on the factors of "likelihood" and "impact." The risk grade is determined by multiplying the scores of these two factors and locating the position on the risk and opportunity matrix. This helps identify the risks that need to be addressed. The management team develops risk mitigation plans for high-risk items and ensures ongoing monitoring and improvement. In addition, the internal audit unit also includes the execution of key programs in the audit plan for periodic inspection.

Risk and opportunity matrix

4	4	8	12	16
3	3	6	9	12
2	2	4	6	8
1	1	2	3	4
	1	2	3	4

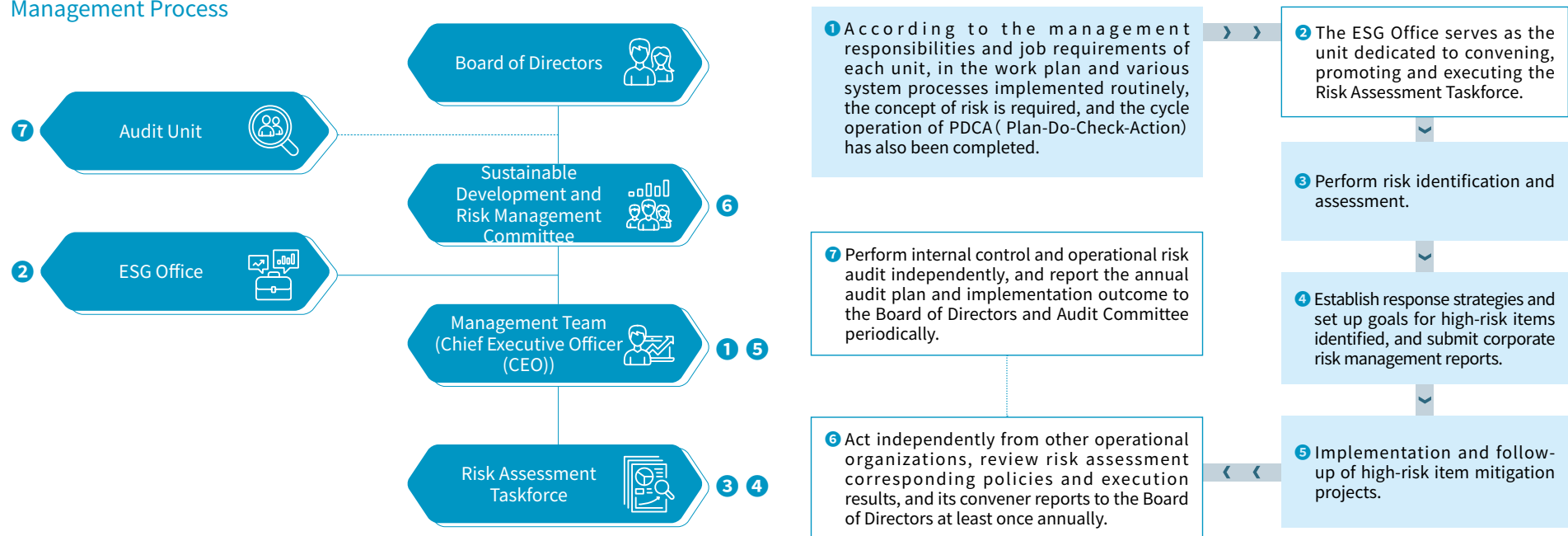
Risk Grade

Grade	Landing point	Magnitude	Decision
3	12~16	High	To be addressed
2	6~9	Medium	To be decided based on the situation
1	1~4	Low	Temporarily not to be addressed

Risk Organizational Structure and Management Process

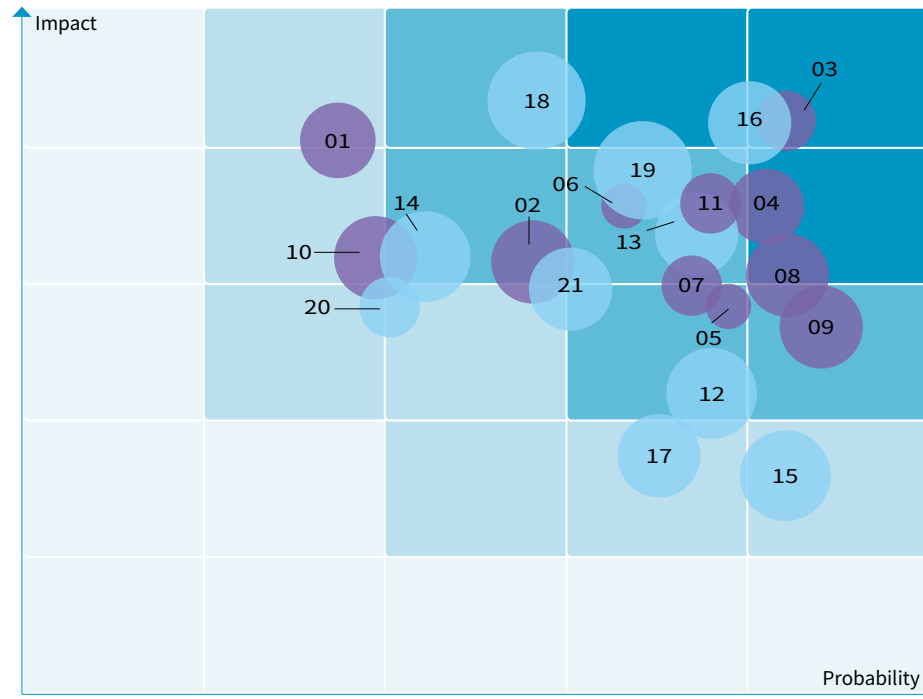
Primax' s corporate risk management organization is divided into four layers, and management is carried out through the processes of risk identification, risk assessment, risk control, and risk supervision and communication. The relevant responsibilities and management processes are shown in the following chart.

Primax Electronic' s Risk Management Organizational Structure and Management Process



In 2023, the Risk Assessment Team convened risk assessment meetings in June and November to re-identify various corporate risks. The Corporate Risk Management Report was presented to the Board of Directors in November by the Convener of the ESG Office, namely Vice General Manager, Ms. Chiang, Yan-Ying. This year, a total of 54 risk factors (including sustainable operational risk, climate change risk, and other emerging risks) were collected. Upon the identification through the risk management process, the main sustainable operational risks of Primax as identified include changes in the industrial development, pressure from competition among peers, product innovation and development, investment and M&A strategies, capacity deployment/expansion, organizational structure and capability development, customer concentration, and new customer development, while the climate change risks include popularization of sustainability assessments, increasing customer demands for climate change response, mandatory climate information disclosure and reporting, impact on enterprise' s reputation and popularization of sustainability evaluation. The relevant risk response measures are shown in the following table. [For climate change risks, please refer to "4.1 Climate Change Management."](#) ✨

Matrix of Corporate Risks of Primax Electronics in 2023



- | | | |
|--|---|--|
| 01 Geopolitical risk | 08 Customer concentration | 15 Adoption of Low-Carbon Production Technologies |
| 02 Financial Risk Management | 09 New customer development | 16 Increase of customer demands in response to climate change. |
| 03 Changes in the industrial development | 10 Succession Plan | 17 Increased production costs due to external requirements |
| 04 Product innovation and development | 11 Organizational Structure and Capability Development | 18 Impact on Corporate Reputation |
| 05 Investment and M&A strategies | 12 Implementation of carbon border adjustment mechanism | 19 Widespread Sustainability Assessments |
| 06 Capacity Deployment/Expansion | 13 Mandatory Climate Information Disclosure and Reporting | 20 Flood (Operational) |
| 07 Pressure from Competition among Peers | 14 Product efficiency regulations and standards | 21 Rising sea level |

Note: 1. The X-axis represents the likelihood of risk occurrence, the Y-axis represents the impact of risk occurrence, and the size of the circles represents the tolerance.
 2. The above chart only includes high-risk and medium-risk items.
 3. Items with a yellow background are high-Climate change risk: ● Sustainable Operational Risk ● Climate change risk

Summary of the key points of the countermeasures against the sustainable operational risk

- | | |
|--|--|
| Changes in the industrial development
Capacity Deployment/Expansion | <ul style="list-style-type: none"> Grasp the customer's development direction and plan the production layout early. Accelerate the improvement of the organization of overseas factories, manufacturing capacity, quality and cost competitiveness. Accurately forecast the capacity allocation planning and strictly control repeated investments to prevent idle production capacity. |
| Product innovation and development
Customer concentration | <ul style="list-style-type: none"> Choose more competitive products to achieve balanced development. |
| Investment and M&A strategies | <ul style="list-style-type: none"> Define the areas to be improved for the Company's business growth or transformation, and find suitable external business partners.. |
| Pressure from Competition among Peers
Organizational Structure and Capability Development | <ul style="list-style-type: none"> Adjust the organizational structure and the layout of technical capabilities according to the technical development and production expansion roadmap of the business strategy to respond to the organization's development early and conduct long-term planning. |
| New customer development | <ul style="list-style-type: none"> Cultivate the local business development and sales capabilities of each location to strengthen the relationship with customers. Expand the scale of operations in new target areas by combining the momentum of products and new technologies. |

Note: For climate change risks, please refer to "4.1 Climate Change Management."

Risk culture

In addition to a rigorous organizational structure and implementation process, how to shape an organizational culture in which all employees are aware of risk management has become an issue that has received increasing attention in recent years. Through education and training, Primax plans ESG-related courses for all employees, and integrate the concepts of risk management into ethical corporate management, labor rights and information security. According to the 2024 plan, new employees will be arranged to attend the Sustainability Board Game Workshop upon expiration of three months after their onboard. The designed board games cover corporate risk, climate change and SDGs, etc., to enable employees to deepen their knowledge and sense of identity towards sustainability through the interesting board games.

Meanwhile, we also recommend courses on corporate risk and sustainable development on a regular basis to provide directors with a priority reference when choosing continuing education courses, in order to build Primax's corporate risk and sustainable development culture from top to bottom step by step. Please refer to P34 of the 2023 Annual Report of Annual General Meeting for more information on the continuing education of directors. 🌟

3.7 Privacy and Cyber Security

Privacy and Cybersecurity management

Material ESG Issue: Privacy and Cybersecurity

[GRI] Customers' Privacy: 418-1

[DJSI] Information Security / Network Security and System Availability, Privacy Protection

Management purpose and importance

Management of personal data, privacy, confidential data, and information security has received increasing attention in today's digital and information-based society. The Group is committed to protecting the management of cybersecurity to prevent information security incidents and the theft or loss of data caused by improper data management, in order to protect the rights and interests of customers and stakeholders.

Remedial Measures

- In the event of a major cybersecurity incident, we will promptly establish a cybersecurity incident response team in accordance with the "Information Security Incident Reporting and Crisis Management Procedures." The team will respond accurately and swiftly to the incident, minimizing the extent of damage caused to the company
- Purchase "Corporate Information Security Risk Management Insurance/Fraud Risk Protection Insurance" to reduce or shift the losses of

Short-term indicators/goals

- 0 complaint against violations of customer privacy and losses of customer data
- The completion rate for repairing severe risk and high risk vulnerabilities is 100%.
- Execute at least 6 email social engineering exercises each year.
- Pass continuing certification for ISO 27001 Information Security Management System each year.
- Execute employees' cybersecurity education and training for at least twice per year.

Goal achievement rate/performance

- ☺ No complaint against violations of customer privacy and losses of customer data in the most recent three years.
- ☺ The completion rate for repairing severe risk and high risk vulnerabilities is 100%.
- ☺ Already executed 6 email social engineering exercises annually.
- ☺ Passed the certification of the ISO 27001 external audit.
- ☺ Held a total of four cybersecurity online education and training session, with a total of 1,335 participants.

Mid-term and long-term indicators/goals

- A 5-year ISO 27001 expansion and deepened verification project is planned for all major operational locations of the Group worldwide from 2023 to 2027.
- Continue to enhance cybersecurity of Primax and ensure the confidentiality, integrity, availability and compliance of information for the best interest of the customers, shareholders, employees and suppliers.

Specific actions in 2023

- Already completed expansion of the information security management system to cover the Group's major operating locations (including Taipei, Dongguan, Huizhou, Chongqing, Kunshan, Thailand, and the Czech Republic).
- New core key systems covered by ISO 27001 and successfully passed SGS certification.
- Completed the self-assessment and review on cybersecurity, and submitted the assessment results and supporting materials to the Audit Department for review.
- Scanned the system and network vulnerability regularly on a monthly basis, and already fixed severe and high-risk vulnerabilities and bugs.
- Contracted an external information security consultation to perform the penetration testing, and already fixed the mid-risk and high-risk vulnerabilities.
- Already established endpoint detection and response (EDR) and managed detection and response (MDR) for network security monitoring, information security incident management, and real-time response to and processing of information security
- Already established a network equipment configuration management system to strengthen the information security management and protection mechanism.
- The Privileged Account Access Management System (CyberArk) has been built to mitigate the risk over external intrusion into privileged accounts.
- Added the IP-guard system to strengthen the encryption mechanism for confidential and sensitive information and protect the Company's important information assets.
- A cloud remote backup mechanism has been established to enhance the system backup and availability.

Performance management achievements

- No complaints or incidents of infringement upon personal data and privacy (employees, customers, suppliers, visitors and job applicants).
- No complaint concerning violations of customers' sensitive information was received.
- No information security-related complaint from external parties or regulatory authority was received.

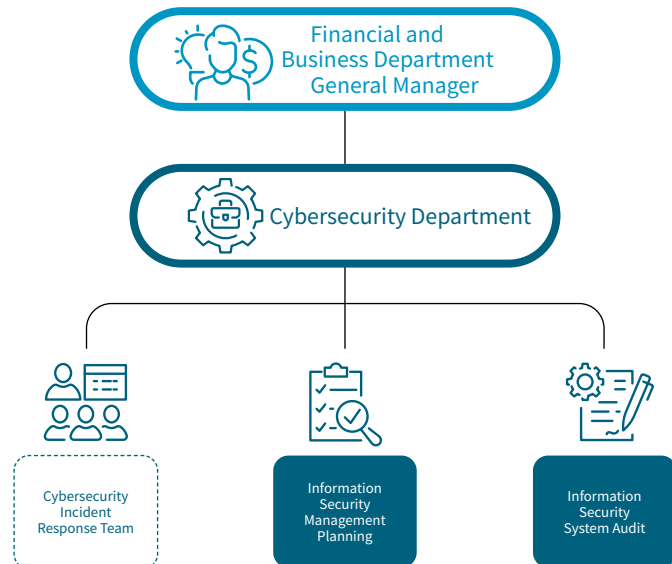
Explanation of impact measurement quantification

- **Affected external stakeholders:** customers
- **Impact description:** Financial losses caused to the customer by the loss of the customer's important data.
- **Avoidance of increase in social costs:** All of customer privacy and confidential information is disclosed on a need-to-know basis, and the Group has implemented three different types of control: People, Process and Technology to ensure the security of customer privacy and confidential information.
- **Impact performance:** No complaint against violations of customer privacy and losses of customer data in the most recent three years.

Cybersecurity organizational structure

To improve the security management of the group, a Group Cybersecurity Department has been established, with the Financial and Business Department General Manager as the highest responsible person. The cybersecurity Department is responsible for driving information security policies and resource allocation. It is staffed with dedicated cybersecurity professionals to ensure that all information security management standards and control measures are effectively and continuously implemented. The organizational structure of the Group's Cybersecurity Department is shown in the figure below:

The organizational structure of the Group's Cybersecurity Department



PMX Group's Cybersecurity Management and Continuous Improvement Framework

Ongoing improvement of cybersecurity

- IT security management measure review and improvement
- IT security threats and new IT security technology research
- Plan and execute cybersecurity social engineering exercise
- Regularly conduct information security education and awareness promotion



Cybersecurity management system

- Follow international information security standards (ISO27001 and 21434)
- Establish information security management system
- Plan and purchase cybersecurity insurance
- Regularly review and update relevant procedural documents
- Regularly respond to the continuing certification by the external information security audit.

Internal evaluation on cybersecurity

- Self-assessment and evaluation on cybersecurity
- Implementation and enforcement of cybersecurity standards
- Internal audit plan and scope of cybersecurity
- Regular execution of cybersecurity internal audits and improvements

Cybersecurity improvement strategies and control measures

- External penetration testing management
- System vulnerability scanning management
- Endpoint detection and response (EDR) management
- Network equipment configuration management
- Enhanced two-factor authentication mechanism
- User privileged account management
- Privileged account access management
- Email social engineering exercise
- Data loss prevention system
- Cloud-based remote backup
- Information security incident management system log monitoring mechanism

Cybersecurity management mechanism

All of customer privacy and confidential information is disclosed on a need-to-know basis, and the Group has implemented three different types of control: People, Process and Technology to ensure the security of customer privacy and confidential information. Below is a summary of the three controls:

People

- Except for new employees, who are required to receive information security promotion, Primax arranges diversified information security awareness training courses regularly for at least twice a year, including classroom + real-time online training and e-learning online information security education and training courses, an at least 6 social engineering exercises in a year to strengthen colleagues' awareness toward customers' privacy and confidential information.
- A corporate information security organization has been established and subordinated to the Business Department General Manager directly. It is responsible for integrating the three elements, including persons, processes and technology, to treat customers' privacy and confidential information based on the highest standards and also ensure that related activities and measures are implemented properly and that customers' privacy and confidential information are protected at all times.

Process

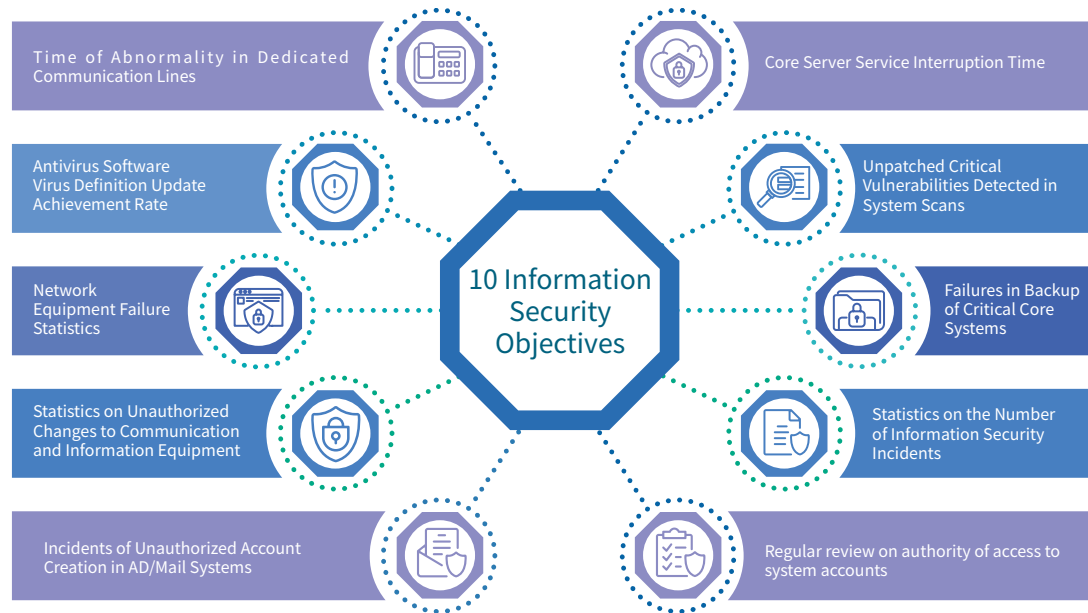
- All employees are required to sign a confidentiality agreement before commencing or terminating employment.
- Employees are prohibited from disclosing sensitive information to any internal or external party without the consent (or authorization) of customer's project manager. Access to such information should be granted only to the extent needed to serve the purpose.
- Customer privacy and confidential information is protected before, during and after project until product is discontinued.

Technology

- Continue to improve the network security equipment, deployment of management software and anti-hack/anti-virus measures continuously to repel information security threats, such as malware, botnet, virus, ransomware, and hack, and establish the anti-hack/anti-virus platform throughout the entire enterprise.
- Already established endpoint detection and response (EDR) and managed detection and response (MDR) for network security monitoring, information security incident management, and real-time response to and processing of information security threats.
- All systems and customer information are subject to access control. Only authorized personnel may access information for work-related purpose.

Cybersecurity management actions

- To meet the requirements of internal information security regulations and external regulatory authorities, the Group has established an Information Security Management System and information security management procedures. Ten information security objectives have been formulated, and the results of their achievement are recorded on a monthly basis.
- To reinforce the information security protection capabilities, we request vendors to perform hacker penetration testing every year to analyze the potential vulnerabilities and scenarios of hacking through various hacking methods, to keep improving the quality of cybersecurity protection.
- In order to enhance the application system security and mitigate risks, we perform system and equipment vulnerability scanning and penetration testing regularly and fix mid-risk and high-risk vulnerabilities each year. Meanwhile, we have also added privileged account access management, IP-guard system, EDR and network equipment configuration management to protect and reduce external intrusion risks and internal sensitive data loss risks, and continue to monitor logs through the information security incident management system to achieve real-time monitoring of abnormality and strengthen the cybersecurity management mechanism.
- For critical systems related to company operations, regular data backups and on-site redundancy mechanisms are implemented to strengthen the enterprise's resilience against cybersecurity risks.
- We organize the information security awareness training for twice per year and 6 social engineering exercises each year, during which it uses a combination of e-mail, instant messaging, and digital TV to communicate with employees on cybersecurity protection and current affairs, which in turn promotes the cybersecurity awareness of the Group's employees. Meanwhile, we have purchased the "Corporate Information Security Risk Management Insurance/Fraud Risk Protection Insurance" to reduce or shift the losses of cybersecurity, hoping to become an enterprise outperforming in the maturity of information security governance.
- The main operating locations of Primax Group have obtained the "ISO 27001:2013" international standard certificate. The core key systems added in 2023 have successfully passed SGS certification. We have planned to upgrade it to the new version of "ISO 27001: 2022" in 2024 to continue to expand the scope of certification, including the R&D process, engineering, manufacturing processes and other operating procedures of the Company in order, and also pass the continuing certification by a third-party certification company each year.



Cybersecurity risk assessment

Primax Group takes an inventory of the information assets and update the list of property regularly. Every year, the risks related to the information assets are appraised, and the high-risk items are controlled, to lower the chance of risks and their impacts, for the purpose of ensuring the long-term cybersecurity.

Primax has established comprehensive network and computer cybersecurity protection measures; however, malicious hackers can also try to spread computer viruses, destructive software, or ransomware across the Company's network system to interfere with our operations, to extort money, gain control over our computer systems, or spy on confidential information. Such attacks may result in losses due to delay or disruption of orders, or a great cost of remedial and improvement measures adopted to strengthen the Company's cybersecurity systems.

To prevent and reduce the damage caused by such attacks, we continue to update and implement relevant improvement measures, such as strengthening network firewalls and network control; establishing endpoint antivirus measures depending on computer types; adopting new technologies to strengthen data protection and backup; enhancing the detection of phishing emails; and regularly performing social engineering email testing and offering employee IT security awareness training.

Internal audit of cybersecurity

The information audit taskforce of the Cybersecurity Department establishes the assessment indicators based on the risks. The self-assessment and inspection of cybersecurity were completed on March 29, 2023. The outcome of assessment and supporting documents were also sent to the Audit Department for verification. The Audit Department implements the PDCA cycle for once per six months. Cybersecurity is one of the required items for audit. All the outcomes of audit are submitted to the Audit Committee and Board of Directors regularly, at least for once per year.

Product R&D and Manufacturing Safety

The research and manufacturing units of the company have consistently conducted research and manufacturing operations in accordance with the Group's information security policy and customer requirements and expectations. Through various physical and electronic control processes, the protection of product confidential information and process technology is ensured, while also maintaining compliance with customer requirements and relevant third-party certifications.

Primax Group's products include both computer peripheral products and non-computer peripheral products. If products are classified according to their information security risk characteristics, such as electro-acoustic products, OEM brand products, and wireless connector products, we will arrange control measures, such as code review or source code scanning, per customer's request before software/firmware updates go live to reduce the information security risks.

At the stages from R&D to shipment of finished products, we always follow the customer's security principles. Any security-related concerns are immediately corrected. Without affecting the production process and subsequent operating procedures, we ensure the product information security without worry. Moreover, we also place significant emphasis on post-shipment product information security. Depending on the product's characteristics and customer requirements, preventive measures such as software testing or physical circuit isolation are implemented to strictly prevent potential cybersecurity risks during product use (e.g., malicious program implantation) and avoid the risk of user information leakage.



Customer Privacy and Personal Data Protection

Primax Group complies with the provisions of the personal data protection act and related laws and regulations at home and abroad to formulate the "Privacy Policy," which is applicable to: 1. customers, suppliers and contractors; 2. visitors to the official website or on-site visitors; and 3. job applicants. CyberSecurity Department serves as the dedicated personal data protection and management unit. One dedicated personnel has been appointed by each of Primax Electronics and Tymphony to take charge of formulating personal data protection laws and regulations, accepting related complaints and managing the operating procedures, etc..

Meanwhile, Primax Group is committed to protecting customer information security to safeguard customers' interests and rights. The Company has established management policies and procedures for customers' privacy and confidential information, adhering to the principle of "least privilege." Access to sensitive data related to customer projects is granted only after internal authorization, and the Group's Cybersecurity Department conducts regular reviews on cybersecurity-related procedural documents to ensure timely updates that meet the required level of information security management in line with customer needs and demands.

Primax values the data subject's exercise of rights against his/her personal data pursuant to laws. It has set up a dedicated mailbox on the Company's website. Once complaints are received or incidents of personal data infringement are discovered, we will settle it and impose related punishment in accordance with the applicable regulations, including: "Personal Data Protection Regulations," "Supplier Code of Conduct," and "Customer Data Non-Disclosure Agreement," etc.. In 2023, there was no violation of personal data or violation of customers' privacy (including complaints).

Environmental Sustainability

Chapter 4

- 4.1 Climate Change Financial Disclosure
- 4.2 Greenhouse Gas Reduction
- 4.3 Energy management
- 4.4 Water Resource Management
- 4.5 Pollution Prevention and Management
- 4.6 Green Product Health and Safety Management
- [Special Column] Low-Carbon Product Innovation
- Design Example



Climate change
adaptation

Material ESG issue: Climate Change Response

[GRI] Economic Performance: 201-2, Energy: 302-1, 302-3~4, Emissions: 305-1~305-5
[Stock Exchange] Sustainable Disclosure Indicator No. 1: Comprehensive Disclosure of
Climate-related Information (see Appendix II)
[TCFD] Task Force on Climate-related Financial Disclosures
[DJSI] Climate Strategy and Operational Eco-efficiency
[MSCI] Cleantech Opportunities

Management purpose and importance

Respond to the risks and opportunities from climate change to Primax, reduce the impact of climate on Primax's operations, create new market opportunities, actively seize opportunities and enhance our corporate image, fulfill corporate social responsibility, and improve our management capability and operating performance.

Remedial Measures

Continuous reduction plans, renewable energy utilization plans, and setting reduction targets are implemented, along with commitments to RE100, carbon neutrality, and the 2050 net-zero target. Concrete actions are taken to mitigate the negative impact of climate change.

Short-term indicators/goals

- Achieve a 2% annual reduction in waste generation.
- To reduce energy intensity (including electricity) usage by 3% per year.
- Achieve a 2% annual reduction in water consumption.
- Annual reduction of Category 1 and Category 2 GHG emissions by 30% by 2025 and 60% by 2030 measured in carbon dioxide equivalent (CO₂e) from the base year of 2019.
- Publish the TCFD report annually.
- Expand the scope of TCFD governance to cover the Group's operating locations all over the world as of 2023.

Goal achievement rate/performance

- ☺ Reduced total waste generation by 5.69% in 2023
- ☺ Increased energy (including electricity) intensity by 15.91% in 2023.
- ☺ In 2023, water consumption decreased by 10.45%
- ☺ Reduced water usage intensity by 6.61% by 2023 compared to the base year (2020).
- ☹ In 2023, GHG emissions decreased by 63.56% compared to the base year (2019), achieving the 2030 goal ahead of schedule.
- ☹ In 2023, the use of renewable energy accounted for 42.34% of the total electricity consumption, and 41.19% of the total energy consumption.
- ☺ Tymphany's location in the Czech Republic was included into the 2023 TCFD Report.

Mid-term and long-term
indicators/goals

- Use of renewable energy accounting for 60% of the total electricity consumption in 2030.
- By 2030, water usage intensity will be reduced by 40% compared to the base year (2020).
- Achieved ahead of schedule: Scope 1 and Scope 2 GHG emission reduced by 60% by 2030 compared to 2019. Through the setting of and application for the SBT long-term net zero goal in 2024~2025, Primax Group's GHG reduction goal was re-set.
- Achieving carbon neutrality under Category 1 and Category 2 by 2040.
- Achieve 100% use of renewable energy by 2040.
- Net Zero Emissions (NZE) Scenario in 2050
- Complete the TCFD climate adaptation plan for the global group by 2030

Specific actions in 2023

- Continue to publish TCFD reports in both English and Chinese.
- In 2023, Kunshan Plant and Chongqing Plant satisfied the 1.5°C emission reduction pathway goal and officially passed the SBTi accreditation.
- Primax Group submitted its SBT 1.5°C long-term net zero commitment in January 2024 and passed the review. It expects to submit its goal by the end of 2024.
- 100% of Primax Group's locations worldwide have completed the ISO 14064-1:2018 GHG verification.
- In-house Solar Power Generation Facilities generate the power attaining 1,265,645 kWh annually.
- Renewable Energy Purchase Agreements for the annual procurement attaining 574,826 kWh.
- Annual purchase of renewable energy certificates for 36,310,000 kWh, and cumulative purchase attaining 92,075,000 kWh
- Continue to implement energy-saving measures at key manufacturing sites, and implement a total of 41 energy-saving programs.
- Establishment of a sustainable control tower carbon management information system

Performance management
achievements

- Primax Group's total GHG emission reduced by 63.56% compared to the base year, 2019.
- Primax Group's energy consumption reduced by 11.52% from 2022.
- Use of renewable energy accounting for 42.34% of the total electricity consumption in 2023.
- In 2023, the carbon emissions through the energy conservation program was reduced by about 6,219 metric tons CO₂e.
- Awarded CDP's Climate Change Leadership Level award
- Recognized as a leader-level in supply chain engagement from CDP

Explanation of impact
measurement quantification

- Affected external stakeholders: community residents and suppliers
- Impact description: Mitigation of the impact of climate change caused by global warming
- Earned environmental value: Primax Group is committed to achieving the RE100, and carbon neutrality and net-zero by 2050. It continues to carry out reduction and renewable energy utilization plans and product carbon footprint. Through concrete actions, it works with suppliers to mitigate the negative impact posed by the climate change.
- Impact performance: Primax Group has achieved a reduction of 63.56% in the Group's total GHG emissions compared to the base year, 2019, and recognized as a leader-level in climate change and supply chain engagement from CDP.

4.1 Climate Change Financial Disclosure

We keep a close eye on global climate trends and international responses and include climate change as one of the material issues and risks in relation to corporate sustainability. Ongoing analysis and control are underway to mitigate and adapt to greenhouse gas (GHG) emissions. In 2023, Primax continued to prepare the TCFD Report according to the TCFD disclosure framework and with references to the International Financial Reporting Standards S2 (IFRS S2) announced by the International Sustainability Standards Board (ISSB). The report covers the period from January 1 to December 31, 2023. For the full disclosures, please refer to the third "TCFD Report" released by Primax Group or "2.1 Sustainability Management and Practice" and "3.6 Risk Management" herein. Some of the contents are summarized as follows:

Climate-related governance

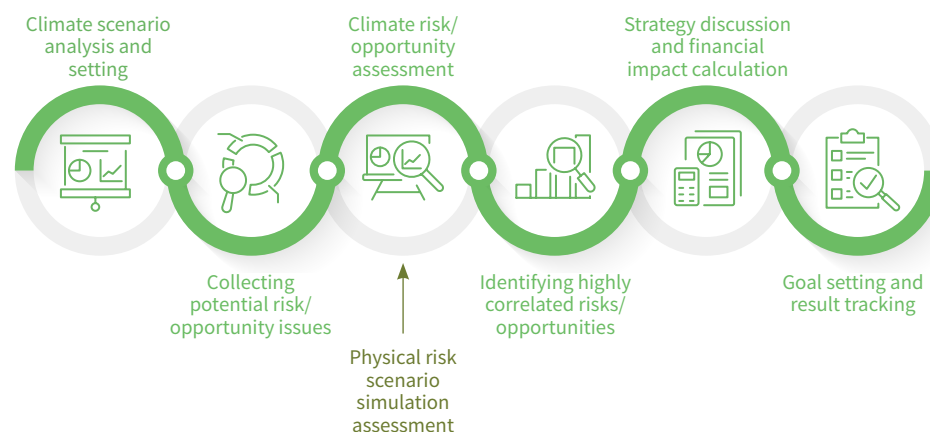
Primax Electronics established the Risk Management Committee in November 2021, as the dedicated unit for climate change issues. The Committee members are appointed by the Board of Directors. The current members include Chairman Duh, Jia-Bin, Director Pan, Yung-Chung, Independent Director Wu, Chun-Pang and Independent Director Wang, Chia-Chi. The convener is Duh, Jia-Bin. The ESG Office reports to Risk Management Committee at least once a year. The Risk Management Committee reviews risk assessments, responding strategy and implementation results and its convener reports to the Board of Directors at least once each year. Risk management related information is disclosed as required by competent authorities via the Company's website, sustainability reports and annual reports. In 2023, the Committee has convened a total of 2 meetings, and reported the GHG inventory and net zero pathway and operation and climate change risk assessment report to the Board of Directors in June and November. Meanwhile, in order to enhance the knowledge of Board of Directors and the management on climate change, Primax arranges continuing education courses from time to time. In 2023, five courses were planned, covering topics such as net zero, circular economy, emerging risks and risk management. A total of 5 directors attended the training courses.

In order to achieve the goal of net zero emissions, Primax Electronics

encourages employees to make continuous improvements by establishing the incentive mechanism. The "Regulations Governing Energy Saving and Waste Reduction Management and Control" are formulated with respect to all employees. Meanwhile, according to the sustainability strategy roadmap, since 2023, the variable remuneration for senior management teams including the vice president and above by 10 ~ 15% has been linked to ESG performance, including smart manufacturing, greenhouse gas reduction and other goals. Further, the implementation of green production from low-carbon design and development to low-carbon manufacturing has been accelerated, including energy-saving density reduction performance indicators for regional manufacturing supervisors and R&D highest supervisors' completion of low-carbon product project development, etc., to be included into the annual performance (critical to the 5 ~ 10%) since 2024.

Climate Risk and Opportunity Assessment and Management

Primax conducts research and evaluation on domestic and international climate change-related laws and regulations and initiatives as a consideration for the Group to formulate environmental policies, to comply with domestic development trends, and to enhance the Company's ability to cope with climate change. The climate risk and opportunity identification process is as follows:



► 4.1 Climate Change Financial Disclosure

4.2 Greenhouse Gas Reduction

4.3 Energy management

4.4 Water Resource Management

4.5 Pollution Prevention and Man-

4.6 Green Product Health and Safety Management

1

With regard to the transformation risk, the risk stimulation and discussion are performed primarily under the two main hypothetical scenarios, namely the Net Zero Emissions by 2050 Scenario (NZE) and Stated Policies Scenario (STEPS), according to the latest World Energy Outlook 2023 (WEO 2023) released by the International Energy Agency (IEA). To maintain the consistency with the assessment basis for the scientific basic reduction goal, the Company mainly adopts the most rigorous NZE scenario (temperature increase is controlled at 1.5°C), in order to be used as Primax's climate change simulation scenario, in order to perform risk/opportunity assessment strategy discussion.

With reference to the physical risk, the relevant information is estimated based on the simultaneous simulation of the risk impact level under SSP1-1.9, SSP1-2.6 and SSP5-8.5 emissions scenarios in IPCC AR6, according to the Sixth Assessment Report (AR6) released by the Intergovernmental Panel on Climate Change (IPCC), and also based on the actual past occurrence and relevant climate change, as reference for the physical risk assessment.

2

The sources of climate change risk items are based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These include transition risks (policy and regulatory, technological, market, reputational), physical risks (immediate and long-term), and opportunities (resource efficiency, energy sources, products/services, market, resilience). Additionally, factors such as stakeholder concerns, company development strategies, domestic and international regulatory trends, and relevant initiatives are taken into account. In 2023, a total of 26 risks and 15 opportunity items were compiled.

3

To further understand the impact of physical risks on the operation of Primax Group, before the climate risk assessment, the Company conducts assessment according to the SSP1-1.9, SSP1-2.6 and SSP5-8.5 emissions scenarios in IPCC AR6, and the assessment includes potential and actual disasters caused by the risks of sea-level rise, water resource stress, typhoon, increase of natural calamity insurance fee, temperature rise, extreme temperature events. The Risk Assessment Taskforce considers the past historical events, actual response measures, scenario assessment results and potential financial impact, along with the additional simulation assessment time for different physical risks, in order to comprehensively consider the impact and probability of occurrence of various risks.

Primax Risk Assessment Taskforce convenes risk and opportunity identification meetings to identify sustainability operational risks, climate change risks and emerging risks. The Risk Assessment Taskforce compiles and establishes the "Primax Electronics Risk Integration Questionnaire" and follows the "Corporate Risk Management Policies and Procedures" to perform the risk assessment. The evaluation criteria include three main factors of "Likelihood," "Impact," and "tolerance". These criteria are measured against the defined scoring scales for impact, likelihood and tolerance, as outlined in the Company's impact scale, likelihood scale, and tolerance scale. During the meetings, each risk item is evaluated and scored based on the risk assessment criteria. For the current year, the short, medium, and long-term timelines are set as "1-3 years," "3-5 years," and "5-10 years," respectively. The assessment identifies the expected occurrence timeframe for each risk item, allowing for further discussions on corresponding strategies for short, medium, and long-term risks. This serves as the basis for periodic reviews and adjustments.



4

According to the matrix placement decided upon the risk and opportunity risk assessment, the ESG Office then engages in discussion according to the evaluation score result, and finally, four climate change risks and three climate change opportunities are identified. Meanwhile, the result is compared with the evaluation result of last year. For the current year, the transition risk of "Introduction of Low-carbon Production Technology" has been adjusted from high risk to medium risk. After the key risks and opportunities are identified, the ESG Office then convenes TCFD risk and opportunity response strategy discussion meeting, in order to determine the Company's future climate change-related strategies.

