

PRIMAX<sup>®</sup>



致伸科技

2022

ESG report

# 01

## Overview

1.1 About the report	05
1.2 Message from the Chairman	07
1.3 Awards and Achievements in 2022	08
1.4 Company overview	11

# 02

## Sustainability Management

2.1 Sustainability Management and Practice	15
2.2 Primax sustainability strategies and Blueprint	16
2.3 Stakeholder engagement	20
2.4 Identification of Material Issues	25

# 03

## Corporate governance

3.1 Corporate Governance Framework	34
3.2 Operations of Governance	36
3.3 Ethics and Integrity	37
3.4 Operating performance	39
3.5 Innovation and service	41
3.6 Risk management	42
3.7 Privacy and Cyber Security	46

# 04

## Environmental Sustainability

4.1 Climate Change Financial Disclosure	53
4.2 Energy management	59
4.3 Greenhouse Gas Reduction	62
4.4 Water resource management	64
4.5 Pollution Prevention and Management	65

05

**Responsible supply chain**

5.1 Green Product Health and Safety Management	70
[Column] Example: Low-Carbon Product Innovation Design - HVS40	71
5.2 Sustainable Supply Chain Management	76

07

**Contribution to Society**

7.1 Deepening Education in Remote Areas	115
7.2 Participation in Public Welfare Contributions	117
7.3 Volunteering Services	119

06

**Friendly Workplace**

6.1 Human Rights Due Diligence	83
6.2 Work Forces Overview	86
6.3 Talent recruitment and retention	88
6.4 Talent Attraction	91
6.5 Diverse and Effective Employee Communication	97
[Column] ESG Theme Monthly Series	98
[Column] Building a Comprehensive ESG Ecosystem	99
Where Everyone Benefits and Finds Joy Within	
6.6 Talent Development and Cultivation	100
6.7 Health and safety	2017

08

**Appendices**

8.1 Certification of ESG-related Systems for Primax Group	122
8.2 GRI Content Index	123
8.3 SASB Index	128
8.4 Sustainability Disclosure Indicators for the Electronic Components Industry	130
8.5 Climate-related Information Disclosure for Listed Companies	131
8.6 Statement of Independent Third-party Verification Opinion	132

# 01



## Overview

- 1.1 About the report
- 1.2 Message from the Chairman
- 1.3 Awards and Achievements in 2022
- 1.4 Company overview

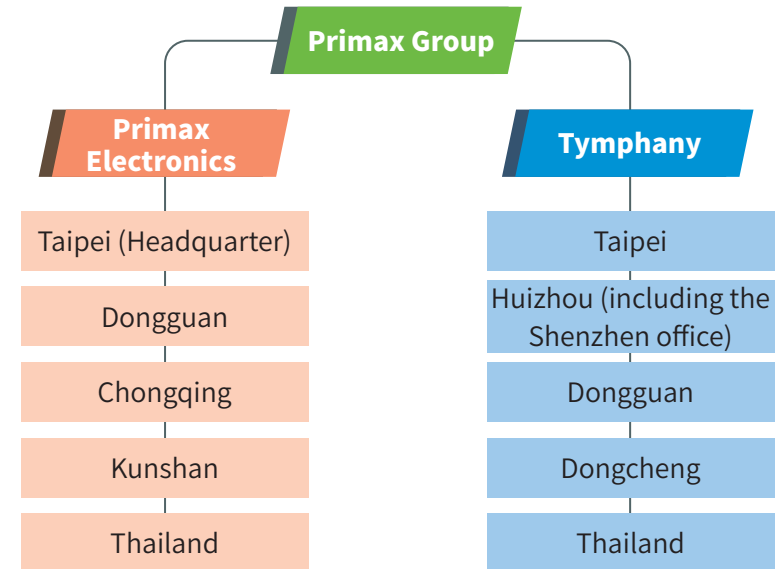
# 1.1 About the Report

Primax Electronics prepares an annual ESG report in both Chinese and English, which is publicly available on the company's official website. The 2022 ESG report is the 9th edition published by Primax. In addition to following the latest Global Reporting Initiative (GRI) Standards 2021 as a reference for reporting information disclosure, the report also incorporates the frameworks of the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) for climate-related financial disclosures and sustainability accounting standards. The report is structured around the main themes of "Sustainable Management", "Corporate Governance", "Environmental Sustainability", "Responsible Supply Chain", "Friendly Workplace", and "Social Contribution". It highlights Primax Group's efforts and achievements in addressing sustainability issues, management policies, and performance in the economic, governance, environmental, and social (including product responsibility) dimensions in 2022. The company aims to showcase its commitment to sustainable development through the publication of this report and continuously listen to the expectations and feedback of various stakeholders, using them as guidance for ongoing improvement in its sustainability journey.

## Reporting Period and Scope

The information disclosure period for this report is from January 1, 2022, to December 31, 2022. This year's report includes expanded coverage of Primax's operations in Thailand and Taipei's Tymphony office. In terms of environmental aspects (energy, greenhouse gas inventory, water data), the report also includes information from the Tymphony offices in Huizhou and Shenzhen. The content of the report follows the materiality disclosure principle of GRI, considering 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 content is disclosed at the Primax Group level, covering explanations of events, management policies, targets, and other aspects both before and after 2022.

## Scope of Disclosure of This Report



Note: The term "Primax Group" or "Group" is used to explain contents that include operations of the subsidiary Tymphony.  
 Note: The scope covered in this report (2022) includes the mentioned locations, while other consolidated reporting entities are not included in this report. For information on related entities of Primax, please refer to "Annual Report of Shareholders' Meeting for 2022, Pages 131 - 133".

## 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.

### 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 AA 1000 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 detailed information and statements regarding SGS assurance, please refer to Appendix 8.6. The content indexes for GRI and SASB are provided in Appendix 8.2 and 8.4, respectively.

### Restatements of information

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. We have emphasized on explaining management guidelines under the new GRI reporting principles, an made more in-depth responses to material topics to more closely address stakeholders' concerns. We have also addressed non-material topics in separate chapters to complement 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.

Category	Data Basis and Assurance
ESG reporting	AA 1000 AS v3 (Type 2 Moderate Assurance level)
Financial Report	Financial reports verified by the joint audit of KPMG in Taiwan (All financial data in the report is presented in New Taiwan Dollars, with a conversion rate of 4.4 times for Chinese Renminbi)
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 QC 080000 HSPM Hazardous Substances Process Management System
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

Please contact us for any queries or suggestions you may have with regards to the content of this report. Contact information is as follows:

#### 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/>

ESG corporate sustainability website:

<https://www.primax.com.tw/esg>



Company website



ESG website

## 1.2 Message from the Chairman

Looking back at 2022, the global supply chain was once again impacted by the outbreak of the Russo-Ukrainian War, leading to a worldwide crisis of inflation. Central banks around the world adopted tighter monetary policies to control risks. Private consumption began to slow down while raw material prices and costs continued to rise. This created significant uncertainty for the economic outlook and business operations in that year, testing the resilience and responsiveness of companies.

**Under consistent operations and a sound financial foundation, we continue to strategically plan for the long-term development of new products and technologies.**

Embracing innovation has been a key factor in sustaining profitability and growth for Primax Electronics. We integrate acoustics, visuals, and human-machine interfaces to develop critical new technologies and products that extend our business reach into people's daily lives. In terms of production manufacturing and global expansion, our innovation center in Zhubei, Taiwan, is expected to include advanced laboratories, industry-academia collaboration centers, and new product manufacturing centers. In addition to our major production base in mainland China, we will continue to deepen production in our manufacturing base in Thailand. This year, we will also invest in establishing a facility in North America to achieve regionalized customer service.

**Formulated the Primax 2030 sustainability strategies and Blueprint in alignment with the Sustainable Development Goals (SDGs)**

As a leading provider of information, electronic, and consumer products solutions, we have framed our sustainability strategy blueprint in response to six United Nations Sustainable Development Goals (SDGs) in 2022, and have developed 29 strategic objectives and corresponding short, medium, and long-term action plans based on this blueprint. Performance indicators have been set for each responsible unit to deeply integrate sustainability into our operations, maximizing our own influence.

**We are committed to achieving net-zero emissions by 2050 and have adopted the Science-Based Targets initiative (SBTi) methodology to plan the Primax Group's net-zero pathway.**

In 2022, Primax joined the RE100 initiative, committing to using 100% renewable energy and achieving carbon neutrality by 2040. To achieve more aggressive decarbonization targets, we have committed to reaching net-zero emissions by 2050 and have planned the net-zero pathway. We will set reduction targets based on the Science Based Targets initiative (SBTi) and systematically formulate policies and promote reduction plans. This will serve as the basis for setting TCFD goals and indicators. In 2023, we have already submitted our carbon reduction target review applications to SBTi for our significant production facilities in Chongqing and Kunshan, demonstrating our commitment to setting SBT targets throughout the Group.

**Attracting talents and treating them well to become the best employer, receiving multiple external recognitions.**

In recent years, we have actively deepened our commitment to sustainable talent development and joined the Taiwan Sustainable Talent Action Alliance in response to the wave of diversity, equity, and inclusion (DEI). At the same time, we have been dedicated to cultivating a healthy and friendly workplace for many years. In addition to recognized with awards for "Best Companies to work for in Asia". by HR Asia, we have also received awards such as the Ministry of Labor's Work-Life Balance Award, the Sports Administration's Sports Enterprise Certification, and the Excellent Employer for Excess Employment of Disabled Persons in Taipei City. With a caring approach to employees, comprehensive systems, and a pragmatic corporate culture, we attract and develop outstanding talents.

Chairman Duh, Jia-Bin



## 1.3 Awards and Achievements in 2022

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

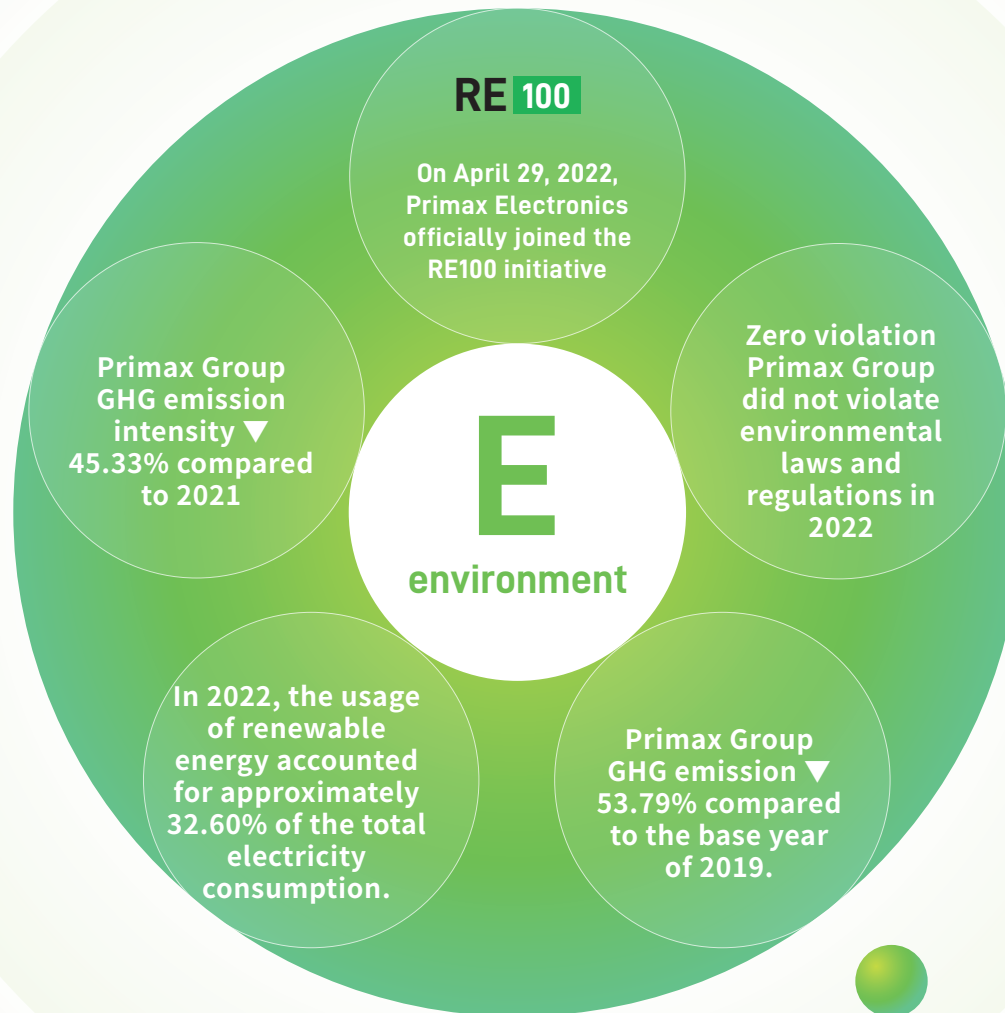
Primax Group's energy intensity **▼ 5.98%** compared to 2021.

In 2022, the carbon emissions through the energy conservation program plan was reduced by about **8,761** metric tons of CO<sub>2</sub>e.

Primax Group's water intensity compared to 2021 was **▼ 13.99%**.

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



**The establishment of the Ecodesign management system** was finished in 2022.

In 2022, **the environmental footprint of five key products** accounted for approximately 41% of the revenue.

The innovative low-carbon product design, HVS40, reduced carbon emissions by nearly **39%** compared to older models.

**100%** of Primax Group's new suppliers had signed the Supplier Commitment Statement in 2022.

On-site audits were performed on **44 main suppliers** in 2022.

In 2022, a total of **249 suppliers** had participated in the annual supplier social responsibility training.



**None**

No violation of human rights or discrimination occurred in 2022.

In 2022, Tymphany Huizhou received the **Employer Branding Excellence Award**.

Primax Group encountered **no incidents of occupational illness**.

Primax Group's employee salary and benefit expenses accounted for approximately **12.3%** of revenue in 2022.

In 2022, **100%** of full-time employees participated in performance evaluation

Additionally, **92** talent development programs were successfully completed in the year 2022.

Amount of time of group-wide human rights training in 2022 was **107,862** hours.



In 2022, Primax Taipei had a total philanthropic expenditure of **NT\$7,972,872**.

In the same year, Dongguan Dongju was awarded **the Best HR Team Award and the Best HR Practice Award** in China HR Salon's annual evaluation.

Primax Taipei was recognized as **an excellent employer for hiring individuals with disabilities by the Taipei City Government** in 2022.

Furthermore, Dongguan Dongju was certified as the **Best Employer for Assisting Disabled Employment** in China by the Zhopin.com and the Institute of Social Science Survey of Peking University in 2022.

In 2022, Primax Chongqing became the first Chongqing company in Yongchuan District to receive the **Healthy Enterprise Award**.

The ESG Carbon and Fat Reduction Love Earth event accumulated a total of **38.77 million** steps, reducing approximately 5.5 metric tons of CO<sub>2</sub>e emissions.

Achieved approximately an **11%** growth in consolidated operating income compared to the previous year in 2022.

Achieved approximately a **20%** growth in consolidated net profit after tax compared to the previous year in 2022.

Committed to increasing the proportion of female directors. In 2022, the proportion of female or foreign directors was **12.5%**.

Plans to introduce a **sustainable performance linkage mechanism** for senior executives from 2023 onwards.

In 2022, there was **100%** compliance with directors' mandatory training hours.

The average attendance of all Primax directors in 2022 was **100%** (after an election of all directors).

### Zero violation

In 2022, Primax Group had no violations of economic regulations and no incidents of fines.



**No material adverse news** was reported within the Primax Group.

In 2022, Primax Group's R&D expenses accounted for **4.25%** of operating revenue.

As of the end of 2022, a total of **844** patents were approved.

As of the end of 2022, a total of **1,247** individuals received relevant invention awards.

### Zero Leaks

In 2022, Primax Group received no complaints concerning violations of customers' sensitive information.