5

Based on the identified risks/opportunities, Primax estimates the potential financial changes that climate change may bring to Primax. It formulates risk response strategies and conducts cost and benefit assessments for "Cost Management" and "Benefit Management." The financial impact of climate risks/opportunities is assessed and estimated for the short-term (2024~2025), mid-term (2026~2028), and long-term (2029~2033) timeframes.

6

Primax uses the Science Based Targets initiative (SBTi) framework as the assessment basis of its climate change indicators and targets. Goal meetings are convened to follow up on the "GHG emission gap between the actual intensity and the target intensity" and to formulate necessary measures accordingly.

Climate Change Risk and Opportunity Identification Result

The Risk Assessment Taskforce, based on the questionnaire scales, considers international trends, existing company measures, and scenario simulation result in order to evaluate the score, following which the ESG Office then engages in discussion according to the evaluation score result, and finally, four climate change risks and three climate change opportunities are identified. Meanwhile, the result is compared with the evaluation result of last year. For the current year, the transition risk of "Introduction of Low-carbon Production Technology" has been adjusted from high risk to medium risk. After the key risks and opportunities are identified, the ESG Office then convenes TCFD risk and opportunity response strategy discussion meeting, in order to determine the Company's future climate change-related strategies.

The period of the present assessment is divided into short-term (2024-2025), medium-term (2026-2028), and long-term (2029-2033). During the assessment, the expected occurrence timeframe for each risk and opportunity item is determined. Based on Primax's "Corporate Risk Management Policies and Procedures," the risk levels are categorized as 3 (high), 2 (medium), and 1 (low) to assess risks that may have significant impacts. Risk response measures are developed according to the different timeframes and risk levels. High-risk items require immediate handling and mitigation plans, while the reporting and decision-making for medium-risk items depend on the circumstances. The following table presents the identified risks and opportunities that have significant impacts in the short, medium, and long term. Our company will continue to monitor changes in the risk and opportunity levels and the positioning in the short, medium, and long-term timeframes through annual assessments. This information will be promptly reported, and decisions will be made accordingly.

Risk types/items	Identified risks	Time horizon	Likelihood	Financial impact	Potential vulnerability
Transformation Risks/Policy and Regulations	Mandatory Climate Information Disclosure and Reporting	Short-term	Very significant	Significant	Very significant
Transition risks/market	Increase of customer demands in response to climate change.	Short-term	Very significant	Very significant	Significant
Transition risks/reputation	Impact on Corporate Reputation	Short-term	Significant	Very significant	Very significant
Transition risks/reputation	Widespread Sustainability Assessments	Short-term	Significant	Very significant	Very significant

Opportunity types/items	Identified risks	Time horizon	Likelihood	Financial impact
Products and Services	low carbon products and services	Short-term	Very significant	Significant
Products and Services	Enhancement of Corporate Reputation	Short-term	Very significant	Very significant
Market	Entry into new markets	Short-term	Significant	Very significant



► 4.1 Climate Change Financial Disclosure

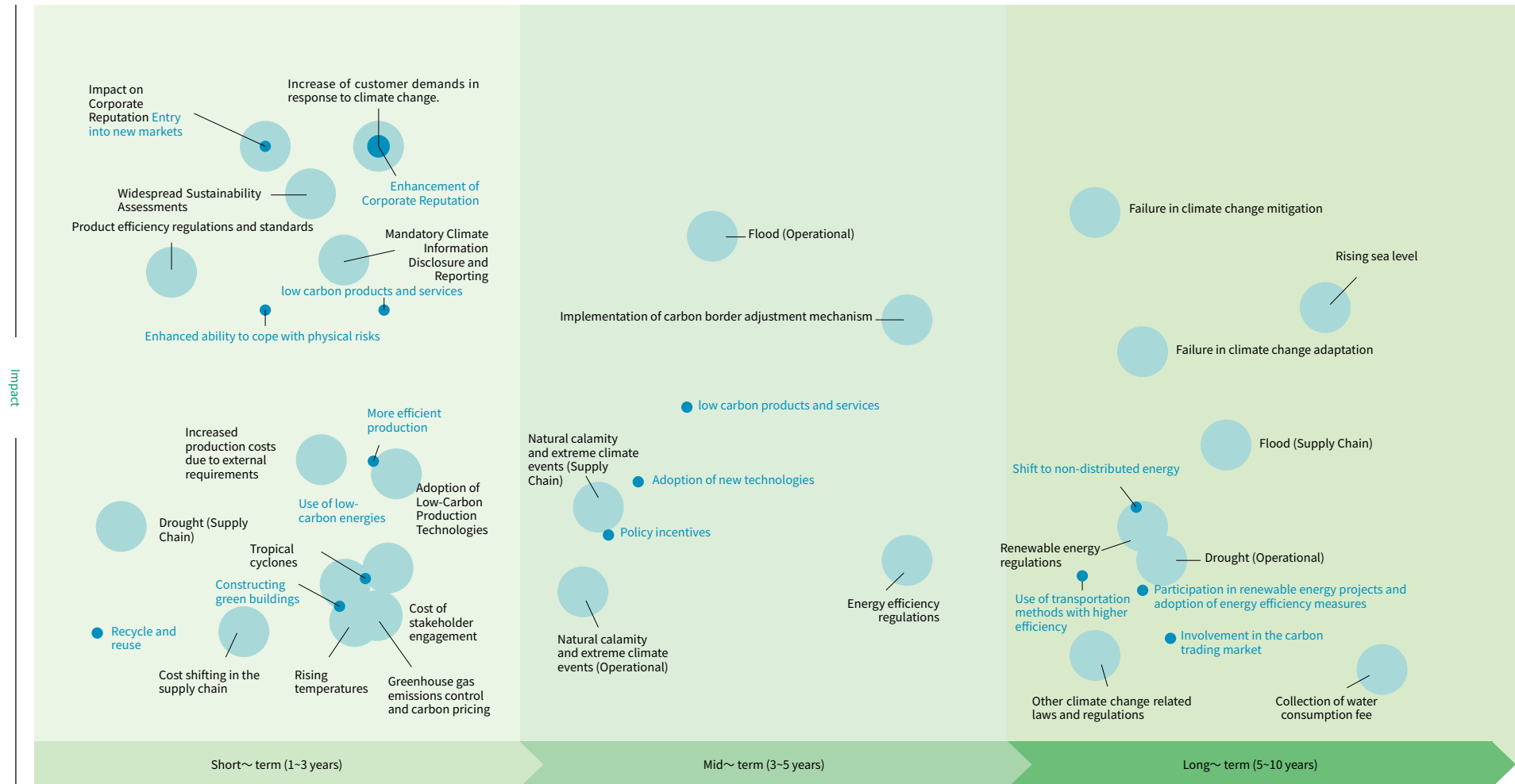
4.2 Greenhouse Gas Reduction
4.6 Green Product Health and Safety Management

4.3 Energy management

4.4 Water Resource Management

4.5 Pollution Prevention and Man-

Short/Medium/Long-Term Climate Risk and Opportunity Matrix



Note: 1. The X-axis represents the likelihood of risk occurrence, the Y-axis represents the impact of risk occurrence, and the size of the circles represents the tolerance.

2. ● represent climate change risks, and ● represent climate change opportunities.

► 4.1 Climate Change Financial Disclosure

4.2 Greenhouse Gas Reduction
4.6 Green Product Health and Safety Management

4.3 Energy management

4.4 Water Resource Management

4.5 Pollution Prevention and Man-

Short-, Mid- and Long-Term Climate-Related Risk and Opportunity Identification Results and Strategies

To address the identified major risks and opportunities, Primax formulates risk mitigation plans for continuous monitoring and improvements according to the risk response steps set forth by its “Corporate Risk Management Policies and Procedures” regarding high-risk items or items required for reporting. The audit unit then incorporates important action plans into periodic inspections under audit plans.

High-Risk/Opportunity Analysis
and Corresponding Strategy

Scenario Setting	Impact Description	Risk category	Potential Financial Loss Risks	Opportunities	Potential Financial Benefit Opportunities	Corresponding Strategies
NZE Scenario	Under the global trend of net zero emissions, sustainability assessment institutions and domestic and foreign laws are expected to impose stricter requirements on the climate management. If the Company cannot satisfy relevant requirements, it may cause direct impact on the corporate reputation, or customers' impression on Primax may even be affected.	Mandatory Climate Information Disclosure and Reporting Impact on Corporate Reputation Widespread Sustainability Assessments	<ul style="list-style-type: none"> Relevant costs related to penalties due to violation of laws after competent authority's audit may result in the increase of cost Damage to reputation caused by non-compliance with regulations Loss of customers, decrease of product demands, resulting in decrease of revenue Increase in investment costs of Sustainability Assessments Impairment to goodwill caused by poor Sustainability Assessments scores 	Enhancement of Corporate Reputation	<ul style="list-style-type: none"> Increase of revenue due to increase of customer orders and improvement of business reputation 	<ul style="list-style-type: none"> Implementing various management systems to strengthen ESG performance in all aspects and to reduce risks Disclosing ESG information through platforms such as annual sustainability reports and websites, and actively responding to stakeholder expectations Since 2021, the Company has introduced the TCFD framework to identify and disclose climate-related risk information, as well as participating in initiatives such as CDP, DJSI, RE100 in order to enhance the demonstration and communicate of sustainability performance. In addition, the Company also seeks loan rate incentives in order to increase revenue and to improve business reputation
STEPS Scenario NZE Scenario	Under the promotion of existing policies, the electric vehicle market has increased progressively in recent years. As the goal of net zero becomes more prominent, such trend is expected to drive the rapid development of the overall electric vehicle market. Primax also actively invests in the development of automotive products and establishes production capacity planning, in order to seize the electric vehicle market opportunities	-	-	Entry into new markets	<ul style="list-style-type: none"> Increase of customer orders, leading to increase of revenue 	<ul style="list-style-type: none"> Establishing regional supply bases and overseas factories to meet the localization requirements of the automotive industry Continuously improving the product design capabilities, manufacturing technology, and supply chain management in the automotive market Improving the establishment of automotive industry system and satisfying requirements
STEPS Scenario NZE Scenario	As the international net-zero policy evolution continues, the market demand for low-carbon products also increases. If enterprises cannot satisfy market demands early and improve product competitiveness, they may lose orders. In view of such trend, presently, Primax actively establishes the internal system and enhances customer communication, in order to satisfy and even achieve customer demands early, thereby enhancing the corporate sustainability competitiveness	Increase of customer demands in response to climate change.	<ul style="list-style-type: none"> Decrease of product competitiveness and loss of customers, resulting in decrease of revenue 	low carbon products and services	<ul style="list-style-type: none"> Enhancement of ESG capability, improvement of green design system, and reduction of cost Satisfying customer demand for green design, resulting in increase of revenue 	<ul style="list-style-type: none"> Establishing a comprehensive green design system, enhancing requirements for product green design, establishing internal capabilities in order to achieve the commitment on SBT Scope 3 reduction targets, and establishing management programs (including LCA analysis and various ECO design techniques) in order to reduce the impact of products on the environment and climate change To achieve the commitment on SBT Scope 3 reduction targets, the Company strengthens the low-carbon product design capabilities, in order to satisfy customer demands and global green design requirements Collaborate with customers to jointly plan innovative products and to enhance customer product image and value, in order to allow customers to accept necessary costs and to reflect such cost in the selling price

► 4.1 Climate Change Financial Disclosure

4.2 Greenhouse Gas Reduction

4.3 Energy management

4.4 Water Resource Management

4.5 Pollution Prevention and Man-

agement 4.6 Green Product Health and Safety Management

Climate-related Financial Impact Assessment

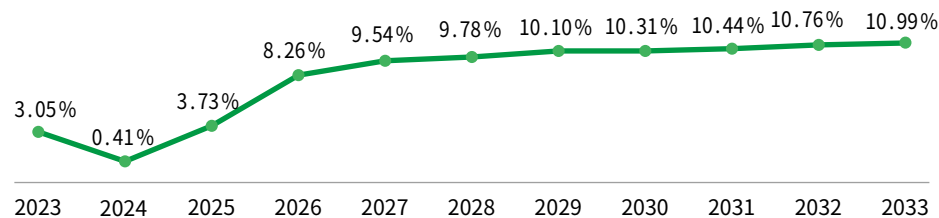
Based on the identified risks/opportunities, Primax estimates the potential financial changes that climate change may bring to Primax. It formulates risk response strategies and conducts cost and benefit assessments for "Cost Management" and "Benefit Management." The financial impact of climate risks/opportunities is assessed and estimated for the short-term (2024~2025), mid-term (2026~2028), and long-term (2029~2033) timeframes.

Assessment of Financial Impacts of Climate Change Issues

	Climate Risk / Opportunity Topics	Revenue	Cost / Expense	Capital Expenditure	Profit or Loss	Cash Flow	Impact on Operating Revenue (Management Efficiency)		
							Short-term	Medium-term	Long-term
Risks	Mandatory Climate Information Disclosure and Reporting	-	Increase		Decrease	-			
Risks	Impact on Corporate Reputation	Decrease	-	-	Decrease	Decrease	10.49%	10.49%	10.49%
Risks	Widespread Sustainability Assessments	-	Increase		Decrease	-			
Opportunities	Enhancement of Corporate Reputation	Increase	-	-	Increase	Increase			
Risks	Increase of customer demands in response to climate change.	-	Increase	-	-	Decrease	1.23%	1.23%	1.23%
Opportunities	low carbon products and services	Increase	Decrease	-	Increase	Increase			
Opportunities	Entry into new markets	Increase	Increase	Increase	Increase	Increase	3.27%	10.39%	11.71%

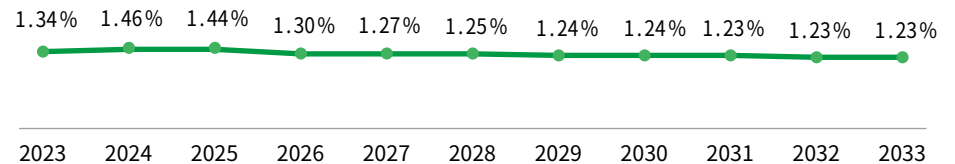
For the identified risk/opportunity items, their corresponding strategies, actions, and expected output benefits are quantified as financial information. The analysis of their impact on revenue composition is presented in the following chart. For the short term (2024~2025), the average financial impact is estimated to be approximately 2.07% of the operating revenue. For the medium term (2026~2028), the average financial impact is estimated to be approximately 9.19% of the revenue. For the long term (2029~2033), the average financial impact is estimated to be approximately 10.52% of the revenue.

Ratio of Climate Risk and Opportunity Benefit Over Revenue



The expected investment cost for all corresponding strategies is summarized according to the risk and opportunity items identified, and such cost includes the addition of facility equipment, increase of R&D cost, cost for recycled materials, and investment in sustainability projects, etc. The financial impact scenario of Primax with respect to the climate change investment cost up to the year of 2033 is estimated. For the short term (2024~2025), the average financial impact is estimated to be approximately 1.45% of the revenue. For the medium term (2026~2028), the average financial impact is estimated to be approximately 1.27% of the operating revenue. For the long term (2029~2033), the average financial impact is estimated to be approximately 1.24% of the operating revenue.

Climate Risk and Opportunity Cost as a Percentage of Operating Revenue



► 4.1 Climate Change Financial Disclosure

4.2 Greenhouse Gas Reduction

4.3 Energy management

4.4 Water Resource Management

4.5 Pollution Prevention and Man-

4.6 Green Product Health and Safety Management

Net Zero Commitment

Primax aligns itself with the international initiatives and internationally recognized methodologies proactively. In 2023, it had its main production facilities, Kunshan Plant and Chongqing Plant, meet the 1.5°C emissions reduction pathway goals based on the methods outlined by the Science Based Targets initiative (SBTi), and passed the SBTi recognition in the same year.

Primax Group has submitted the SBT 1.5°C long-term net zero commitment and passed the review in January 2024. It is expected to submit the goal by the end of 2024 to achieve the Group's GHG reduction and move towards net zero emissions by 2050 according to the net zero goal reviewed and approved by the SBTi.

Qualified SBTi 1.5°C short-term goal review in 2023

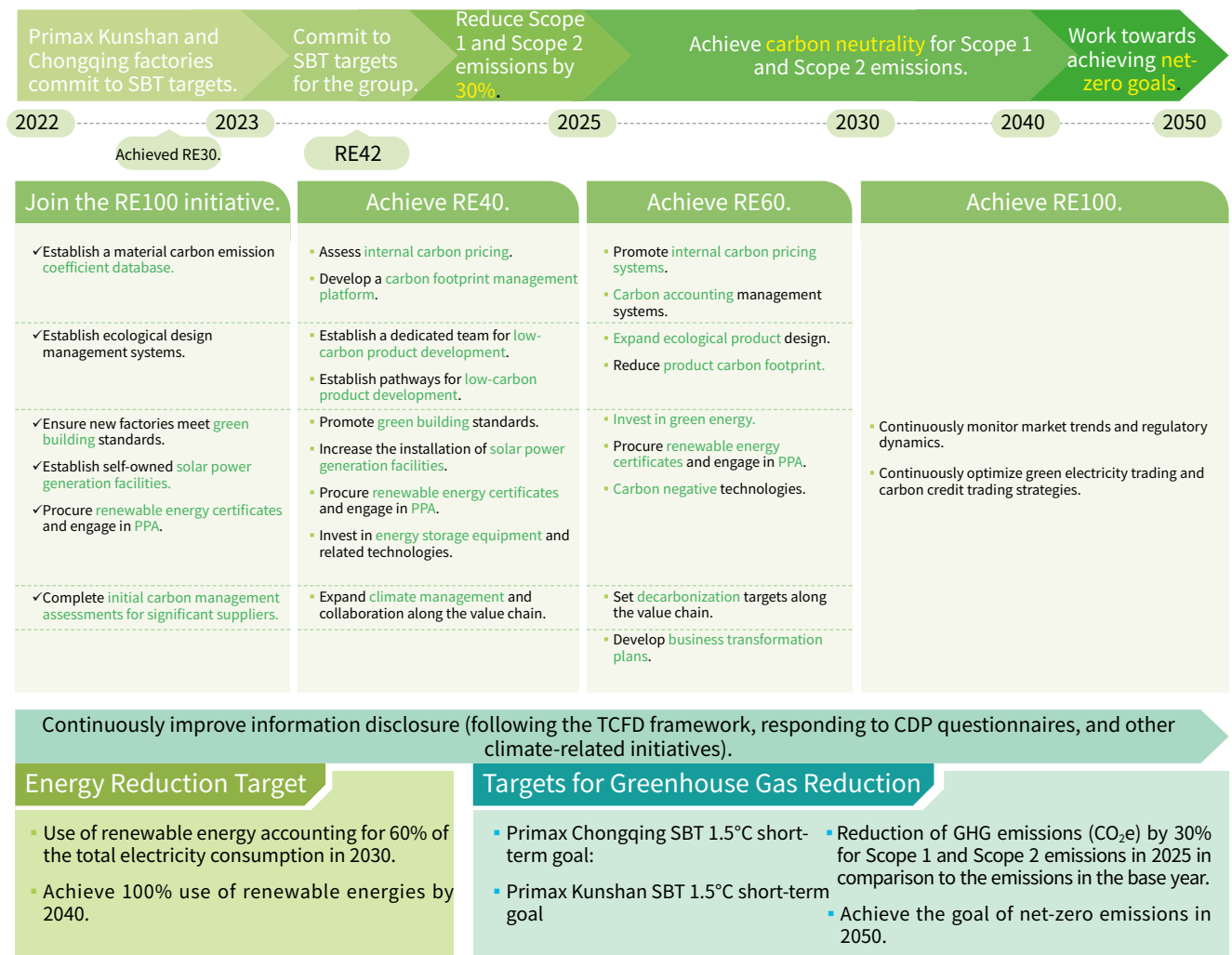
Primax Chongqing

1. Reduction of Scope 1 & 2 absolute emissions by 46% in 2030 in comparison to the emissions in the base year of 2020.
2. Reduction of Scope 3 absolute emissions for products and services purchased by 25% in 2030 in comparison to the emissions in the base year of 2021.

Primax Kunshan

1. Reduction of Scope 1 & 2 absolute emissions by 64% in the target year, 2030, in comparison to the emissions in the base year of 2020.
2. Reduction of Scope 3 absolute emissions for products and services purchased and the use of sales products by 25% in the target year, 2030, in comparison to the emissions in the base year of 2021.

Primax Group's path to net-zero.



Please refer to "2023 TCFD Climate-related Financial Disclosures Report" for complete information on Primax's climate change risks. Please refer to the Chapter 4 Environmental Sustainability herein for climate change response management actions and

4.2 Greenhouse Gas Reduction

Direct Emissions and Energy Indirect Emissions (Scopes 1 and 2)

The Company's GHG emissions inventory inspection was completed for the first time in 2013. Presently, 100% of Primax's global business locations have completed the ISO 14064-1:2018 GHG emissions inspection. Primax Group's business locations are distributed in four regions of Taiwan, China, Thailand and Czech, and 100% of the operating activities comply with the local environmental regulations. In addition, we also monitor the local relevant regulatory requirements and promotion trend of international initiative units closely.

According to the GHG inventory results over the years, the major sources of Scope 1 and Scope 2 GHG emissions primarily refer to Scope 2 (over 90% by region or over 85% by market). Therefore, Primax's GHG reduction policy focuses on energy management primarily, and then implementation of renewable energy.

Primax Group's Category 1+Category 2 GHG emissions in 2023 was 33,461.979 tonne CO₂e/year (Market Base), decreased by 8,973.716 tonne CO₂e/year in 2022 or a decrease of approximately 21.15%; decreased by 58,361.415 tonne CO₂e/year or a decrease of approximately 63.56% compared to 2019. Since 2023, Primax Group has also achieved the predefined goal of reduction of GHG emissions by 60% (Market Base) in 2030 early. We expect to re-establish the Primax Group's GHG emissions reduction goal through the setting and application of SBT long-term net zero goal in 2024~2025, and will also continue to implement self-challenge and requirements to achieve the net zero goal.

The greenhouse gas emission intensity in 2023 was 0.553 tonne CO₂e/million NTD, a decrease by 3.30% compared with 2022 and a decrease by 67.21% compared with the base year of 2019. In 2023, the increase in greenhouse gas emission intensity compared to the previous year was mainly due to the inclusion of the emissions of Tymphany plant in Czech Republic and the decrease in the Group's turnover.

In 2023, the renewal energy certificate offset against 36,310,000 kWh and 19,785.585 tonne CO₂e, accounting for 40.30% of the electricity consumption. From 2019 to the end of 2023, the cumulative purchase of Renewable Energy Certificates offset against a total of 57,192.133 tonne CO₂e.

GHG emission statistics of Primax Group in 2023

Unit: tonnes CO₂e/year

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total
Scopes 1 and 2 (Market Base)	28,990.136	1,581.9228	1.2292	2,888.6909	0	0	0	33,461.979

GHG emission statistics of Primax Group - 2019~2023

Unit: tonnes CO₂e/year

Type of GHG	2019	2020	2021	2022	2023	Compared to the previous year
Category 1	5,488.224	4,002.669	4,900.119	4,646.228	4,974.124	7.06%
Scope 2 (Market Base)	86,335.170	72,589.681	65,289.212	37,789.468	28,487.855	-24.61%
Scopes 1+2 (Market Base)	91,823.394	76,592.350	70,189.331	42,435.696	33,461.979	-21.15%
Scope 2 (Location Base)	90,925.249	75,431.631	76,816.651	56,236.548	48,273.440	-14.16%
Scopes 1+2 (Location Base)	96,413.473	79,434.300	81,716.771	60,882.776	53,247.564	-12.54%
Emissions intensity (Market Base) (Unit: tons/NTD in millions)	1.139	1.122	0.980	0.536	0.553	3.30%

Note: 1. Adopt the operational control approach for the GHG inventory.

2. Scope 1 (Category 1) includes: COD sewage treatment, diesel, gasoline, natural gas, refrigerant, and septic tank (BOD). Disclosures were made based on GWP value taken from IPCC 2021 6th evaluation report.

3. Scope 2 (Category 2) includes: purchased electricity, emission coefficient - Taiwan=0.495 kg CO₂e/kWh; China=0.5703 kg CO₂e/kWh; Thailand=0.44 kg CO₂e/kWh; Czech Republic=0.413 kg CO₂e/kWh.

4. The scope of GHG statistics was the same as the 11 major locations disclosed in this report.

5. Since 2022, the unified power coefficient announced by the Chinese Ministry of Ecology and Environment has been used to replace the regional grid power coefficient. The proportion of carbon reduction (Scope 1+2) resulting from the change in power coefficient was 33.34%, and the proportion of carbon reduction offset by IREC was 65.11%.

6. Emission intensity = Category 1 + Category 2 (Market Base) tonne CO₂e/million NTD in operating revenue.

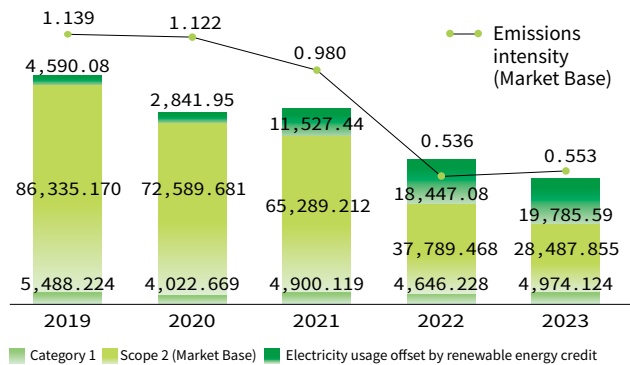
A total of 58,361 metric tons of CO₂e were reduced in 2023. ^{Note 1}

Equivalent to the amount of carbon sequestered by 112,502 Taiwan incense cedar trees

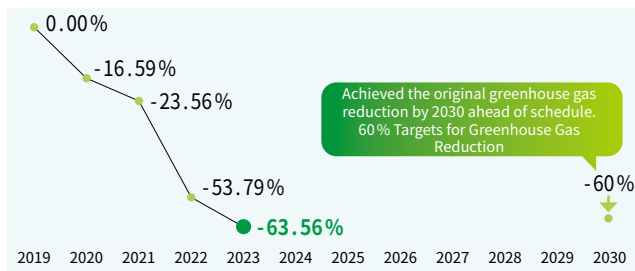
Equivalent to the number of the trees of 19 Daan Forest Parks

Note: 1. Compared to the emission in the base year, 2019 (market base).
2. The amount of carbon sequestered by a Taiwan incense cedar tree is $262 \times 1.2 \times 1.65 = 518.76$ kg CO₂e, and the amount is calculated based on about 6,000 such trees planted in Daan Forest Park. (Source of Data: Forestry and Nature Conservation Agency, Ministry of Agriculture, Executive Yuan)

GHG emission statistics of Primax Group - 2019~2023



Primax Group's GHG reduction trend in 2023 (from the base year of 2019)
(Categories 1+2 emissions (Market Base))



Other indirect emissions (Scope 3)

In addition to identifying major emission projects and calculating greenhouse gas emissions according to the ISO 14064-1:2018 standards, Primax also conducted the indirect GHG emission inventory under various categories according to the GHG protocol methodology.

In 2023, Primax implemented the Carbon Management System to help collect and summarize the massive Scope 3 data in a systematic manner. Meanwhile, the scope of the inventory included Tymphany plant in Czech Republic and the inventory categories also included the additional items including employee commuting, capital goods and termination of products, compared to 2022. In 2024, Primax will continue to follow the GHG protocol to improve the Scope 3 inventory and meet the data requirements for setting the SBTi's long-term net zero commitment goal.

Other indirect GHG emission statistics of Primax Group - 2023

Unit: tonnes CO₂e/year

Category/GHG protocol	Item	Plant covered	GHG emissions
Category 3/C4	Upstream transportation and distribution	Primax (Dongguan, Chongqing, Kunshan, Thailand), Tymphany (Huizhou, Dongguan, Dongcheng, Thailand, Czech Republic)	2,814.8373
Category 3/C9	Downstream transportation and distribution	Primax (Dongguan, Chongqing, Thailand), Tymphany (Huizhou, Dongguan, Dongcheng, Thailand, Czech Republic)	1,461.7402
Category 3/C6	Business travel	Primax (Taipei, Dongguan, Chongqing, Kunshan, Thailand), Tymphany (Taipei, Huizhou, Dongguan, Dongcheng, Thailand, Czech Republic)	1,723.6759
Category 3/C7	Employee commuting	Primax (Taipei, Dongguan, Chongqing, Kunshan, Thailand), Tymphany (Taipei, Huizhou, Dongguan, Dongcheng, Thailand, Czech Republic)	2,610.7516
Category 4/C1	Goods (raw materials) purchased	Primax (Dongguan, Chongqing, Kunshan, Thailand), Tymphany (Huizhou, Dongguan, Dongcheng, Thailand, Czech Republic)	946,245.0492
Category 4/C5	Waste Disposal (including transportation)	Primax (Taipei, Dongguan, Chongqing, Kunshan, Thailand), Tymphany (Taipei, Huizhou, Dongguan, Dongcheng, Thailand, Czech Republic)	639.8601
Category 4/C2	Capital goods	Tymphany Czech	29.1246
Category 4/C3	Use of electricity/fuel (upstream)	Primax Taipei, Tymphany (Taipei, Czech Republic)	498.1312
Category 5/C11	Use of products	Primax (Dongguan, Chongqing, Thailand), Tymphany (Huizhou, Dongguan, Dongcheng, Thailand, Czech Republic)	1,016,994.1944
Category 5/C12	Termination of product	Tymphany Czech	502.3027

Note: 1. The scope of GHG statistics was the same as the 11 major locations disclosed in this report.
2. Significant indirect emission sources are mainly product use (C11), accounting for 50.67% of the total emissions, and purchased goods (raw materials and supplies) (C1), accounting for 47.15% of the total emissions.
3. The Scope 3 base year is to be determined after the Group's SBT goal is set.

4.3 Energy management

Participate in international energy conservation initiatives proactively and committed to practicing Energy Conservation and Carbon Reduction

Primax has applied for joining the RE 100 Initiative on April 29, 2022, committed to implementing renewable energy into all operating locations and proactively setting said renewable energy goals. In addition to implementing energy conservation plans proactively, we have increase the proportion of renewable energy certificates purchased year by year since 2019 and established solar power facilities since 2022. Meanwhile, we continued to increase the percentage of renewable energy consumption in 2023 to achieve the carbon neutrality goal by 2040.

Complying with global environmental protocols

Primax Group has developed greenhouse gas, water resource, and energy management procedures in accordance with ISO 14001 - Environmental Management System, ISO 14064-1 - Greenhouse Gas Inventory, and ISO 14046 - Water Footprint, ISO 50001 - Energy Management System, and have been certified for all of the above systems.

As an electronics manufacturer, energy efficiency, greenhouse gas reduction, wastewater/waste management and green product are all major issues in the environmental category. During the reporting period, we have set targets for mid- and long-term energy consumption and greenhouse gas reduction, both of which were approved by the top-level management and are being enforced as a major part of the Company's environmental guidelines. Furthermore, we engage third-party institutions to audit our greenhouse gas emission, water footprint, and energy management system on a regular basis. Due to proper execution of environmental management policies, Primax Group did not violate any environmental laws or receive any related fines in 2023.

Primax actively participates in the international initiatives as well as corporate sustainability and climate change events below. In addition to participating in the Carbon Disclosure Project (CDP) Supply Chain Survey to disclose information related to greenhouse gas emissions, energy usage, and water resources, we also conduct internal compliance reviews using the CSA and MSCI Sustainability Questionnaire content to identify areas for improvement and areas where we can make efforts.

Name of Association	Name of representative/ position in company	Position in the association	Initiatives related to climate issues	Stance of Primax
Taiwan Business Council for Sustainable Development	Chiang, Yan-Ying/Vice President	Representative of Primax	Sustainable development related issues	Responding to and promoting sustainability-related issues and actions
RE100	Chiang, Yan-Ying/Vice President	Representative of Primax	Renewable energy	Achieve 100% use of renewable energy by 2040.
Taiwan Climate Partnership	Li, Hung-Ta / Senior Associate Vice President	Representative of Primax	Climate-related issues	Responding to and promoting climate-related issues and actions
CommonWealth Sustainability (CWS)	Chiang, Yan-Ying/Vice President	Founding Member	Climate-related issues	Responding to and promoting climate-related issues and actions
Taiwan Electrical and Electronic Manufacturers' Association	Duh, Jia-Bin / Chairman	Representative of Primax	Energy Conservation and Carbon Reduction and Industry Standards	Collaborating on energy conservation and carbon reduction projects

Since 2016, Primax has began exploring energy conservation solutions at various plant sites, and made adjustments based on the outcome. In response to the opportunities that may arise from climate change, we are actively engaged in low-carbon design and production, establishing rules for products' carbon footprint classification, obtaining carbon labels and carbon reduction labels. In the recent years, we have worked harder to integrate the automated and information systems, in order to provide more accurate and timely digital information. These efforts not only enhance the corporate image of the Group but also create new business opportunities.

Energy consumption

Making efficient use of energy is key to mitigating climate changes, and is a goal we strive to achieve by continually improving our production procedures. Each year, Primax collects and analyzes data to enhance its existing energy strategies. Primax Group's data on energy consumption is as follows:

Energy consumption statistics of Primax Group - 2019–2023

Unit: GJ

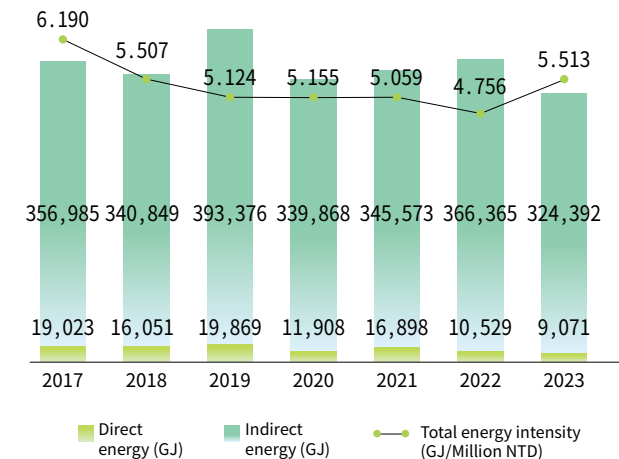
Energy	2019	2020	2021	2022	2023	Compared to the previous year
Non-renewable energy	Liquid petroleum gas	25.757	8.862	2.912	1.456	0
	Natural gas	16,475.889	10,297.079	9,715.255	7,945.680	8,185.299
	Diesel	2,132.186	750.536	6,459.917	1,940.968	326.842
	Gasoline	1,235.611	851.839	719.842	641.038	558.747
	Electricity	373,738.301	327,267.805	294,453.334	246,924.149	187,050.524
Renewable energy	Electricity - I-REC/GEC	19,638.000	12,600.000	51,120.000	117,396.000	130,716.000
	Electricity - spontaneous solar energy	-	-	-	1,305.710	4,556.322
	Electricity - PPA Solar Energy	-	-	-	739.102	2,069.374
Total energy consumption		413,245.744	351,776.121	362,471.261	376,894.102	333,463.108
Energy consumption intensity (unit: KJ/NTD in millions)		5.124	5.155	5.059	4.756	5.513

Note:

1. In 2023, the scope of energy statistics was the same as the 11 major sites disclosed in this report.
2. Source of data: Electricity/natural gas volume was derived by summing the figures shown on monthly statements/payment slips across all plants; liquid petroleum gas, diesel and gasoline volume was based on the actual amount collected.
3. Sources of calorific value coefficient data: Taiwan - Energy Administration, Ministry of Economic Affairs; China - National Standard "General Principles for the Calculation of Comprehensive Energy Consumption," ; Thailand - citing IPCC 2006, calorific value conversion based on greenhouse gas emission coefficients announced by Thailand.
4. Electricity calorific value 1 kWh= 3,600 KJ
5. Natural gas: Used by plants in China only. The increase is mainly due to the inclusion of the consumption of Tymphany plant in the Czech Republic, with calorific value=9,310 kcal/ M3.
6. Calorific value of diesel: Taiwan = 8,400 kcal/L; China = 10,200 kcal/kg. The energy density for Thailand is 8,710 kcal/L. The reason for the decrease in electricity usage compared to 2022 is mainly due to the reduced frequency of emergency generator usage.
7. Calorific value of gasoline: Taiwan = 7,800 kcal/L; China = 10,300 kcal/kg.

In 2023, Energy consumption is being reduced by **11.52%** compare to previous year.

Energy consumption statistics of Primax Group



Use of Renewable Energy

Since 2019, the Primax Group has been actively promoting a renewable energy utilization plan. This initiative mainly involves purchasing Energy Attribute Certificate (EAC), developing in-house solar power generation facilities, and engaging in Power Purchase Agreements (PPA) for renewable energy procurement to increase the utilization of renewable energy. In April 2022, Primax joined RE 100 and established a target to achieve 100% renewable energy usage by the year 2040.

In 2023, the plant sites of Primax Dongguan, Chongqing and Kunshan, Tymphany Dongguan and Huizhou, Primax Thailand, Tymphany Thailand and Czech purchased renewable energy certificates (GEC and I-REC). Additionally, the plant sites of Primax Dongguan and Chongqing, and Tymphany Huizhou also use solar power to provide electricity directly.

- EAC: Since 2019, we have been purchasing Energy Attribute Certificates (EAC). In 2023, we purchased a total of 36,310,000 kWh of renewable energy certificates, with a cumulative purchase of 92,075,000 kWh of electricity.
- Power Purchase Agreements (PPA): In 2023, we entered into a Power Purchase Agreement (PPA) for renewable energy, purchasing 574,826 kWh of electricity.
- In-house Solar Power Generation: Primax has been generating our own solar power through in-house solar power facilities in 2023, with a total generation of 1,265,645 kWh.

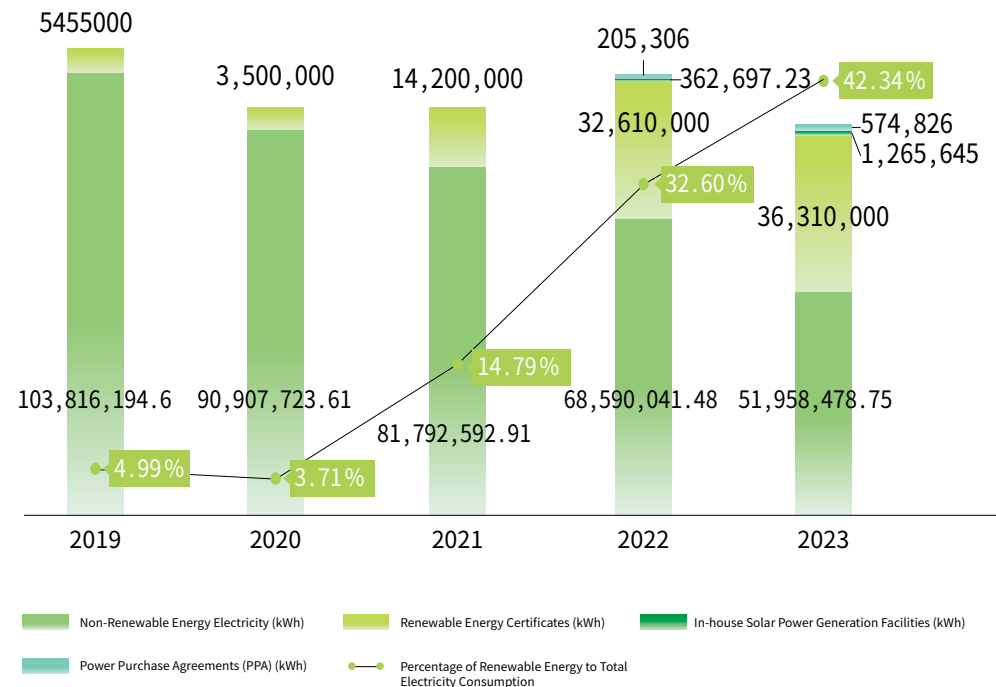
Energy-saving action plans

In order to make production sites more energy-efficient, we have been exploring all solutions possible to reduce energy consumption. One of the methods we have taken towards achieving this goal is to continually replace old and power-hungry equipment. To promote renewable energy usage and enhance energy efficiency, our concrete measures include self-building solar power facilities, replacing natural gas boilers with air-source heat pump water heaters, implementing behavior changes in the use of air conditioning and lighting facilities, replacing energy-efficient motors, optimizing the utilization of air compressors, upgrading and improving the energy efficiency of chiller systems, replacing lighting in factories, warehouses, and street lights with LED lights or solar-powered lights, and replacing air compressors with variable frequency drives. In 2023, the electricity was saved by 3,914,403 kWh in total, and energy saved by about 14,092 GJ and carbon reduction by 6.219 TCO₂e.

Note: The energy-saving action plans mainly include statistics on measures to reduce electricity consumption. Based on equipment specifications and usage scenarios, energy saving estimates are made with 2022 (before equipment improvements) as the base year.

In 2023, the total amount of renewable energies consumed was 38,150,471 kWh, accounted for **42.34%** of the total electricity consumption and accounted for **41.19%** of the total energy consumption in 2023.

Renewable Energy Usage Statistics of Primax Group



4.4 Water Resource Management

Water resource management strategy

appropriate response activities. It aims to achieve water conservation goals and minimize potential harm to the environment.

Water management

The manufacturing process of Primax Group's products mostly refers to assembly and, therefore, does not require a large amount of water. Most of the water demand is for people's livelihood, and some plant equipment such as kitchens and cooling towers. Upon evaluation, it is found that the main water source used by the Group is tap water, while rainwater and groundwater are not utilized. Additionally, the water usage is found complying with local regulations, and the withdrawal volume has no significant impact on the water sources. Notwithstanding, Primax still continues to monitor the water consumption by the production plants and strives to reduce the water consumption. To strengthen Primax Group's water resource management strategy, all nine major operating sites have obtained the ISO 14046 Water Footprint Verification Statement and formulated

a water balance map of each plant to help reinforce our water conservation strategy.

Primax Group assesses water stress risk in the annual physical risk assessment and uses the World Resources Institute's Water Risk Atlas for various regions of the world for simulation and analysis to estimate water stress on the actual business activities of Primax Group under different scenarios. In the 2023 assessment, most of the operating locations/suppliers in Taiwan and China were found involving low-to-medium risk, while the operating locations and some suppliers in Thailand may be at risk of water shortage. Please refer to the 2023 Climate-related Financial Disclosure Report for details on the adaption and management measures taken by Primax.

Primax Group's water consumption in 2023 is reduced by 91,070 m³ from the water consumption in 2022, decreased by approximately 10.45%. The water consumption intensity was 12.90 m³/Million NTD, an increase of 17.31% from 2022, but decreased by 6.61% from the water consumption intensity in the base year of 2020.

While implementing energy-saving projects at various plant sites, we also paid attention to water usage and avoided unnecessary wastage by implementing practical water reduction measures. Primax's Liuwu Plant and Tymphany Huizhou implemented a reclaimed water system that enabled it to recycle and reuse production effluents. Recycled effluents are filtered and used for various purposes such as watering plants and flushing toilets within the plant. Primax Chongqing and Primax Thailand have been recycling wastewater through RO for chilling of water tower and domestic water. Total volume of water recycled in 2022 was measured at 39.42 million liters, representing 5.05% of group-wide water usage. The recycling helps minimize use of fresh water, discharge of wastewater, and the overall environmental impact.

2019~2023 Water usage statistics of Primax Group

Unit: million liters

				2022	2023	Compared to the previous year	
		2019	2020	2021			
Water Consumption		1,117.77	943.01	916.32	871.67	780.60	-10.45%
Water discharge	Wastewater from living activities	825.33	497.40	495.48	515.25	424.23	-17.66%
	Industrial wastewater	38.44	40.75	56.05	53.67	28.73	-46.46%
Water consumption		254.00	404.86	364.79	302.75	327.64	-
Volume recycled		21.60	19.25	16.73	35.88	39.42	9.87%
Percentage of recycled water (%)		1.93%	2.04%	1.83%	4.12%	5.05%	-
Water use intensity		13.86	13.82	12.79	11.00	12.90	17.31%

Note: 1. Water consumption is tap water statistics, information was calculated by adding up data shown on monthly statements/payment slips across all plants.

2. The water discharge data is sourced from water balance diagrams of each plant; only water consumption is calculated for Tymphany Taipei, Tymphany Shenzhen and Tymphany Czech offices.

3. Water consumption = water used - water discharged.

4. Water use intensity unit: m³/million NTD.

5. The water discharge volume is presented net of wastewater generated from the cleaning process, which was treated by a locally licensed service provider.

6. Apart from Dongguan Primax, all other sites are assembly plants and produce no industrial wastewater.

7. Water recovery rate (%) = amount recovered / water consumption * 100%.

8. The data is calculated based on the raw data compared to the previous year, hence there may be differences in the calculated figures.

4.5 Pollution Prevention and Management

Wastewater management

River not only serves as a source of water, but also provides habitat that is vital to creating biodiversity. For this reason, we have devoted part of our environmental focus to keeping rivers clean. By tracking the volume of water discharged, we are able to ensure effective management of production wastewater. In addition to the improvements made in 2016, the Company also implemented a number of environment-friendly measures this year, such as:

- 1 New construction of a painting water circulation pond for wastewater treatment improvement.
- 2 Implementing automatic sludge retrieval for recycling, reducing wastewater discharge.
- 3 Revamping the existing in-house industrial wastewater treatment plant by installing pH monitoring devices and emergency collection tanks for automatic monitoring of values.
- 4 Enhancing emergency management practices.

Furthermore, our stringent requirements on hazardous substances in raw materials and consumables exceed international regulations. The discharge of wastewater does not contain harmful substances that would adversely affect receiving bodies of water.

Maximun Group's Liuwu Plant site discharges industrial wastewater in compliance with the local standards, "Water Pollution Discharge Limits," of Guangdong Province. Only domestic and public water is used in all other plant sites, which is discharged into local groundwater pipes or industrial management areas as required and, therefore, no significant impact on local water bodies has been posed.

Air pollution management

Air pollution poses adverse impacts on climate, ecosystem, air quality, habitat, agriculture, and human and animal health. Ongoing threats such as deterioration of air quality, ocean acidification, deforestation and public health issues have awoken law makers local and abroad to regulate gas emissions. For this reason, we regularly measure emission data that is relevant to causing air pollution, and strive to reduce emission of such gases.

We have summarized 3 main points from the air pollution data:

- 1 First, no ozone depleting substances (ODS) were emitted from Primax's production process. The refrigerant used by the air conditioning equipment at the server room was already replaced with eco-friendly one.
- 2 Second, Primax is primarily involved in assembly works, which is less prone to air pollution. No NOx or SOx is released from production activities
- 3 Other air pollutants are entirely compliant with local regulations. According to local regulations applicable to Primax plants, production processes that involve coating and surface mount technology (SMT) are subject to environmental tests once a year. For the coating process, substances of the most concern include benzene, toluene, xylene, and volatile organic compounds (VOC); for the injection molding process, substances of the most concern are non-methane hydrocarbons; and for the SMT process, substance of the most concern is tin.

In terms of air pollution control, the main types of pollutant generated from plants include: volatile organic compounds (VOC), benzene, toluene, xylene, Total VOCs, non-methane hydrocarbons (NMHC), lead and lead compounds, and tin and tin compounds. To treat the above air pollutants, Primax first collects organic and particulate pollutants separately from exhaust in an enclosed environment, then uses the appropriate air pollution control equipment to treat the respective pollutions until they conform with emission standards. Our exhaust treatment process has been improved by adding UV photodegradation to existing water-sprinkling and activated carbon absorption. These three processes have effectively enhanced Primax's exhaust treatment capabilities at various plants. All gas emitted by Primax Group in 2023 was 100% compliant with regulations. In order to keep controlling VOCs emissions, in addition to ensuring the performance of exhaust gas treatment equipment, Primax plans to focus on the sources at first and formulate VOCs reduction plans with respect to major plant sites.

Waste management

Waste produced by Primax Group can be classified into general waste (domestic waste), recycled waste, and industrial waste (including hazardous waste and general industrial waste). In 2023, the total amount of waste was 2,515.0076 metric tons, down 5.69% from the previous year. The waste was classified by the disposal method. A total of 1,114.5115 metric tons (hazardous waste 48.4044 metric tons, and non-hazardous waste 1,066.1071 metric tons) were directly disposed of in 2023. The total amount of waste transferred during the disposal weighted 1,388.5906 metric tons (hazardous waste: 103.8704 metric tons; non-hazardous waste: 1,284.7202 metric tons). [For more details, please see "Primax Group Waste Chart"](#)

We try not to dispose or bury our obsolete equipment; instead, we do what we can to make them reusable one way or another, and have gone to great extent in making sure that these equipment are recycled in a proper manner that poses no threat to employees' health or the environment. All hazardous waste will be properly stored and managed, and legitimate waste treatment companies are entrusted to handle the disposal. In 2023, the waste management of the entire Primax Group was appropriate, and there were no major waste leakage incidents. All waste disposal methods were in compliance with local national regulations.

Primax Group Waste Chart

Unit: Metric Ton

	Temporarily stored in plant	Direct disposal				Transfer during disposal			Total
		Incineration (including recycling of energy source)	Incineration (excluding recycling of energy source)	Burial	Other disposals	Renewal and reuse	Other recycling operations (physical and chemical treatment)	Other means of recycling	
Hazardous waste	11.9055	47.3034	0.952	0.098	0.051	102.7292	1.139	0.0022	164.1803
Non-hazardous waste	0	918.3051	0	147.802	0	708.87621	0	575.844	2,350.8273
Total	11.9055	1,114.5115				1,388.5906			2,515.0076
Waste intensity									0.042

Note: 1. Total waste volume represents the actual sum produced and measured in the current year. 2. Waste intensity unit: metric ton/million NTD.

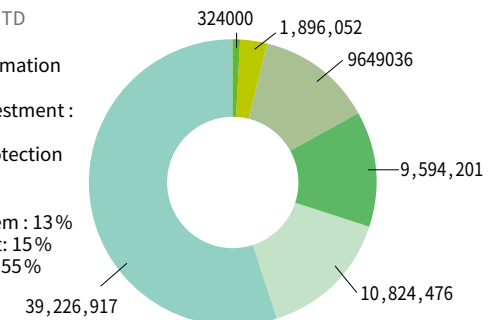
Environmental protection expenditure

By leveraging its professional advantage, Primax Group has excelled in all assessment indicators and continues to be pro-active in improving production procedures and reducing energy consumption. Owing largely to our dedication in environmental protection, we have established our reputation as a role model business characterized by sound financial position, advanced technology, low resource consumption, low pollution, and high potentials.

Environmental protection expenditure helps us determine the efficiency of our environmental measures, and provides useful information for cost analysis. We will be keeping track and analyzing these expenses in a continuous and thorough manner so that the executive management may have a better understanding to the value of investments made for the purpose of mitigating environmental impacts. Meanwhile, we will continue to develop a comprehensive environmental accounting system to track a broader variety of information. Waste treatment, emission treatment, remedial costs, and prevention/environmental management costs are being monitored closely. Environmental expenses for 2023 were divided into six categories including: environmental equipment and engineering, management system, human resources, testing equipment, investments for energy saving, and information management system. For the reporting period, environmental expenses of the Group amounted to NT\$71,514,684, which were NT\$22,598,806 or 24.01% less compared to 2022.

Unit: thousands of NTD

- Management information system: 1%
- Energy-saving investment: 3%
- Environmental protection equipment and construction: 13%
- Management system: 13%
- Testing equipment: 15%
- Human resources: 55%



4.6 Green Product Health and Safety Management

Life cycle assessment and product green design

The development of sustainability control tower management system has been completed in 2023. A total of **16 main products** have also completed the carbon footprint life cycle evaluation



The Primax Group has **not violated** any health and safety regulations or voluntary agreements related to products and services.



Product Life Cycle

To reduce the impact of our products on the environment, Primax complies with the requirements of the international standards ISO 14040 and ISO 14044 to assess the environmental impact on different product stages and implement the green design. Since 2013, we have successively selected representative products according to the ISO 14067 standard to carry out product carbon footprint studies using the life cycle assessment methodology. Due to the wide range of products, Primax' s strategy aims to complete the carbon footprint calculation of various products in steps.

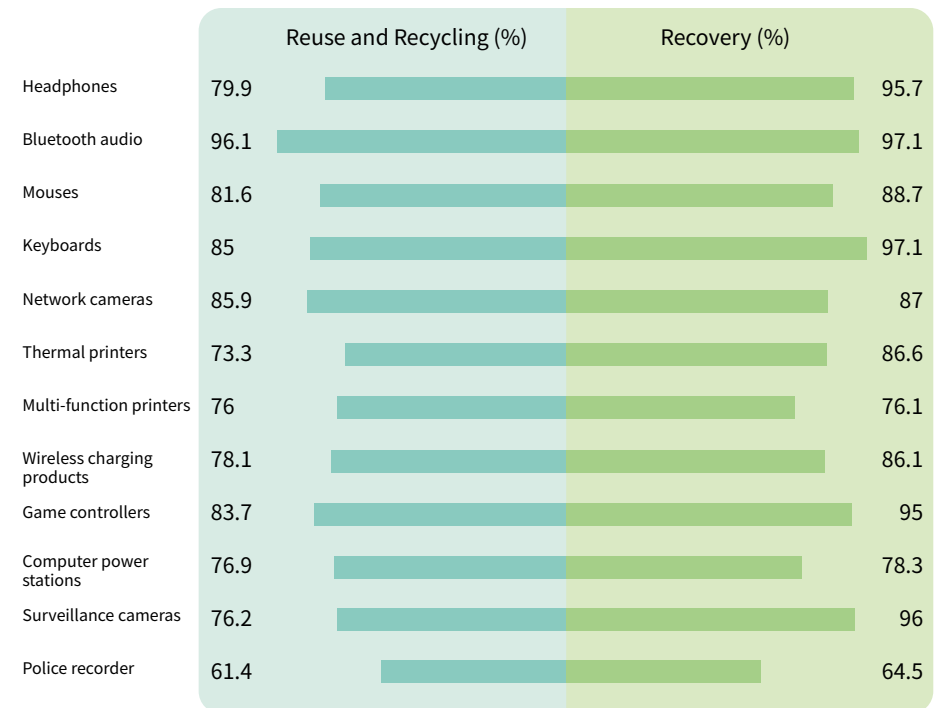
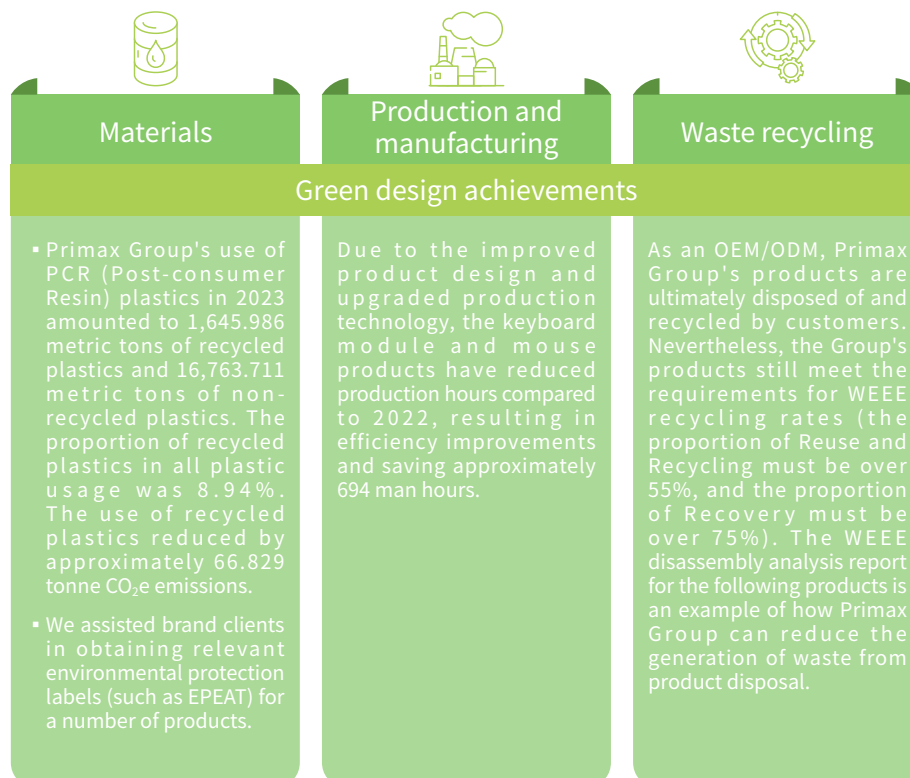
The development of sustainability control tower management system has been completed in 2023, in order to support the assessment of product carbon footprint as the basis for low-carbon product design. In 2023, the carbon footprint life cycle evaluation for a total of 16 major products (mouse and keyboard (including wired, wireless and e-sports), network cameras, wireless charging disks, game controllers, computer docking stations, surveillance cameras, multi-function printers, thermal printers, etc.) earphones, Bluetooth speakers, and headphones) has been completed (including raw material production, transportation, manufacturing, product transportation, product use, and product final disposal). The assessment scope accounts for about 60% of the operating revenue. In the future, we will expand our product carbon footprint inventory and low-carbon product design.



Continue to reduce the environmental impact posed by products.

Primax is mainly engaged in assembly and OEM business. On the premise that our products meet customers' needs, we expect to move towards green and circular throughout the product life cycle, from the source product design to the final disposal. In 2023, we will continue to increase the proportion of recycled plastics in the raw materials adopted by us. During the production and manufacturing stage, we will reduce the man-hours through product design improvement and production technology upgrade. During the waste recycling stage, we strive to control the disassembly ratio of Primax' s products, insofar as it satisfies WEEE.

Stage of product life cycle



Ecological Design

Primax has established an Eco design management system, so that it can clearly understand the requirements of Eco design during the product development process (such as laws and regulations, customer standards, environmental protection labels and product specifications, etc.). We encourage the completion of products which meet low-carbon, non-toxic and low-environment impact requirements by controlling hazardous substances, packaging materials, recycling ratio and renewable materials combining the design process.

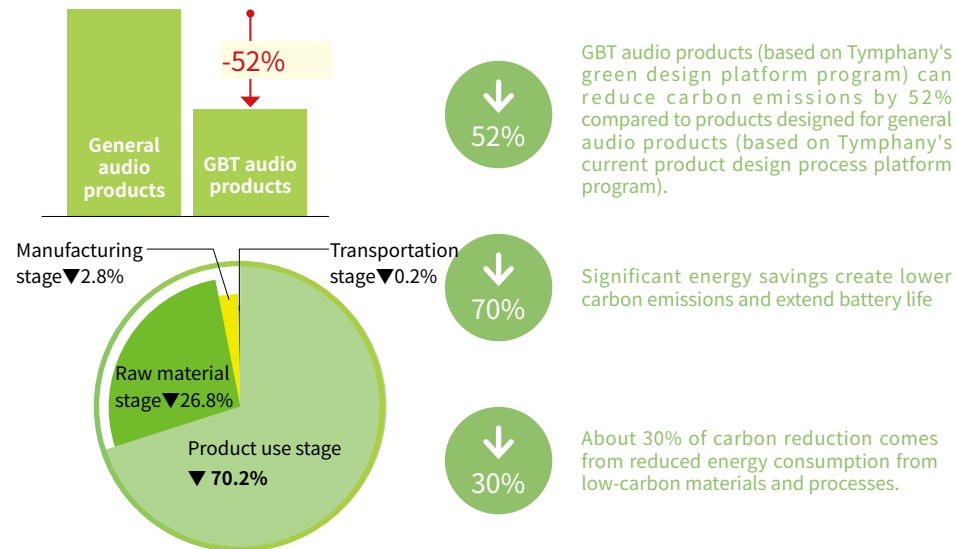
In 2023, through regular discussions with the Ecological Design Committee, the Group Chief Technology Officer and the ESG Office led the R&D executives of various business departments to discuss the green product design trend and internal project development opportunities. Meanwhile, we have also planned the Group' s goal for development of low-carbon product projects from 2024 to 2025.

Column

Low-Carbon Product Innovation Design Example

Green bluetooth speaker (GBT)

Primax Group values the opportunities for innovative technology development in green production and expects to continue increasing green products that meet customers' needs and also derive carbon reduction benefits at the same time. In 2022, the Company's subsidiary, Tymphany Acoustic Technology Limited, started low-carbon product design and development projects and started to invest in the speaker unit and acoustics departments jointly. In the same year, it launched the new HVS (High Volume Series) speaker monomer and expanded it into a product series. In 2023, based on our experience in HVS design, we further called on engineers with passion for green product design to form an interdepartmental green design task force to conceive a complete audio product architecture, continue to seek better solutions, and successfully complete the GBT Development of bluetooth green audio products finally. Meanwhile, it also participated in the CES in January 2024, receiving enthusiastic responses from customers and demonstrating Primax Group's determination to implement green innovative technology development.



Green product design architecture

Under the product carbon footprint methodology framework, product low-carbon design goals are defined through product LCA analysis, and carbon emission hotspots in general design of previous generations are controlled to identify the carbon reduction opportunities, so as to complete product specifications, selection of materials, and system development architecture.

Selection of low-carbon raw materials

Selection of low-carbon raw materials: For the selection of key high-carbon materials, we screen suppliers and then discuss with them to find more carbon reduction design opportunities and possibility of implementing renewable materials.

Low carbon structural component design

Regarding the speaker body, we further optimize and upgrade the HVS speaker monomer output efficiency and carbon emission reduction. Regarding the audio structural parts design, we apply the 3R design principles, and adopt the PCR/PIR renewable raw materials (plastics and metal, etc.) significantly. Meanwhile, using the computer simulation technology, we achieve the design goals of lightweight components, fewer structural parts, and maximization of convenience for maintenance..

Low carbon structural component design

For the selection of electronic components, optimization of materials and consumption and minimization of the current leakage characteristics of electronic components are considered at the same time, in order to meet the power output intensity required by users' scenarios, and achieve the result of carbon reduction by electronic components.

High-efficiency system design

Starting from the core of the product, we sought out the parameters for the most energy-efficient power usage design among acoustic effects, speaker units, and power amplifier architecture. Meanwhile, the embedded firmware assists users in entering energy-saving scenarios to achieve the optimization of the system energy efficiency. Under the architecture, we further propose the use of solar energy charging functions and other renewable energy charging designs to create the energy-saving effects for the system and take the first step for exploration of the future diversified advanced energy-saving designs.

Note: The patent application for specific energy saving is pending.

High-efficiency transportation packaging design

Consider the product packaging strength required by the global transportation needs of product marketing, reduce and maximize volume and weight, de-plasticize packaging materials, and reuse packaging paper.

Stress on balanced product functions

The directional microphone and dedicated noise reduction function meet users' audio needs for online conferences involving one person or more in different work scenarios. The high-quality acoustic sound field output fulfills the users' needs for listening to music at leisure.

Chemical and hazardous substance management

Green product policy

Primax develops eco-friendly and safe products with a life cycle mindset, controls hazardous substances from the sources, establishes the green design system to practice the Eco design, and upgrades internal R&D and innovation capabilities. Comply with laws and customer requirements and fulfill the responsibilities as a global citizen.

Primax Group strictly complies with the chemical safety regulations applicable in various countries and customers' requirements on prohibited and restricted substances. By controlling the stages including design, procurement, manufacturing and output comprehensively, it expects to move toward the goal of zero health and safety hazards and zero environmental pollution. Primax never incurred any chemical spills or other incidents in 2023.

Focus on the chemical laws and regulations development trend

With production sites spanning across multiple regions, Primax Group will continue to pay attention to the chemical-related laws and regulations in each region, including but not limited to, the international standards and China's national standards, such as the Restriction of Hazardous Substances in Electrical and Electronic Equipment Directive (RoHS) of EU, Registration, Evaluation Authorization and Restriction of Chemicals (REACH), Persistent Organic Pollutants (POP), Toxic Substances Control Act (TSCA), California Proposition 65, Limits for Volatile Organic Compounds Content in Cleaning Agents, and Limit of Volatile Organic Compounds Content in Adhesive.

Primax Group keeps an eye on the laws and regulations and standards related to environmental protection/health and safety in various countries from time to time and regularly reviews the compliance status to facilitate the timely update of internal regulations. Meanwhile, it responds to customers' demand for chemical substance management that exceeds the requirements under laws and regulations proactively, in order to ensure that its products meet the relevant customer requirements.

In accordance with the relevant laws and regulations and customers' requirements, Primax Group has established the "Specifications on Restrictive Chemical Substances Used in Green Products of Primax," in order to have various related departments, including the ESH Department, Production Department, Green Product Department, and Product R&D Department, jointly supervise the chemicals used in the products at the different stages in the process of product manufacturing.



Level I Restrictive Substances
Prohibited by laws



Level II Restrictive Substances
Restrictive substances claimed
by Primax and its customers



Level III Restrictive Substances
Substances that are prohibited
in the future or used only for
investigation/research purposes.

Primax Group's Green Product Management Platform

In order to implement the source management, Primax, primarily with the PDM® (Product Data Management) system, integrated GP Portal®, SAP® and other information platforms to form a complete management information system to effectively reduce the cost of work and improve the processing time. This integrated system controls virtually every aspect of our operation from customers' requirements, regulations, design, suppliers, procurement and production to training. It is mandatory for suppliers to guarantee that all products sold to the Group are free of hazardous substances prohibited by local regulations, whether in raw materials, dyes, solvents, consumables, packaging, or production process. Furthermore, suppliers are also demanded to comply with Primax's specific requirements on Green Product Chemicals Specification.

Full Material Declaration (FMD)

Primax Group integrates management systems, such as PDM®, Primax GP Portal®, and SAP® to identify the constituent substances of all our parts. Suppliers shall upload all raw materials and compositions of parts and components to the GP Portal and update them in a timely manner, in order to help us understand the impact posed by these parts on health and the environment. We incorporated all regulated substances specified by IEC 62474 into the GP Portal database. This allows us to clearly identify whether the materials provided by suppliers contain

any of the controlled substances regulated by IEC 62474. In addition to meeting the requirements of IEC 62474, the database also enables us to trace the usage of chemical substances by upstream suppliers.

Primax also discloses the hazardous substances in response to customers' needs, including a statement that all products have passed health and safety assessments, a statement of compliance, hazardous substances test reports, substance safety surveys, and safety/EMC standards conformity reports. In 2023, no product and service was found to have violated any health or safety regulations or self-regulating rules. There was also no record of fines imposed in this respect.

IECQ QC 080000 Hazardous Substance Process Management System Certification

Primax Group's hazardous substance management efforts are guided by International Electrotechnical Commission's IECQ HSPM QC 080000 standards (Electrical and Electronic Components and Products Hazardous Substance Process Management System Requirements), and we have obtain a third-party verification certificate, as per which we duly manage hazardous substances

in products. These standards are being followed strictly from customer/legal requirements, component identification, supplier management, raw material examination, production, inventory, shipment, to employee training.

Results and plans for elimination of hazardous substances

In 2023, Primax listed 9 chemicals targeted by the RBA policy on key process chemicals into the inventory, and prohibited the use of them comprehensively before the end of 2023. For the time being, all raw materials and auxiliary consumables used meet the requirements.

In 2024, we are expected to launch a survey of perfluorinated and polyfluoroalkyl substances (PFAS) and reduce PFAS other than polymers step by step until 2026. Meanwhile, based on the reduction of VOCs emissions, a VOCs source reduction plan will be formulated to increase the consumption of low-volatility glues actively.

Main Compositions of Primax' s Products

Compositions	Main ingredients	Remarks
Electronic parts	epoxy, PCB, bond wire, resin, Silicone compound, Sn, Cu and Au	Including Conflict Minerals
Mechanical parts	PC, ABS, PP, iron alloys, aluminum alloys, copper alloys, PE, rubber	Including Conflict Minerals
Wire rods	PVC, copper wire, PS	Including Conflict Minerals
Packing materials	Paper, PE, Glue, Wood	
Auxiliary consumables	Alcohol, glue, cotton cloth, solder paste	Including Conflict Minerals



Management flowchart



Environmental Labels & Declarations

The products produced by Primax are mainly OEM and ODM products, and we will assist clients to apply for type 1 eco labels, such as Energy Star, EPEAT, (for multifunctional office machines and scanners), Taiwan's Green Mark (for mice), China's Ten-Ring verification (for scanners), and electrical safety verification (such as EU CE or China CCC). The power supplies of audio products have all received the Energy Star mark. We combine the product green design capabilities and realize the concept of green environmental protection and sustainable operation, expecting to meet customers' needs and also increase the competitiveness of the Company's products.

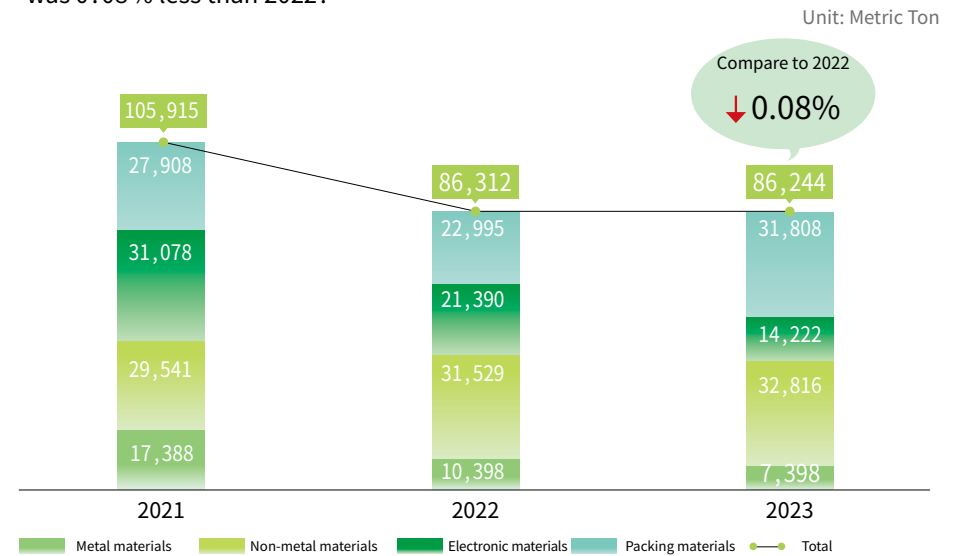


Green Procurement

Since 2020, Primax Group has been prioritizing the procurement of information products with large purchasing quantities (such as computers, monitors, multifunction printers, and printers) and high-energy-consuming products like refrigerators, water dispensers, and ice machines. Our priority is to select products that carry domestic or international environmental certifications or energy-saving labels (such as EPEAT, Eco label, Energy Star, TCO, Blue Angel, etc.). In 2023, the purchase amount of products bearing environmental protection labels reached NT\$27,544 thousand, accounting for 79.12% of the total purchase amount.

Raw material consumption statistics

Primax Group consumed 86,312 metric tons of raw materials in 2023, which was 0.08% less than 2022.



Note: Metal materials include iron, aluminum, copper, and other metals..

Responsible supply chain

Chapter 5

5.1 Responsible procurement practices

5.2 Supplier due diligence



5.1 Responsible procurement practices

5.2 Supplier due diligence

Sustainable Supply Chain Management

Material Topic: Supply Chain Sustainability Management

- [GRI] Supplier Environmental Assessment: 308-1~308-2; Child Labor, Forced and Compulsory Labor: 409-1; Supplier Social Assessment: 414-1~414-2
 [TWSE] Sustainability disclosure indicator No. 6
 [DJSI] Supply Chain Management
 [SASB] Supply Chain Management, Procurement of Raw Materials
 [MSCI] Disputed Procurements

Management purpose and importance

To coordinate with suppliers for the fulfillment of corporate social responsibilities. Corporate operations may give rise to environmental and social impacts, whether through a business' own activities or through collaboration with business partners. For this reason, it is important to exercise due diligence in the management of suppliers in order to prevent, mitigate, and avoid negative impacts that are directly or indirectly caused by corporate operations

Remedial Measures

Primax Group implements Responsible Business Alliance (RBA) due diligence management to ensure a safe working environment, respect for employees, environmental protection, and adherence to ethical principles. In case of actual negative incidents, individual remedial plans will be formulated to minimize the negative

Short-term indicators/goals

- Formulate Primax Group's Supplier Code of Conduct and require all trading suppliers to sign the Letter of Commitment.
- Respond to higher standards for supplier management principles, improve the supplier ESG management mechanism, and identify Primax's important suppliers.
- Continue to collect suppliers' information and evaluate their performance via the online platform of the ESG Portal.
- Complete the establishment of a sustainability risk assessment and elimination mechanism for important suppliers.
- Complete the TEACH ESG-Carbon Reduction Partnership Project, screen priority targets, and confirm collaboration
- Important suppliers receiving ESG-related assessments (written or on-site audits), reached 100%.
- Among the evaluated important suppliers, 100% of the high-risk suppliers with potential negative impacts have completed their CPAs.
- For important suppliers, conduct annual ESG training with a target training rate of 80%.
- Complete the important supplier climate response survey with a coverage rate of 65%.

Goal achievement rate/performance

- In 2023, the trading suppliers' signing rate reached 81.8%.
- Complete the suppliers' definition and improve the suppliers' ESG management mechanism.
- 100% of trading suppliers communicated with Primax on ESG topics via the ESG Portal.
- Complete the establishment of a sustainability risk assessment mechanism planning for important suppliers.
- Complete the TEACH ESG-carbon reduction partners project planning to select 12 carbon reduction partners.
- In 2023, 100% of the important suppliers completed ESG-related assessments.
- In 2023, 100% of high-risk suppliers completed the CPA submission.
- Complete the important suppliers' annual ESG training with the training rate of 82.7%.
- Complete the important suppliers' climate response survey with a coverage rate of 68%.

Mid-term and long-term indicators/goals

- 100% signing rate for the Code of Conduct for new suppliers
- Important suppliers receiving ESG-related assessments (including written or on-site audits), reached 100%.
- Primax's carbon reduction partner suppliers shall reduce GHG emissions by 5% annually.



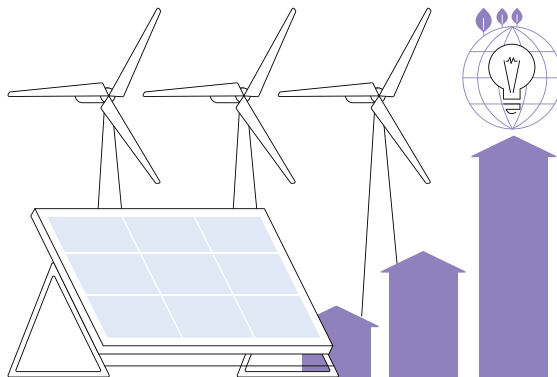
5.1 Responsible procurement practices

5.2 Supplier due diligence

Specific actions in 2023

- Completion of the Establishment of Primax Group Supplier Code of Conduct
- Completion of the definitions of Important Suppliers, qualified suppliers, Tier 1 suppliers and project partners, in reference to DJSI and based on Primax's key materials procurement strategy and potential ESG risk and opportunity subject to the suppliers' industrial characteristics.
- Communicate with Primax's trading suppliers on ESG topics via the ESG Portal online platform.
- Complete the establishment of a sustainability risk assessment mechanism planning for important suppliers, and activate the scoring for the first time at the end of 2023.
- Complete the TEACH ESG-carbon reduction partners project planning to select 12 carbon reduction partners, and plan to help suppliers set the carbon reduction goal in 2024.
- Call on potential suppliers from the SER model factories to become our partners for the first time, and set the goal of RBA VAP certification for their factories.
- Conduct the ESG-related assessment on 246 important suppliers (including written or on-site audits).
- Complete the CPA with respect to 21 high-risk suppliers.
- Conduct annual ESG training (including SER and climate communication and response awareness training conference) with respect to important suppliers.
- Complete the climate response survey on Tier 1 suppliers.

Note: 😊 Goal achieved 😊 Goals achieved continuously 😞 Goal not achieved

Performance management
achievements

- In 2023, the signing rate of the "Supplier Code of Conduct" by trading suppliers reached 81.8%.
- In 2023, Primax Group had a total of 128 new suppliers, all of which underwent the supplier review process.
- 100% of trading suppliers communicated with Primax on ESG topics via the ESG Portal.
- In 2023, 86.6% of the important suppliers completed the written ESG assessments.
- In 2023, 21.8% of the important suppliers completed the on-site ESG assessments.
- In 2023, we have completed the on-site audit on a total of 62 suppliers. 100% of high-risk suppliers completed the CPA submission.
- Complete the important suppliers' annual ESG training with the training rate of 82.7%.
- The important suppliers' climate response survey with a coverage rate of 68%.
- There was no supplier who was suspended from cooperation due to significant negative ESG impacts in 2023.

Explanation of impact
measurement quantification

- Affected external stakeholders: suppliers and customers
- Impact description: The improvement of the supplier's social and environmental management performance posed a direct impact on the effectiveness of Primax's supply chain management and an indirect impact on the supply chain management effectiveness of the customers.
- Avoidance of potential negative impacts on suppliers: Monitoring that suppliers have not violated the Red Line Principles through the signing of the supplier code of conduct and due diligence. The implementation of QCDS and ESG continues to be monitored through the quarterly Scorecard mechanism to ensure suppliers' continuous improvement on operation and sustainable development issues.
- Impact performance: With 2024 as the base year, we boost the increase in important suppliers' Scorecard. The increase in the score indicates that the supplier's social and environmental systems have been verified by a third party and the supplier's employees can receive the protection in terms of human rights, employment conditions and friendly environment. It is estimated that 15,000 employees of the supplier may be affected positively therefor.