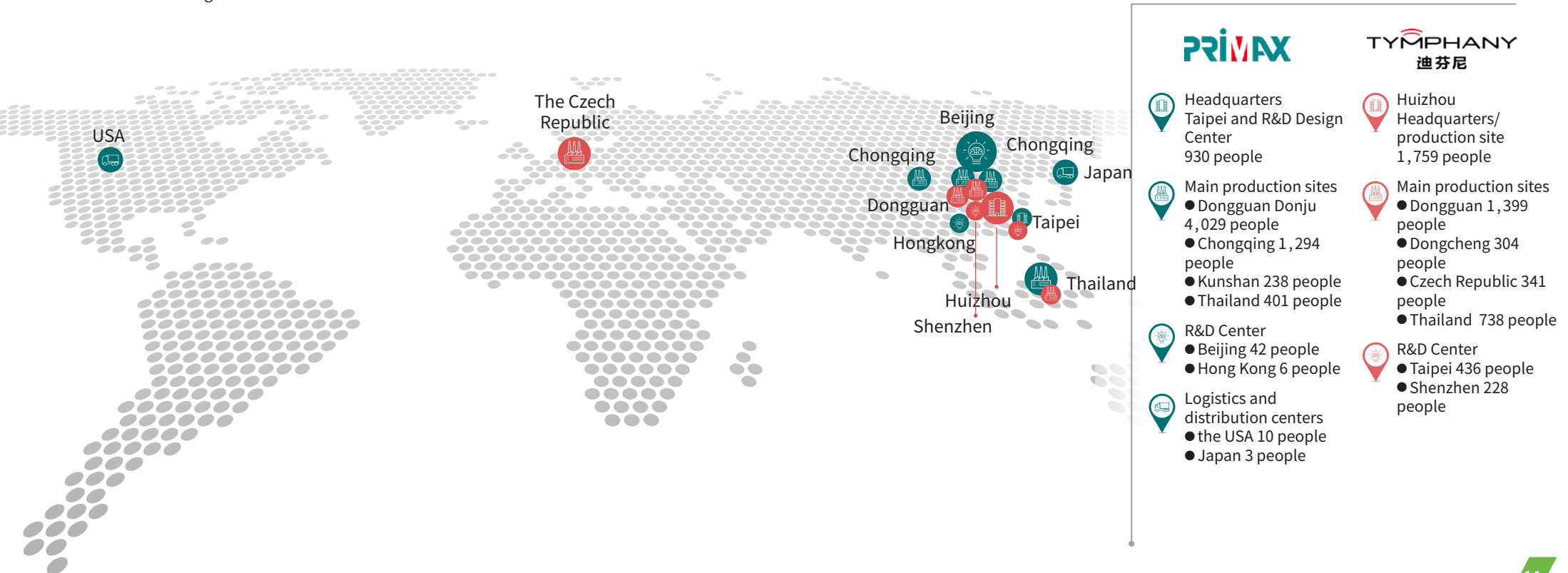
### Zero Complaints

In 2022, Primax Group received no cybersecurity-related complaints from external parties or the authorities.

# 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 Neihu 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. In 2023, Primax will continue to expand its global manufacturing footprint. In addition to its main production base in mainland China, the company will deepen production at its manufacturing base in Thailand. Furthermore, this year, Primax will invest in establishing a facility in North America to achieve regionalized customer service. Moreover, the innovation center in Zhubei, Taiwan is planned to include advanced laboratories, industry-academia collaboration centers, and new product manufacturing centers.

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

### 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 in the end of May, 2023)

**Duh, Jia-Bin** (appointed in the end of May, 2023)

### Headquarters

**Neihu District, Taipei City**

No. 669, Ruiguang Road

### Consolidated Revenues - 2022

**NT\$79,240,765** thousand

### Total group head count

**12,158** people (global operations)

**11,528** people (scope of disclosure of this report)

### Production Volume in 2022

**146,0744** thousands

### Number of total shareholders

**30,756** people (as of March 27, 2023)

### Total shares count

**459,434,324** shares  
(as of March 27, 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 interconnectivity between the upstream, midstream, and downstream sectors of Primax, please refer to pages 80 to 87 of the 2022 Annual Shareholders' Meeting Report»*



### Human-machine interface

- Gaming and computer peripherals
- Lighting effect module
- Wireless charging pad
- High-speed transmission dock
- AIoT
- Smart home (smart doorbell/door lock)



### Visual

- Automotive sensing camera module
- V2X gateway
- V2X smart sensing solution
- Advanced driver assistance system camera module
- Smartphone camera module
- Home IoT camera
- Surveillance camera
- Multi-function printers
- Self-media application



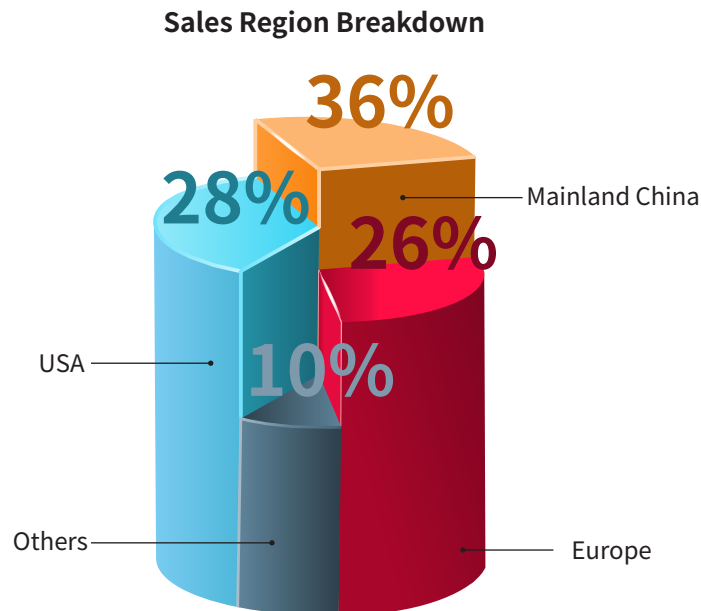
### Audio (subsidiary Tympany)

- Professional gaming wired headset
- TWS earbuds
- Smart amplifier
- Professional acoustic system
- Speakers
- Online conference device

## Sales of main products

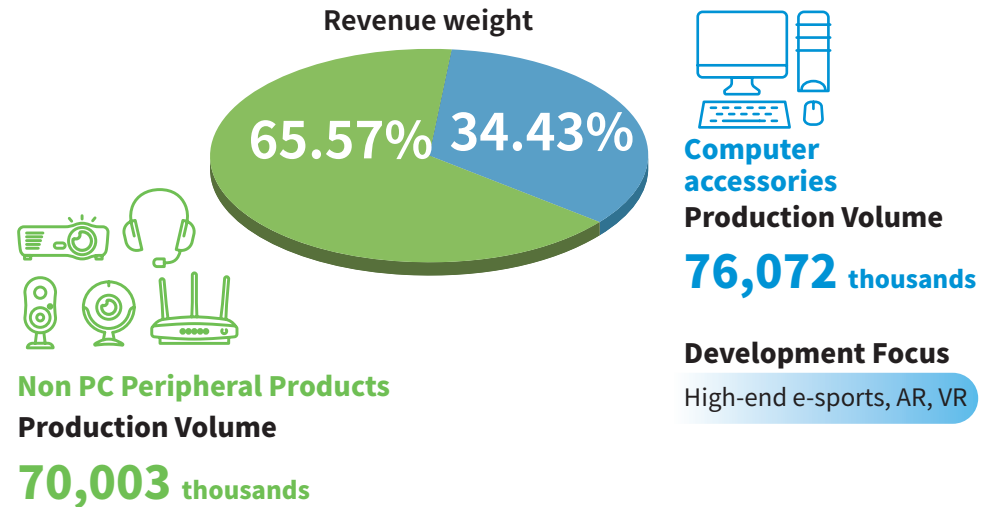
Primax Group sells its products mainly to world-renowned brands. It has developed strong business relationships with upstream and downstream partners, and is recognized as an important business associate by the major brands it works with. The Group also collaborates with its customers on the research, development, design and manufacturing of various products, accessories and components. The main area for our products is mainland China, accounting for about 36% of total sales, followed by the USA, accounting for about 28%.

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. In 2022, the shipment of computer peripheral products was affected by end-user demand. However, due to Primax's belief in innovative research and development in computer peripheral products and the expansion of technology into new areas for creators, the company broke away from conventional thinking and stayed ahead of its competitors with new technologies. Primax also excelled in forward deployment within the supply chain, significantly reducing the impact. Furthermore, the company continued to attract and expand its partnerships with globally renowned brands.



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.

«Please refer to pages 106-116 of the 2022 Annual Report for details of product and service sales.»



**Non PC Peripheral Products**  
**Production Volume**  
**70,003 thousands**

### Development focus

<b>Visual solutions product</b>	3D sensing, smart lens, customization, slim-type, auto focus, multi-lens high pixel, high ISO, fast focusing, image stabilization
<b>System integration</b>	High-speed multifunctional all-in-one module, mobile printer, smart home, networking/multimedia equipment, video conferencing equipment
<b>Acoustics (Tympany)</b>	Smart audio system, smart headphone, professional audio system, IoT, automobile application

**Development Focus**  
High-end e-sports, AR, VR

# 02

## Sustainability Management

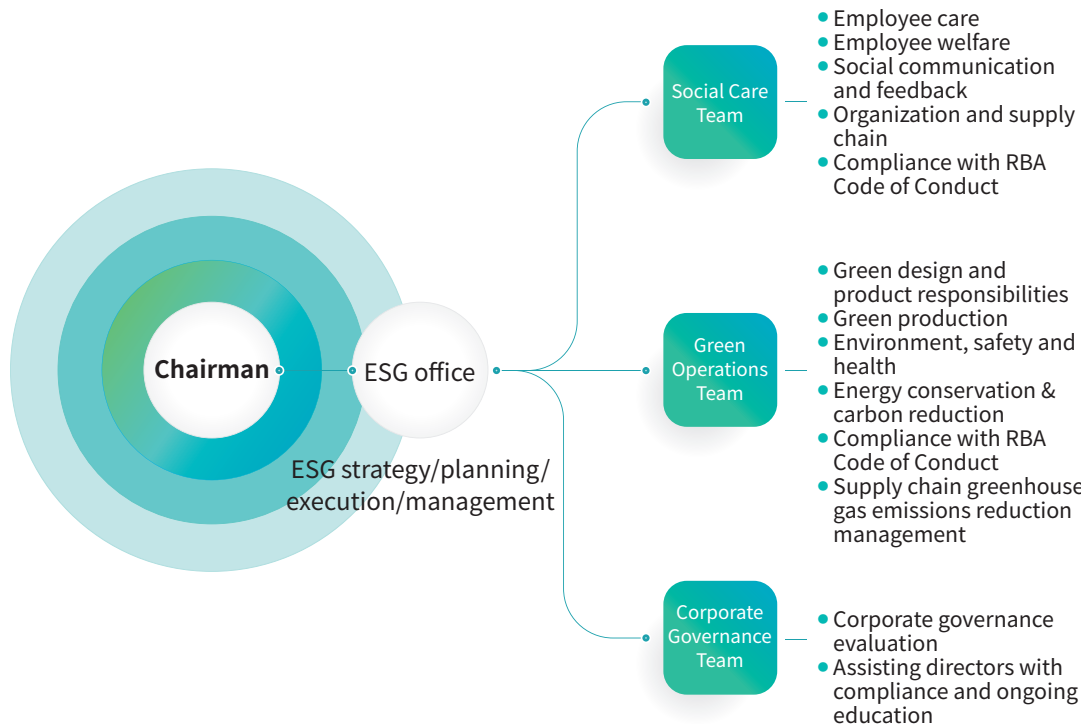
- 2.1 Sustainability Management and Practice
- 2.2 Primax sustainability strategies and Blueprint
- 2.3 Stakeholder engagement
- 2.4 Identification of Material Issues



# 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.

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 ESG 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 the company's strong commitment to implementing sustainable development. In 2022, the Board of Directors held a total of 10 meetings. On June 7, during a board meeting, the ESG Office presented the Primax Group's sustainability strategy blueprint and the 2022 work plan and progress. On November 4, during another board meeting, the ESG Office reported on the annual execution achievements and performance. In June 2023, during the board meeting, an ESG execution progress report will be presented, including greenhouse gas inventory results, significant ESG issues, stakeholder engagement outcomes, and annual ESG goals.



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 ESG 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 blueprint until 2030. Under this blueprint, the Chairman was authorized to approve 29 execution goals for each business unit and staff unit. The Board also approved the revisions to the "Preparation and Submission of ESG reports by Primax Electronics Co., Ltd." and the "Corporate Risk Management Policies and Procedures".

## 2.2 Primax sustainability strategies and 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.

Starting from 2023, senior executives at the level of Vice President and above will have their compensation adjusted with a link to sustainability performance. This adjustment will account for 10 ~15% of their total compensation and will cover areas such as talent development, new business development, new product research and development, smart manufacturing, and greenhouse gas reduction.

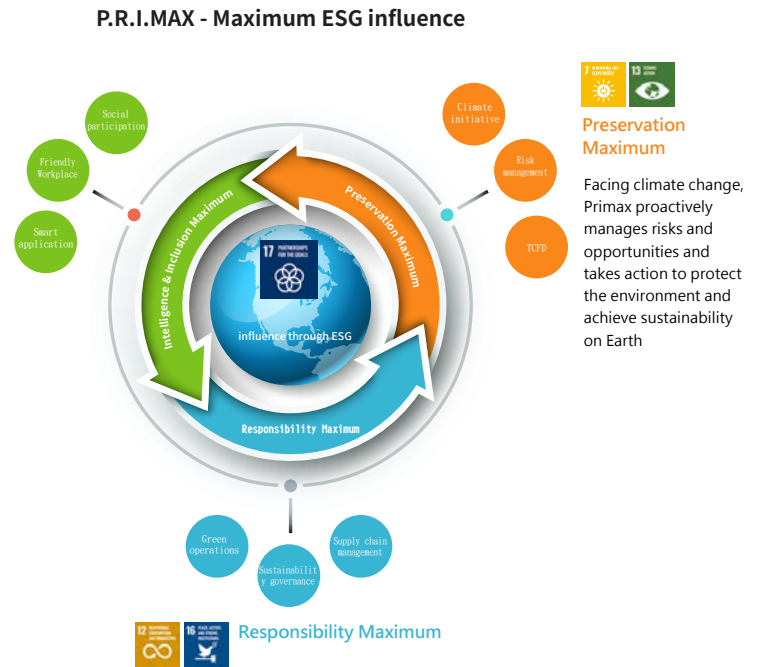


【For more detailed information on the sustainability strategy blueprint, please refer to Chapter 2.2, "Primax SDGs Sustainable Strategy Blueprint".】



### 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.





In 2022, in the spirit of P.R.I.MAX, we will first formulate an ESG strategy blueprint of Primax to correspond to seven United Nations Sustainable Development Goals (SDGs) and plan to carry out corresponding action plans under this blueprint, while setting performance indicators for each responsible unit based on the blueprint, to allow ESG to be part the Company's operations, thereby achieving sustainable development.

Setting 2022 as the base year to 2030, we have divided our sustainability strategy into three main dimensions and eight strategic perspectives. Under these eight facets, we have formulated 29 specific sub-goals, with each goal clearly defining its scope to ensure accurate evaluation of implementation effectiveness.

Strategic Perspectives	Direction of Promotion	2030 Goals	Short-Term Action Plans	
<b>6 items Preservation Maximum</b>		<ul style="list-style-type: none"> <li><b>Broadest management scope</b></li> <li><b>Encompasses the entire Primax global group, including PMX &amp; TYM and subsidiary companies within the consolidated financial statements, including MX.</b></li> </ul>		
	<b>Reducing Environmental Carbon Footprint</b>	Global Greenhouse Gas Reduction	<ul style="list-style-type: none"> <li>By 2030, the Primax global group aims to reduce Scope 1 and Scope 2 greenhouse gas emissions by 60% compared to 2019 levels.<sup>Note 1</sup></li> <li>Setting 2022 as the base year, the Primax global group aims to reduce the carbon emission intensity of computer peripheral products by 40% per unit of revenue by 2030.<sup>Note 2</sup></li> <li>Aim for 60% renewable energy usage at major global operating locations.</li> <li>Ensuring that 100% of newly constructed facilities worldwide meet green building standards.</li> </ul>	<ul style="list-style-type: none"> <li>Completion of ISO 14064 and ISO 50001 for new plants.</li> <li>Establishment of an internal ESG information platform.</li> <li>Gradual improvement of sustainability management mechanisms within the group.</li> <li>Implement annual statistics on carbon emissions from product materials.</li> </ul>
		Value Chain GHG Emissions Reduction	<ul style="list-style-type: none"> <li>Achieve a 5% annual reduction in greenhouse gas emissions from significant suppliers at major operational locations.<sup>Note 1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Installation of solar power generation facilities.</li> <li>Signing long-term renewable energy power purchase agreements (PPA).</li> <li>The Zhubei plant, currently under construction, will comply with green building specifications and is expected to be completed by 2024.</li> <li>Establishment of a supply chain ESG communication platform, data collection, and setting reduction targets.</li> <li>Targeting a 3% annual reduction in greenhouse gas emissions by 2026.</li> <li>Gradual promotion of ISO 14064 verification.</li> </ul>
<b>Strengthening Climate Resilience Actions</b>	Enhancing Climate Operational Resilience	<ul style="list-style-type: none"> <li>Complete the TCFD climate adaptation plan for the global group by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Expand the scope of TCFD governance to cover the entire global group.</li> </ul>	

Note 1: Unit is metric tons of carbon dioxide (tons of CO<sub>2</sub>e).

Note 2: Unit is CO<sub>2</sub>e per unit of annual revenue from computer peripheral products.

Note 3: 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 items Responsibility Maximum**

- Most in-depth management scope
- Integrating Smart Manufacturing with Sustainable Performance to Enhance Primax's Sustainable Business Management

Strategic Perspectives	Direction of Promotion	2030 Goals	Short-Term Action Plans
<b>Sustainable operations</b>	Smart Manufacturing	<ul style="list-style-type: none"> <li>• 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.<sup>Note 1</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Follow the global lighthouse factories and plan the "Primax Smart Factory", establishing a global manufacturing command center.</li> </ul>
		<ul style="list-style-type: none"> <li>• Increase the overall equipment efficiency (OEE) at global major operating locations from 57% to 81% by 2030, using 2022 as the base year.</li> </ul>	<ul style="list-style-type: none"> <li>• Construct the "Intelligent Manufacturing Operation Framework" and FMS model.</li> </ul>
		<ul style="list-style-type: none"> <li>• Digitally enhance overall personnel efficiency by 30% at global major operating locations by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>• Integrate factories, automation, i4TC, and IT end-to-end.</li> </ul>
		<ul style="list-style-type: none"> <li>• Accumulate paper savings equivalent to 41 million A4 sheets by 2030 at global major operating locations before 2022, through digitization.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish an e-platform to accelerate digital transformation.</li> </ul>
<b>Circular Responsibility</b>	Circular Recycling	<ul style="list-style-type: none"> <li>• Achieve a recycling rate of 25% for Post-Consumer Recycled (PCR) plastic usage at major global operating locations.</li> </ul>	<ul style="list-style-type: none"> <li>• Modify the research and development system to label the proportion of PCR used.</li> </ul>
<b>Responsible Business</b>	Strengthen Risk Management for Cybersecurity	<ul style="list-style-type: none"> <li>• Introduce the ISO 27001 Information Security Management System to important core management processes at major global operating locations and obtain certification from third-party international verification companies every three years.<sup>Note 2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Expand ISO 27001 to cover core management processes.</li> </ul>
	Sustainability Performance Linkage	<ul style="list-style-type: none"> <li>• Before 2030, link 10-15% of compensation for senior executives at major global operating locations to sustainability performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Performance indicators and results for senior executives must be reported to the Remuneration Committee and approved by the Board of Directors.</li> </ul>

Note 1: The annual growth target is 5%.