► 5.1 Responsible procurement practices

5.2 Supplier due diligence

5.1 Responsible procurement practices

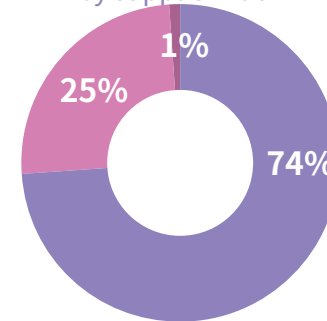
Sustainable Supply Chain Management Goal

Primax values the CSR of its suppliers. In order to practice the sustainable supply chain management, Primax reviewed its supplier management system comprehensively in terms of sustainability in 2023. In addition to revising the internal supplier management procedures, it also clarified the ESG management requirements of suppliers. It will work with its supplier partners to continue improving the compliance management, respond to the climate change and develop in-depth cooperation projects. Supplier partners are of essence for Primax to move toward sustainability. In line with the ESG goals, such as SDG 17 Partnerships and SDG 12 Responsible Production and Consumption, Primax continues to strengthen the sustainability of the supply chain and avoid internal business risks, while it also strives to mitigate the external risks over the society and the environment, and seize market opportunities proactively.

Types of Supply Chain and Disruption Risk Control Suppliers' Profiles

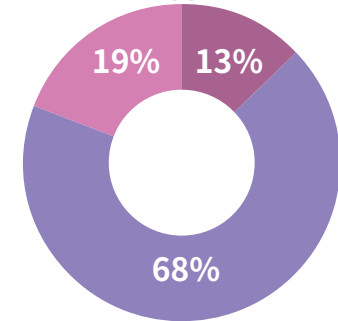
The products served by Primax Group are compatible with desktops, laptops, tablets, and mobile phones. The products include keyboards, mice, keyboard modules, touchpad modules, high-speed transmission docking stations, e-sports game devices, creator device peripherals and wireless chargers. Among them, the keyboards and mice refer to the main products for sale. The raw materials in the supply chain widely include IC, printed circuit boards, electronic components, plastic parts, metal parts and packaging materials, etc.. Primax works with 2,074 raw material suppliers around the world, including 1,622 material manufacturers, 405 electronic component material agents, and 47 outsourced businesses. If distinguished by region, there are 273 suppliers in Taiwan, 1,406 suppliers in China and Hong Kong, and 395 suppliers overseas. The total transaction amount is approximately NT\$44,525 million in 2023.

Proportion of transaction amount by supplier Back



■ Manufacturer ■ Distributor ■ Contractor

Proportion of suppliers by region Back



■ Domestic ■ China ■ Overseas

Primax Group implements a short-term local procurement short-chain layout based on the location of the production plant, and evaluates whether it is necessary to implement authorized material preparation and safety stock according to the characteristics of each product line's key components and material preparation time. With respect to the control over key materials, the spot goods management mechanism is available to respond to the disruption risk caused by force majeure factors in a short time, and a second procurement source mechanism established by us to disperse the risk over single supplier to improve the resilience of the supply chain.



► 5.1 Responsible procurement practices

5.2 Supplier due diligence

Conflict minerals management and due diligence

Responsible minerals policy

Primax Electronics Ltd. (the "Company") is committed to corporate social responsibility and sustainable development. In order to implement responsible procurement, the Company complies with the Conflict Mineral Law and requires suppliers to use smelters certified by the Responsible Minerals Initiative (RMI) and fully disclose the source of minerals, and makes declaration via Primax Green Product Management Platform, GP-Portal® to jointly implement human rights protection. As a leading enterprise, Primax continues to expand the investigation on conflict metals into the scope of due diligence, and formulates and follows up the risk mitigation plans to ensure the Company's compliance with laws and customers' requirements.

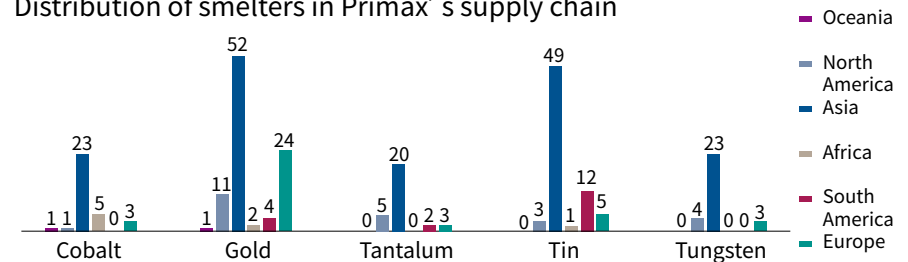
Primax undertakes that:

1. It will never purchase minerals (such as coltan, tin, wolframite, gold, cobalt and mica, etc.) that are acquired through force or gathered in ways that violate human rights, or any products made from such minerals; and
2. To purchase 3TG materials from Conflict-Free certified smelters (attaining CFSP certification or equivalent), and allowing certified materials that originate from Democratic Republic of the Congo and nearby countries.
3. Perform due diligence investigation and risk management on suppliers according to OECD DDG.
4. Require suppliers to conduct due diligence and risk management in accordance with the OECD DDG standards, communicate this policy to their upstream suppliers and supply chain, and require their upstream suppliers to comply with it jointly.

Since 2012, Primax has strictly complied with the "Conflict Mineral Law" and refrained from using and purchasing conflict minerals (such as: tantalum, tin, gold, and tungsten) that originate from Democratic Republic of the Congo, while at the same time demanded all suppliers to make commitment to using responsible minerals and ensure that all minerals (such as: tantalum, tin, gold, and tungsten) used in production will not finance armed conflicts. This policy forms an essential part of our supplier management and product design, and we require suppliers to disclose information of their smelters and make announcements over GP-Portal® for any conflict metal discovered in their supply.

In addition, with the rapid growth of the electric vehicle industry, the scope of applications of rechargeable batteries is also expanding. Therefore, Primax Group has also required suppliers to disclose the use of cobalt ore since 2020.

Distribution of smelters in Primax's supply chain



Our current disclosures cover cobalt refineries (processing of cobalt concentrates and intermediate products) or recycling plants (processing of cobalt recycled materials). The intermediate products of cobalt include impure cobalt hydroxide, cobalt carbonate, and metallic cobalt. Recycled materials include industrial or post-consumer waste (such as cobalt based alloys from metallurgical recycling processes). Factories that only produce battery cathodes, alloys, and ceramics are downstream factories rather than refineries.

As per the disclosed information on smelters in the supply chain in 2023, suppliers announced a total of 257 smelters, most of which smelted gold, totaling 94. This is followed by 70 smelters for tin, 33 for cobalt, 30 for tantalum, and 30 for tungsten smelters. There are 3 qualified smelters located in high-risk areas (2 in the Democratic Republic of the Congo and 1 in Rwanda). The places of origin and distribution of all smelters are listed below and can be traced.

During the survey process, we refer to the list of 3TG qualified smelters formulated by the Responsible Minerals Initiative (RMI) and require suppliers to work with RMI-certificated smelters. Meanwhile, we regularly check the latest list of smelters to ensure that the materials uses can meet the latest requirements of the list. In 2023, of the smelters we worked with, 46 of them failed to pass the RMI audit and were removed from the list of the qualified smelters. We immediately launched a supply chain investigation, requesting suppliers to investigate the smelters with which their upstream manufacturers worked to ensure that they would not work with unqualified smelters by accident.

Meanwhile, we identified risks in the supply chain and evaluated them as per the supply chain policy standards and due diligence recommendations under the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Area. 419 suppliers conducted risk assessment regarding conflict minerals management and due diligence in 2023.

5.1 Responsible procurement practices

► 5.2 Supplier due diligence

5.2 Supplier due diligence







Primax Group implements responsible procurement management, and suppliers are requested to properly comply with the local laws and the business code of conduct, to also protect the legal rights and interests of employees. To further regulate the responsible procurement management operation, Primax Group hereby establishes the “Supplier Code of Conduct” (hereinafter referred to as the “Code of Conduct”) for compliance. It is established in accordance with the International Labour Organization (ILO), Responsible Business Alliance (RBA), generally accepted social responsibility related management systems (ISO 45001, ISO 14001, etc.) and customers’ requirements on the labor human rights, environmental and occupational health and safety, conflict minerals management and business ethical standard. The Code of Conduct is applicable to all suppliers of Primax Group and subsidiaries.

As part of our corporate social responsibilities, Primax has implemented policies to prohibit use of child labor and forced labor, whereas stringent recruitment processes and regular internal reviews are being carried out to eliminate even the slightest chance of occurrence. Meanwhile, all potential and existing supply partners are required to comply with regulations and rules of RBA concerning prohibition of child labor.

In terms of integrity commitment, Primax requires all its suppliers and their employees to maintain integrity in all trading and transaction activities, including but not limited to: procurement of materials, work contracting, outsourced production, transfer of equipment, treatment of obsolete/waste materials, customs reporting, workforce dispatch, and subcontracting. Suppliers are encouraged to report any intentional or unintentional violation of proper procurement conduct by a Primax employee. These incidents may be reported via physical mail or e-mail through the following channels with details such as the employee's name, supplier's contact method, the violation committed or relevant evidence.

At the end of 2023, Primax released the first version of the Supplier Code of Conduct and started to require suppliers to sign the Code. At the first stage, suppliers that have transactions from January to October and will continue to trade in the future are required to sign the Letter of Commitment to declare compliance with the RBA Code of Conduct and related requirements. Suppliers are encouraged to commit to controlling the quality, cost, and delivery period, and keep improving in terms of environmental safety and health. In 2023, 81.8% of the suppliers have signed the code of conduct. We will continue to expand the number of signatories to ensure that all trading suppliers are included in the future.

From 2024, the Letter of Commitment will be included as one of the documents to be executed by new suppliers. All new suppliers are required to undergo the quality, cost, delivery period, service and ESG evaluation before conducting business. Special suppliers (such as international leading manufacturers and customers' designated manufacturers) can only be admitted to the Approved Vendor List (AVL) after Primax reviews and approves the alternative documents they submit with respect to environmental and social responsibility declarations. In 2023, Primax Group had a total of 128 new suppliers, all of which underwent the supplier review process.

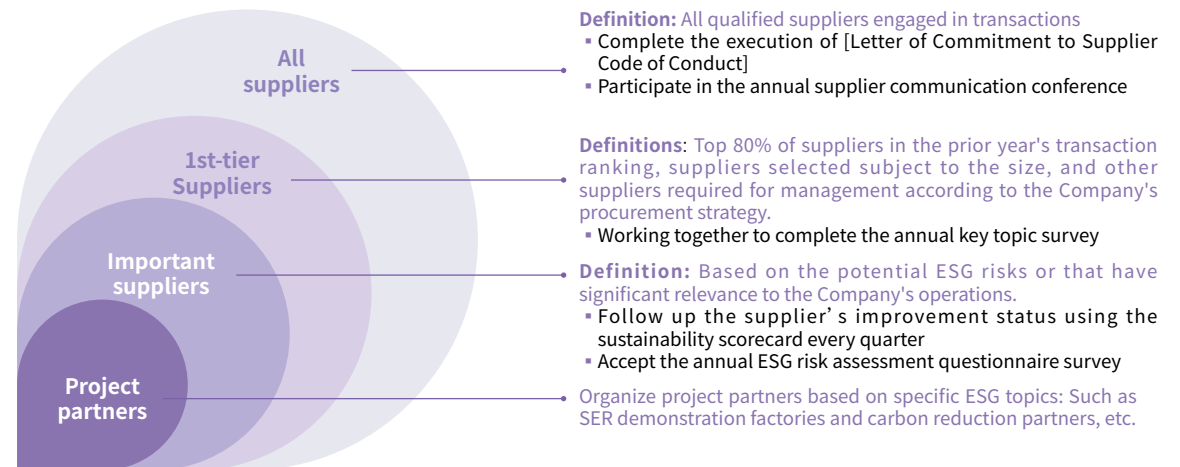
New Suppliers	Existing Suppliers	High-risk suppliers
Management method		
 <ul style="list-style-type: none"> • QCDS evaluation (ESG accounting for 5%) • Letter of Commitment to Supplier Code of Conduct • Sign the Letter of Commitment (including responsible minerals, ban on hazardous substances, commitment to integrity, intellectual property guarantee, and statement of confidentiality) 	 <ul style="list-style-type: none"> • Adopt hierarchical management measures based on suppliers' transaction volume and ESG risk significance. • Online & offline communication and training • Annual questionnaire surveys (social responsibility/conflict minerals/carbon management, etc.) 	 <ul style="list-style-type: none"> • Annual on-site audits • CAP (Corrective Action Plan) improvement tracking • On-site follow-up reviews
Commitment		
 <p>No use/purchase of conflict minerals</p>	 <p>Guarantee not to use restricted substances</p>	 <p>Comply with RBA Code of Conduct</p>
<p>Red Line Principles of Primax</p> <p>Primax Group considers the following as the restrictions for the social responsibility management. In case of discovery of any supplier's violation of the following conditions, the cooperation relationship between both parties will be significantly affected, and the consequence will include without limitation to termination or suspension of cooperation relationship.</p> <ul style="list-style-type: none"> ✗ Any form of employment of child labor. ✗ Any form of compulsory or forced labor and bonded labor. ✗ Any abusive conduct towards employees. ✗ Any form of bribery, corruption, extortion, blackmail or dishonest behaviors. 		
<p>Hotline: +886-2-27989008 ext: 1046</p> <p>Email: tina.lee@primax.com.tw</p>		

5.1 Responsible procurement practices

► 5.2 Supplier due diligence

Supplier Sustainability Governance Architecture

With the authorization of the Board of Directors, the ESG Office has been established under the Chairman's Office. The supreme managerial officer, the Chairman, authorized Vice President Chiang, Yan-Ying to serve as the top person in charge. The supply chain sustainability management promotion project is attended by the social and environmental task forces jointly, also with the procurement unit's collaboration. The relevant progress and results are reported to the Chairman on a quarterly basis. Primax cares about establishment of procurement personnel's capacity in practicing responsible procurement. In 2023, the participants attending the social responsibility internal training included procurement personnel. In 2024, it also plans to arrange the procurement personnel to undergo the ESG-related internal and external training.



Supplier Risk Identification and Hierarchical Management

Primax continues to improve the supplier management approach. In 2023, it conducted a comprehensive review on the supplier management system based on the needs for sustainable risk management, in order to define the supplier ESG management plan in terms of investigation and assessment, communication improvement and collaboration. We implement the supply chain management sustainable development plan to ensure that important issues are materialized in the sustainable supply chain management and achieve the establishment of a sustainable supply chain system. In order to improve management efficiency, hierarchical management measures are adopted, which will be implemented comprehensively from 2024.

The supplier ESG assessment covers the Supplier Code of Conduct primarily. Specific ESG topics are included to the assessment step by step based on international management trends, the needs for ESG promotion, and the supplier implementation level. First of all, important suppliers are scored based on the indicators referred to in the sustainability scorecard designed with respect to the important suppliers, including the acquisition of the social and environmental responsibility system certificates, compliance management, proactive environmental management measures, and degree of adaptability.

ESG Sustainability Scorecard and Transaction Elimination Mechanism





Based on the quarterly sustainability scorecard, Primax evaluates the important suppliers' ESG performance, and gives the suppliers up to +10%/-10% weight of the total QCDS scores for the quarter subject to the supplier's ESG score range. If the final comprehensive performance level ranks Level-C for two consecutive quarters (less than 60 points), it will activate the new project application suspension mechanism, hoping to elevate the overall supply chain's sustainable development level with the solid rolling mechanism. Suppliers with good performance or those with specific benchmarking practices will be publicly commended, and also share their experience, at the annual supplier communication conference, thereby promoting more experience-sharing in the industry.

Primax ESG Sustainability Scorecard						
Red Line Principles	Corporate commitment	Certificate of Social Responsibility System	Compliance management	Proactive environmental management measures	Degree of adaptability	Project performance
No violation.	10%	10%	45%	25%	5%	5%
Total score 100%						

5.1 Responsible procurement practices

► 5.2 Supplier due diligence

Supplier screening, assessment and management

	Practices	Outcomes
 Supplier screening	<p>In 2023, we screened important suppliers based on potential ESG risks or significant relevance to the Company's operations, and performed the social and environmental responsibility risk assessment to include the following suppliers (excluding overseas suppliers):</p> <ol style="list-style-type: none"> 1. The outsourced businesses in Top 80% of the Group's transaction amount ranking in the previous year; Based on the significance of the commercial transactions and the industry and product-specific risks of major suppliers, such as the energy intensity of suppliers, labor hazards, and possibility for environmental pollution; 2. The outsourced businesses in Top 80% of the Group's transaction amount ranking in the previous year; 3. Service providers: based on human rights protection and potential labor risks; 4. Suppliers designated by customers for management 	<p>A total of 284 suppliers 87% of the group's total purchases</p>
 Written review ESG questionnaire	<ul style="list-style-type: none"> ▪ The risk assessment questionnaire is based on local laws and regulations, the Responsible Business Alliance (RBA) Code of Conduct, customer requirements, Primax's corporate social responsibility management regulations, and other applicable requirements as standards. The questionnaire covers six main aspects: labor rights, health and safety, environmental management, business ethics, supply chain management, and other relevant areas. ▪ Primax reviewed the contents and documents of the responses and determined that there were 26 companies with potential high 	<p>Coverage rate for completed important supplier evaluation 86.6%</p>
 On-site assessment Primax's audit taskforce Third-party assessments	<ul style="list-style-type: none"> ▪ Primax conducted the on-site assessment primarily on the following suppliers: <ol style="list-style-type: none"> 1. Suppliers with a Potentially High Risk determined after ESG Questionnaire Review 2. Service providers of on-site service (restaurant, cleaning, gardening, security, hazardous waste treatment service providers) and labor agency, etc. 3. Primax was selected as the supplier of model factories in 2023. ▪ In 2023, 67 suppliers went through the on-site assessments. ▪ In 2023, a total of 62 suppliers completed the on-site assessments physically (51 for Primax and 11 for Tymphany), which were included into the supplier on-site assessment plan, including 21 suppliers assessed as those with potential high risk by the supplier questionnaire (18 for Primax and 3 for Tymphany), and 37 service providers (29 for Primax and 8 for Tymphany), and 4 model suppliers for the model factories of Primax. ▪ After on-site assessments, a total of 2 suppliers were identified as high risk (3%), 10 as medium risk (16%), and 50 as low risk (81%). ▪ The major deficiencies found in the two high-risk suppliers are related to social issues, including man-hour management, emergency response measures, and hygiene of restaurant and dormitory personnel, etc.. 	<p>Coverage rate of important suppliers 21.8%</p>
 Management Assist suppliers to make improvements precisely	<ul style="list-style-type: none"> ▪ Primax requires 62 suppliers subject to the on-site assessment to provide corrective action plan (CAP) against non-conformities, and 98.4% of suppliers agreed to submit and also submitted the CAP. ▪ Among them, 100% of high-risk suppliers agreed to submit and also submitted the CAP. 	<p>100% of high-risk suppliers completed the CPA submission.</p>

Note: The approach to screen suppliers for management in 2023 has not yet been implemented according to the classification and definition of important suppliers adjusted at the end of 2023. Therefore, the definition of important suppliers referred to in the performance items below is different from said new definition.

5.1 Responsible procurement practices

► 5.2 Supplier due diligence

Important supplier assessment and management focus indicators in 2023:

- 86.6% completed the written ESG assessment.
- 21.8% of the important suppliers completed the on-site ESG assessments.
- 100% of the high-risk suppliers agreed to complete, and also completed, the CAP submission.
- There was no supplier who was suspended from cooperation due to significant negative ESG impacts in 2023.

Improvement of Suppliers' Sustainability

With the rapid development of sustainable development issues, Primax has never stopped or been absent. We aim to meet the expectations of our customers and investors and seek sustainable common solutions, and expect to maximize industrial resources and benefits through alliance with the partners in the industry while aligning with the UN SDG 17. Primax aims to work together with supplier partners through the "TEACH ESG Supplier Collaboration Project" on specific sustainability issues to gather suppliers as its partners, and strive to create more learning and improvement opportunities and resources for suppliers, in order to make progress together.

Primax has increased the involvement in suppliers' social responsibility management for more than one decade. In 2023, it called on potential suppliers from the SER model factories to become our partners for the first time, and set the goal of RBA VAP certification for their factories. In addition to continuously cultivating the internal audit team to take charge of the supplier on-site audit projects, Primax also appoints the professionally third party to assist in professional knowledge training and compliance verification. A carbon reduction partnership project was planned in 2023, and the on-site communication and visit were scheduled to be completed in Q1 of 2024.

TEACH ESG Supplier Collaboration Project

Encourage suppliers to work with Primax to follow the T.E.A.C.H pathway to practice sustainability:

For Target setting

Primax encourages suppliers to set ESG goals and make improvement through PDCA on an on-going basis.



T

E

For Experience Sharing

Primax encourages suppliers to take the industry experience into consideration, in order to find the best practices suitable for their own industrial characteristics. In the form of one-to-one communication/small class online training/on-site visits, Share the implementation experience of Primax, and have suppliers exchange and share experience and the professional consulting experience, etc..



A

for Acceleration

Primax encourages suppliers to accelerate the implementation of sustainability practices and arrange the deployment to become a leading group proactively.

- Arrange exchange and training regularly
- Encouragement and commendation @Annual ESG Communication Conference



C

for Hierarchy

Primax encourages suppliers to improve themselves as their vision and strengthen sustainability based on materiality.

- Appropriately add specific sustainability issues or improvement goals depending on the suppliers' phased implementation and cooperation results.
- Elevate the resilience and sustainability of Primax' s supply chain step by step



H

for Co-Creation

Primax encourages suppliers to seek sustainable solutions together to improve their competitiveness.

- Assist suppliers in understanding sustainability trends, identifying investment opportunities, and improving product value.
- Exchange international rating, initiatives, and brand customers' expectations on environmental or social issues.



5.1 Responsible procurement practices

► 5.2 Supplier due diligence

Enhancement of Supplier Sustainable Development-related Activities in 2023

01 Annual ESG training for suppliers

A total of 235 suppliers (141 for Primax and 94 for Tymphany) participated in the study and completed the after-class test, and the important suppliers' training rate was 82.7%. We will continue to promote social responsibilities in the future and devise suitable and effective courses that conform to suppliers' needs.

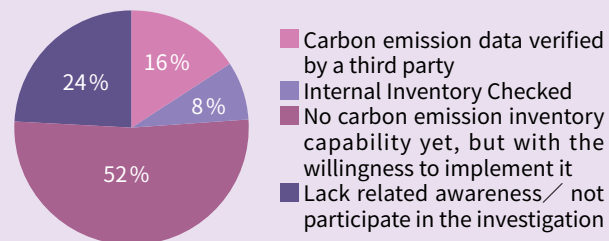
02 Annual Communication Conference and ESG Training for Suppliers

At the 2023 online supplier communication conference, the contents of communication included the key points of social and environmental responsibility management, green products and key points of conflict minerals management. Meanwhile, ESG and climate change response trends were explained, and a professional third party was specially invited to explain the ISO 14064-1 GHG inventory requirements. The important suppliers' participation rate was 80.3%.

03 Climate response survey on suppliers

We collect the information about carbon management status of suppliers, including the status of ISO 14064-1 certificates, setting of carbon reduction goals or reduction plans, via the ESG portal online platform (considering the materiality of the industry, the material suppliers shall be investigated as the first priority). Primax collected the information about carbon management status of 68% of important suppliers via this investigation. We plan to convene our carbon reduction partners to set more specific carbon management goals in 2024. In the future, we will continue to investigate and verify the carbon management status of our suppliers through the annual investigation.

Suppliers' Carbon Management Status in 2023



Friendly workplace *Chapter* 6

6.1 Human Rights Management

6.2 Workplace of Diversity and Inclusivity

6.3 Talent attraction and retention

6.4 Talent Development and Cultivation

6.5 Health and safety

6.6 Diverse and Effective Employee Communication

[Column] Primax Care Quarterly Series Activities

[Column] Building a Comprehensive ESG Ecosystem

Where Everyone Benefits and Finds Joy
Within



Human Rights Due
Diligence

Material ESG Issues: Labor rights, diversity and equality

- [GRI] Non-discrimination : 406-1; Child labor: 408-1; Forced and compulsory laboring: 409-1; Diversity and equal opportunity: 405-1
- [DJSI] Labor Practices Indicators, Human Right, Labor Practices Indicators
- [SASB] Employee Diversity and Inclusivity

Management purpose and importance

Primax refers to international norms such as the RBA (Responsible Business Alliance) Code of Conduct, the United Nations Universal Declaration of Human Rights, and the International Labor Organization conventions to formulate our human rights policy. Human rights protection is considered the highest standard in labor management. Each operational location adheres to relevant local regulations to create fair, safe, and comfortable workplace environments and ensure that all individuals in the value chain are treated fairly and with respect.

Remedial Measures

We have established the human rights policies covering non-discrimination, prohibition of child labor, elimination of forced labor, and respect for employees' freedom of association. The human rights risk assessment is conducted against each location. We also follow up and verify the response measures against the risk items to eliminate bonded labors, underage labors, and overtime work thoroughly. For details, please refer to the "Primax Human Rights-Related Response Measures."

Short-term indicators/goals

- Regular human rights risk assessment surveys were completed for Primax's locations in mainland China, with ongoing monitoring and mitigation measures.
- All locations adhere to the Responsible Business Alliance (RBA) Code of Conduct, relevant international conventions, and local regulations.
- Respond to 100% of the issues raised by employees and communicate with them.
- Implementation of human rights policies

Goal achievement rate/
performance

- ☺ In Primax's mainland China locations, 100% of human rights risk assessment surveys have been completed, and measures to track and mitigate risks have reached 100% compliance before closing cases.
- ☺ All locations comply with the Responsible Business Alliance (RBA) Code of Conduct, relevant international conventions, and local regulations.
- ☹ The improvement rate of employee communication and problem feedback is 98%.
- ☺ A total of 14 risk items related to labor rights were identified in Primax's mainland China locations and have been scheduled for improvement.

Mid-term and long-term
indicators/goals

- Provide employees with a "D.E.I.B." work environment, featuring diversity, equality, tolerance, and
- The scope of human rights risk assessment is gradually expanding.
- It is expected that female key executives will account for 20% by 2030.

Specific actions in 2023

- We continue to conduct human rights-related education and training, with a total of 6,456 participants in 2023 and a participation rate of 65% among employees.
- Each location conducts the human rights risk assessment regularly and follows up and verifies the response measures against the risk items.
- The scope of human rights risk assessment covers employees and non-employee workers, key suppliers and new suppliers.
- Primax Group hired 62 foreign employees and 157 employees with disability.

Performance management
achievements

- Primax Group hires employees strictly in accordance with the Labor Standards Act.
- Primax employs the full number of persons with disabilities.
- No human rights-related complaints or major disciplinary incidents.
- No discrimination, employment of child/underage labors, or forced or compulsory labor.
- Primax Electronics won the "DEI Diversity for Better Tomorrow Award-Gold Award" in 2023.
- Primax ChongQing was honored as the Advanced Unit for Employing People with Disabilities in Yongchuan District in 2023.

Explanation of impact
measurement quantification

- Affected external stakeholders: suppliers
- Impact description: Regularly conduct supplier social responsibility due diligence to mitigate supplier human rights risks and reduce human rights violations in local
- Avoidance of **increase in social costs**: Among the important suppliers of Primax Group, those included into the on-site audit accounted for 26%. The deficiencies related to labor rights found in the on-site audit accounted for 34.71%, and the improvement rate of deficiencies 100% in 2023.
- Impact performance: In 2023, among the important suppliers of Primax Group, the improvement rate of deficiencies in labor rights accounted for: $26\% \times 34.71\% \times 100\% = \text{approximately } 9\%$

Note: ☺ Goal achieved ☹ Goals achieved continuously ☹ Goal not achieved

► 6.1 Human Rights Management

6.2 Workplace of Diversity and Inclusivity

6.3 Talent attraction and retention

6.4 Talent Development and Cultivation

6.6 Diverse and Effective Employee Communication

6.1 Human Rights Management

Employee policy driven by humanity

At Primax Group, we value people and strive to cater for employees' safety and comfort in the workplace while at the same time assure them the respect and dignity they deserve. These are the reasons why we have implemented equal employment policies and engage local employees in full communication, so that employees are treated fairly anywhere we operate.

We promise to build an organizational culture of diversity, equality, inclusion, and a sense of belonging through the two main pillars of talent cultivation and healthy and safe workplace. In terms of talent cultivation, we achieve the goal of diversified development and inclusive growth through a talent declaration, leadership training, and a talent development mechanism. As for the health and safety workplace, we continuously optimize employee experience, increase health awareness and hold activities, and provide a family-friendly mechanism to provide an equal workplace where employees feel a sense of belonging.



Primax is committed to complying with the human rights protection laws and regulations applicable at the locations where it operates business, diligently avoiding violating, or causing third parties to violate, human rights, following the following policies to create the corporate culture of equality, respect, care and safety, and supervising the value chain partners to jointly maintain human rights. [Please refer to the Company's official website for detailed human rights policies.](#)

Prohibiting forced labor, stopping human trafficking, and enforcing freedom of employment.

Prohibition of Child Labor

Establish a work environment featuring diversity, inclusivity, non-discrimination, non-harassment and humane treatment.

Provide salaries and benefits in accordance with laws and regulations without discrimination based on gender, age and race, etc.

Improve the protection of human rights of ethnic minorities through establishment of human rights systems and internal activities.

Protect the employees' health proactively while ensuring the safety and health of workplace and accommodation & meal places.

Protect the employees' freedom of association and collective bargaining.

Maintain positive labor-management relations, provide diverse communication platforms, and create the culture for open communication.

► 6.1 Human Rights Management

6.2 Workplace of Diversity and Inclusivity

6.3 Talent attraction and retention

6.4 Talent Development and Cultivation

6.6 Diverse and Effective Employee Communication

Human Right Assessment and Management

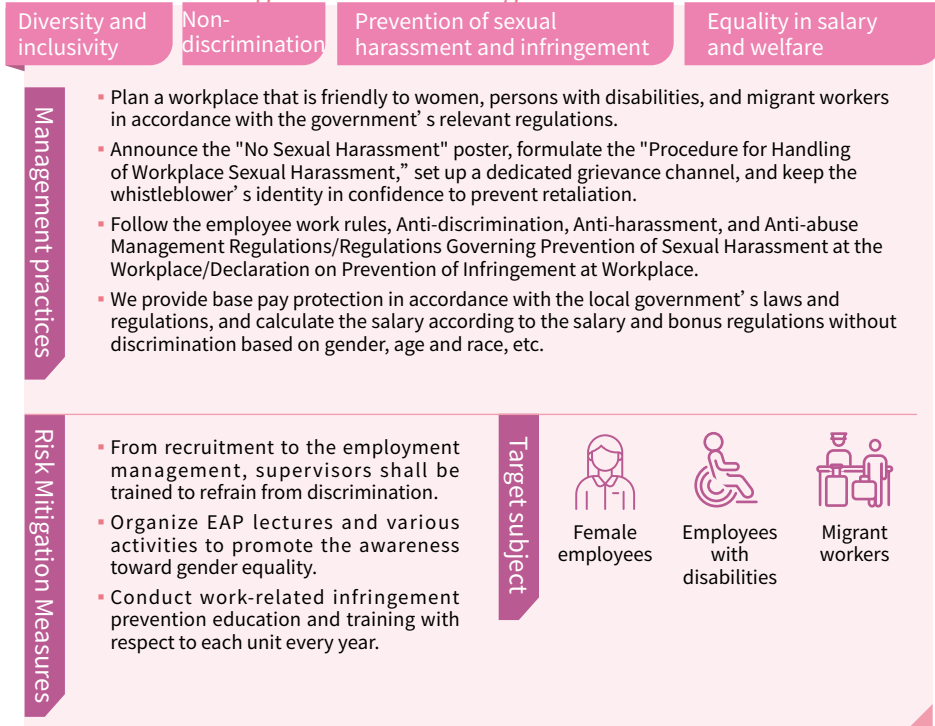
In addition to treating all employees of Primax Group equally, we formulate the human rights policy in reference to the Code of Conduct of the Responsible Business Alliance, the United Nations Universal Declaration of Human Rights, the International Labor Organization Conventions and other international norms, and conduct regular human rights risk assessment on the whole employees (including temporary workers, workers by contract and dispatched workers) and existing suppliers, and follow up and verify the response measures against the risk items. Additionally, for new suppliers and new businesses (including mergers, acquisitions, and joint ventures), we will also include the human rights risks into the assessment criteria. It is our responsibility to create a fair, safe and comfortable workplace and to eliminate any issues violating human rights thoroughly. In 2023, there were no major human rights risks, such as discrimination, child labor, forced labor, freedom of association and collective bargaining. Notwithstanding, if any of said incidents occurs, we will activate corresponding human right-related risk mitigation measures.

Primax's regular human right impact and risk assessment



In 2023, the Group provided employee education and training related to human rights (including no child labor/forced labor, anti-harassment/discrimination, freedom of association), attended by a total of 7,827 participants, and the employees' participation rate was about 79%. During the reporting period, there were no discrimination, child and underage labor, forced or compulsory labor, and no major complaints or penalties found. Notwithstanding, one sexual harassment case occurred at one of Primax's overseas locations. It has investigated the case and imposed punishment according to relevant laws and regulations. We also improved the internal "Regulations Governing Prevention of Sexual Harassment at the Workplace" and implement remedial measures to minimize negative impacts and mitigate the risk over recurrence in the future.

Primax's Human Right-related Risk Mitigation Measures



► 6.1 Human Rights Management

6.2 Workplace of Diversity and Inclusivity

6.3 Talent attraction and retention

6.4 Talent Development and Cultivation

6.5 Diverse and Effective Employee Communication

Prohibition of Child Labor

Management practices

- Strictly comply with various national laws and regulations, industry standards and customers' requirements that prohibit the use of child labor.
- Adopt an identification device to validate the authenticity
- Set the HR system to calculate the age automatically. For any underage labor, the system will issue a warning automatically.
- The social insurance system will check the age first. For any person under the age of 16, we are not able to purchase insurance for them.

Risk Mitigation Measures

- Include relevant policies in orientation and annual training to ensure that all new recruits, existing managers and employees are familiar with the prohibitions in place.

Target subject



Child labor



Workers



Suppliers

No forced labor

Elimination of Human Trafficking

Implementation of freedom of employment

Management practices

- Prohibit any form of forced, bonded, indentured, or involuntary prison labor
- Prohibit slavery or trafficking of labor for exploitation
- Establish a reminder system for abnormal working hours
- Implementation of a flexible working system
- Promotion of the reasonable man-hour culture
- Limit the number of overtime hours of each month

Risk Mitigation Measures

- Comply with the Recruitment and Appointment Regulations to confirm laborers' free will during the recruitment process.
- Formulate effective recruitment plans, replenish manpower in a timely manner, and improve efficiency to satisfy the need for production.

Target subject



Workers



Suppliers

Positive labor-management relationship

Freedom of Association and Collective Bargaining

Management practices

- Formulate freedom of association and collective bargaining management regulations/ Labor-management meeting regulations without attempting to control the union' activities, labor-management meetings, or other club activities by any means
- Facilitate employee communication and grievances channels, regularly collect employee opinions, and respond appropriately

Risk Mitigation Measures

- Regularly convene the labor-management meetings and Welfare Committee meetings to discuss labor-management issues and welfare measures.
- Provide diverse activities to promote work-life balance of employees
- Establish club management regulations and encourage colleagues to join clubs.

Target subject



Employee

Occupational Health and Safety

Management practices

- Major global manufacturing sites implemented the ISO 45001 management system.
- Regularly plan and execute health checkups and health promotion activities.
- Improve maternal care and diverse family-friendly measures.

Risk Mitigation Measures

- Follow up health management, provide employees with health checkup information and strengthen health management knowledge.
- Health management measures, such as monitoring, prevention, and subsidies, are provided to the groups involving high health risk.

Target subject



Female employees



Workers



Suppliers

Note: Please refer to 5. Sustainable supply chain management for the assessment on suppliers' human rights risks.

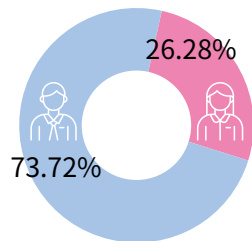
6.2 Workplace of Diversity and Inclusivity

Human Resources Overview

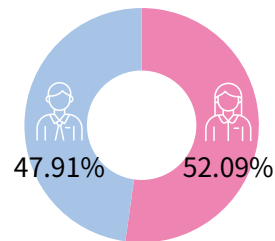
In 2023, Primax Electronics had a total of 6,539 employees, with 95.49% being regular employees and 4.51% being temporary employees. Among the workforce, 50.30% were male, and 49.70% were female. The subsidiary, Tymphany, had a total of 3,334 employees, with 98.7% being regular employees and 1.3% being temporary employees. Among the workforce, 50.51% were male, and 49.49% were female.

Distribution of employees within Primax Group by type and age in 2023

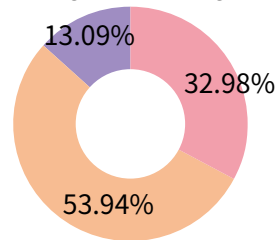
Percentage of managerial role by gender



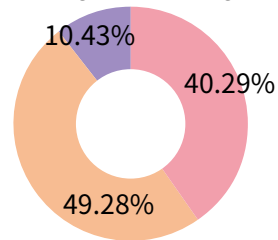
Percentage of non-managerial role by gender



Percentage of managerial role by age











Percentage of non-managerial role by age



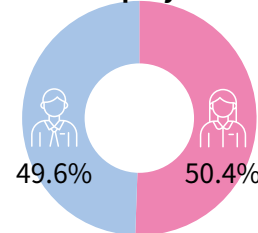
■ Below 30 ■ 30-50 ■ Age 51 and above ■ Below 30 ■ 30-50 ■ Age 51 and above

2023 Primax Group Employees Overview

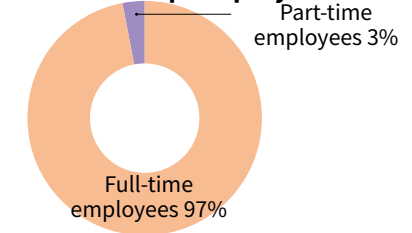
	Employment Contract				Type of Employment				
	Permanent		Temporary		Full-time		Part-time		Total
									
Taiwan	922	339	30	27	952	366	0	0	1,318
Mainland China	3609	3,452	99	152	3,707	3,603	1	1	7,312
Thailand	313	922	0	8	313	930	0	0	1,243
Total	4,844	4,713	129	187	4,972	4,899	1	1	9,873

Note: 1. The above information is compiled based on records of the human resource system dated December 31, 2023 (including the employees marked as taking leave without pay on the same date). No assumption was applied.
2. Temporary employees refer to specific and fixed-term contract workers (Temp), mainly serving as administrative support staff. In Taiwan, this category includes interns and part-time employees, while in mainland China, interns are defined as part-time employees.
3. This report discloses that there are no "zero-hour contract employees" at the locations mentioned.