Note 2: Important core management processes include expanding ISO 27001 to cover the group's research, engineering, and manufacturing.



# 16 items Intelligence & Inclusion Maximum

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

Strategic Perspectives	Direction of Promotion	2030 Goals	Short-Term Action Plans
Diversity and Inclusion Values	Supplier Human Rights Risk Management	<ul style="list-style-type: none"> <li>• 100% of significant suppliers at global operating locations complete annual SER (Supplier Environmental Responsibility) related training.<sup>Note 1</sup></li> <li>• 100% completion of on-site audits for critical high-risk suppliers at global operating locations, with necessary improvement plans tracked and completed.<sup>Note 2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Planning SER supply chain course content.</li> <li>• Establishing a communication/training platform for suppliers.</li> </ul>
	Supply Chain Sustainability Capability Building	<ul style="list-style-type: none"> <li>• By 2030, 95% of first-tier suppliers will join the supply chain ESG management and communication platform.<sup>Note 3</sup></li> <li>• By 2030, 100% of significant suppliers implement GHG emission management and achieve reduction targets.</li> </ul>	<ul style="list-style-type: none"> <li>• Revision of supply chain management procedures.</li> <li>• Planning GHG operational response investigations for the significant suppliers.</li> <li>• Organizing supply chain GHG information sharing and training.</li> <li>• Setting up GHG plan communication modules on the supplier platform.</li> <li>• Promoting phased self-reduction plans for GHG emissions in the supply chain.</li> </ul>
	Social Welfare	<ul style="list-style-type: none"> <li>• By 2030, employee volunteer service hours will reach 20,000 hours, using 2022 as the base year.<sup>Note 4</sup></li> <li>• Accumulated social assistance amount (including employee fundraising) reaching NT\$ 70 million.<sup>Note 4</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Supporting local communities with insufficient public service manpower.</li> <li>• Regularly sponsoring and alleviating fundraising pressure for public welfare partners.</li> </ul>
		<ul style="list-style-type: none"> <li>• Beneficiaries of social welfare services reaching 100,000 people.<sup>Note 4</sup></li> <li>• Establishing 60 public welfare cooperative partners.<sup>Note 4</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Increasing social assistance amounts and focusing on various emergency relief projects to increase the number of beneficiaries.</li> <li>• Encouraging employee participation in public welfare services.</li> <li>• Expanding cooperation in social enterprises/products procurement, besides sponsorship and volunteer participation.</li> </ul>
Sustainable Innovation Workplace	Excellent Working Conditions	<ul style="list-style-type: none"> <li>• Retention rate of outstanding employees (PRD 1&amp;2) at major global operating locations &gt;= 95%.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of individual development plans.</li> <li>• Strengthening performance-oriented reward design.</li> </ul>
	Equal Workplace	<ul style="list-style-type: none"> <li>• Female executives at Director level and above in major global operating locations reach 20% representation.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement flexible office arrangements to support female employees in balancing career and family.</li> <li>• Continuously optimize family care-related welfare measures.</li> </ul>
	ESG Culture Building	<ul style="list-style-type: none"> <li>• Cumulative ESG education and training for at least 20,000 people at global operating locations.</li> <li>• 100% completion rate for ESG training for new employees at global operating locations.</li> </ul>	<ul style="list-style-type: none"> <li>• Define key focus areas for ESG training.</li> <li>• Enhance employees' ESG knowledge and understanding of Primax's sustainable strategy blueprint.</li> <li>• Develop and execute relevant courses.</li> </ul>
	Industry-academia collaboration	<ul style="list-style-type: none"> <li>• Over 800 internships from universities and colleges at global operating locations.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously invest in and integrate industry-academia resources.</li> <li>• Provide annual internship opportunities or talent reserve programs for universities and colleges.</li> </ul>
	Intelligent Innovation Application	<ul style="list-style-type: none"> <li>• Annual R&amp;D expenditure accounts for 4% of the company's revenue, surpassing the industry's average R&amp;D expenditure.<sup>Note 5</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Continue to strive for and increase R&amp;D investment.</li> </ul>
Patent Expansion	<ul style="list-style-type: none"> <li>• Accumulate over 4,500 global patents granted by 2030.<sup>Note 6</sup></li> <li>• Strategic technological patents from the Primax Taipei R&amp;D Center should account for 60% of total patent applications in that year.</li> </ul>	<ul style="list-style-type: none"> <li>• Apply for a minimum of 80 new patents annually until 2025.</li> <li>• The revenue share of new business areas required by the headquarters should reach 40% by 2025.</li> </ul>	

Note 1: 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.

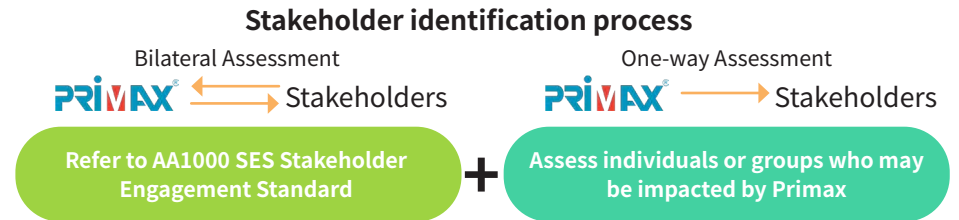
Note 2: First-tier suppliers are suppliers who directly engage in orders/contracts with Primax. Note 3: The management scope includes PMX Taipei Headquarters, Dongguan, Chongqing, and Kunshan. Note 4: Same industry refers to Taiwan's Electronics Manufacturing Services (EMS) companies. Note 5: The scope of patent rights management includes PMX Taipei Headquarters, Dongguan, Chongqing, and Kunshan.

## 2.3 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. Identifying and engaging stakeholders is not only an essential aspect of corporate social responsibility but also a critical factor in achieving sustainable development for Primax. Through stakeholder identification, we can understand their expectations and concerns regarding Primax's business activities, enabling us to formulate appropriate strategies and plans to improve the company's economic, social, and environmental performance. 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.

### Stakeholder Identification

For Primax's stakeholders, we have implemented a rigorous process for identification and selection. Apart from considering the five principles of the AA1000 Stakeholder Engagement Standards (SES): "dependency, responsibility, influence, diversity of perspectives, and tension", we have also aligned our approach with the spirit of GRI Standards (2021) by evaluating stakeholders from the perspective of individuals or groups whose interests are or may be affected by the organization's economic activities. Lastly, based on the level of impact, we have categorized and prioritized stakeholders, taking into account the results of the AA1000 identification process. The ESG Office has determined seven main stakeholder groups for Primax, in the following order: government/regulatory authorities, customers, shareholders/investors/financial institutions/external rating agencies, employees, suppliers/contractors/outsource partners, local communities, and non-governmental organizations/non-profit organizations. 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.



In 2021, Primax referenced the value chain and business relevance to identify stakeholder groups related to Primax based on the AA1000 Stakeholder Engagement Standard. Eight major stakeholder categories were identified: customers, the Board of directors, employees, government authorities/regulatory bodies, suppliers/contractors/outsource partners, investors, external rating agencies, and society (communities/NGOs/NPOs).



In 2022, following the GRI Standards (2021), Primax assessed individuals or groups who may be impacted by Primax based on various sustainability issues and identified seven major stakeholder categories: government/regulatory bodies, customers, shareholders/investors/financial institutions, employees, suppliers/contractors/outsource partners, local communities, and non-governmental organizations/non-profit organizations.