Primax Group's gender ratio of employees

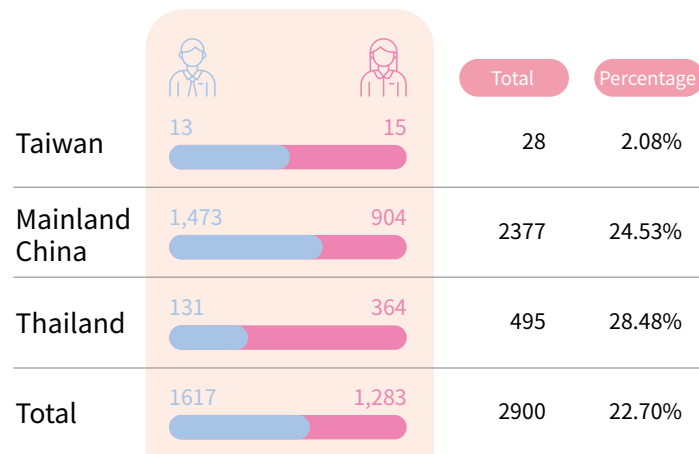


The ratio of labor contracts for Primax Group employees



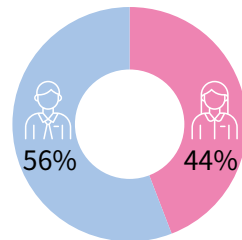
Primax Group's non-employee workers primarily consist of contract employees and on-site vendor personnel, and the size may vary depending on production labor requirements at different times of the year. All temp worker agencies and contractors partnered with Primax Group have been instructed to comply strictly with laws. Business relationship will be terminated immediately upon discovery of any violation against law.

Summary of Non-Employee Workers in Primax Group in 2023



Note: 1. Percentage of non-employee workers at various areas = non-employee workers per operation / (total employees per operation + total non-employee workers per operation).
2. Non-employee workers consist of dispatched workers/on-site vendor personnel.
3. The on-site vendor personnel include cleaning, security, catering, gardening, car rental, and on-site quality inspection personnel, excluding ad-hoc contractors for non-regular demands.
4. The above information is compiled based on records of the active non-employee workers in the human resource system dated December 31, 2023. No assumption was applied.

Percentage of Non-Employee Workers in Primax Group by Gender

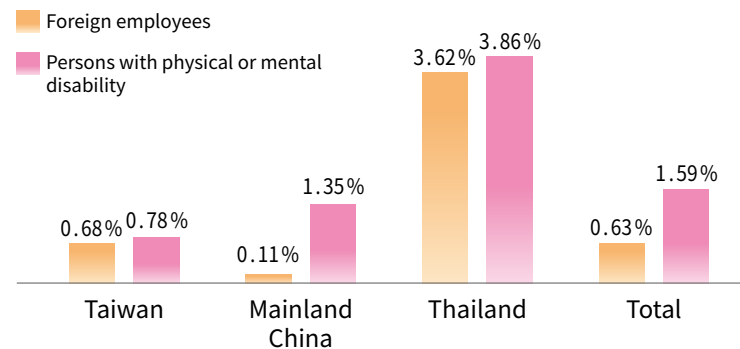


Diversity and equality

Primax Group operates a headquarters in Taiwan and several subsidiaries and production sites in China. We believe that it is our responsibility to care for local residents, which is why we try to employ local residents where possible, and in doing so contribute to the development of the local economy.

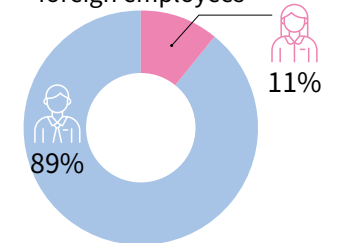
The Group also strives to expand the diversity of its workforce; apart from locals, Primax recruits foreign employees and engages actively in international exchange so that the company and employees may get in touch with different cultures and customs, and develop perspectives and thinking in different directions. Out of care for society, the Company recruits a minimum number of people with disabilities each year, providing them an opportunity to put their skills to work and make a living on their own. Primax Taipei achieved the employment of the full number of persons with disabilities, demonstrating our unwavering commitment to creating an inclusive and friendly workplace.

In 2023, Primax Group hired a total of 33 foreign employees and 157 employees with disabilities. The operating locations in Taiwan and Thailand both met or exceeded the minimum employment threshold for employees with disabilities required under the local laws and regulations. Although the location in China failed to attain the 1.5% incentive quota for the statutory employment of employees with disabilities, it still strives to recruit suitable personnel to seek the social insurance credit or exemption. The following shows age and gender distribution of employees at Primax Group:

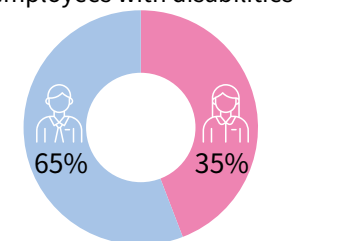


Note: 1. Foreign employees are defined as foreigners who are not the local natives.
2. The male-to-female ratio of foreign employees in each region = the number of male (female) foreign employees in each region in 2023 / the total number of employees in each region in 2023.
3. The male-to-female ratio of employees with disabilities in each region = the number of male (female) employees with disabilities in each region in 2023 / the total number of employees in each region in 2023.
4. The above information is compiled based on records of the active non-employee workers in the human resource system dated December 31, 2023. No assumption was applied.
5. Although Taiwan's disability employment ratio is 0.76, we still employs the full number of persons with disabilities after weighting.

Primax Group's gender ratio of foreign employees



Primax Group's gender ratio of employees with disabilities



Column

Primax Electronics won the "DEI Diversity for Better Tomorrow Award-Gold Award" in 2023.

Primax Electronics is committed to creating a trustful and open workplace where employees can feel respected and belonged, and are able to express their thoughts and opinions without fear. It won the "2023 DEI-Gold Award" when attending the competition for the first time. Thank for the highest honor awarded by the jury. On the road to practicing DEI, Primax will be never absent, and will keep improving based its original intention for "People-oriented and Sustainable Management."

Our commitment to promoting diversity, equity, and inclusion includes:

- Friendly breeding measures: Work from home for four weeks after delivery, maternity gifts and allowances, childcare subsidies, breastfeeding rooms, discounts for childcare centers by contract, and childcare leave without pay.
- Occupational family balance: A leave system that is better than that provided under laws, flexible working hours, and remote work.
- Creation of a secure workplace: "Zero-tolerance" stance against infringement at workplace, Gender-friendly restrooms, gender-specific marriage leave and insurance.
- Social inclusion and common good: Fulfill the corporate social responsibilities, including providing employee with volunteer leave to participate in community and volunteer activities to care for and feed back to society; paying attention to the needs of underrepresented groups and injecting resources for education in remote areas, physically and mentally disabled and care for the elderly.



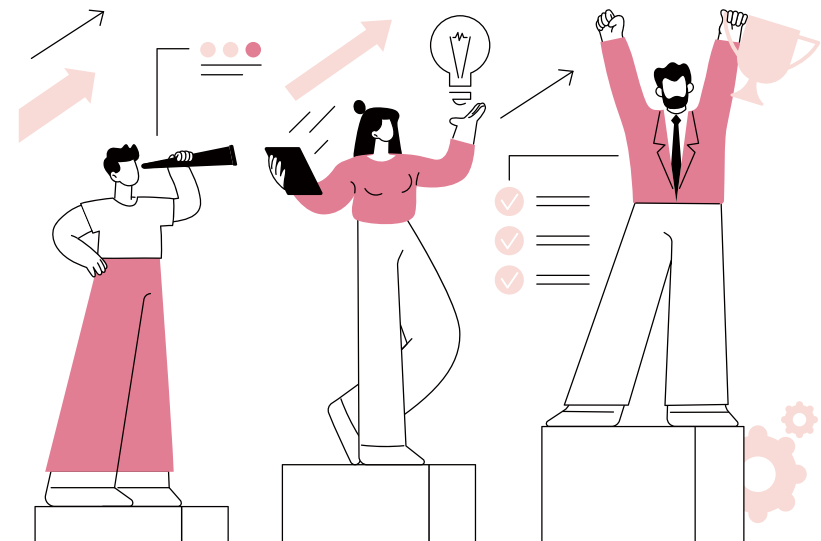
Employees with disabilities enjoy working.



The diligent work of employees with disabilities in Thailand



The diligent work of employees with disabilities in Chongqing



6.3 Talent attraction and retention

Talent Management

Material ESG Issue: Talent Recruitment and Retention, Talent Development and Cultivation, and Labor-Management Relationship

- [GRI] Market Presence: 202-1; Labor-employer Relationship: 401-1~401-3; Labor-Management Relationship: 402-1; Economic Performance: 201-3; Training and Education: 404-1~404-3; Diversity and Equal Opportunity: 405-2.
- [DJSI] Talent Attraction and Retention, Human Capital Development..
- [MSCI] Labor Management

Management purpose and importance

In addition to maintaining strong business operations, Primax places the well-being of its employees at the top priority, and commits significant costs to developing human resources so that it may maintain its competitive advantage in terms of R&D. Primax attracts and retains industry's top talents as a means to stay competitive, which makes it one of job seekers' most ideal employers.

Remedial Measures

- Established a digital Talent Bank system to complement various talent recruitment, rotation, and retention programs, serving as a powerful tool for building a talent
- In the event of operational changes requiring employee layoffs, Primax will engage in thorough communication with employees. In cases where actual negative events occur, individual remediation plans will be formulated to minimize negative harm.

Short-term indicators/goals

- Comply with labor laws and regulations (or better than labor laws and regulations) and provide a work model, featuring work-life balance, and receive the certification and recognition of employee care.

Goal achievement rate/performance

- ☺ In 2023, the Group won a total of 10 employee care-related certifications and recognitions.
- ☺ Primax Group's employee salary and benefit expenses accounted for approximately 14.5% of the annual operating revenue
- ☺ The average salary for non-managerial positions in 2023 was NT\$1.627 million.
- ☺ In 2023, a total of NT\$2.427 million was distributed as maternity gifts and childcare subsidies.

Mid-term and long-term indicators/goals

- Maximizing yield for shareholders and customers, and creating a joyful environment for employees to work in.

Specific actions in 2023

- Build a digital talent bank, and the number of keyword searches in the internal talent bank reached 1,841 times in 2023.
- Continue to provide and expand employee welfare measures that are better than those provided under laws and regulations.
- 100% of full-time employees participated in the performance evaluation.
- Employees of Primax Group participated in training courses organized by the Human Resources Department, with a total training duration of 106,735 hours. On average, each employee received 10.81 hours of training.

Performance management achievements

- Percentage of Primax Group's female senior managers reaching 14.3%
- Percentage of Primax Group's female managers reaching 24.1%
- The satisfaction rate of the 2023 successor candidates is 53%, of which five will succeed to the relevant positions at the end of the year.
- Primax Taipei won the 2023 HR Asia-Best Companies to Work for in Asia and Commonwealth Sustainable Talent Awards.
- Tymphony Huizhou won the caring company award in 2023.
- Tymphony Taipei won the 2023 Healthy Workplace-Vitality Award and HR Asia-Caring Company Award.
- Primax Dongguan won the awards including the Best ESG Companies to Work for and Best Human Resources Team.

Explanation of impact measurement quantification

- Affected external stakeholders:** customers
- Impact description: Insufficient manpower required for production capacity affects the delivery time.
- Avoidance of **increase in social** costs: Improve employee benefits and salary packages to increase employee retention rate and reduce turnover rate, in response to the production capacity required by customers and avoid customer-related financial losses caused by delay in delivery.
- Impact performance: The voluntary turnover rate has been declining in the past three years.

Note: ☺ Goal achieved ☹ Goals achieved continuously ☹ Goal not achieved

Diverse and complete recruitment channels

We value and care for employees' actual experiences in the workplace. Primax constantly observes new recruits and resigned employees, and evaluates the effectiveness of existing measures and welfare to determine whether it has accomplished its goal of creating an equal and friendly workplace.

In terms of talent recruitment, we have worked closely with 104 Job Bank for five years. Each year, both parties discuss the key recruitment points and marketing proposals for the year and build Primax' s exclusive recruitment webpage at 104 to introduce the company' s business, vacancies, and benefits with pictures and texts, to attract talents from all over the world to join Primax.

Certainly, internal talent is also a crucial partner for us. To address this, Primax has established a digital Talent Bank system to complement various talent recruitment, rotation, and retention programs, serving as a powerful tool for building a talent pipeline. We have integrated the Human Capital Management (HCM) system, performance management system, enterprise process management platform, and internal and external talent resumes upload to enhance the functionality of the Talent Bank. Additionally, we can also store the information of outstanding external candidates in the Primax Talent Bank.

We have completed the maintenance of all new employees' personal resumes in the Talent Bank during the probation period.

The number of keyword searches (including advanced searches) in the internal talent bank reached 2,065 times in 2023.

New Hiring percentage

In 2023, Primax Group hired a total of 3,669 new employees (2,048 males and 1,621 females), with an average monthly new hiring percentage of 3.1%. Among them, Primax Electronics hired a total of 2,674 new hires (1,483 males and 1,191 females), with an average monthly new hiring percentage of 3.41%. Additionally, Tymphany hired a total of 995 new employees (565 males and 430 females), with an average monthly new hiring percentage of 2.1%.

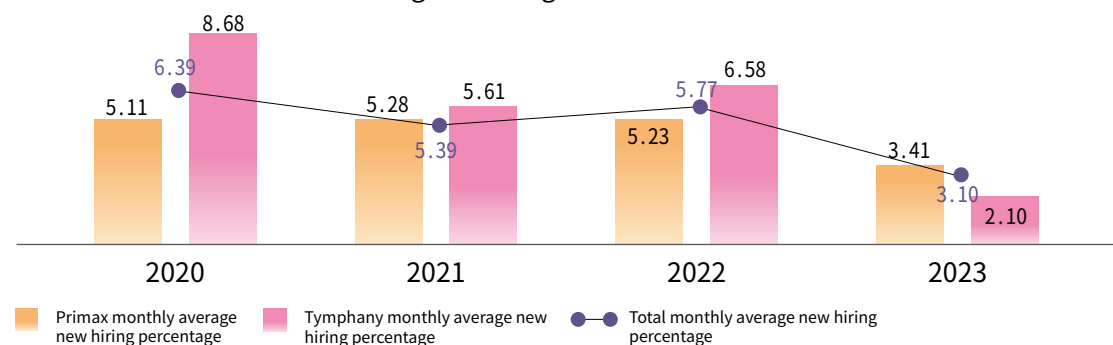
2023 Primax Group New Hires Overview

Location	Below 30		30-50		Age 51 and above		Total	
	Male	Female	Male	Female	Male	Female	Number	Percentage
Taiwan	30	29	88	40	10	2	199	1.26%
Mainland China	1,109	810	691	596	1	0	3,207	3.65%
Thailand	43	97	75	47	1	0	263	1.76%
Total	1,182	936	854	683	12	2	3,669	3.10%
Category ratio <small>Note 2</small>	4.28%	3.39%	0.99%	0.79%	0.24%	0.04%		

Note: 1. The average monthly new hiring percentage for employees in each region = Total new hires in each region in 2023 / Total employees in each operating location / 12 months.

2. The average monthly new hiring percentage for males (females) in a specific age group = Total new male (female) hires in that age group in 2023 / Total employees in that age group in Primax Group at the end of 2023 / 12 months.

New Hiring Percentages in the 4 Recent Years



Turnover rate

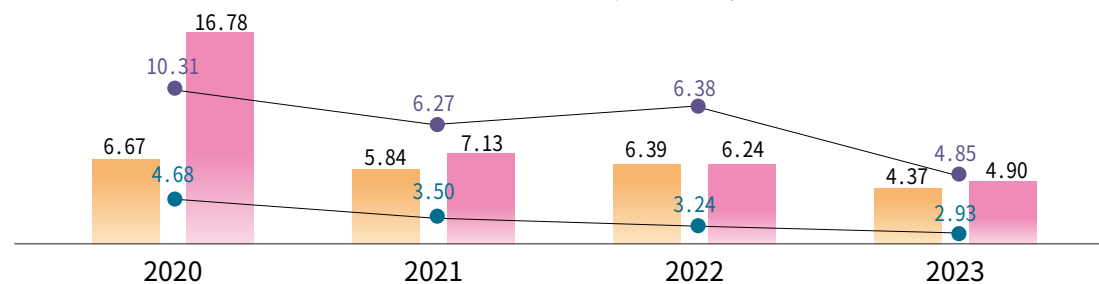
Primax Group complies strictly with labor regulations with respect to the termination of employment. Any major change of employment term is duly notified according to laws and in compliance with the Standards Act of the Republic of China or Labor Law of the People's Republic of China. In 2023, Primax Group had a total of 5,742 employees who left the company (3,143 males and 2,599 females), with an average monthly turnover rate of 4.85%. Among them, Primax Electronics had a total of 3,429 employees who left the company (1,901 males and 1,528 females), with an average monthly turnover rate of 4.37%. Additionally, Tymphony had a total of 2,313 employees who left the company (1,242 males and 1,071 females), with an average monthly turnover rate of 4.9%.

2023 Primax Group Departed Employee Overview

Location	Below 30		30-50		Age 51 and above		Total	
	Male	Female	Male	Female	Male	Female	Number	Percentage
Taiwan	16	14	113	52	30	6	231	1.46%
Mainland China	1,434	968	1,359	1,166	31	38	4,996	5.69%
Thailand	68	206	92	148	0	1	515	3.45%
Total	1,518	1,188	1,564	1,366	61	45	5,742	4.85%
Category ratio Note 2	0.09%	0.10%	0.60%	0.32%	4.10%	1.11%		

Note: 1. Monthly average of employee turnover rate in each area = number of people who resigned in each operating site in 2023/total employee count of the given site at the end of 2023/12 months.
2. The average monthly turnover rate for males (females) in a specific age group = Total male (female) employees who left the company in that age group in 2023/Total employees in that age group in Primax Group at the end of 2023/12 months.
3. Departed employees include employees who had voluntarily or involuntarily dismissed or retired, exclusive of those on leave without pay.

Turnover rate over the past four years



Note: The voluntary turnover rate refers to the total turnover rate for employees including full-time, temporary, indirect, and direct employees; voluntary turnover includes employees who retire at age and retire early..

■ Primax monthly average turnover rate
■ Monthly average of turnover rate of Tymphony
● Total monthly average turnover rate
● Total monthly average turnover rate



Protection of employees' interest

In terms of workforce management, Primax Group complies strictly with local labor regulations wherever it operates. Employment relations at Chinese production sites are governed by the "Employment Contract Law." Our human resource department has been entrusted with the responsibility of managing workplace and talent development. Not only does it oversee an extensive scope of personnel affairs including talent diversity, interdepartmental transfer, employee communication, employee care, learning and development, remuneration, welfare and incentives, the department also conducts regular tracking and analysis of human resources to help managers improve work performance and productivity, and offer insights that are useful to the senior management in reviewing performance of the existing workforce.

Primax Dongguan and Kunshan have established the labor unions, and the collective agreement covers all employees (accounting for 34.78% of the Group's employees). Tymphany Huizhou and Dongguan also have established the labor unions, There are also labor unions in Huizhou and Dongguan, but no collective agreement is executed regularly. Although other locations do not have labor unions or signed collective agreements, regular communication meetings, labor-management meetings, and welfare committee meetings allow employees to express their opinions and effectively resolve their issues. In 2023, employees of all operating locations of Primax Group filed complaints with the supervisors and HR, and submitted proposals to the corporate platform via WeChat and labor unions, through interviews with entry-level employees, mailboxes or email, or directly. The proposals included a series of daily life issues such as employees' basic necessities, food, clothing, housing and transportation, as well as work and company welfare issues. In addition to the labor unions, employees can also submit their opinions through the employee feedback mailbox, which is regularly opened by HR to feed back to problems.

All grievance channels and labor union members exercise their functions to help employees communicate their problems and effectively improve their problems through meetings. The Group's employees have reflected and communicated their opinions through labor-management meetings, labor union meetings, and Welfare Committee meetings, as well as the opinion mailbox. In 2023, 747 out of a total of 752 cases had been resolved and responded, with a response rate of 99.3%.

Primax labor-management communication channels



Reasonable compensation system

To enable employees to have a better quality of life, we provide a reasonable salary system, while complying with government policies in every aspect concerning salaries, and refrains from assigning employees to unsuitable positions just to reduce personnel cost. We also uphold fairness and justice in employment by awarding employees the titles and salaries they deserve, and making sure that everyone is appropriately compensated to care for them and their families.

There was no gender discrepancy in terms of "entry-level salary to minimum salary ratio" within the Primax Group. Furthermore, the Company's lowest salary package remains above the local minimum salary, meaning that no employee is compensated below the minimum salary. The workers employed by the Group as per local regulations on entry-level personnel and their salaries are paid in accordance with local policies.

Primax Group also strives to ensure equality in salary and eliminate gender discrimination in the workplace by reducing salary difference between genders as much as possible. Our remuneration policies in various locations not only comply with local regulations, but are regularly revised to conform with market levels. We gather local salary surveys to provide the basis for adjusting our remuneration policies; in doing so, we are able to maintain the competitiveness of our compensation package while at the same time ensuring fairness of remuneration internally.

Our appointment and salary calculation are determined in reference to the salary structure corresponding to the internal job ranks, irrespective of gender. Meanwhile, we also guarantee the annual salary subject to the job rank for a total of 13~14 months. The remuneration consists of fixed salary and variable reward. The fixed salary refers to the base pay for employees, while the variable

reward is primarily linked to the operating performance and achievement of goals by the Company (or various business units). We also establish the long-term and short-term incentives, deferred payment, and peer comparison mechanisms. Further, in order to recognize employees' efforts and encourage employees, we also provide incentives for employees, including monthly productivity bonuses, proposal bonuses, patent bonuses, seniority bonuses, informal incentives and quarterly group bonuses, etc., as the corresponding reward for the employees who have worked hard and performed valuable services. According to the information provided by the Market Observation Post System (MOPS) and the annual report of the same year, the ratio of median employee remuneration to the Chairman's total remuneration in 2023 is approximately 1:11.03. Notwithstanding, due to retirement of the Chairman and re-election of the new Chairman, the data about the ratio of changes in the annual total remuneration might have no reference value; therefore, they are expected to be disclosed in next year. For details of the employee remuneration contribution ratio and calculation method, please refer to "P 54 ~P 55 of 2023 Annual Report of Annual General Meeting."

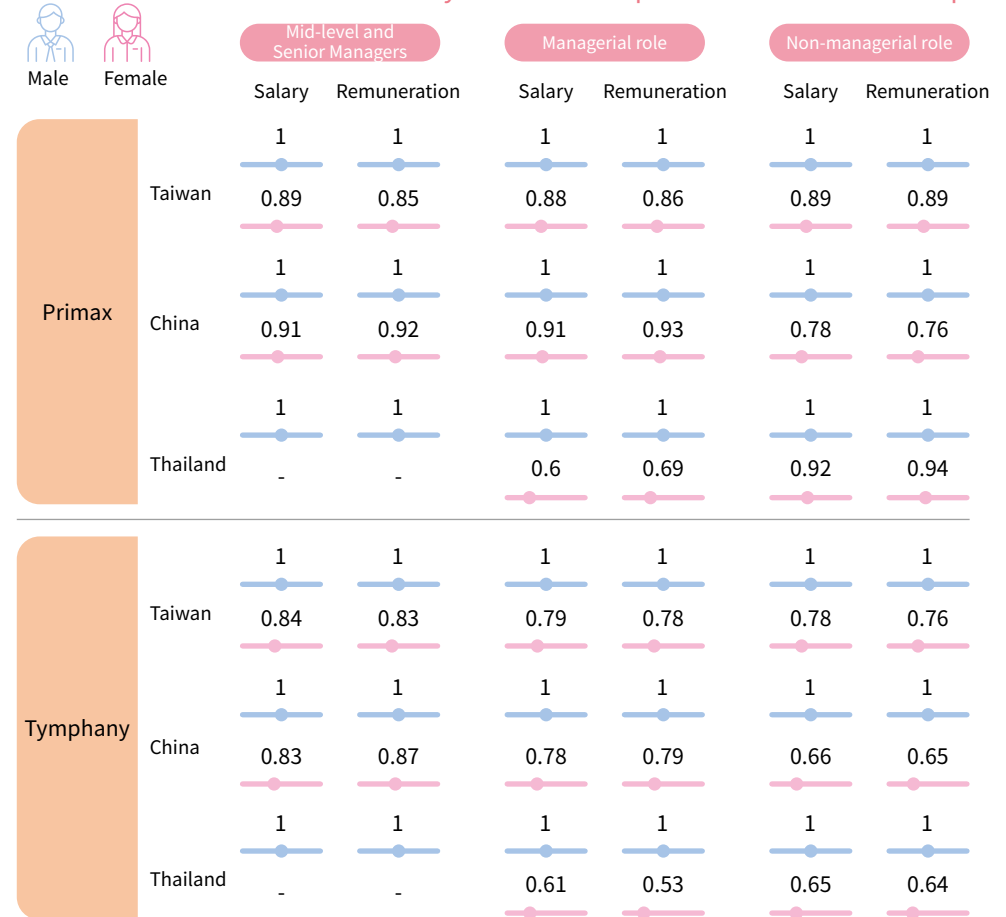
Ratio of the salary of entry-level employees of Primax Group and local minimum wages by gender

Local minimum salary ratio



Note: 1. Minimum wages set by various governments in 2023 (in New Taiwan Dollars, RMB/TWD = 4.21, THB/TWD = 0.94): NT\$26,400 (Taipei), NT\$9,601 (Kunshan), NT\$8,843 (Chongqing), NT\$8,001 (Dongguan), NT\$9,983 (Thailand), NT\$7,602.4 (Huizhou).
2. Percentage by gender: local minimum salary ratio = minimum salary of respective gender/local minimum salary of the respective site.
3. Entry-level employee is defined as all full-time employees in Taiwan and all direct employees in China/Thailand.

Ratio of female to male basic salary and total compensation of Primax Group



Note: 1. Salary refers to the guaranteed base pay, while remuneration is guaranteed base pay+bonus.
2. The mid-level and senior managers refer to the managerial position or above. There are no female mid-level and senior managers in Thailand Plant.
3. The calculation is based on the remuneration of incumbent employees as of December 31, 2023 (2023/1/1~2023/12/31).
4. The statistics are based on the NTD exchange rate: RMB/TWD = 4.24, THB/TWD = 0.91.
5. Remuneration to Non-managerial roles excludes direct personnel.
6. The ratio of salaries and remuneration for male employees is higher than that of female employees. The salary calculation criteria vary primarily based on professionalism, job grade and job rank, instead of gender.

Employee care and benefit system

The welfare system is a true representation of Primax Group's care for employees, as it caters for employees' every need at work. Primax has an Employee Welfare Committee in place to organize recreational activities and subsidies for employees. The committee constantly strives to expand the welfare system in order to provide employees the most complete care possible and enrich their private lives outside of work. Improvement of work-life balance and quality is what motivates the Employee Welfare Committee to devote attention in bringing the best benefits and developing the best welfare system for employees. Primax has implemented comprehensive welfare systems at all of its operations. Although welfare systems may vary in detail, they nevertheless comply or exceed local regulatory requirements. The following is a detailed description of various welfare systems in place:

Employee welfare system



Envious Group insurance

- In Primax, group insurance not only covers employees themselves, but also extends to spouse and unlimited number of children. Insurance premiums are 100% paid by the Company.
- Primax group insurance covers life insurance, accident insurance, accidental injury medical insurance, hospital medical insurance, cancer medical insurance, and critical illness insurance.
- As for Chinese operations, employees are entitled to social insurance, which covers unemployment, work injury, retirement and healthcare. Premiums on social insurance and accident insurance are paid according to local regulations.
- As for Tymphany (subsidiary), employees are covered by life, medical and disability insurance, for which the subsidiary pays social insurance and accident insurance premiums according to local policy.
- As for the Group's Thailand Plant, employees are entitled to social insurance, which covers unemployment, work injury, retirement and healthcare. Premiums on social insurance and accident insurance are paid according to local regulations. Meanwhile, we provide employees with group insurance to cover medical care, occupational injuries and accidental injuries, and offer the subsidy for 30 outpatient visits per year, THB300 each time.



Flexible leaves

- Primax Taipei adopts a flexible work-hour policy. Employees are free to choose their work commencement and ending times outside the mandatory session to accommodate their needs, as long as they meet the 8-hour requirement per day.
- Primax employees are entitled to Primax Holiday, a leave system more generous than the typical unpaid leave, illness leave, maternity leave, and parental leave mandated by law.
- Primax's Taipei has provided a more flexible work model, allowing employees to apply for WFH four times a month.
- Primax employees in China are allowed to return their hometown and take vacation during consecutive holidays, and choose flexible adjustment on vacation. We also offer family visit leave during the Lunar Year holidays.
- The Group's Thailand plant allows 15 days of leave per year, which is better than the two-day leave prescribed by the government, which includes traditional Thai festivals, such as Labor Day, New Year, Water Festival and Songkran Festival.



Benefits

- Primax Group provides common benefits including festive bonus (Chinese New Year, Dragon Boat Festival and Mid-autumn Festival), birthday cash, and travel subsidies. At Primax Taipei, employees are entitled to additional benefits such as a year-end bonus, wedding/funeral/childbirth/hospitalization subsidies, education subsidies for self and children, club subsidies, meal subsidies, childcare subsidies, arts/culture subsidies, and book subsidies.
- In all the manufacturing facilities of Primax in mainland China, we provide benefits such as marriage, funeral, childbirth allowances, and year-end bonuses. Additionally, the Dongguan manufacturing base offers special benefits like club subsidies, Lunar Year packages, and emergency assistance through the Love and Care Fund. Furthermore, the Chongqing plant provides hospitalization consolation funds as an additional benefit.
- Tymphany ECP provides benefits such as marriage, funeral, childbirth allowances, and year-end bonuses. Additionally, the Dongguan manufacturing base offers special benefits like club subsidies, Chinese New Year packages, and emergency assistance through the Love and Care Fund. Furthermore, the Huizhou plant provides hospitalization consolation funds as an additional benefit.
- The Group's Thailand Plant also provides employees with related benefits of ThB1,500 each time for marriage and bereavement leave.



Facilities

- Primax Taipei offers staff dinner, cafeteria, and smart vending machines.
- All Primax's plants in China provide dormitory and staff dining area, and Primax Dongguan has an entire building constructed for leisure purpose.
- The Employee Welfare Committee (ECP) in Tymphany provides employee canteens and dormitories. During special holidays, the canteens also offer additional meals. In Taipei, Tymphany's ECP provides daily meal vouchers worth NT\$30 that can be used to offset meal expenses at contracted vendors.
- The Group's Thailand Plant has established the canteen for employees, and employees are entitled to meal allowance. The lunch menu offers festive delicacies from time to time.



Pension plan

- Employee pension (applies to employees in Taiwan; contributions are made under the new or old scheme).
- Social Insurance (China and Thailand).



Group gathering

- Apart from year-end banquets, Primax Taipei organizes events such as Family Day, Technology Expo, and Year-end Thanksgiving Greeting Card Activity to share its love, joy, prospect, and vision with employees.
- Each year, various large-scale celebration events are held at different facilities of Primax in mainland China:
 - Primax Chongqing organizes the Primax Electronics 2nd Phoenix Lake Relay Race and the Mid-Autumn Fun Fair.
 - Primax Dongguan hosts the Primax karaoke competition, basketball matches, and fun sports events.
 - Primax Kunshan holds table tennis and ping pong competitions, as well as outdoor team-building activities for employees.
- Tymphany also organizes various activities such as basketball tournaments, music festivals, and annual sports events.
- The Group's Thailand Plant organizes monthly employee activities, such as the Songkran Festival blessing activity in April and the Water Festival activities, and a large-scale party activity at the end of each year.



Group trip and leisure activities

- Primax Group regularly organizes different types of group travel for employees every year and provides employees and their families with subsidies for relevant travel expenses.
- In terms of social clubs, Primax Taipei offers 10 clubs, including muscle training, yoga, sculpt yoga, aerobic boxing, basketball, badminton, jogging, arts, floral design, and coffee.
- There are seven clubs at the Primax Dongguan, namely football, badminton, biking, basketball, dance, volunteer, and the Wind Trumper outdoor activities..
- Primax Chongqing has set up 6 clubs including the Football Club, Badminton Club, Basketball Club, Running Club, Volunteer Club, and Cycling Club.
- Primax Kunshan has one Badminton Club..
- Tymphany offers multiple clubs including: basketball, soccer, dancing, badminton, yoga, shrimp fishing, coffee, and musical instruments. Employees may join any club if they want to develop hobbies at work.
- Primax Thailand established a volunteer club to organize regular volunteer activities, such as visiting orphanages to care for children with AIDS, provide scholarships on Children's Day, and support Children's Day-related activities in the park.



Employee care

- In both Primax Taipei and Primax Dongguan, there are medical centers with stationed medical personnel who provide emergency medical assistance, disease prevention, medical consultation, and other services for employees. Additionally, each department is equipped with medical kits for use in urgent situations.
- Primax Taipei has an Employee Assistance Program (EAP) hotline to address family, medical, legal, psychological, and financial issues effectively. They also employ visually impaired massage therapists to offer stress-relief massages, alleviating common shoulder and neck pain caused by long hours of office work for employees.
- Primax Chongqing and Kunshan plants have established service agreements with nearby medical centers or community hospitals to provide emergency medical assistance. At Tymphany, employees are entitled to complimentary health checkup and infirmary service. Shuttle bus service has been arranged to help employees reduce spending on commuting.
- The Group's Thailand Plant conducts an annual health checkup for employees in accordance with government regulations, and organizes lectures and activities on physical and mental care.

6.1 Human Rights Management
safety6.2 Workplace of Diversity and Inclusivity
6.6 Diverse and Effective Employee Communication

► 6.3 Talent attraction and retention

6.4 Talent Development and Cultivation



Party activity for Kunshan employees



TW Guizikeng hiking activity



Party activity for Chongqing employees



Club activities



One-day trip for employees



Chinese New Year group worship



PMX leisure environment



Party activity for PMX employees



CN Primax Dongguan karaoke competition



Two-day trip for employees



Club activities



CN Leisure Building

Primax Electronics won the recognition by "2023 HR Asia-Best Companies to Work for in Asia"



Best Employer Award

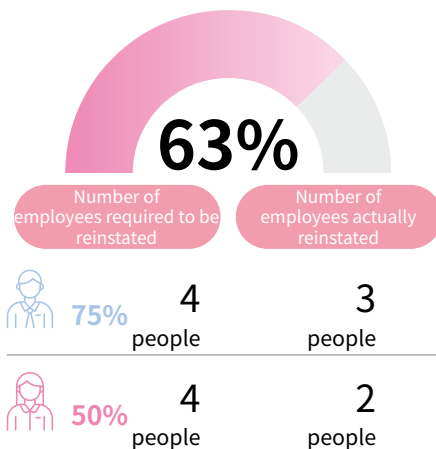
Primax stood out from 366 companies in the "HR Asia-Best Companies to Work for in Asia" competition organized by HR Asia and won the honor for three consecutive years. Primax's performance in the three indicators of "Organizational Culture, Employee Identity, and Team Cohesion" are all higher than the average in the industry, showing the recognition of Primax's efforts in caring for employees' physical and mental health, improving the workplace experience, and creating a culture of equality and inclusion. The award is dedicated to all Primax employees. Thank you for your support and recognition. Primax will continue to work hard to create a happy workplace for sustainable talents!

Parental benefits

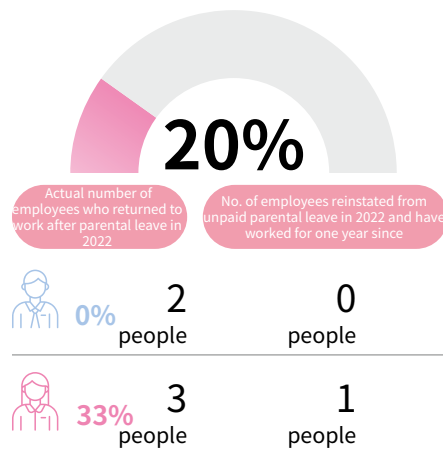
In order to encourage employee productivity and provide sufficient time for rest or to accompany and care for family members during the pre and post-production process, Primax Group implements the requirements about parental leave applicable at various locations. Moreover, they have designed additional welfare benefits for employee childbirth and care, which are superior than those required by laws and regulations. For instance, in all Primax manufacturing sites in mainland China, they have established dedicated areas for pregnant women to dine, rest, and breastfeed. Primax Taipei and Tymphony Taipei provide the system for WFH after childbirth, aiming to alleviate the burdens that employees may experience during the parenting process. Through these comprehensive policies, Primax aims to share the joy of welcoming new life with its employees. Primax Taipei Headquarters once again received Taipei City Certificate for Top Nursery Facility (valid for 3 years) in 2023 for providing employees with a comfortable and accessible nursery space.

In 2023, there were a total of 67 eligible employees (52 males, 15 females) in Primax Taipei who qualified for maternity leave without pay. However, only 7 employees (5 males, 2 females) applied for this leave. At the end of the leave period, there were 5 employees (4 males, 1 female) expected to return to work, but only 3 employees (3 males) actually returned, resulting in a return rate of 60%, and a retention rate of 0% due to personal factors or career development.

2023 Unpaid parental leave
reinstatement rate



2023 Unpaid parental leave
retention rate



Note: The number of employees eligible to apply for unpaid parental leave was determined as the number of employees having received maternity gifts from January 1, 2020 to December 31, 2023.

Primax not only adheres to the local labor regulations concerning maternity benefits for female employees but also provides welfare benefits that exceed the legal requirements in Taipei:

Parent's Best
Friend - Primax
Helps Raise children
up to 6 years old.

Each pregnancy is eligible for a total subsidy of NT\$100,000.