## 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 unidirectional, bidirectional, 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. For detailed information on stakeholders' concerns regarding sustainability issues, Primax's responses, and the outcomes of engagements, please refer to the table below:

### Stakeholders' concerned Issues and communication channels

Stakeholders	Significance to Primax	Major issues of concern	Communication methods and channels	Frequency of communication	Relevant records	Result of discussion
 Government agencies/ Competent authorities	As a corporate citizen, Primax Electronics fully supports government policies and maintains good relationship with local authorities by complying with rules.	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Compliance</li> <li>Green innovation and life cycle management</li> <li>Climate change adaptation</li> <li>Economic performance</li> <li>Water resource</li> <li>Air pollutant emission</li> <li>Waste management</li> </ul>	Official correspondence	Immediate	Correspondence	<ol style="list-style-type: none"> <li>We received a total of 110 official documents from the government/supervisory authorities.</li> <li>The MOPS issued 2 announcements/messages.</li> </ol>
			MOPS	Immediate	<a href="http://mops.twse.com.tw/mops/web/index">http://mops.twse.com.tw/mops/web/index</a>	
			Company website	Immediate	<a href="https://www.primax.com.tw/">https://www.primax.com.tw/</a>	
 Clients	Primax Electronics 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.	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Ethical corporate management</li> <li>Compliance</li> <li>Privacy and Cybersecurity</li> <li>Occupational health and safety</li> <li>Supply chain sustainability management</li> <li>Green innovation and life cycle management</li> <li>labor management and human right</li> <li>Product health and safety</li> <li>Social participation</li> <li>Water resource</li> <li>Air pollutant emission</li> <li>Waste management</li> <li>Ecological conservation</li> </ul>	GP, CSR, RBA, QPA/QSA audits	Annually	Customers' audit records	<ol style="list-style-type: none"> <li>A total of 4 DRI Visits were completed.</li> <li>A total of 88 customer online audits were completed.</li> <li>A total of 7 customer physical audits were completed.</li> </ol>
			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	

Stakeholders	Significance to Primax	Major issues of concern	Communication methods and channels	Frequency of communication	Relevant records	Result of discussion
<p>Shareholders/Investors/ Financial institutions/ External assessment institutions</p>	<p>Primax maintains a high standard of corporate governance, fostering good interactions and robust oversight mechanisms with investors, shareholders, and financial institutions. Additionally, the company regularly reviews its sustainability performance through external evaluations, striving for continuous sustainable development.</p>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Privacy and Cybersecurity</li> <li>Economic performance</li> <li>Occupational health and safety</li> <li>Ethical corporate management</li> <li>Climate change adaptation</li> <li>Risk Management</li> </ul>	Annual general meetings	Annually	Shareholder meeting registry and minutes	<ol style="list-style-type: none"> <li>Co-organized 4 quarterly corporate briefings.</li> <li>Held the annual shareholders' meeting on May 26, 2022.</li> <li>Released a total of 26 company monthly revenue reports and press releases.</li> </ol>
			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, and phone interview	
			Overseas investor forums	Annually	Information published in investor seminars, available from MOPS	
<p>Employee</p>	<p>"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.</p>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Occupational health and safety</li> <li>labor management and human right</li> <li>Privacy and Cybersecurity</li> </ul>	Labor-Management meeting	Quarterly	Labor-management meeting minutes	<ol style="list-style-type: none"> <li>Convene labor-management meetings regularly according to legal requirements.</li> <li>Organized a total of 22 labor union/welfare committee meetings.</li> <li>Organized a total of 308 labor union/welfare committee meetings.</li> <li>Conducted a total of 290 interviews with grassroots employees.</li> <li>PrimaxCare e-newsletter has accumulated 30,400 push notifications.</li> </ol>
			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 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				

Stakeholders	Significance to Primax	Major issues of concern	Communication methods and channels	Frequency of communication	Relevant records	Result of discussion
 <p><b>Suppliers Contractors Contractor</b></p>	<p>Primax Electronics 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.</p>	<ul style="list-style-type: none"> <li>Ethical corporate management</li> <li>Compliance</li> <li>labor management and human right</li> <li>Occupational health and safety</li> <li>Supply chain sustainability management</li> </ul>	New AVL appraisals/ declaration	One per entity	QCDS record/declaration	<ol style="list-style-type: none"> <li>100% of suppliers undergo a new AVL assessment and sign a declaration.</li> <li>A total of 204 key suppliers have completed supplier training.</li> <li>A total of 44 key suppliers have completed on-site audits.</li> </ol>
			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	
 <p><b>Local communities</b></p>	<p>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.</p>	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Risk Management</li> <li>Compliance</li> <li>Social participation</li> <li>Water resource</li> <li>Air pollutant emission</li> <li>Waste management</li> <li>Ecological conservation</li> </ul>	Risk assessment	Annually	TCFD report	<ol style="list-style-type: none"> <li>Published the 2022 TCFD report.</li> <li>Organized a total of 34 volunteer activities.</li> <li>Sponsored and contributed to public welfare events in Taipei, with a total of 7,972,872 NTD.</li> </ol>
			Volunteer events	Unscheduled	Event records	
			Donation	Unscheduled	Certificate of appreciation or receipt	
 <p><b>Non-governmental organizations/ Non-profit organizations</b></p>	<p>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.</p>	<p>Indirect economic impacts Climate action Decent work and economic growth Non-discrimination Customer health and safety Quality education</p>	Phone interview	Annually	Phone interview records	<ol style="list-style-type: none"> <li>Received a total of 24 official documents from non-government/ non-profit organizations.</li> <li>Exchanged a total of 49 letters with non-government/non-profit organizations.</li> </ol>
			ESG email / Mail	Unscheduled	Mail	
			Official correspondence	Unscheduled	Correspondence	

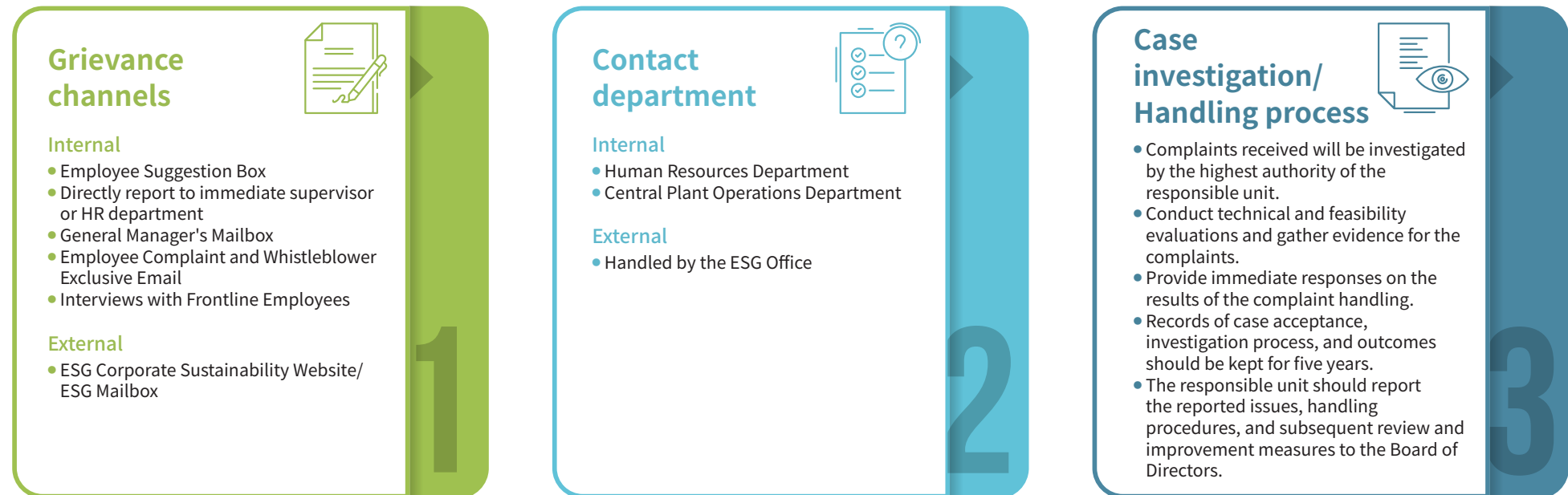
## A convenient complaint and reporting channel

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 2022, the ESG mailbox received a total of 33 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. In 2022, there were no reported incidents of employees violating ethical integrity or having their labor rights infringed upon.





## 2.4 Identification of Material Issues

### Process for Materiality Assessment

In accordance with the latest version of "GRI 3: Material Topics 2021" disclosure principles, Primax Electronics has adjusted its process for assessing material issues. We have adopted the European Union's "double materiality" approach to evaluate the "actual or potential impacts of Primax's operational economic activities on external economic, environmental, and human rights aspects" and "the potential impact on Primax's sustainable operations".

This approach allows Primax Electronics to gain a deeper understanding of the positive and negative impacts on external and internal stakeholders during its operational activities (or potential impacts). It further enables us to develop management policies that prevent or mitigate negative impacts while actively contributing positively. The process for assessing material issues at Primax Electronics comprises five main steps, as explained below.

#### Material Issues Assessment Process



#### Sustainability Issues Collection and Consolidation

Referencing various sustainability standards and frameworks (GRI, SASB, TCFD), United Nations Sustainable Development Goals (SDGs), ESG assessment agencies (DJSI, MSCI, CDP), regulations for preparing and disclosing ESG reports by listed companies, stakeholder concerns, self-identified topics in the value chain (industry peers, major customers), industry characteristics, relevant norms, and sustainability consultant recommendations, a total of **24** sustainability issues were compiled.



#### Dual Significance Impact Assessment

**External Impact:** Evaluate the "actual", "potential", "positive", and "negative" impacts of each topic resulting from the company's economic activities.

**Internal Impact:** Evaluate the positive and negative impacts of each topic on the company.

#### Stakeholder Identification

Assess individuals or groups whose interests may be affected by or influenced by the company's economic activities for each topic.

#### Impact Ranking

Rank the impacts separately for "positive" and "negative" categories and discuss and confirm the results.

#### Confirmation of Materiality

Through comprehensive consideration of impact scores for each ESG sustainability issue by the Corporate ESG Office and external sustainability expert consultants, **13 priority reporting significant sustainability issues** were selected.

#### Review and Approval

The selected priority reporting topics are approved by the convener of the ESG Office, Vice General Manager Chiang, Yan-Ying, and submitted for board approval in June.

#### Targets and Strategies

Based on the material topics, respond to the company's management policies and establish objectives and strategies, regularly reviewing and adjusting as needed.

## Methodology for Significance Assessment of Impacts

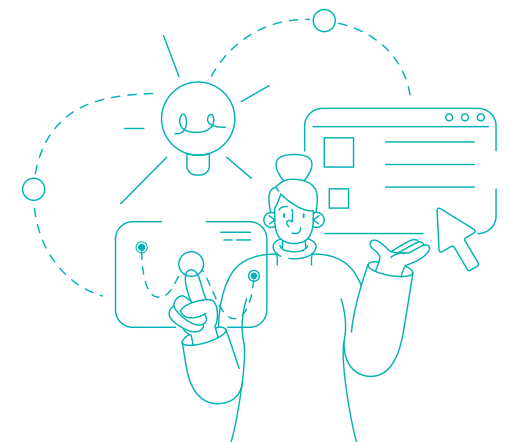
Significance Assessment of Impacts		Stakeholders with Expected Impacts
	<p>The highest authority in the ESG Office, based on the actual management situation of Primax, evaluates the economic, environmental, and societal impacts (including human rights) caused or potentially caused by operational activities for each sustainability issue. Additionally, issues related to human rights are given extra consideration in the assessment process.</p>	
<b>External Impacts</b>	<ul style="list-style-type: none"> <li>Assessment of Significant Negative Impact →</li> <li>Assessment of Significant Positive Impact →</li> <li>Actual Impact</li> <li>Potential Impact</li> </ul>	<ul style="list-style-type: none"> <li>Materiality (scale, scope, and ease of remedy) and Likelihood</li> <li>Scale and Scope, Likelihood</li> <li>Material Impact Assessment based on Actual Impact Events in 2022 (or recent years)</li> <li>Significant Impact Estimation for Potential Impact Events in the Future</li> </ul>
<b>Internal Impact</b>	<p>Based on Primax's actual management situation, evaluate each topic's potential positive and negative impacts on Primax.</p>	<p>Assess individuals or groups whose interests may be affected by or influenced by Primax's economic activities for each topic.</p>
<b>Impact Calculation</b>	<ul style="list-style-type: none"> <li>Materiality Score for Negative Impact: External Negative Impact (Materiality×Likelihood)×Internal Negative Impact</li> <li>Materiality Score for Positive Impact: External Positive Impact (Scale and Scope×Likelihood)×Internal Positive Impact</li> </ul>	

Note: The materiality scores for both positive and negative impacts range from 1 to 4 points.

## Selection of Significant Issues

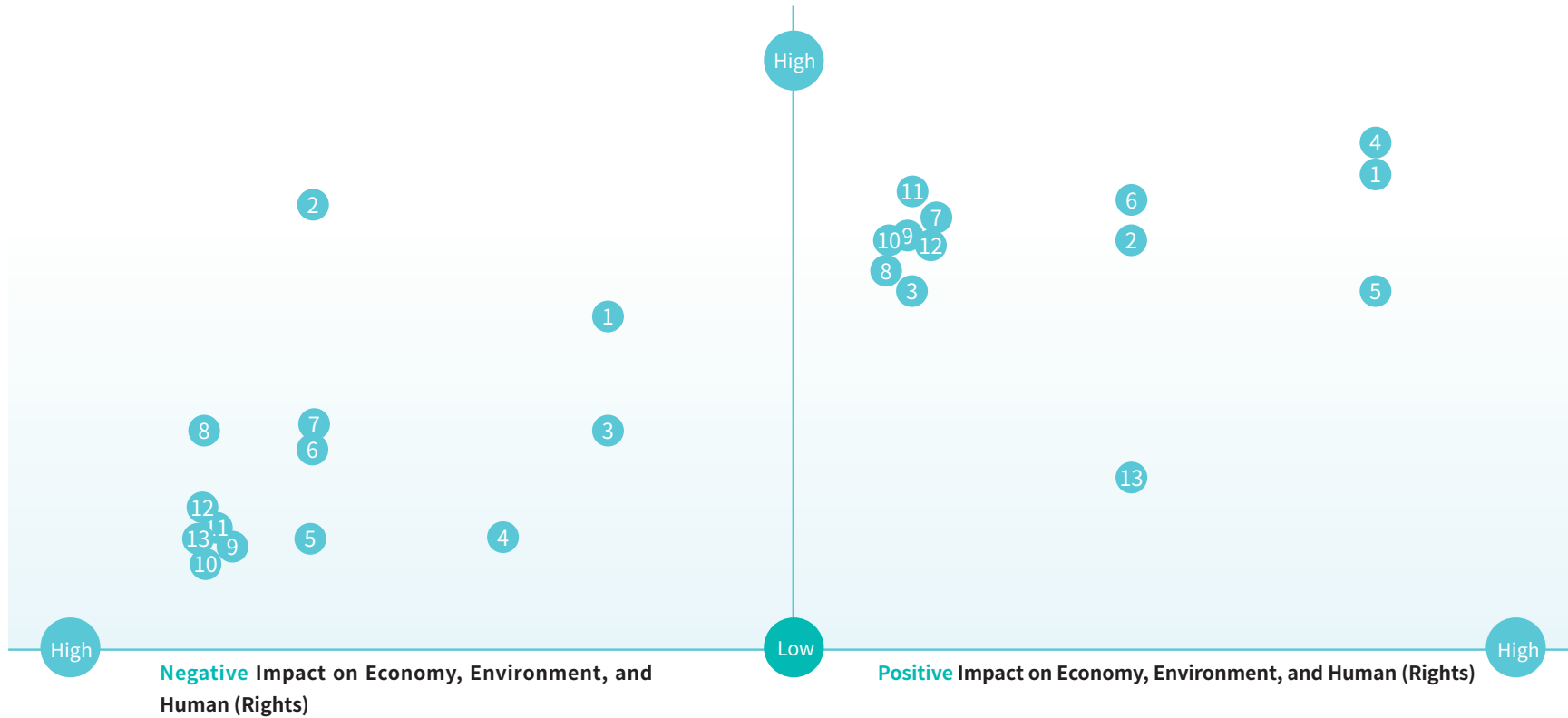
Through comprehensive consideration by the ESG Office and external sustainability expert consultants, 13 priority major sustainability issues for reporting are selected, while others are categorized as general issues. The selection was approved by Vice General Manager Chiang, Yan-Ying, the Chairman of the ESG Office, and presented to the Board of Directors for approval in June 2023.

This year's material issues have undergone adjustments in the evaluation method for significant issues, and during the collection of sustainability issues this year, there was consolidation and convergence. As a result, the identification of significant issues shows some differences compared to the previous year. "Regulatory Compliance", "Green Innovation and Life Cycle Management" (formerly known as "Innovation and R&D"), and "Product Health and Safety" (formerly known as "Green Product Health and Safety") have been downgraded to general issues. On the other hand, "Diversity and Equality", "Labor Relations", "Labor Rights", and "Climate Change Adaptation" have been added as material issues for this year. The other issues remain largely unchanged, with only differences in the issue names and presentation methods.