The maternity gift has been increased to NT\$8,000 per birth.

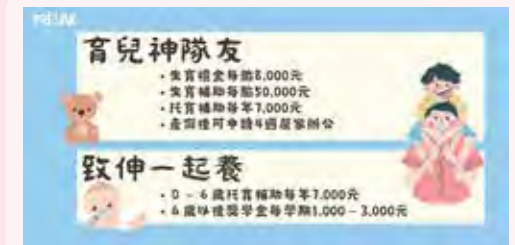
Each childbirth is entitled to a subsidy of NT\$50,000.

Childcare subsidy is provided at NT\$7,000 per year.

To ensure proper care for female employees after childbirth, they can apply for 4 weeks of work-from-home after their maternity leave ends, for balancing work and family after childbirth (a total of 2 employees filed the application in 2023).



Breastfeeding room



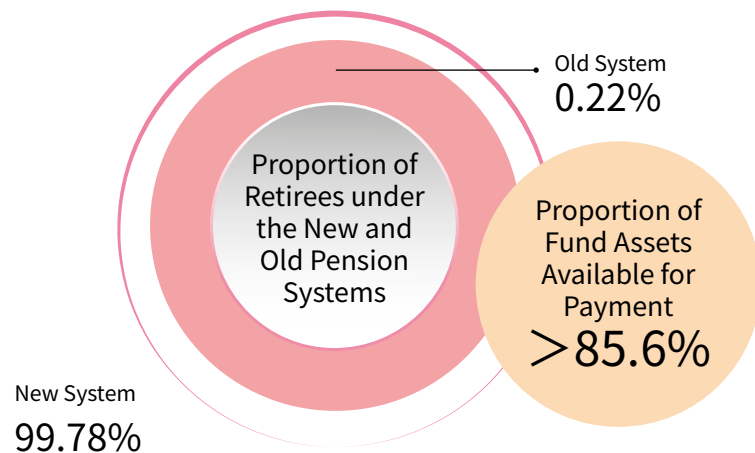
Parenting subsidy poster

Pension scheme

Primax Group cares for employees not only with respect to workplace communication, but also caters for their lives after retirement by maintaining pension systems in compliance with laws of local authorities.

Employees at Primax Taipei are covered by the Labor Standards Act and Labor Pension Act of the Republic of China, under which the Company is required to make regular contributions to employees' pension accounts. In China and Thailand, however, employees are covered by old-age insurance according to the "Social Insurance Law of the People's Republic of China" and "Social Protection Act." The employer contributes a certain percentage of pension (20% in China and 5% in Thailand), in order to allow all employees to enjoy protection without worry after retirement.

During the reporting period, about 0.22% of Primax Taipei employees were subject to the old scheme while 99.78% of employees were subject to the new scheme. Primax had maintained its pension fund assets at 85.6% in excess of pension payable. Retirement regulations at our Chinese operations allow male employees to retire at the age of 60 and female employees at the age of 50, or whenever verified by hospital for total loss of work capacity for either gender. Salary payments normally cease from one month after retirement; however, to reward employees for their hard work over the years, Primax Group provides incentives in addition to the basic pension insurance benefits mandated by law.

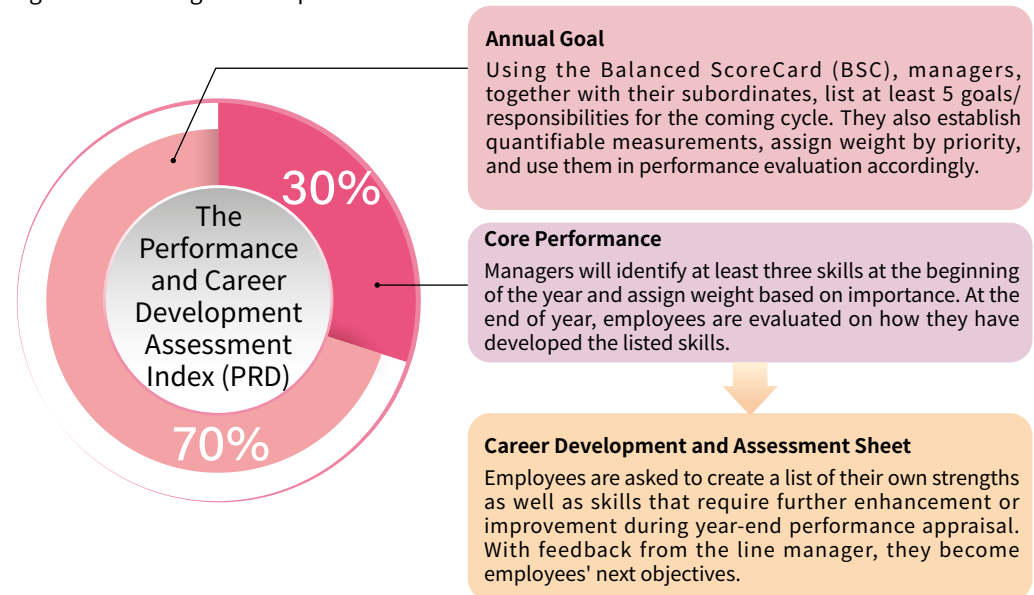


6.4 Talent Development and Cultivation

Comprehensive career development and promotion system

Primax Group has a robust career development and promotion system available to cater for our employees from recruitment, transfer, to retention. These systems have been designed not only to support employees' career development, but also to inspire their potentials and open them up to whole new opportunities.

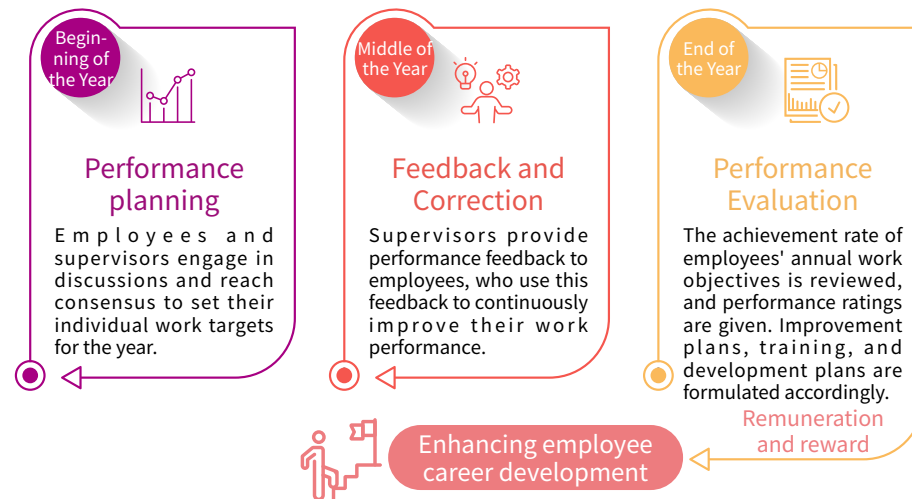
The Company has implemented a PRD (Performance Review and Development) system to facilitate two-way communication between employees and their managers. This process allows employees to develop a thorough understanding about their work performance and the skill sets they are expected to develop in response to future challenges. The PRD also enables employees to customize skills and career development plans to suit their skills, preference, and style. The purpose of the PRD system is to help every Primax employee exceed personal boundaries and discover their endless potentials. The specific measures involve high-level executives establishing operational objectives, followed by two-way communication between each executive and their respective team members at the beginning, middle, and end of the year. This ongoing dynamic communication allows for continuous adjustments, feedback, and guidance throughout the process.



Performance evaluation system

Primax Group offers full protection for employees' rights. Its human resource policies are fully compliant with the Labor Standards Act, and are supported by clearly defined performance evaluation and disciplinary systems. Primax Group outlines performance standards and evaluation criteria for each job role and evaluates employees' performance on a yearly basis, and the outcome affects year-end bonus and salary adjustment. Except for permanent employees with less than 3 month's service and temporary workers under fixed-term contracts, all permanent employees in Primax's Taiwan, China and Thailand operations are entitled to performance evaluation, whereas all employees at Tymphany are subjected to performance evaluation and have access to fair promotion opportunities.

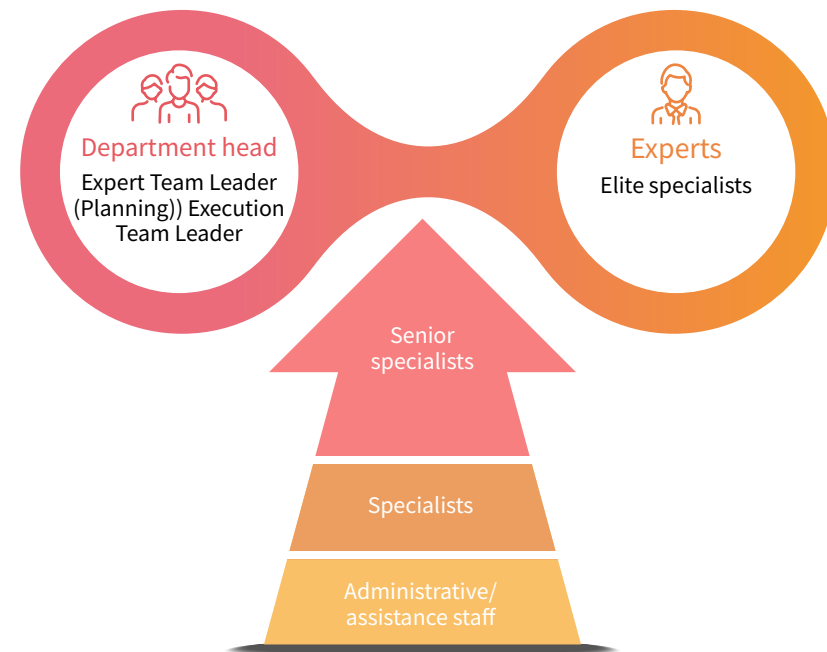
In 2023, **100%** of full-time employees participated in the performance evaluation.



Flexible career development system

At Primax, we differentiate ourselves from other companies by introducing a flexible dual-track career development system, allowing each employee to pursue their individual interests, leverage their strengths, and work towards their career goals, whether in management or professional roles. We provide equal and fair opportunities for advancement in both tracks. Annually, Primax conducts performance reviews at the end of the year, engaging in one-on-one discussions with employees to understand their individual performance and career aspirations. We use the analysis of each employee's annual performance and their career development plans to continuously support and guide their professional growth. Our aim is to empower employees to excel in their areas of expertise while fulfilling their personal career aspirations. Through our flexible dual-track promotion system, we encourage our employees to find a stage where they can thrive, be it in management or professional positions.

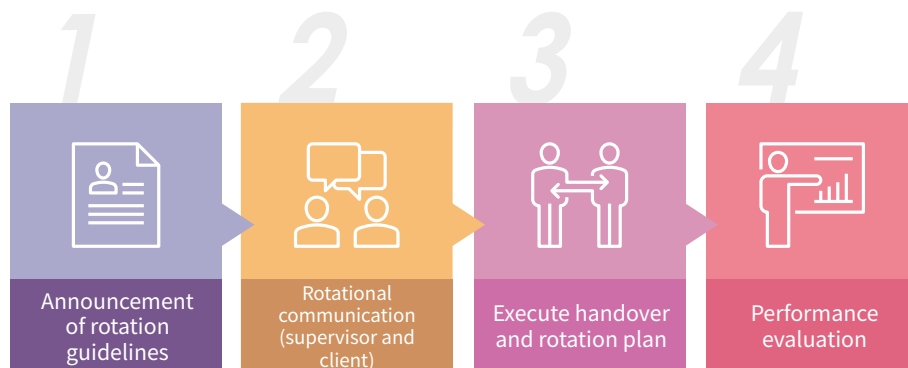
Whether it is a managerial role or a specialist role, there is abundant room to advance and grow for every Primax employee



Internal Job Rotation Program

In order to foster a diverse pool of talents that our organization requires, Primax has developed the "Internal Rotation Policy." This program facilitates internal job rotations, allowing employees to explore their interests, develop their potentials, and broaden their career horizons within the company. Through these rotations, employees can continuously innovate and revitalize the organization while finding opportunities for personal growth and development.

Primax announces its job rotation guidelines at the beginning of each year, which specifies the particular function and criteria of employees to be rotated during the year. The human resource department then coordinates the rotation based on employees' profile and the Company's requirements, while trying to match the "Rotation Plans" proposed by each department. A "Group Annual Rotation Plan" is prepared and submitted for approval by the Guidance Committee. Department heads are required to discuss the approved "Annual Rotation Plan" with each other and with the rotated employees, and formulate a "Rotation Execution Plan" within the specified due date. The Execution Plan needs to cover details such as timing, communication plan, job handover, training program, responsible mentor etc. Once the plans are set, department heads would be required to train or assign mentor to the rotated employee, and complete the necessary procedures so that employees may report on duty at the approved time. Execution and outcome of job rotations are included as part of annual performance review for the department heads involved.



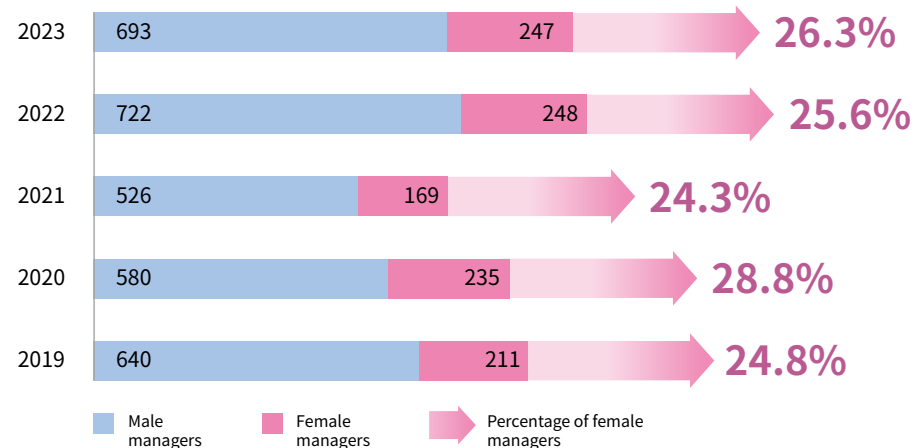
Diverse and equal talent development program

Talent development indicators for female leadership |

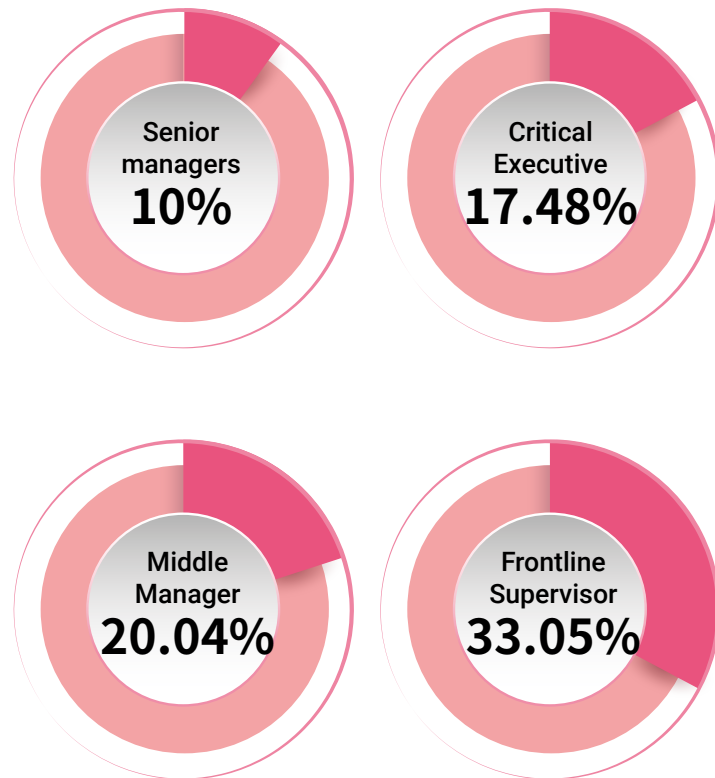
Primax Group upholds a fair and just talent development philosophy, where every individual can feel secure and free to unleash their potential and demonstrate their talents. As part of Primax Group, everyone is encouraged to grow and excel. In pursuit of this vision, Primax has dedicated efforts to promote gender equality and eliminate unfair barriers to career advancement in recent years. To achieve this goal, we are consciously cultivating female leaders and actively promoting young, talented women to various leadership positions. Our aim is to increase the percentage of female key executives, and we project a steady growth to reach 20% female key executives by 2030.

Setting the goal to promote female key executives in the organization: Aiming to achieve **20%** female key executives by 2030.

Percentage of Primax Group's female managers for the most recent five years

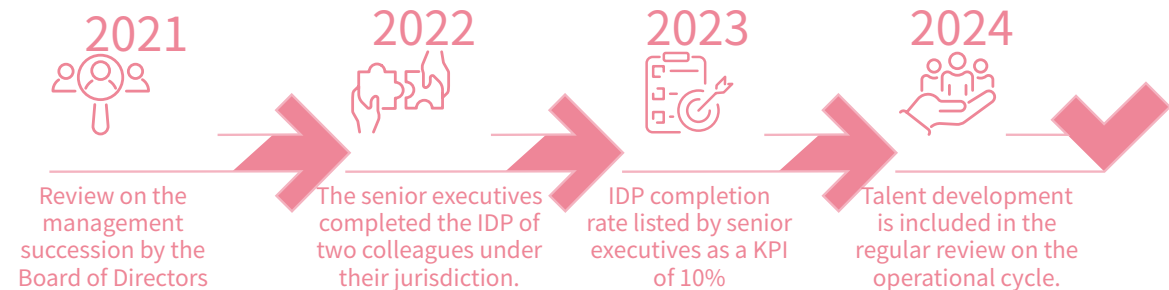


Percentage of female managerial roles within Primax Group in 2023



Note: 1. Senior executives: Report to the CEO at level 2 management positions as the vice president or above.
 2. Key executives: Managerial roles as assistant vice president or above.
 3. Entry-level executives: They are the first-line managerial roles in the management system.
 4. Mid-level executives: Between senior-level and entry-level executives.

| IDP is a grassroots-level plan and the Group's shared goal |



To accelerate the overall progress of the company, the growth and development of each colleague are vital driving forces for the flourishing of Primax. Therefore, optimizing the development plans for each colleague has become a collective goal of the Primax Group. Since 2021, we have expanded the scope of impact step by step. In the past, we focused on the link with operating performance and KPI. However, as we felt that the development of talents is an important part of the Company's sustainable development, we implemented the IDP in stages from top to bottom, requiring each manager to formulate IDP for at least two employees (as the manager's annual KPI), and we review them based on the performance management cycle, to use personal growth to drive the Company's growth. In 2022, a total of 92 talent development plans were successfully executed, with 30 colleagues experiencing job expansions and 17 receiving promotions. In 2023, in addition to the continuation of the implementation scope of the previous year, an inventory of the succession status of key positions is also conducted. Among 88 key positions, the satisfaction rate of the successor candidates is 53%, of which five will succeed to the relevant positions at the end of 2023. In 2024, we internalized the talent development mechanism into the operations management cycle. We convened talent development meetings across business units every six months to review the talent development status, in order to increase the potential talent bank and achieve the goal of sustainable talent development.

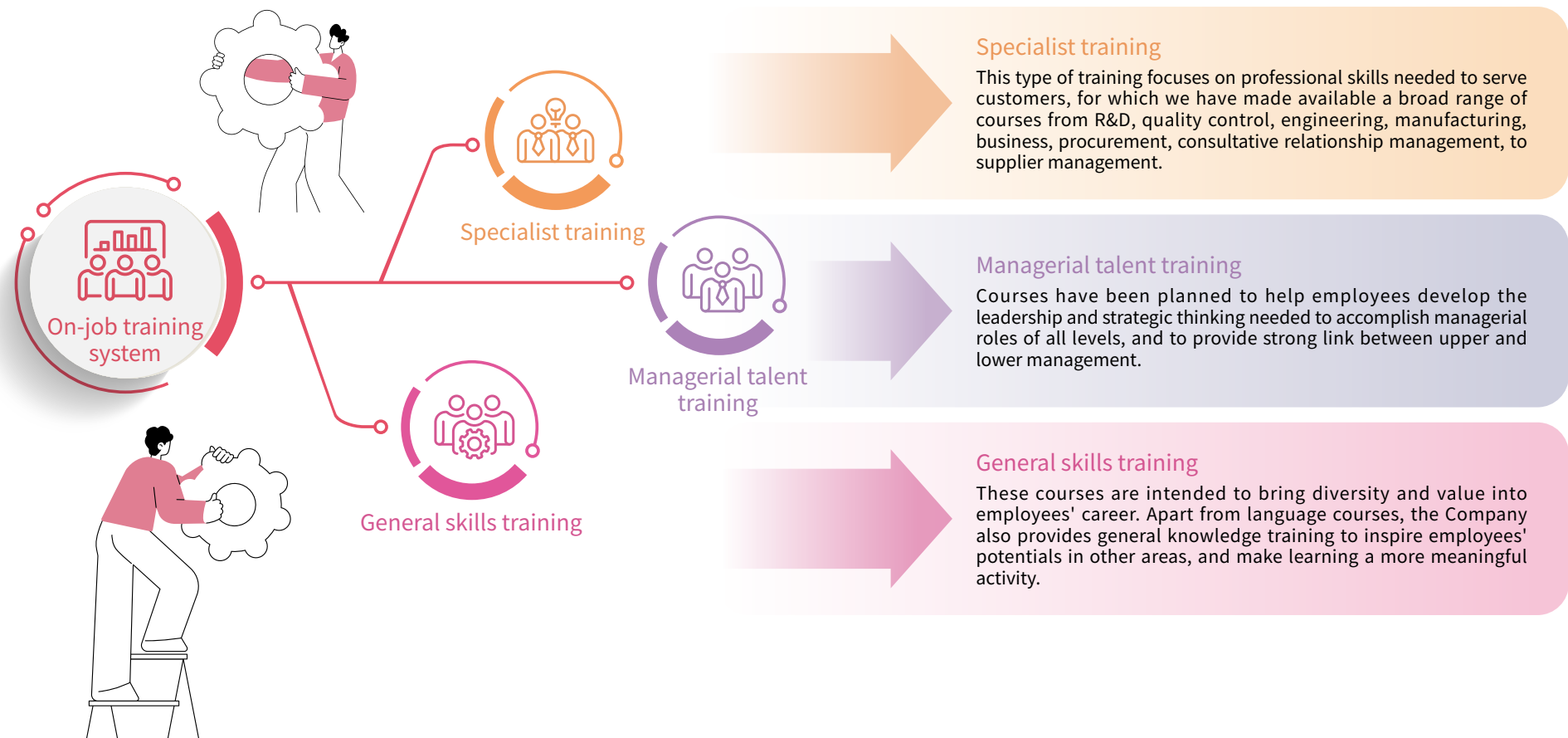
Among 88 key positions, the satisfaction rate of the successor candidates is **53%**, of which **five** will succeed to the relevant positions at the end of 2023

Diverse and self-motivated learning channels

In addition to salary and post-retirement care, Primax believes that spiritual abundance is also very important, so we aim to help employees not only work in the workplace but grow through work. We have planned a complete education and training structure and provided a variety of courses and seminars to help employees learn something, improve their work-related skills, or learn more what they are interested in outside of work. For employees who have employment terminated due to adjustment of business portfolio or job duties, we would ask them if they require assistance with subsequent employment, and refer them to head hunters or employment agencies/websites if needed.

Employee career training system

Primax's learning and development programs are centered around work-related skills. They are closely associated with the Company's future strategies and goals. The training system is divided into the following three categories:



The Company offers a multitude of convenient learning channels to help employees develop new knowledge and skills. These learning channels have been designed to inspire employees' skills and potentials, and make their learning efforts more meaningful. During the learning process, we encourage employees to share what they have learned with colleagues and therefore facilitate growth as a team. Our managers often play the role of mentor and give them the most direct and immediate guidance. It is also part of the managers' responsibility to adjust employees' learning instruments where appropriate. At Tymphany, employees are offered training opportunities on areas such as quality assurance, acoustics, production, administration, and self-development.

Employee career training system



Company courses

Internal training

Available in three main categories (management talent, specialist, and general skills training), the courses offered cover anything from orientation, management skills, technical skills, quality assurance, general knowledge to English etc.

On-job training

Generally refers to training received while performing work activities. On-job training exists in various forms such as meeting participation, project (task) involvement, and job rotation.



Self learning

Self-directed education

To encourage our colleagues to continue learning and improving work-related knowledge and skills, Primax offers flexible working hour arrangements and encourages self-driven on-the-job training.



External training

External specialist training

Employees are fully subsidized for training courses organized by external institutions. These subsidies are provided as an encouragement to continual improvement of professional skills, or development of secondary skills depending on employees' career potentials.

Overseas training

Employees who exhibit exceptional performance and potentials may be chosen to participate in short-term overseas training or conference as an opportunity to broaden their global vision.



Online courses

Online learning and knowledge platform

A Learning Management System has been implemented to provide forum and blog services that employees may utilize to exchange and discuss knowledge. This system is commonly referred to as "e-Learner." The system offers courses that can be studied online, such as general knowledge, basic professional knowledge, and English language.

Training for new hires



Training for managerial personnel



Employee education and training

Primax Group values employees' career development, and all employees are entitled to receive training. In 2023, employees of Primax Group participated in training courses organized by the Human Resources Department, with a total training duration of 106,735 hours. On average, each employee received 10.81 hours of training. The total training expenses were NT\$4,755,155.4.

Training overview of Primax Group employees - 2023

Office location	Taipei				China				Thailand			
Title	Managerial role		Non-managerial role		Managerial role		Non-managerial role		Managerial role		Non-managerial role	
Training hours	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Employee size	337	83	615	283	337	158	3,371	3,446	19	6	294	924
Total training hours	3,433.4	996.1	6,349.5	2,869.2	10,195.6	4,306.1	39,375.1	34,306.5	379.9	260.3	1,577.8	2,685.6
Average training hours	10.19	12.00	10.32	10.14	30.25	27.25	11.68	9.96	19.99	43.38	5.37	2.91

Note: 1. Average training hours by gender and role in each region = total training hours by gender and role in each region in 2023 / 2023 year-end employee count by gender and role per site.
2. The statistics are based on the NTD exchange rate: RMB/TWD = 4.24, THB/TWD = 0.91.

The Group's education and training took
106,735 hours in 2023.

Average training time per employee in the Group
in 2023 was **10.81** hours.

Professional course training



6.5 Health and safety

Safe and healthy workplace management

Material ESG Issue: Occupational Health and Safety

[GRI] Occupational safety and health: 403-1~403-10
[TWSE] Sustainability disclosure indicator No. 4
[DJSI] Occupational Safety and Health

Management purpose and importance

Primax does not compromise on employees' safety. Health is the greatest wealth a person can have, and is the foundation of a brighter future! We promote employees' physical and psychological health, enhance their safety awareness, and work to establish a working environment, featuring occupational safety, health, and comfortable, to take care of our employees

Remedial Measures

Primax is actively strengthening occupational safety measures and prevention to mitigate risks in the workplace. We are committed to creating a sustainable and healthy work environment through health services and promotion activities. Ensuring the health and safety rights of all employees is our priority. In the event of occupational accidents, the company will provide full assistance to injured employees in applying for relevant insurance claims and will adjust job responsibilities based on their recovery status.

Short-term indicators/goals

- No incident of occupational illness
- No serious occupational injury
- The deficiency improvement rate in the main manufacturing sites in China and Thailand in 2023 was 95%.

Goal achievement rate/performance

- ☺ No incident of occupational illness
- ☺ No serious occupational injury
- ☺ The deficiency improvement rate in the main manufacturing sites in China and Thailand in 2023 was 100%.

Mid-term and long-term indicators/goals

- No incident of occupational illness
- No serious occupational injury

Specific actions in 2023

- Main manufacturing sites already implemented the ISO 45001 - Occupational Health and Safety Management System.
- The total amount invested in occupational safety and injury prevention education and training is NT\$689,636.
- A total of 1,138 occupational safety and health hazard identification and risk assessment operations were performed at the main manufacturing sites in China and Thailand, free from any high-risk items.
- A total of 2,977 employees at major manufacturing sites in China and Thailand completed the special job health checkups (including those subject to pre-job training, on duty and leaving the post in China Plant, and those subject to pre-job training and on duty in Thailand Plant).
- A total of 1,014 employees at Primax Taipei Headquarters and Tymphany Taipei Office completed the health checkups.
- Primax Taipei Headquarters' general health checkup added six items, ultrasound, and four cancer screening items that are superior than those provided under laws and regulations.
- We received an enthusiastic response from 3,226 people attending Primax Taipei Headquarters' Healthy Weight Loss Season project, of which 212 people participated in the weight loss project.
- Primax Taipei Headquarters has set up an EAP employee assistance hotline.

Performance management achievements

- Primax Group encountered no incidents of material occupational injuries.
- Primax Group encountered no incidents of occupational disease.
- Satisfaction with Primax Taipei's EAP and health promotion activities approaching full mark
- Primax Taipei weight loss project has promoted a total weight loss of 571.5 kg.
- Tymphany Taipei won the Healthy Workplace-Vitality Award from Health Promotion Administration.

Explanation of impact measurement quantification

- Impact description: The occurrence of occupational accidents will result in social costs.
- Avoidance of **increase in social costs**: Primax suffered no serious occupational injuries in 2023. There were a total of 52 occupational injury cases throughout the Group. Based on the UK HSE 2023 "Costs to Britain of Workplace Fatalities and Self-Reported Injuries and Ill Health, 2021/22," the average social cost caused by each occupational injury was GBP12,200 (including financial and labor costs). Based on such factor, Primax calculated the social cost to be derived from occupational accidents as approximately NT\$25 million in 2023. However, the disabling injury severity rate of Primax decreased in 2023 from 2022, reflecting that although the number of occupational accidents has increased, the number of loss days for employees decreased. This result has not been quantified for the time being.

Note: ☺ Goal achieved ☹ Goals achieved continuously ☹ Goal not achieved

Occupational health and safety management

To align with the international trends in occupational health and safety management and enhance regulatory compliance, Primax Group has proactively responded to customer concerns regarding occupational safety and health. Our main production sites, including three facilities in China, one in Thailand, two facilities for Tymphany in China, and Thailand Plant and Czech Plant, a total of eight sites, have all implemented the ISO 45001 Occupational Health and Safety Management System. These sites have also obtained certification from a third-party verification agency, SGS, and also ISO 45001 certificate. Although Primax Taipei and Tymphany Taipei have not yet implemented the ISO 45001 external audit, the management system and related management processes still apply. Among them, Primax Taipei Headquarters is expected to plan the ISO 45001 external audit and obtain the verification certificate after the Hsinchu Plant starts operations in 2025.

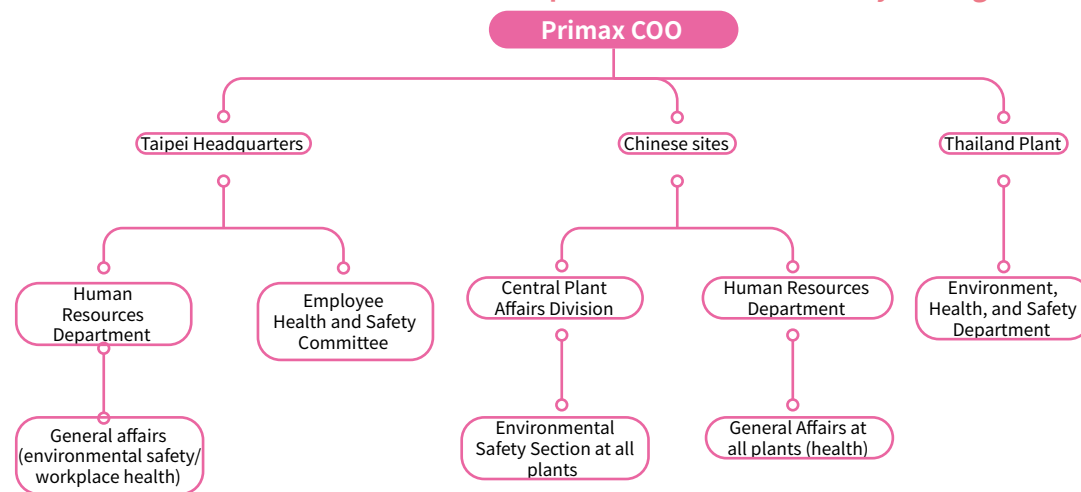
The applicable scope of the management system covers 100% of all workers in the Group (including employees, regular and temporary non-employee workers). Each production site of the Group and Primax Taipei perform the internal audit regularly, with the employee coverage rate 93.1%. The coverage rate of regular non-employee workers is 100%. The coverage rate of employees subject to external audit throughout the Group is 84.5%. The coverage rate of regular non-employee workers is 100%.

Occupational Health and Safety management unit

Primax believes that providing a safe and healthy workplace for employees is the company's fundamental obligation and responsibility. To effectively safeguard the rights and interests of employees concerning health and safety, each Primax Group facility forms an Occupational Health and Safety Committee, consisting of representatives from both labor and management, in accordance with local regulations. Regular meetings are held to allow employees to raise issues they encounter or may encounter in their work environment, and to implement improvements and preventive measures for a safer and more comfortable workplace.

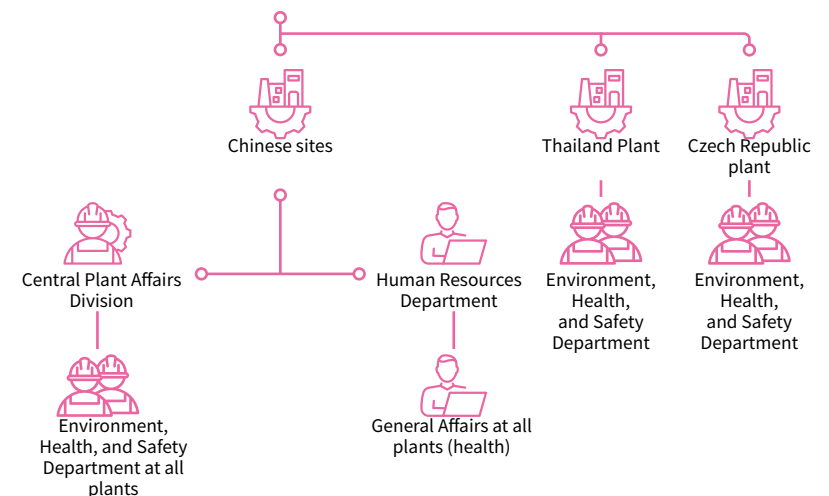
The employee representatives account for about 50% of the committee members in the territories of Taiwan, which is superior than that defined under Taiwan's laws and regulations. The committee convenes one meeting quarterly. Each factory site in Mainland China arranges for OH&S-related issues to be communicated through quarterly or annual employee meetings in accordance with local laws and regulations. The labor ratio is about 1.4%~6%. Thailand Plant arranges 5 labor representatives to participate in the monthly safety meetings in accordance with local laws and regulations, and the labor ratio is over 50%. The unit in charge of EHS communicates with employees on occupational health and safety issues based on the operation of the plant and annual work priorities, including training planning and implementation status, review on false alarms and occupational injuries, statistics on the occupancy of the infirmary, review and improvement of deficiencies found during the audit, fire safety, equipment operation safety, electrical safety, and chemical safety, etc..

Occupational health and safety management framework of Primax Group



Note: 1. Regular non-employee workers, such as dispatched and permanent resident outsourced business; temporary non-employee workers, such as construction contractors on demand from time to time.
2. The coverage rate of internal audits and external audits excludes the Czech Plant and temporary non-employee workers.

Tymphany CAO

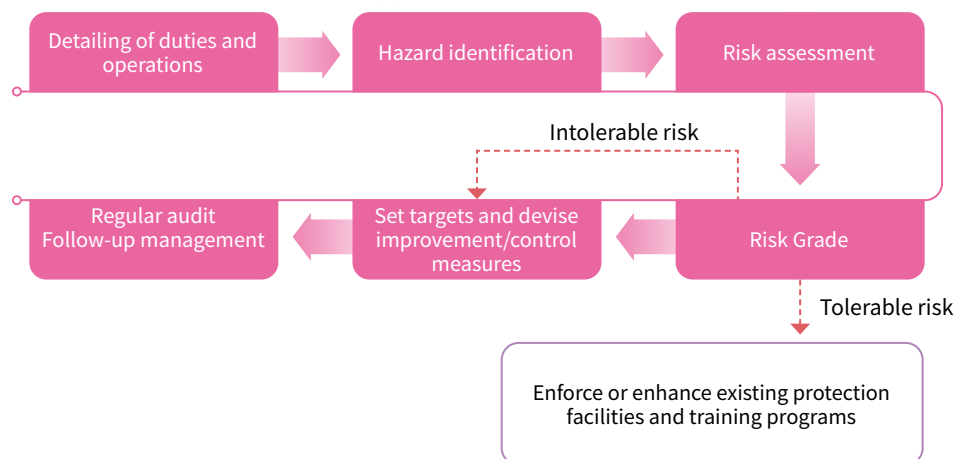


Occupational hazard identification and risk assessment procedures

Primax identifies Occupational Health and Safety hazards and assesses risks by following the terms of ISO 45001:2018, which requires a separate hazard identification team to be assembled as part of the environmental safety and health management system. Members of this team shall comprise representatives from relevant departments. All department representatives have undergone training and be certified for hazard identification and risk assessment. Primax conducts the hazard identification and risk assessment each year, applicable to all routine or non-routine activities, any activities or services conducted by employees, contractors, suppliers, or visitors within the workplace, as well as all facilities provided by the organization or other units within the workplace.

Issues that have been identified as high-risk and above using the Hazard Identification and Risk Assessment Worksheet are prioritized for improvement and provide the basis for future Occupational Health and Safety goals and plans, whereas issues of lower risk level are managed as part of routine activities. In 2023, a total of 1,138 occupational safety and health hazard identification and risk assessment operations were performed at the main manufacturing sites (seven plant areas) in China and Thailand, free from any high-risk items. We continue to identify potential occupational safety and health hazards actively through measures, such as tour inspections, internal audits and external audits. A total of 939 deficiencies were identified in 2023, and the improvement rate 99.4%. Meanwhile, we continue to follow up those that have not yet been improved.

Primax Group Hazard Identification, Risk Assessment, and Control Approval Flow Chart

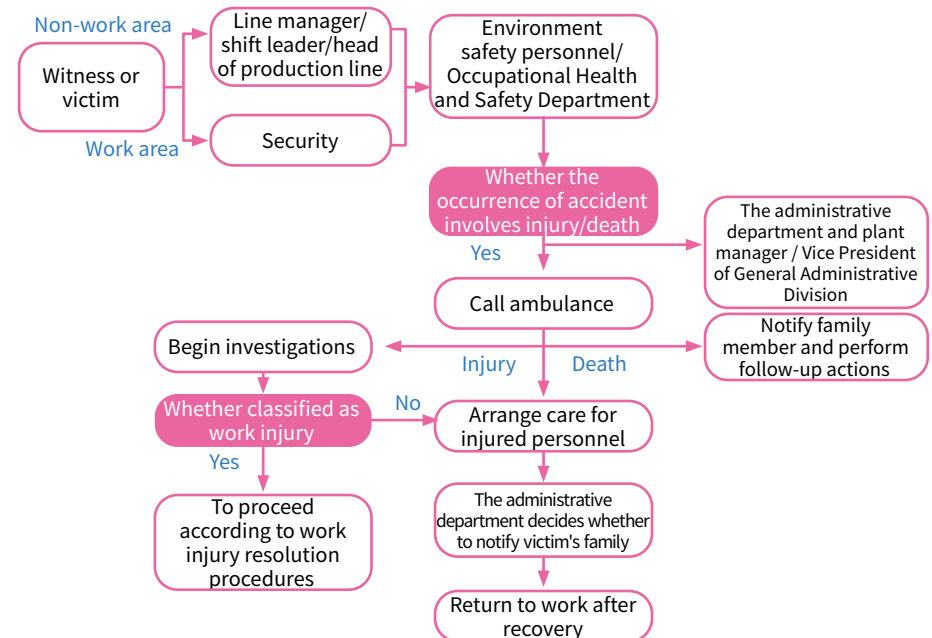


Incident reporting and investigation procedures

All plant sites of Primax Group have implemented "Safety and Health Incident Reporting Procedures" and "Incident Investigation and Resolution Procedures"; workers are able to escalate any work-related injuries, accidents, and close calls to the line manager/shift leader/head of production line/security staff upon occurrence.

Should any occupational hazard and danger be reported by workers and execution of related operations be found endangering personal safety, workers are allowed to cease work activities or take appropriate response measures and evacuate from the workplace. The Company may not reduce workers' wage or benefits, or terminate employment or contract with workers, for the above actions. In the event of injury or death, workers are expected to call the emergency reporting hotline immediately and help the injured seek medical attention, and shall notify and file reports with relevant government agencies within 24 hours. For each incident occurred, the Company will assign a level to the investigation depending on the severity, and then assemble an investigation team comprising members from appropriate levels of management to establish the cause of accident as well as improvement solutions. All improvement measures are to be strictly enforced and monitored. Based on the outcome of the accident investigation, the Company will revise its safety and health procedures to prevent recurrence of similar accidents.

Incident reporting and investigation procedures



Training and injury prevention

Primax Group undertakes active prevention and enhanced training to improve the safety of its factory environment while minimize work injuries. Its training program applies to all employees including senior managers and safety auditors, and covers a broad range of Occupational Health and Safety-related topics such as first aid, machinery safety, hazard risk identification, occupational health, emergency response and occupational disease prevention. Each production site has a safety officer who is regularly trained and certified. Meanwhile, based on the needs of environmental management, we proactively organize trainings on energy conservation and environmental protection, zero waste to landfill, waste gas treatment, etc. to build employees' awareness toward EHS risk and also strengthen their awareness toward environmental sustainability. In 2023, Primax Group received a total of 17,634 participants with diverse topics such as fire evacuation, chemical safety, zero waste to landfills, energy conservation knowledge, and evacuation drills and operations, and a total of NT\$689,636 was invested in training.



Organized machinery safety training for Primax Chongqing



Tymphany Dongguan Plant Chemical Operator Safety Training



Safety education for forklift drivers in Thailand Plant



Basic training on firefighting of Tymphany Thailand Plant



Primax Dongguan Plant Workshop Hidden Hazard Identification Training



Promotion of Sustainable Development and Energy Saving of Primax Kunshan



Tymphany Huizhou Traffic Safety Training



Primax Taipei Office Fire Safety Lecture

Contractor Safety Management

In addition to complying with local regulations, Primax also assumes responsibility for the occupational safety of its employees and non-employed workers. Primax Group establishes the "Procedure for Management of Contractors' Construction Safety" in the plants in China, and "Procedure for Management of Contractors' Construction Operation" in the locations in Taiwan, demanding that all contractors should be required to sign a "Contractor Statement" to be qualified to perform works for the Group. All contractors that perform works on plant premises will have to be informed of "Work Environment and Hazards" and "Important Notes for Contractors Working within Plant Premise," and are instructed to comply with "Contractor Safety and Health Code of Conduct" and sign the "Work Safety Commitment." Contractors are required to submit a "Construction Work Permit" and seek approval before commencing work; once construction has been completed, the supervising unit will issue a "Completion and Safety Confirmation Form." If the construction fails to meet safety rules, the responsible department will issue an improvement order and demand corrections to be made by the contractor within the given time. Any accident that arises in relation to the works performed by contractors and their personnel at Primax's premise, such as occupational accidents, fire, explosion etc., will be reported, investigated, analyzed, and recorded according to Primax's accident investigation and improvement procedures. In 2023, Primax Group did not receive any reports on occupational injuries from contractors.



Photos showing the Safety Training for Contractors of Thailand Plant



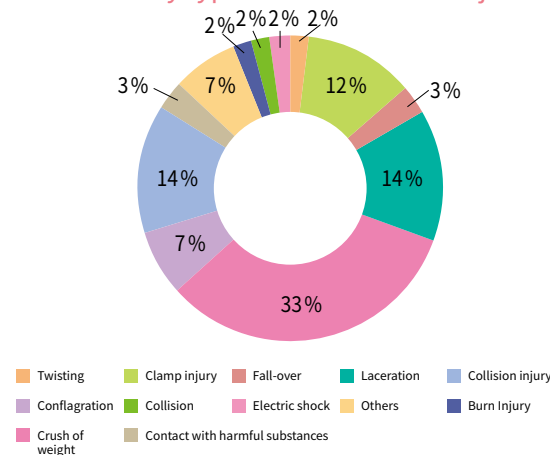
On-site safety training for construction personnel of Primax Dongguan Plant contractors

Occupational injuries

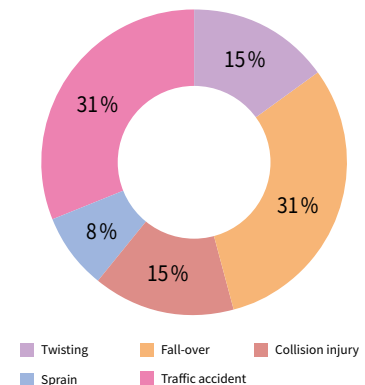
In addition to correcting existing and potential workplace safety concerns, Primax Group monitors statistics such as employees' work-related injury, occupational illness, days lost, absenteeism etc as a means for assessing the effectiveness of workplace health and safety measures, and tracking reduction or even total avoidance of safety and health incidents. Primax Group also monitors its operations for defect and areas of improvement concerning specific health and safety management issues. Any defects uncovered are resolved in the shortest time possible with prevention measures implemented to eliminate safety/health concerns or unfair treatments.

In 2023, Primax Group had a total of 52 occupational injuries (11 in Mainland China, 41 in Thailand). The percentage of occupational accidents was 0.52%. All incidents were promptly handled, and we provided assistance to the injured employees in filing insurance claims and adjusting their work duties based on their recovery status. Meanwhile, in order to prevent future occupational injuries, we further analyze the root cause of the incident and plan countermeasures. For the crush injuries occurring frequently, protective covers and barriers have been installed to prevent the fingers from accidentally entering the crevices and thereby causing accidents. We also arrange safety training courses and increase the frequency of on-site inspections to enhance the safety awareness of employees and reduce accidental injuries caused negligently. Further, there were 13 non-work-related injuries in 2023. Most of them were traffic accidents and fall-over during the commuting to and from work. We have reinforced the employees' awareness toward the safety of commuting to and from work, and reminded employees through the radio to avoid looking at their mobile phones while walking.

Statistics by types of work-related injuries



Types of non-work-related injuries

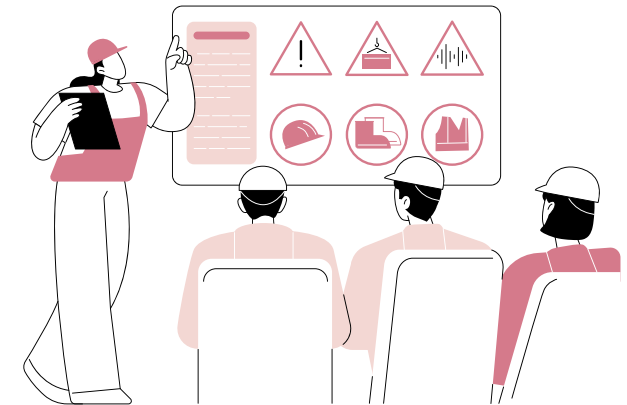


Occupational injuries and occupational diseases statistics of Primax Group employees from 2020 to 2023

Year	Taiwan				Mainland China				Thailand		Group-wide			
	2020	2021	2022	2023	2020	2021	2022	2023	2022	2023	2020	2021	2022	2023
Total Working Hours	1,504,504	1,668,277	1,725,780	1,636,608	27,033,754	23,226,791	23,501,269	19,168,936	3,734,709	3,971,885	28,538,258	24,895,068	28,961,758	24,777,429
Number of disability	1	0	0	0	22	21	15	11	10	41	23	21	25	52
Number of fatalities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
No. of days lost due to disabling injuries	0	0	0	0	217.50	481.87	383	245	2	56	495.33	507.87	527.5	245
Number of severe occupational injuries	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Disabling Frequency Rate (FR)	0.43	0.00	0.00	0	0.81	0.90	0.64	0.57	4.41	10.32	0.81	0.84	0.86	2.10
Disabling Injury Severity Rate (SR)	0.00	0.00	0.00	0.00	18.32	20.75	22.36	9.86	0.54	14.10	17.36	20.40	18.21	9.89
Severe Occupational Injury Rate (SOIR) (excluding fatalities)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Occupational Disease Rate	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note:

1. In 2023, in order to enhance the consistency and management effectiveness of data calculation across multiple operating locations of the Group, the method for calculating work hours for the statistical indicators of occupational injuries and the definition of severe occupational injury were redefined. Meanwhile, the data for the past four years were analyzed retroactively based on the consistent definition, as shown in the table.
2. Total working hours in said chart were estimated (employee count * 8 hours * work days), of the overtime hours.
3. Disabling Frequency Rate (FR) = Recordable occupational injuries (including fatalities and severe occupational injuries) × total working hours * 1,000,000.
4. Disabling Injury Severity Rate (SR) = number of recordable lost days / total working hours * 1,000,000.
5. Occupational Disease Rate (ODR) = Number of occupational disease cases × 1,000,000 / total work hours.
6. Severe Occupational Injury is defined as one that causes permanent disability or prevents any employee from returning to work within 6 months (the Group suffered no serious occupational injuries and fatalities in 2023).
7. The number of recordable occupational injuries is based on the internal occupational injury incident summary and does not include commuting accidents and fall-over incidents while not performing job duties.
8. Occupational diseases: Diagnosed by occupational medicine specialist physicians or recognized by relevant authorities. (There were no cases of occupational diseases determined among Primax Group employees in 2023).
9. In 2023, there were no fatalities, severe occupational injuries, recordable occupational injuries, or occupational diseases among non-employee workers (including dispatched personnel and regular on-site personnel such as security, cleaning, catering, gardening, and others, but not yet including contractors entering the site for performance of construction from time to time) in Primax Group. There were a total of 2,900 non-employee workers, with a total of 5,758,720 working hours (the estimated total working hours* 8 hours*working days).



Employee health and comprehensive care

Primax Group has attached great importance to employees' health. In addition to regular health promotion activities and health education awareness-raising events, each operating location has set up a clinic to provide health consultation and health management services, with the aim of creating a healthy workplace. The Group provides employee health checkups in accordance with the laws and regulations applicable in various regions. In addition to the general health checkups, it also provides special examinations to employees who are exposed to high-risk activities/substances such as gluing, printing, soldering, forklift, electrical works, noise, dust, laser, X-Ray etc.. For these employees, examinations such as B-scan ultrasonography, pulmonary function, bilirubin, hearing, trace element, and eye function are provided before, during and after performance of work. Employees who operate X-ray related equipment are subjected to full body examination that cover potential skin, liver, kidney, lymphatic, and thyroid diseases. In 2023, a total of 2,977 employees in main

manufacturing sites of Primax China and Thailand completed special post health checkups. 41 employees with abnormal health checkup result were transferred from their original positions, and re-examination and continuous follow-up were arranged depending on the health conditions of the employees. Meanwhile, Primax Dongguan and Tymphony Dongguan invited Dongguan Shijie Hospital to conduct a free cervical cancer and breast cancer screening session. As a result, a total of 261 people were screened.

Primax Taipei Headquarters and Tymphony Taipei both are engaged in office work primarily. They also organize the general health checkups regularly. Employees who have been identified as a part of a high-risk group will be closely monitored by nurses and given complimentary checkups six months later. These efforts are intended to enable early discovery and treatment of life-threatening diseases. In 2023, a total of 1,014 employees at the Primax Taipei Headquarters and Tymphony Taipei participated in the health checkups.

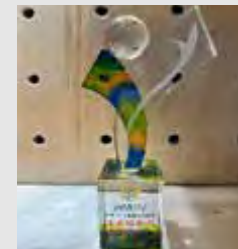
Health checkup items that are better than those required by law:

- Metabolic Syndrome
- Fundus photography
- Cancer Screening
- Thyroid, pelvic and protective line ultrasound examination
- Per the employees' different needs, add ultrasound examination items for the abdomen, carotid artery, thyroid, pelvis, and sheath (allowed to choose two of the four items).
- In addition to the four-cancer screening provided by the Health Promotion Administration, screening items for liver cancer, pancreatic cancer, prostate cancer, and ovarian cancer were also made available.

In 2023, a total of 725 people from the Primax Taipei Headquarters participated in the health checkup, with a participation rate of 85.5% (including expatriates), and more than of employees gave satisfactory or very satisfactory evaluations. A total of 40 people applied for one-on-one health checkup report consultation services.



- 1 A total of 289 people completed the health checkup in 2023, with a participation rate of 92.3%.
- 2 Provide the annual health checkups, and add more checkup items for people at the age of 45 years old and more, based on the frequency and items better than those provided under laws and regulations.
- 3 Per customers' needs, health checkup packages that are better than those provided by laws and regulations are provided, such as cancer screening-based or gastrointestinal function packages. The items are listed as follows:
 - Liver, gallbladder, kidney, and pancreas function tests
 - Cancer Screening
 - Cardiac function test
 - Ultrasound examination
 - Helicobacter pylori test
- 4 Won the Healthy Workplace-Vitality Award from Health Promotion Administration in 2023.



Tymphony Taipei

Primax Taipei Headquarters

Mitigate employee health risks through health promotion activities.

In 2023, Primax and Tymphany plants in Mainland China and Thailand organized diversified health promotion activities, including Sports Month, Outdoor Music Festival, Chongqing Phoenix Lake Runner, common nutritional mistakes in life, and multiple themed-based health knowledge lectures, including the annual physical checkup report analysis, popular science knowledge of stroke prevention, office healthcare, prevention of myocardial infarction, CPR and AED operation exercises, care of digestive tract health, summer healthcare lectures, and women's health knowledge. Also, in March 2023, Primax Dongguan set up a vegetarian window at lunchtime every Friday to provide employees with vegetarian meals. Meanwhile, healthy dietary tips are also shared on the restaurant menu. A total of 774 people responded to the activity.

Primax Taipei Headquarters is primarily designed for office-based operations. In 2021, employees were found to be at higher risk over diabetes, metabolic syndrome, and high blood pressure due to their abnormal health checkup results. In addition to the original health promotion activities, it enhanced the planning about healthy weight loss season project in 2023, hoping to reduce the employees' health risk based on the operational characteristics and employees' needs.

2023 Healthy Weight Loss Season

Project planning

- 1. Project implementation time:** Early February to the end of April 2023, for 3 months in total
- 2. Expected benefit:** Encourage employees to develop the habit of healthy diet and hyperactivity to reduce risk factors.
- 3. Pre-test and post-test:** Incorporation of the INBODY measurement for the health checkup of the general colleagues in 2023 as the basis for pre-test in major weight loss competitions. The post-test was measured by hospitals.



Direction of Promotion

Physical Health Promotion Activities

1. 3rd Annual NeiHu Technology Park Love the Earth Public Welfare Road Running Activity

A total of 194 employees and their family members participated in the Activity, double the participants in 2021.



2. Health station

A health station has been set up in the living area of B1, Primax Building, where tunnel type sphygmomanometers are provided to enable employees to measure their own health at any time.



3. Lectures on Healthy Diet for Fat Loss and Muscle Gain

The employee health checkup analysis found top 10 abnormal data indicating the high risk over obesity, metabolic syndrome, and three highs are extremely high. Teaching employees about healthy diet through lectures can help reduce these risks.



4. Low-GI healthy lunches are provided by the canteen.

During the activity, employees were provided with a healthy meal ordering service for lunch, and the Company subsidized NT\$45 per employee. A total of 1,509 employees placed the order. Apparently, it was well received by the employees.



Online Health Promotion Activities

Plan a series of online health promotion activities with 3C pedometer as the main focus through Walkii.

● Daily walking of 10,000 steps to burn off calories

- Reach the daily step goal to earn a medal
- The standard of step count varies per week. A medal will be awarded for meeting the daily goal.

● Really walk thousands of steps each day

- Achieve the goal of walking 10,000 steps per day



5. Healthy forests

We collaborate with the Love Trees Association to set the goal, and the Association assists in physical tree planting.

6. Walkii - Sharing daily exercise during the healthy season

Increase the exchange of health awareness among colleagues by sharing everyone's healthy daily life during the healthy weight loss season.



Project Benefits

Health promotion activities tailored to the needs of employees were attended by a total of 3,226 participants responding enthusiastically, and the weight loss project boosted the weight loss amounting to 571.5 kg.

Activity Type	Activity Name	No. of participants
Online Health Promotion Activities	Daily walking of 10,000 steps to burn off calories	392
	Really walk thousands of steps each day	268
	Somatosensory Challenge	120
	Healthy forests	190
	Sharing daily exercise during the healthy season	293
Physical Health Promotion Activities	Lectures on Healthy Diet for Fat Loss and Muscle Gain	48
	3rd Annual Neihs Technology Park Love the Earth Public Welfare Road Running Activity	194
	Low-GI healthy lunches are provided by the canteen.	1,509
	Weight Loss Projects	212
Total number of participants		3,226

Mental Health Promotion and Employee Care

Primax places great importance on maintaining the psychological well-being of its employees, as creating a friendly and balanced workplace is the company's foremost responsibility. Taipei Headquarters has set up an EAP employee assistance hotline to confirm that employees' medical, legal, and psychological problems have been resolved. Statistics show that the number of employees using the first-phase consulting services was increasing year by year from 2020 to 2023, suggesting that employees are more willing to use the related services and believe that the service can help solve problems.

In 2023, the main consultation issues were legal issues and parent-children relationship. In the service satisfaction survey, employees' willingness to book another consultation service scored 5.8 points (full mark: 6), and whether to help employees reduce the negative impact at work scored 5.3 points (full mark: 6), indicating the positive assistance which the EAP employee assistance hotline provides to employees in balancing work and life.

Primax also arranged the themed-based promotional lectures based on the employees' needs, and organized EAP promotional lectures for the promotion of the aspects provided by EAP (work, family, physical and mental health, interpersonal, financial, legal, workplace care, workplace friendly and equal support to help employees reduce the pressure of life balance, attended by a total of 85 participants. Related lectures all achieved a satisfaction rate of more than 5.3 points (full mark: 6), which are favored by employees.

In 2023, we organized a total of four EAP themed-based lectures, covering aromatic healthcare for stress relief, parent-child seminars, knowledge about dispute over housing purchase and rental, and workplace friendly and equal support to help employees reduce the pressure of life balance, attended by a total of 85 participants. Related lectures all achieved a satisfaction rate of more than 5.3 points (full mark: 6), which are favored by employees.

Trend of employees using EAP services in the most recent four years

	2020	2021	2022	2023
Stage 1 service contents analysis (person-time)	185	217	278	380
Stage 2 annual record (person-time)	18	22	29	44

「你，二刀流(two-way power)，是指你同時兼顧工作與家庭的理想」

職場二刀流

工作×生活兩兼顧

Kyle 近期在工作中忙得焦頭爛額，周二晚三的專案、會議、電話、與同事的互動減少，幾乎沒有社交活動，每一天，陷入做不完的事情，跟不上節奏，與無處訴苦的無奈...

苦悶的心情不斷累積，準備下週時，一位同事走向 Kyle 並說：「我前陣子也像你一樣焦頭爛額，自從使用了公司合作的興智EAP後就舒暢許多，穩定自己的步調及心情，你可以試試看~」隔天 Kyle 決定找人聊聊...

服務對象：公司同仁
服務內容：工作、家庭、人際、身心健康、精神疾病、財務、法律及管理諮詢...等
服務時間：週一至週五 09:00~19:00 (請先來電預約)
服務地點：同仁可選擇興智EAP所提供之地點或於公司內進行
E-mail信箱：eap@newmind.com.tw
服務提供依標準服務約有所不同，歡迎來電諮詢

免付費諮詢專線
0809-031688

QR code: @newmind-eap

友你友我

共創友好職場

公司最近正籌備辦理升遷考試，Elaire 在思考會不會因為性別而讓面試得到升遷的可能，因此焦慮而影響睡眠。

新人 Matt 外軟內硬，說話柔和，由於他學過短期被同事嘲笑，因此進入新職場有點忐忑，擔心同事的眼光。

Linda 最近看到公司宣傳欄友好以及提供的相關協助系統，參加公司辦理的興智EAP講座後，學習到性別平等的概念，便與 Elaire/Matt 分享，或許他們可以找興智EAP聊聊~

服務對象：公司同仁
服務內容：工作、家庭、人際、身心健康、精神疾病、財務、法律及管理諮詢...等
服務時間：週一至週五 09:00~19:00 (請先來電預約)
服務地點：同仁可選擇興智EAP所提供之地點或於公司內進行
E-mail信箱：eap@newmind.com.tw
服務提供依標準服務約有所不同，歡迎來電諮詢

免付費諮詢專線
0809-031688

QR code: @newmind-eap

6.6 Diverse and Effective Employee Communication

Employee engagement survey

Since 2020, Primax Taipei has participated in the Award for HR Asia-Best Companies to Work for in Asia to take sample from the employees for the anonymous questionnaire. The questionnaire covers three main aspects, namely, core values, employees' thoughts on the workplace, and employees' behaviors. It is an honor as Primax has won the award three consecutive years. The questionnaire result showed that its performance in the three indicators of "Organizational Culture, Employee Identity, and Team Cohesion" are all higher than the average in the industry,

"High Performing Employee Experience Model" of Willis Towers Watson as the architecture, conducted the engagement survey on all employees, hoping to analyze the workplace and work experience of employees more comprehensively and understand the current strengths and weaknesses, risks and opportunities. For the time being, it is implemented in Taipei Headquarter, and expected to be organized once per two years. In the future, we will expand it to all major operating locations around the world step by step according to the goals set in the sustainability strategy roadmap, and formulate the measures and plans to maintain or improve the employee engagement score according to the set goals.

The survey shows that the sustainability engagement level of Primax' s employees is **76%**, and have the following strengths:

- Strongly recognize the Company's benefits satisfying the needs, linkage between overall rewards and performance and rationality of performance evaluation.
- Strongly recognize that the Company helps its personnel grow and leverage their potential, and also believe that they have the opportunity to grow and develop in the Company.

Communication and Interaction with Employees

After launching the internal communication brand "Primax Care" focusing on health and ESG in 2021, we continued the "Enrich Your Life" spirit and deepen the brand spirit and values of "Primax Care" in 2023. Externally, we continue to operate social networks and platforms and, internally, promote Primax Care e-news and organize various online and offline activities related to health or ESG.

Employee Diverse communication channels



Primax Care newsletters

In 2023, we sent approximately 49 push notifications for various events, reaching a total of about 44,100 recipients.



Social media and platform management

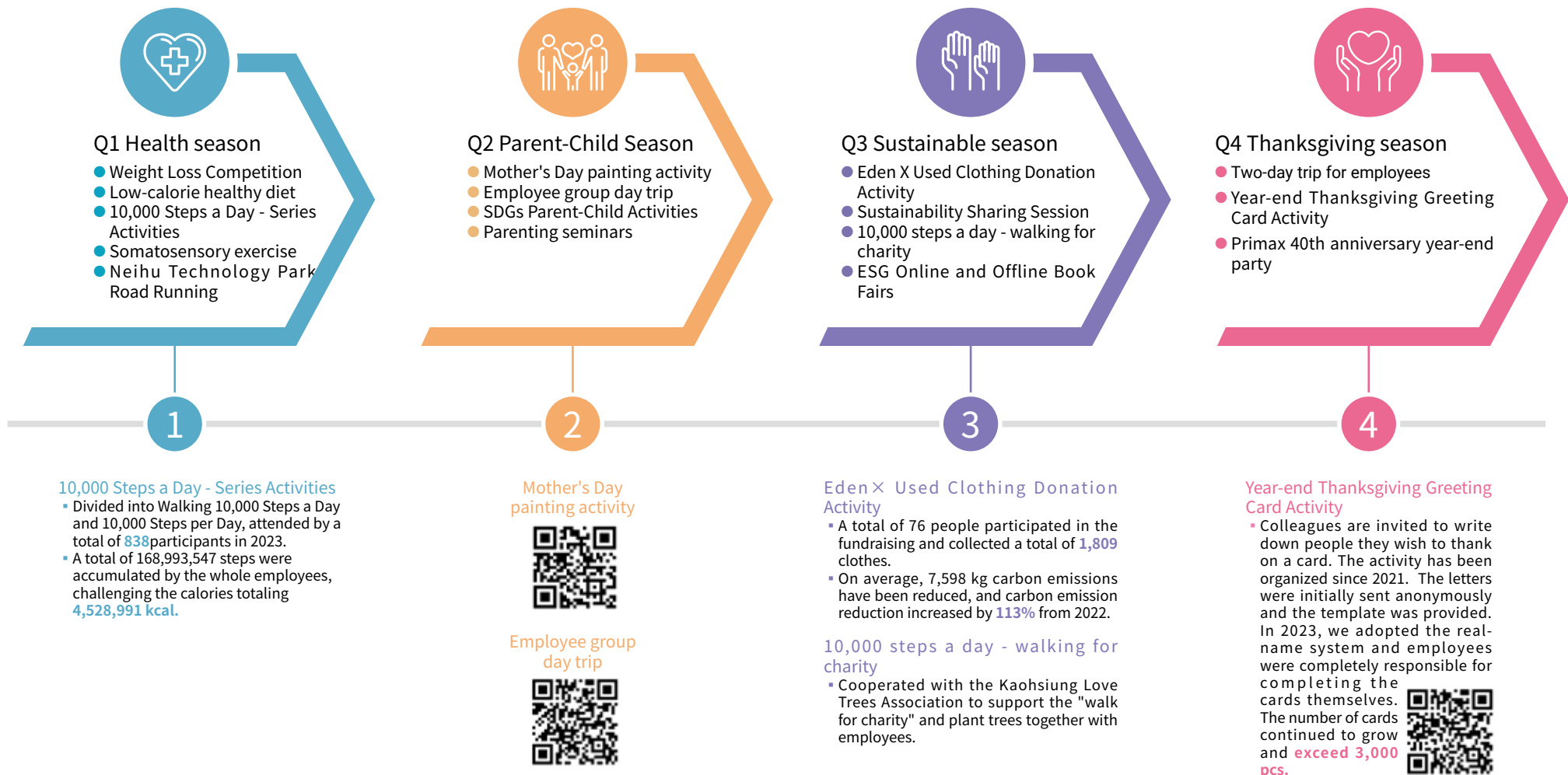
The number of followers on LinkedIn increased by 1,356 in 2023, showing a growth rate of 16%.

The total number of likes and interactions on LinkedIn posts for the entire year was 2,273, with a post engagement rate of 7%.

As of December 31, 2023, our Facebook fan page received 1,212 likes, and reached 3,702 people through our posts.



We continue to optimize the Primax Care brand. In 2023, we launched a themed series of events each quarter. These themed events included the Health Season, Parent-Child Season, ESG Season, and Gratitude Season. Through diverse activities, we provided our employees with knowledge and experiences beyond work, while also raising the colleagues' awareness toward ESG issues, in order to create a fulfilling life and a sense of mission towards ESG together with the colleagues.



Column

Primax Care Quarterly Series Activities

Embracing the values of "human goodness, collective effort, and serving the community," Primax has practiced ESG proactively since it was established, in order to achieve the ESG strategic goals. Every year, Primax organizes the "ESG Theme Monthly Series," which packages various sustainable topics related to ESG, including energy conservation, carbon reduction actions, social contributions, and employee engagement, into a series of enriching and exciting activities. The aim is to encourage all Primax employees to respond together. Additionally, Primax' s operating locations in China follow the footsteps of the Taipei Headquarters and have progressively launched various ESG internal and external activities in 2023. Through the branding and interactive initiatives, we present sustainability actions in a more diverse and creative manner to the outside world. Ultimately, we hope that the mindset of corporate sustainability will be embraced by all Primax employees, promoting it from the grassroots level and resonating outward, to become an integral part of the core corporate culture within the Primax Group.

After bidding farewell to the haze of COVID-19, Primax launched various internal and external activities proactively in 2023. Aiming to create a sustainable and innovative workplace, Primax Taipei has deepened its "people-oriented" organizational philosophy from the inside out, expanded its corporate influence, and continued to promote the equality at workplace and industry-academia collaboration. For example, it organized the "Common Wealth X Primax Electronics SDGs parent-child activity," and planned a series of talent sustainability projects, including participation in the "104 Be a Giver Project" and exclusive sponsorship of the "SSICON Student Conference on Sustainable Innovation."

◆ Common Wealth X Primax Electronics SDGs parent-child activity

In 2023, Primax worked with Common Wealth to organize the SDGs parent-child activities, specially designed for children aged 2~6. Through SDGs-themed shared reading, it inspired children's understanding and attention to the Sustainable Development Goals (SDGs) issues. DIY activities were conducted for parents and children to provide the opportunities for colleagues and their children to collaborate, discuss, and create ideas together. Finally, the happy ending was accompanied by singing and dancing with dolls and also a group photo taking. We believe that the ESG seeds will be planted through the happy and interesting activity. and bring it in children' s mind.

◆ Talent Sustainability Projects

In response to the 'Be A Giver: A Social Movement in the Name of Helper' of the 104 Corporation, Primax responded to the workplace issues that Gen Z wished to ask but could not speak up about. It invited innovative talents to work with it to create a diverse and inclusive work environment and overturn the new experience about technology.

Besides, Primax also exclusively sponsored the "SSICON Student Conference on Sustainable Innovation," initiated and proposed by 21 students from a total of 14 schools voluntarily and attracting more than 300 young people to attend the event online and offline, in order to support students concern about ESG issues with practical actions and build a stage for university students to practice. First of all, through questionnaire, we investigated young people's thoughts on corporate sustainable development. We also launched a scholarship program to encourage underprivileged students who have actually participated in ESG clubs or activities. Then, we collected examples of ESG practices from students throughout the nation and presented them at the annual conference, expecting to encourage young students to gain insight into social needs, use what they have learned to solve problems, and practice the ESG concept.



A total of **119** employees and their children participated in the SDGs parent-child activities.

SSICON Student Conference on Sustainable Innovation has raised a total of **1500** questionnaires.

◆ Providing Diversified and Inclusive Participation Channels to Deepen Cultivation and Development to Extend Primax's ESG Influence

In 2023, Primax's operations in China followed the Headquarters' pace and launched a series of ESG Monthly activities in August, hoping to have the ESG influence generate stronger fusion through the linkage in multiple places.

In order to retain the classic events, various locations jointly discussed and enriched the activities of the entire themed month. An ESG-themed monthly activity map was developed to provide employees with a diversified and inclusive participating channel to have the activities cover more colleagues engaged in different work for different working hours, so that everyone has the opportunity to participate in the activity. In August 2023, a total of 20 activities (online/offline) were organized by Primax operating locations in China coupled with the "ESG Ecosystem" functional module independently developed by the IT department, including the e-stamp collection, ESG-related cultural and creative presentation, and environmental protection handheld games, global ESG sharing sessions, ESG charity sales of more categories, and sustainable development parent-child painting competition, etc. The activity attracted a large number of internal and external partners, in addition to Primax employees, and the stakeholders, such as their family members, supplier partners and community governments. Primax has always insisted on its goals and kept innovating and practicing ESG. We are glad to find that more and more people are starting to participate actively. This is the charm and influence of Primax's ESG practices.



Column

Comprehensive creation of the ESG ecosystem
for everyone's benefit and enjoyment

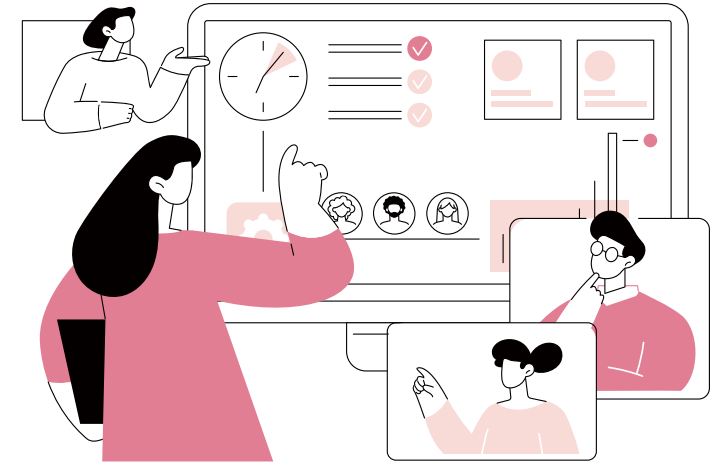
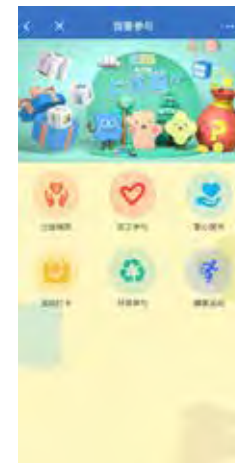
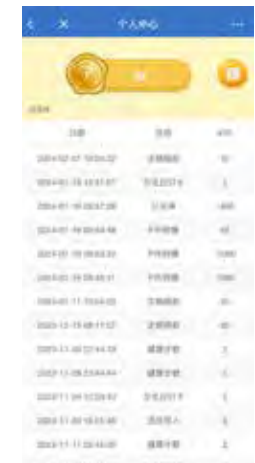
With a commitment to sustainability in every aspect of our business operations and social care, Primax continuously strives to make a positive impact on society. To enhance the recognition of ESG (Environmental, Social, and Governance) principles and seamlessly integrate them into the daily lives of our colleagues, we have designed a unique "Primax ESG LOGO Happy 3 Treasures" as the design element and developed the [PRIMAX ESG Ecosystem], as the online interactive platform for employees to participate in the ESG activities to continue communicating Primax Group's ESG concept.

◆ PRIMAX ESG Ecosystem was officially launched.

In order to continuously improve the diversity of ESG activities, increase the inclusivity of ESG practices, and enrich the participants' experience, in August 2023, after repeated "brainstorming" discussions by the ESG team, the "PRIMAX ESG Ecosystem" Through the "ESG Ecosystem", employee users can:

- Follow, sign up for, participate in, and review various public welfare, environmental protection, and health activities;
- Record personal ESG participation trajectory and view volunteer rankings;
- Participate in ESG activities to obtain virtual P coin for free;
- Accumulate P coin and redeem the limited-edition "3 Happy Treasures" peripheral cultural and creative goods.

Primax believes that the sustainability of the ESG Ecosystem is not a dream, but a practical dream that can be realized from small details! Hoping to root the positive energy of ESG downward to enable employees to see a better future for the earth. Primax not only leverages its corporate influence but also protects our only homeland as a global citizen, starting from protection of people around it.

ESG Ecosystem
- Front pageESG Ecosystem - I
want to participateESG Ecosystem - I
want to redeemESG Ecosystem -
Personal center

Contribution to Society

Chapter

7

7.1 Deepening Education in Remote Areas

7.2 Participation in Public Welfare Contributions

[Column] Dongguan Primax Growth Classroom

7.3 Volunteering Services

[Column] Promoting Social Good



► 7.1 Deepening Education in Remote Areas

7.2 Participation in Public Welfare Contributions

7.3 Volunteering Services

7.1 Deepening Education in Remote Areas



Long-term development of flipped education in Taitung and care for local communities

SDGs 1 and 4 are 'no poverty' and 'quality education'. We believe that education is the key to ending the vicious circle of poverty. Therefore, we have paid attention to the issue of education for a long time and sponsored or invested in local high-quality and innovative education models to enable the children with relatively few resources not to be abandoned by society and to further believe that they are able to change their life on their own.

Taoyuan Elementary School and Taoyuan community

Primax Taipei has always upheld the core principles of giving back to society and practicing public welfare. Over the years, it has maintained a good relationship with Taoyuan Elementary School and Taoyuan Community in Yenping Township, Taitung County. In addition to sponsoring about NT\$2.4 million per year by contract to support the KIST project of Taoyuan Elementary School, it also regularly provides community care and financial sponsorship regularly to pass on love to people in need. We regularly provide care and financial sponsorship, spreading love to those in need. For example, every year, Primax directly purchases a large quantity of organic pineapples from the Taoyuan community, ensuring that local farmers are not exploited by other agricultural institutions. The purchased pineapples are then gifted to every employee at Primax. Additionally, we have established a friendly relationship with Taoyuan Elementary School and, during the 2022 graduation season, continued the previous year's practice of having Primax employees make handmade cloth dolls as

graduation gifts. Each doll comes with a handwritten blessing card from members of the volunteer society, ensuring that Primax employees and the children of Taoyuan Elementary School may establish the bond as a result of the handmade cloth doll.

In 2023, we hope that employees can better understand the issues and the community that the Company is concerned about. We arranged a three-day two-night trip for employees of the Taoyuan Community. By participating in the graduation ceremony of Taoyuan Elementary School, the employees personally witnessed their own happiness when seeing their handmade dolls in the hands of the graduates and, therefore, they would more recognize the Company's dedication to the rural area education philosophy. Meanwhile, coupled with the DIY activity organized by the local social enterprise, Bra Valley, we may taste special agricultural products and indigenous delicacies of the tribe. Led by the local elders, we had a tribal tour to learn more about the Bunun culture and local history, while listening to the elders nurturing the children of the Bunun sang in their native language. Finally, in the virgin forest of LUANSHAN, we could experience the solemnity of nature and the symbiosis between the Bunun and the mother nature.

The Taoyuan Community in-depth tour gave the participating employees an average of **4.67** points in the degree that they agree to change in terms of philosophy identification, cultural understanding, and environmental protection awareness.
(1=strongly disagree; 5=strongly agree)



The elders of the tribe led the tour to the virgin forest of LUANSHAN.

Every year, Primax purchases massive pineapples planted in the non-toxic pineapple fields and share them with employees each year.



► 7.1 Deepening Education in Remote Areas

7.2 Participation in Public Welfare Contributions

7.3 Volunteering Services

Kids' Bookhouse, Taitung Zhiben

In as early as 2016, we began to pay attention to education issues in Taitung and contacted the local Kids' Bookhouse, which offered after-school remedial classes and placement services. We provided the services including volunteers' assistance in local quinoa field farming and fixed subsidies to sponsor the organization of charity road runs, etc., hoping to enable Primax employees to maintain a special affection for the Kids' Bookhouse through the continuous interaction. In 2021, we officially signed a sponsorship contract with the Kids' Bookhouse to assist the bookstore with the development of businesses in the community, including agriculture, construction classes, baking, and hand-brewed coffee, in the amount of NT\$8.5 million over five years. As such, the community can form a positive cycle to take care of itself and create local employment opportunities, allowing parents to work in the local community and helping young people to develop work skills.

Since execution of the regular sponsorship contract, the interaction between Kids' Bookstore and Primax has become closer. In 2022, in response to a major annual event of the Bookhouse, "Bookhouse Festival," by setting up e-sports experience booths and designing interesting pass-through activities, we enabled the children to learn the e-sports career and types of occupation, as well as the most competitive main product of Primax, e-sports peripheral devices, so that children may have a correct concept toward the e-sports industry. In 2023, we supported the Bookhouse to organize the Thanksgiving concert in Taipei, in order to encourage children to demonstrate and perform their music training generously and confidently. Meanwhile, we provided free tickets to employees to appreciate the children's hard work and then further endorse the Bookhouse's philosophy.

Primax has sponsored about **NT\$2.13 million** to Kids' Bookhouse in 2023.



Photos showing Primax's booth in the concert



The documentary film of 2023 "Love the World Concert"



7.2 Participation in Public Welfare Contributions

Dedicated to Extending Goodness,
Gathering Love from our Initial Heart

Regularly sponsor charity partners and set up an internal employee donation platform.

Since 2016, Primax Taipei has actively signed charity partnership contracts with social welfare organizations and makes regular donations to support their projects. By providing a stable source of funding, our charity partners can focus more on their services without worrying about financial shortages. Additionally, with the aim of increasing employee engagement and cohesion, Primax Taipei collaborates with charity partners each year to organize employee interactions and fundraising events. We also facilitate employee contributions through an internal salary donation platform, fostering a better understanding of our philanthropic goals and encouraging collective efforts.

In 2023, we designed the Angels and Stars and the sustainability market event, where donations from every employee can be converted into "Angel and Stars" points. The sustainable market is an event inviting the local social enterprise, Bra Valley, and the seniors from Hongdo Nangang Community to set up booths where the merchandise at the stalls can only be redeemed with Angel Stars. We encourage employees to use the salary donation platform to support these charity partners. Meanwhile, we also added the gashapon machines in the market activity. One gashapon may be obtained by each donation of NT\$100. Each gashapon has 1-5 angel stars, which may help improve employees' willingness to participate in the donation of fund. The Company subscribed for all products redeemed in the market activities in whole. Through this activity, we not only collect donations and the proceeds from public welfare products to effectively inject funds to public welfare partners, but also increase employees' willingness to donate and achieve the goal of increasing the number of public welfare partners.

Angel Stars x Sustainability Market Activities attended by a total of **119 participants** responding to the donation, donating funds on the site and redeeming products, in the amount totaling **NT\$75,985**.

Status of achievement of the Group's social common good in 2023

1. Volunteer service hours: **5,679 hours**.
2. Total social assistance amount (including employee donations and fund of activities): **10,450K**
3. Beneficiaries of social common good services reaching **20,298 people**.
4. Adding **29** public welfare partners.



Invite the social enterprise, Bra Valley, to set up a booth, and benefactors may redeem products with the Angel Stars.



Sustainable Market Activity designs gashapon machine and sells ESG peripheral products.

Work together to organize various activities to improve the interaction among employees and raise the sense of identity.

In addition to financial sponsorship, we hope to have a connection with employees in our cooperation with public welfare partners. Therefore, we collaborate with all charity partners on the Employee Salary Donation Platform to organize various activities to improve the interaction between them and employees. In 2023, Grass Book House in Sanxia was added to the platform. Therefore, starting from the beginning of the year, we have invited the founder of Grass Book House to the Company to share experience with us to enable the employees to have a good understanding of the concepts and measures of Grass Book House for caring for high-risk children and juvenile. Meanwhile, in response to the internal ESG themed season, we also worked with the affiliated organizations of Grass Book House, such as KOUJI Cross Culture Restaurant and The Can, to organize Sanxia river cleaning and Double Ninth Festival day trip for the seniors. Meanwhile, in response to the thanksgiving season at the end of the year, a meaningful Christmas wish-raising project was arranged for the children in Grass Book House to think about what supplies they really needed and make a wish under the direction of their teachers. These wishes were turned into photo cards that were put in the Christmas wall at Primax' s premises. Our employees played the role of Christmas angels to grant the children's wishes. Finally, we invited the children to write down or draw their thoughts on the gifts and thank them for the gift. In the thank-you card, all of them may feel the warmth of each other.

A total of 60 Christmas wishes were claimed immediately within 2 days, with gifts worth over **NT\$70,000**



Participated in the Sanxia River Cleaning activity organized by The Can Culture Art and Nature.



Christmas wish gift wall

Continuing the Spirit of Philanthropy at Mainland Operating Bases

Embracing the values of "human goodness, collective effort, and serving the community," Primax's mainland operating bases have upheld the philanthropic spirit of the Taipei Headquarters since their establishment. We firmly believe in incorporating integrity, pragmatism, and sharing into the core values of the company. In 2023, we organized four major philanthropic projects, namely "Primax Pearl Class," "Love Gathering Children," "Scholarship," and "Growth Classes," focusing on promotion of charity funding for education, caring for left-behind children, and supporting rural educational development, rewarding the outstanding and assisting the poor, and supporting the development of science and education business. Throughout the years of continuous philanthropic endeavors, Primax has actively led and encouraged employees to participate in charitable activities, gradually establishing a replicable and sustainable trend in philanthropy, fulfilling the corporate social responsibilities and engaging in public welfare activities, in order to bring better and more wonderful power to the social development.

7.1 Deepening Education in Remote Areas

► 7.2 Participation in Public Welfare Contributions

7.3 Volunteering Services

Primax Pearl Classes



As a result of the third-phase preparation activity, the Primax Pearl Classes raised the fund totaling NT\$**876,000** in 2023, with **2,165** people participating in the fundraising.



Primax collaborates with the Zhejiang Xin Hua Education Foundation to participate in the "Reclaiming Pearl Project," primarily assisting academically excellent students who face financial difficulties in pursuing their studies. We provide financial aid covering tuition and living expenses for three years to help them complete their high school education successfully.

Love Gathering Children



We invested NT\$ **90,435** in the Love Gathering Children, benefiting

A total of **724** beneficiaries were served..

In March 2023, our work was recognized by public welfare groups, and the Guangdong Youth Development Foundation awarded us the "Guangdong Project Hope Award for Outstanding Contributions."



Primax partners with the Project Hope (organized by Guangdong Youth Development Foundation) to support the Rural Teacher Program, care for left-behind children, and improve infrastructure in rural schools.

Scholarship



In 2023, NT\$**433,000** was invested in the scholarship (to reward the outstanding and assist the poor), benefiting

A total of **56** beneficiaries were served..



We continue to offer the scholarship (to reward the outstanding and assist the poor) to outstanding students from external communities and among internal employees' children. Through both material and emotional support, we encourage these children to engage fully in their studies and use knowledge to achieve their dreams and contribute to society.

Growth Classes



NT\$**650,000** was invested in the Growth Classes in 2023, benefiting

A total of **2,000** beneficiaries were served..



We invite professional teachers and specific research institutions to provide exciting science courses for internal employees' children and children from the external community. Additionally, we used an enjoyable learning approach to promote STEM education among young individuals in the technology industry and contribute to national scientific endeavors.

Column

"Children" walk side by side with science at Dongguan Primax Growth Classroom

In order to better support the education and growth of community juvenile, contribute to the national science and technology undertakings by organizing youth initiation education, and further improving the public's scientific literacy. In 2021, we worked with the Shijie Township Youth Palace to launch the "Dongguan Primax Growth Classes" public welfare project. The project aims to transform interesting scientific mysteries into vivid science "experiential courses" after the scientific concept of "learning, understanding, loving, and using" science, in order to guide students to have in-depth exploration in various popular science bases, children's palace classes and laboratory classes, etc., and, through entertaining teaching approach, lead students to observe with their eyes, experience with their hands and think independently to learn knowledge.

The Dongguan Primax Growth Classes enable the children to take the initiative to disclose the wonderful principles of science in their life, in order to stimulate the enthusiasm and creativity of the whole society. We have successfully organized two public welfare activities (in 2022 and 2023), including two popular science carnivals and 10 sessions of the science public welfare class, benefiting more than 3,500 juveniles. Thanks to the promotion of the project, the Company won the honorary title of "Dongguan City Child-friendly Enterprise" in 2023.

Event Results

- Growth Classes: As of August 2023, a total of **NT\$1.30 million** has been invested, benefiting **3,500** people.
- Organize two popular science carnivals: Provide content-rich activities through exhibitions, interactive experiences, and provide each participant who "broke through the game successfully" with science gifts to promote the improvement of the juvenile's interest in science, awareness toward innovation, and learning and practicing of science.
- Organized 10 sessions of the science public welfare class: Each session organized the study tour admitting more than 100 juveniles. The tour focused on exploration and experiment as a special project to visit Guangdong Province Drone Research and Development Base, participate in the maker research and study class at the Youth Palace in Shijie Town, visit Guangdong Science Center and attend the experimental courses at the Starry Sky Life Science Center to inspire wisdom and combine education with fun. The study tour caught the social public's eyes, and the Twitter report on the relevant activities has been read **120,000+**.



Scientific research class



Field study activities

7.3 Volunteering Services

By establishing the volunteer service clubs, we aim to harness the power of 1+1>2, maximizing the impact of our efforts.

Volunteer Service Team and Star-rating Volunteer Reward System of Primax Operating Locations in China

In addition to financial sponsorship, we encourage employees to participate in volunteer activities in their spare time, to increase happiness from helping others, recognize their self-worth, feel grateful for their life, and enhance their empathy during close contact with the elderly, people with disabilities, or disadvantaged families, cleanup of the environment, or ecological protection. As a result, Primax's manufacturing base in mainland China has been actively promoting volunteer service in recent years:

2017

In Dongguan Dongju established the Dongju Electronic Volunteer Service Team

2018

A reward mechanism was set up to recognize star volunteers. In Chongqing, Primax established the Primax Chongqing Volunteer Service Team.

2022

In Kunshan Primax established the Primax Dongju Volunteer Service Team



"Return Visit for Caring and Extension of Warmth" volunteer activity



Community cleanup

In addition, we have established the "Star Volunteer Incentive System" with the aim of encouraging colleagues to actively participate in charitable activities. In 2023, all volunteer service teams continued to support various service activities, such as the "Innocent Children and Love Children Growth" activity, civilized transportation activity, and riverside greenway clean-up activity. These activities will be one of the key public welfare activities scheduled by Primax in 2023. Our dedication to continuously giving back to society, ensuring that love never ceases, led our volunteer team to once again receive certifications and awards as a compassionate collective. This external acknowledgment has been received by our volunteer team every year since its establishment.

In 2023, Primax Volunteer Service Teams executed a total of **103** activities, with **1,687** participants, benefiting a total of **12,301** people. The total public welfare expenditure amounted to RMB79,386 (NT\$343,953).

In 2023, a total of **37** volunteers met the criteria for star-rated volunteers and were commended in public.

Column

Established the Social Responsibility Awards to promote the growth of social common good goals.

To promote the sustainable development of social responsibility, Primax encourages all operating locations to support the ESG practices proactively, and specially establishes the "Social Responsibility Award." Public welfare participation, as a bonus indicator of this Award, has greatly promoted the growth of the volunteer team.

In 2023, with the strong support and promotion by the directors of the 7 plants of Primax in China, the employees, with their strong top-down cohesion and strong sense of responsibility, took the initiative to respond to ESG public welfare activities, participated in the volunteer activities inside and outside the organization, and did charity and feedback to the society after work. Thanks to the social responsibility award mechanism, the number of volunteers in the three places totaled 299 in 2023, a year-on-year increase by 82.3%. The increase in the number of volunteers has also led to an increase in the number of volunteer service hours. In 2023, the total volunteer service hours in the three places reached 5,572 hours, a year-on-year increase by 11.4%, facilitating the achievement of the social common good goal. In the end, the iIBG-PH2 Dongguan Factory won the 2023 Social Responsibility Award with the highest annual total score!



Chairman Duh, Jia-Bin (right) presented the award to President Li Ping (left) of the award-winning iIBG-PH2 plant.



Taipei volunteers and Hongdao Senior Citizen's Welfare Foundation

In 2016, Primax Taipei established the Volunteer Society to encourage employees to actively engage in volunteer activities by providing three days of paid volunteer leave. Due to the social issues of declining birthrates and an aging population in Taiwan, the average age of Primax' s employees in Taipei is in the young- and middle-aged bracket and have senior parents and young children at home. Therefore, we pay attention to education issues and are committed to the care for the elderly, so we work with the Hongdao Senior Citizen's Welfare Foundation for long term and hold regular caring activities every year to direct employees' attention to the issue of elderly care.

In 2023, we restarted the physical year-end shopping with warmth and companionship that had been suspended for two years due to the pandemic. The seniors who participated in the purchases were all poor seniors who lived alone and may have limited mobility. Primax volunteers picked them up from home to the mall, and donated a shopping deposit of NT\$1,500 to each of them to buy daily or New Year's necessities. This time, we also worked with Carrefour Neihu. After shopping, we enjoyed the delicious meals and fruits provided by the cooked food area of Carrefour in the lounge area of it. This allows employees to dine with the seniors and chat with them. Through the interaction, the employees may recall the old time they spent in getting along with their grandparents and also think about their lifestyle when they are old.

Meanwhile, during the Double Ninth Festival in September, we also organized the "Sanxia Cultural Parade One-day Tour" in cooperation with The Can, where the seniors were arranged to visit the most famous Sanxia Old Street and Sanxia Zushih Temple to experience the humanistic atmosphere in Sanxia. Afterwards, we were invited to experience local DIY indigo dyeing and taste additive-free soy and baked products from KOUJI Cross Culture Restaurant. The purpose of this event was not only to provide the opportunity for elderly individuals living alone to step out of their homes and socialize but also to let Primax employees understand the virtue of helping others and the importance of caring for society. Together, we aim to create an age-friendly society.



Cooperating with Carrefour Neihu to organize the buddy year-end shopping activities



Work with the Can to organize the Sanxia Cultural Parade Tour

Appendices

Chapter 8

- 8.1 Certification of ESG-related Systems for Primax Group
- 8.2 GRI Content Index
- 8.3 SASB Index
- 8.4 Sustainability Disclosure Indicators for the Electronic Components Industry
- 8.5 Climate-related Information Disclosure for Listed Companies
- 8.6 Statement of Independent Third-party Verification Opinion



► **8.1 Certification of ESG-related Systems for Primax Group**
 8.1 Climate-related Information Disclosure for Listed Companies

8.2 GRI Content Index

8.3 SASB Index

8.4 Sustainability Disclosure Indicators for the Electronic Components Industry
 8.6 Independent Third Party Verification Statement

8.1 Certification of ESG-related Systems for Primax Group

Name of system Plant	Environmental						Social			Governance				
	ISO14064-1 Greenhouse Gas Inventory	ISO 14001 Environmental Management System	ISO 50001 Energy Management System	ISO 14046 Water footprint standards for organization life cycle	IECQC QC 080000 Hazardous Substance Process Management System	UL2799 Certification of Zero Burial	RBA VAP Responsibility Responsible Business Alliance	ISO 45001 Occupational health and safety management system	C-TPAT Customs-Trade Partnership Against Terrorism	AEO High-Quality Enterprise	ISO 27001 Information security Management system	ISO 9001 Quality Management System	ISO13485 Medical Device Management System	IATF 16949 Automotive Quality Management System
Primax Taipei	● May 19, 2025	● October 26, 2025	● December 16, 2025	● April 27, 2025	● May 8, 2025						● October 31, 2025	● April 23, 2025		
Primax Dongguan	● May 19, 2025	● December 18, 2025	● November 11, 2025	● April 27, 2025	● May 8, 2025	● May 30, 2024	● December 15, 2025	● December 18, 2025	● August 2, 2026	● (No validity period)	● October 31, 2025	● April 23, 2025		● March 14, 2025
Primax Chongqing	● May 19, 2025	● December 18, 2025	● November 19, 2025	● April 27, 2025	● May 8, 2025	● May 27, 2025	● May 12, 2025	● December 18, 2025	● March 7, 2025	● (No validity period)	● October 31, 2025	● April 23, 2025		
Primax Kunshan	● May 19, 2025	● December 18, 2025	● November 12, 2025	● April 27, 2025	● May 8, 2025		● October 10, 2025	● December 18, 2025			● October 31, 2025	● April 23, 2025		
Primax Thailand	● May 19, 2025	● May 19, 2025	● March 17, 2027	● April 27, 2025	● May 8, 2025	2025 Certification	● June 28, 2024	● May 19, 2025	● October 3, 2025		● October 31, 2025	● April 23, 2025		● March 21, 2027
Tymphony Taipei	● May 19, 2025													
Tymphony Dongguan	● May 19, 2025	● January 13, 2026	● November 30, 2025	● April 27, 2025	● July 31, 2025	● January 8, 2025	● May 23, 2025	● January 13, 2026	● May 15, 2025		● September 5, 2024	● September 7, 2024	● June 27, 2025	● May 16, 2025
Tymphony Huizhou	● May 19, 2025	● May 18, 2027	● November 30, 2025	● April 27, 2025	● September 12, 2025	2025 Certification	● May 23, 2025	● May 18, 2027	● July 20, 2024		● September 5, 2024	● August 6, 2024		● July 29, 2025
Tymphony Thailand	● May 19, 2025	● November 17, 2025	● March 17, 2027	● April 27, 2025	● May 8, 2025	● September 30, 2026	● May 31, 2025	● November 17, 2025	● October 2, 2024		● September 5, 2024	● March 17, 2026		
Tymphony Czech	● March 21, 2025	● May 13, 2027	● January 4, 2027	● Report ready	● April 23, 2027			● May 13, 2027			● September 5, 2024	● April 16, 2027		● April 7, 2025 (LOC)

8.2 GRI Content Index

GRI Topics	Disclosures	Corresponding chapter	Page	Reasons/Explanations for Omission
GRI 2: General Disclosures 2021				
Organizational and Reporting Practices				
2-1	Detailed information about the organization	1.4 Company Overview	11	
2-2	Entities included in the sustainability report	About the report	05	
2-3	Reporting period, frequency, and contact person	About the report	05	
2-4	Restatements of information	About the report	05	
2-5	External Assurance	About the report 8.6 Independent Third Party Verification Statement	05152	
Activities and Workers				
2-6	Activities, value chain, and other business relationships	1.4 Company Overview	11	
2-7	Employee	6.2 Workplace of Diversity and Inclusivity	97	
2-8	Non-employee workers	6.2 Workplace of Diversity and Inclusivity	97	
Governance				
2-9	Governance structure and composition	3.1 Corporate Governance Framework	39	
2-10	Nominating and selecting the highest governance body	3.1 Corporate Governance Framework	39	
2-11	Chair of the highest governance body	3.1 Corporate Governance Framework	39	
2-12	Role of the highest governance body in overseeing impact management	2.1 Sustainability Management and Practice	15	
2-13	Person responsible for impact management	2.1 Sustainability Management and Practice	15	
2-14	Role of the highest governance body in sustainability reporting	About the report 2.1 Sustainability Management and Practice	0515	
2-15	Conflicts of interest	3.3 Ethics and Integrity	42	
2-16	Communication of key significant events	2.1 Sustainability Management and Practice	15	
2-17	Collective Knowledge of Highest Governance Body	3.2 Operations of Governance	41	
2-18	Evaluating the highest governance body's performance	3.2 Operations of Governance	41	
2-19	Compensation policies	3.2 Operations of Governance	41	
2-20	Compensation decision-making process	3.2 Operations of Governance	41	
2-21	Annual total compensation ratio	6.3 Talent attraction and retention	100	
Strategies, Policies, and Practices				
2-22	Statement of sustainable development strategy	1.2 Message from the Chairman	07	

GRI Topics	Disclosures	Corresponding chapter	Page	Reasons/Explanations for Omission
2-23	Policy commitments	3.4 Operating Performance 6.1 Human Rights Management 5 Responsible supply chain	469482	
2-24	Inclusion of policy commitments	6.1 Human Rights Management 5. Responsible supply chain management	9482	
2-25	Remediation process for negative impacts	3.3 Ethics and Integrity Chapter Management Approach	4228	
2-26	Mechanism for Seeking Advice and Raising Concerns	3.3 Ethics and Integrity	42	
2-27	Compliance	1.3 Awards and Sustainable Achievements of Primax in 2023	08	
2-28	Membership of associations	4.3 Energy management	69	
Stakeholder engagement				
2-29	Stakeholder Engagement Policy	2.4 Stakeholder Engagement	34	
2-30	Collective bargaining agreements	6.3 Talent attraction and retention	100	
Material topic				
GRI 3: Material Topics 2021				
3-1	Decide on the process of material topics	2.4 Identification of Material Issues	34	
3-2	List of Material Topics	2.4 Identification of Material Issues	34	
Material Topic: Climate Action				
3-3	Management of Material Topics	Climate change adaptation	59	
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	4.1 Climate Change Financial Disclosure	60	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.3 Energy management	69	
	302-3 Energy intensity	4.3 Energy management	69	
	302-4 Reduction of energy consumption	4.3 Energy management	69	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.2 Greenhouse Gas Reduction	67	
	305-2 Energy indirect (Scope 2) GHG emissions	4.2 Greenhouse Gas Reduction	67	
	305-3 Other indirect (Scope 3) GHG emissions	4.2 Greenhouse Gas Reduction	67	
GRI 305: Emissions 2016	305-4 GHG emissions intensity	4.2 Greenhouse Gas Reduction	67	
	305-5 Reduction of GHG emissions	4.2 Greenhouse Gas Reduction	67	
Material topic: Economic performance				
3-3	Management of Material Topics	Management of operational development	46	

GRI Topics	Disclosures	Corresponding chapter	Page	Reasons/Explanations for Omission
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	3.4 Operating Performance	46	
	201-4 Financial assistance received from government	3.4 Operating Performance	46	
Material Topic: Occupational Health and Safety				
3-3	Management of Material Topics	Safe and healthy workplace management	116	
GRI 403: Occupational safety and health 2018	403-1 Occupational health and safety management system	6.5 Health and safety	116	
	403-2 Hazard identification, risk assessment, and incident investigation	6.5 Health and safety	116	
	403-3 Occupational health services	6.5 Health and safety	116	
	403-4 Worker participation, consultation, and communication on occupational health and safety	6.5 Health and safety	116	
	403-5 Worker training on occupational health and safety	6.5 Health and safety	116	
	403-6 Promotion of worker health	6.5 Health and safety	116	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.5 Health and safety	116	
	403-8 Workers covered by an occupational health and safety management system	6.5 Health and safety	116	
	403-9 Work-related injuries	6.5 Health and safety	116	
	403-10 Work-related ill health	6.5 Health and safety	116	
Material Topic: Privacy and IT security				
3-3	Management of Material Topics	Privacy and Cybersecurity management	53	
GRI 418: Customers' privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.7 Privacy and Cyber Security	53	
Major Topic: Product Innovation and Development				
3-3	Management of Material Topics	Management of operational development	46	
Material Topic: Talent Recruitment and Retention				
3-3	Management of Material Topics	Talent Management	100	
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	6.3 Talent attraction and retention	100	
GRI 401: Employment 2016	401-1 New employee hires and departed employees	6.3 Talent attraction and retention	100	
	401-2 Benefits provided to full-time employees (excluding temporary and part-time employees)	6.3 Talent attraction and retention	100	
	401-3 Parental leave	6.3 Talent attraction and retention	100	
GRI 201: Economic performance 2016	201-3 Defined benefit plan obligations and other retirement plans	6.3 Talent attraction and retention	100	
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of female to male basic salary and total compensation	6.3 Talent attraction and retention	100	

GRI Topics	Disclosures	Corresponding chapter	Page	Reasons/Explanations for Omission
Material Topic: Supply Chain Sustainability Management				
3-3	Management of Material Topics	Sustainable Supply Chain Management	83	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	5. Responsible supply chain	82	
	308-2 Negative environmental impacts in the supply chain and actions taken	5. Responsible supply chain	82	
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	5. Responsible supply chain	82	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	5. Responsible supply chain	82	
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	5. Responsible supply chain	82	
	414-2 Negative social impacts in the supply chain and actions taken	5. Responsible supply chain	82	
Material Topic: Labor/Management Relations				
3-3	Management of Material Topics	Talent Management	100	
GRI 402: Labor-management relationship 2016	402-1 Minimum notice periods regarding operational changes	6.3 Talent attraction and retention	100	
Material Topic: Talent Development and Cultivation				
3-3	Management of Material Topics	Talent Management	100	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	6.4 Talent Development and Cultivation	100	
	404-3 Percentage of employees receiving regular performance and career development reviews	6.4 Talent Development and Cultivation	100	
Material Topic: Ethical Corporate Management				
3-3	Management of Material Topics	Ethics and Integrity Management	42	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	3.2 Operations of Governance 3.3 Ethics and Integrity	4142	
	205-3 Confirmed incidents of corruption and actions taken	3.3 Ethics and Integrity	42	None
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-		None
Material Topic: Labor Rights				
3-3	Management of Material Topics	Human Rights Due Diligence	93	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	6.1 Human Rights Management	93	
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	6.1 Human Rights Management	93	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.1 Human Rights Management	93	
Material Topic: Diversity and Equality				
3-3	Management of Material Topics	Human Rights Due Diligence	93	

GRI Topics	Disclosures	Corresponding chapter	Page	Reasons/Explanations for Omission
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	3.1 Corporate Governance Framework 6.2 Workplace of Diversity and Inclusivity	3997	

Voluntary Disclosure Indicator

GRI Topics	Disclosures	Corresponding chapter	Page	Reasons/ Explanations for Omission
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	7 Contribution to Society	131	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	4.6 Green Product Health and Safety Management	75	
GRI 303: Water and Wastewater 2018	303-2 Management of water discharge-related impacts	4.4 Water Resource Management	72	
	303-3 Water withdrawal	4.4 Water Resource Management	72	
	303-4 Water Discharge	4.4 Water Resource Management	72	
	303-5 Water consumption	4.4 Water Resource Management	72	
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	4.5 Pollution Prevention and Management	73	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4.5 Pollution Prevention and Management	73	
GRI 306: Waste 2020	306-3 Waste generated	4.5 Pollution Prevention and Management	73	
	306-4 Waste diverted from disposal	4.5 Pollution Prevention and Management	73	
	306-5 Waste directed to disposal	4.5 Pollution Prevention and Management	73	
GRI 415: Public Policy 2016	415-1 Political contributions	-		None
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	4.6 Green Product Health and Safety Management	75	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	4.6 Green Product Health and Safety Management	75	

8.3 SASB Index

Industry: TECHNOLOGY & COMMUNICATIONS/Hardware)

Current issue: published in June 2023

The scope of disclosure in this table is the same as this report (including Primax and Tymphany), focusing on the disclosure conducted by the Primax Group.

Topic	Indicator No.	Disclosure indicator	Nature	Unit	Report content or description
Product safety	230a.1	Description of approach to identifying and addressing data security risks	Qualitative	n/a	Please refer to 3.7 Privacy and Cyber Security.
Employee diversity and inclusion	330a.1	(1) executive management, (2) technical personnel, and (3) all other employees.	Quantitative	%	<p>Statistics by genders Managers: Male 73.93%, Female 26.07% Technical Staff: Male 87.41%, Female 12.59% Other Employees: Male 44.13%, Female 55.87%</p> <p>Statistics by ethnicities Managers: Asian 94.75%, Caucasian 5.25% Technical Staff: Asian 96.69%, Caucasian 3.31% Other Employees: Asian 93.79%, Caucasian 6.21%</p>
Product Life Cycle Management	410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	%	<p>The percentage of products in the Primax Group containing IEC 62474 is 100%; The percentage of products sold containing declarable substances subject to IEC 62474 reporting is 0%. Primax Group adopts the Product Data Management (PDM), Primax GP Portal®, and SAP® information management system to identify whether the constituent substances of all our parts contain the relevant IEC 62474 declarable substances, and 100% of our parts passed the health and safety assessment, a statement of compliance, hazardous substances test reports, substance safety survey, and safety/EMC standards conformity report. Please refer to 4.6 Green Product Health and Safety Management</p>
	410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative	%	Primax Group's products are business to business (B2B), and EPEAT registration is executed by our clients. If they have a need for application, we will provide the information required for registration.
Product Life Cycle Management	410a.3	Products Conforming to Energy Efficiency Certifications as a Percentage of Operating Revenue	Quantitative	%	Primax Group's products are business to business (B2B), and the Energy Efficiency Certification is executed by our clients. If they have a need for application, we will provide the information required for registration.
	410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	t,%	Not applicable Primax Group's products are B2B and not final consumer products. Therefore, the weight of end-of-life products discarded, recovered, and recycled are planned by our clients.

Topic	Indicator No.	Disclosure indicator	Nature	Unit	Report content or description
Supply chain management	430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all suppliers and (b) high-risk suppliers (conflict minerals)	Quantitative	%	(a) 2.98% (b) 92.5% VAP Equivalent Audit: Supplier audits conducted by qualified third-party organizations appointed by Primax and Primax's qualified audit teams. The audit is based on the Primax Supplier SER Audit Checklist, which references local laws and regulations, the Responsible Business Alliance (RBA) Code of Conduct, customer requirements, Primax's corporate social responsibility management regulations, and other applicable requirements.
	430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances, and (b) other non-conformances	Quantitative	rate	(1) Non-conformance Rate: (a) 1.91% (b) 20.1% (2) Improvement Rate: (a) 73.1% (b) 83%
Material procurement	440a.1	Description of the management of risks associated with the use of critical materials	Qualitative	n/a	Please refer to 5 Responsible Supply Chain Primax Group implements a short-term local procurement short-chain layout based on the location of the production plant, and evaluates whether it is necessary to implement authorized material preparation and safety stock according to the characteristics of each product line's key components and material preparation time. With respect to the control over key materials, the spot goods management mechanism is available to respond to the disruption risk caused by force majeure factors in a short time, and a second procurement source mechanism established by us to disperse the risk over single supplier to improve the resilience of the supply chain.

8.4 Sustainability Disclosure Indicators for the Electronic Components Industry

The scope of disclosure in this table is the same as this report (including Primax and Tymphany), focusing on the disclosure conducted by the Primax Group.


Number	Indicator	Category of Indicator	Unit	Response
1	Total energy consumption, percentage of purchased external electricity, and renewable energy utilization rate	Quantitative	Billion Joules (GJ), percentage (%)	333,463.107 GJ~95.91%~42.34%
2	Total water intake and total water consumption	Quantitative	Thousand cubic meters (M ³)	780.60 thousand cubic meters, 327.64 thousand cubic meters
3	Weight of generated hazardous waste and recycling percentage	Quantitative	Metric tons (t), percentage (%)	Weight: 164.18t Percentage of recycled objects: 62.37%
4	Description of occupational accident categories, number, and ratio	Quantitative	Ratio (%), Quantity	Number: 52 people (all general occupational accidents) Occupational Accident Ratio: 0.52%
5	Disclosure of product life cycle management: weight of scrapped products and electronic waste and recycling percentage	Quantitative	Metric tons (t), percentage (%)	Not applicable, as Primax Group's products are B2B and not final consumer products. Therefore, the weight of end-of-life products discarded, recovered, and recycled are planned by our clients.
6	Description of risk management related to the use of key materials	Qualitative description	Not applicable	Please refer to 5 Responsible Supply Chain
7	Total monetary loss due to legal proceedings related to anti-competitive behavior regulations.	Quantitative	NT	NTD 0
8	Production volume by main product category	Quantitative	thousand pieces	112,843 thousand pcs

Note: Including the sale of scraps or other recycling disposal, relevant description shall be provided.

8.5 Climate-related Information Disclosure for Listed Companies

Item	Status of Execution
1. Explanation of the board of directors and management's oversight and governance of climate-related risks and opportunities.	4.1 Climate Change Financial Disclosure
2. Explanation on how the identified climate risks and opportunities affect the company's business, strategies, and finances (short-term, medium-term, long-term).	4.1 Climate Change Financial Disclosure
3. Explanation on the financial impact of extreme climate events and transition actions.	4.1 Climate Change Financial Disclosure
4. Explanation on how the processes of identifying, assessing, and managing climate risks are integrated into the overall risk management system.	4.1 Climate Change Financial Disclosure
5. If scenario analysis is used to assess the resilience against climate change risks, it is necessary to explain the scenarios, parameters, assumptions, analysis factors used and major financial impacts.	4.1 Climate Change Financial Disclosure
6. If there is a transition plan to manage climate-related risks, provide details of the plan's content, indicators, and targets for identifying and managing physical and transition risks.	4.1 Climate Change Financial Disclosure
7. If internal carbon pricing is used as a planning tool, explain the pricing basis.	Presently, no internal carbon pricing system is adopted, and assessment is expected to be performed in 2024, and trial run will be started in 2025
8. If climate-related targets are set, provide information on the covered activities, greenhouse gas emission scope, planning timeframe, and annual progress towards achieving the goals. If carbon offsetting or renewable energy certificates (RECs) are used to achieve the goals, explain the source and quantity of carbon offsets or RECs.	4.1 Climate Change Financial Disclosure
9. GHG inventory inspection and assurance status and reduction goal, strategy and specific action plan.	As Primax's total capital has not reached NT\$5 billion, the individual company's assurance will be completed in 2028, and the assurance of subsidiaries indicated in the consolidated financial statements will be completed in 2029. Primax Group has performed the inspection and verification of all business locations, which will be disclosed according to the laws and regulations in the future

8.6 Statement of Independent Third-party Verification Opinion



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE PRIMAX ELECTRONICS LTD.'S ESG REPORT FOR 2023

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Primax Electronics Ltd. (hereinafter referred to as PRIMAX) to conduct an independent assurance of the ESG Report for 2023 (hereinafter referred to as the Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 2 Moderate level to assess whether the text and data in accompanying tables contained in the report and complies with the GRI Standards and AA1000 Accountability Principles (2018). ESG disclosure topics & accounting metrics follows ESG accounting standards (SASB) Hardware version 2023-12 during on-site assurance (20240423-20240527) in PRIMAX headquarter. The boundary of this report includes PRIMAX Taiwan and overseas operational and manufacturing sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD).

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all PRIMAX's Stakeholders.

RESPONSIBILITIES

The information in the PRIMAX's ESG Report of 2023 and its presentation are the responsibility of the directors or governing body (as applicable) and management of PRIMAX. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the report content within the scope of assurance with the intention to inform all PRIMAX's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organization's reporting practices and other organizational detail, GRI 3:2021 for organization's process of determining material topics, its list of material topics and how it manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

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

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

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options
1 GRI Universal Standard (2021) (In Accordance with)
2 AA1000 Accountability Principles (2018)
3 SASB (TECHNOLOGY & COMMUNICATIONS SECTOR: HARDWARE INDUSTRY STANDARD, VERSION 2023-12)

- The evaluation includes AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018).
- The evaluation of the reliability and quality of specified sustainability performance information in PRIMAX's ESG Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a moderate level of scrutiny for PRIMAX and moderate level of scrutiny for its subsidiaries.
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.
- The evaluation of the report against the SASB Disclosures and Metrics included in the Hardware of ESG Accounting Standard (VERSION 2023-12) and conducted alongside an evaluation of accuracy assurance at moderate level of scrutiny.

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

The assurance has verified the following indicators of S&P CSA which disclosed in the ESG report as below:

- 1.7.3 KPIs for Supplier Screening
- 1.7.6 KPIs for Supplier Assessment and Development
- 2.2.4 Volatile Organic Compounds Emissions
- 2.3.1 Energy Consumption
- 2.4.1 Waste Disposal
- 2.4.2 Hazardous Waste

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, ESG committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts, and Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

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

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

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared in all material respects, in accordance with the reporting criteria. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

PRIMAX has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, PRIMAX may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

Materiality

PRIMAX has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness

PRIMAX has established policy and strategy statements in this report which respond to the material issues and to its stakeholders in a timely and transparent manner.

Impact

PRIMAX has demonstrated a process to identify and represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS



RECOMMENDATIONS

The report, PRIMAX's ESG Report of 2023, is adequately in accordance with the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1: Foundation 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following the guidance defined in GRI 3: Material Topic 2021, and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to PRIMAX's contributions to sustainability development. For future reporting, PRIMAX is encouraged to disclose how PRIMAX extend its management on human rights related issues with more comprehensive performance result.

SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

PRIMAX has referenced with SASB's Standard, Technology & Communications Sector-Hardware Industry Standard, VERSION 2023-12 to disclose information of material topics that are vital for enterprise value creation. The reporting boundary is the same as PRIMAX's ESG report. PRIMAX used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. PRIMAX has determined which disclosure topics and associated metrics are financially material to its business and has illustrated appropriately in the content index. By using both GRI and SASB standards together, the efficiency of communication and the identification of material issues are substantially increased during the whole reporting preparation process. Besides, it is best practice to implement a gap analysis and comparison of reported issues and benchmark within or across sectors in next reporting.

Signed:
For and on behalf of SGS Taiwan Ltd.



Stephen Pao
Business Assurance Director
Taipei, Taiwan
23 July 2024
www.sgs.com

TWPPF S008 Issue 2404

TWPPF S008 Issue 2404

TWPPF S008 Issue 2404

TWPPF S008 Issue 2404