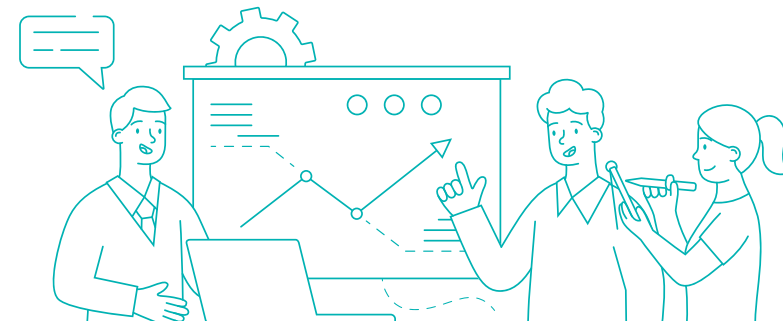
### Material Issue Positive and Negative Impact Matrix

#### Impact Level on Primax's Operations



- 1 Occupational Health and Safety
- 2 Economic performance
- 3 Climate change adaptation
- 4 Privacy and cyber security
- 5 Talent Recruitment and Retention
- 6 Risk management
- 7 Labor-management relationship
- 8 Talent Development and Cultivation

- 9 Ethical corporate management
- 10 Diversity and equality
- 11 Labor rights
- 12 Supply chain sustainability management
- 13 Corporate governance



### Material Issue Impact Statement

Material Issues	Explanation of Impact Materiality Assessment	Potentially Affected Stakeholders							Relevance to Sustainable Criteria (Issues)	Corresponding chapter	
		①	②	③	④	⑤	⑥	⑦			
Occupational Health and Safety*	Establishing a healthy and safe working environment is the fundamental condition for taking care of Primax's employees. In 2022, the group did not experience any significant occupational accidents or occupational diseases. However, there were a total of 25 recorded occupational injuries at major production sites. Primax actively strengthens risk mitigation and preventive measures, while implementing health services and promoting activities to create a sustainable and healthy workplace, ensuring the health and safety rights of all workers.	●	●		●	●	●		[GRI] [GRI] [Stock Exchange] [DJSI]	Occupational health and safety: 403 Local communities: 413-2 Sustainability disclosure indicator 4 Occupational Health and Safety	6.7 Health and safety
	Positive impact (12.6) > Negative impact (9.3)										
Economic performance	The company achieves stable revenue and profit growth each year, and its cash flow management is sound. This financial stability allows the company to support future growth through necessary investments and provide steady dividends to shareholders. The return on equity (ROE) has been increasing year by year, reflecting the company's improved profitability and efficient use of shareholders' equity.	●	●	●	●	●	●	●	[GRI]	Economic performance: 201-1, 201-4	3.4 Operating performance
	Positive impact (10.95) > Negative impact (6.4)										
Climate Change Adaptation*	Primax Group's annual greenhouse gas emissions illustrate that the Group does not belong to a high-carbon industry. The company consistently carries out reduction and renewable energy utilization plans, sets reduction targets, and actively responds to and participates in initiatives such as RE 100, SBTi, and TCFD disclosure. Through concrete actions, the company aims to mitigate the negative impacts of climate change.	●	●	●		●	●	●	[GRI] [GRI] [GRI] [Stock Exchange]  [TCFD] [DJSI]  [MSCI]	Economic performance: 201-2 Energy: 302-1, 321-3~4 Emission: 305-1~305-5 Sustainable Disclosure Indicator No. 1: Comprehensive Disclosure of Climate-related Information (see Appendix II) Climate-related Financial Disclosures Climate Strategy, Operational Eco-efficiency Clean Technology Opportunities	4.1 Climate-related Financial Disclosures
	Positive impact (9.45) > Negative impact (6.2)										

Note 1: The table above is sorted by the average scores of positive and negative impacts. Note 2: Stakeholders include ① Government/Regulatory authorities, ② Customers, ③ Shareholders/Investors/Financial institutions/ External rating agencies, ④ Employees, ⑤ Suppliers/Contractors/Outsourcing partners, ⑥ Local communities, ⑦ Non-Governmental Organizations/Non-profit 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, Stock Exchange 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.

Material Issues	Explanation of Impact Materiality Assessment	Potentially Affected Stakeholders							Relevance to Sustainable Criteria (Issues)	Corresponding chapter	
		①	②	③	④	⑤	⑥	⑦			
<b>Privacy and Cyber Security*</b>	<p>The company obtained the "ISO 27001:2013" international standard certification in 2018. In 2022, Tymphany also followed suit and implemented the certification. Furthermore, the group is expected to fully implement ISO 27001 by 2024, ensuring effective management of information security. However, in August 2022, a ransomware attack occurred. The information systems department successfully resolved the crisis within a day, and there were no substantial losses incurred as a result of the incident.</p> <p>Positive impact (12.6) &gt; Negative impact (2.55)</p>	●	●	●	●	●			[GRI] [DJSI]	Customers' privacy: 418 Information Security / Network Security and System Availability, Privacy Protection	3.7 Privacy and Cyber Security
<b>Talent recruitment and retention</b>	<p>Primax Group maintains a strong interactive relationship with its employees and provides comprehensive and superior compensation and benefits beyond regulatory requirements. This attracts employees and increases their dedication and loyalty. In 2022, the company received the award for Best Employer in Asia. The company currently experiences relatively low talent competitiveness due to its market position nor does it experience many salary and benefits issues. However, in the future, there is a possibility of talent shortages arising from the broader demographic issue of declining birth rates (low birth rates) in the overall environment.</p> <p>Positive impact (12.6) &gt; Negative impact (1.6)</p>	●	●	●	●				[GRI] [GRI] [GRI] [DJSI] [MSCI]	Market presence: 202 Labor-Employer relationship: 401-1 ~ 401-3 Economic performance: 201-3 Talent training and retention Labor management	6.3 Talent recruitment and retention
<b>Risk management</b>	<p>In November 2021, Primax established a Risk Management Committee under the Board of Directors. The committee members, who are part of the Risk Assessment Team, are required to hold risk and opportunity identification meetings at least once a year. During these meetings, they assess risks related to the company's sustainable operations, climate change, and other relevant areas. After thorough discussions and analysis by the relevant departments, corresponding strategies are formulated and submitted to the Board of Directors to strengthen the company's risk management practices. In recent years, Primax has not experienced any significant risk events.</p> <p>Positive impact (10.95) &gt; Negative impact (3.2)</p>	●	●	●	●	●	●		[GRI] [DJSI]	Economic performance: 201-2 Risk and crisis management	3.6 Risk management 4.1 Climate-related Financial Disclosures

Note 1: The table above is sorted by the average scores of positive and negative impacts.    Note 2: Stakeholders include ① Government/Regulatory authorities, ② Customers, ③ Shareholders/Investors/Financial institutions/ External rating agencies, ④ Employees, ⑤ Suppliers/Contractors/Outsourcing partners, ⑥ Local communities, ⑦ Non-Governmental Organizations/Non-profit 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, Stock Exchange 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.

Material Issues	Explanation of Impact Materiality Assessment	Potentially Affected Stakeholders							Relevance to Sustainable Criteria (Issues)	Corresponding chapter	
		①	②	③	④	⑤	⑥	⑦			
<b>Labor-Management Relationship</b>	<p>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. In cases where operational changes may require employee layoffs, Primax ensures full communication with the employees. In 2022, there were no labor disputes reported at the company.</p>	●	●	●	●				[GRI]	Labor-management Relationship: 402	6.1 Human Rights Due Diligence 6.3 Talent recruitment and retention
	<p>Positive impact (9.45) &gt; Negative impact (3.2)</p>										
<b>Talent Development and Cultivation</b>	<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 accordance with individual professional skills, career interests, and work styles, a personalized learning and development plan is formulated for each individual, allowing every Primax employee to surpass themselves and unlock their unlimited potential.</p>		●	●	●	●			[GRI] [DJSI]	Education and Training: 404 Human Capital Development	6.6 Talent training and development
	<p>Positive impact (9.45) &gt; Negative impact (2.1)</p>										
<b>Ethical corporate management</b>	<p>Major international sustainability evaluations such as DJSI and our customers attach great importance to the company's integrity in operations, which influences its reputation and customer trust. A high score in integrity management evaluation can also impact investors' willingness to invest. Primax Electronics implements integrity management with high standards and has established a comprehensive reporting and whistleblower protection mechanism to minimize any negative impacts.</p>	●	●	●	●	●			[GRI] [Stock Exchange] [DJSI] [MSCI]	Anti-corruption: 205-2, 205-3 Sustainability Disclosure Indicator 7 Business Ethics, Policy Influence Ethical Corporate Management	3.3 Ethics and integrity
	<p>Positive impact (9.45) &gt; Negative impact (1.05)</p>										

Note 1: The table above is sorted by the average scores of positive and negative impacts.    Note 2: Stakeholders include ① Government/Regulatory authorities, ② Customers, ③ Shareholders/Investors/Financial institutions/ External rating agencies, ④ Employees, ⑤ Suppliers/Contractors/Outsourcing partners, ⑥ Local communities, ⑦ Non-Governmental Organizations/Non-profit 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, Stock Exchange 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.

Material Issues	Explanation of Impact Materiality Assessment	Potentially Affected Stakeholders							Relevance to Sustainable Criteria (Issues)	Corresponding chapter		
		①	②	③	④	⑤	⑥	⑦				
Diversity and Equality	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. The Primax Group has not experienced any strikes or recruitment issues due to employment equality or discrimination problems.	●	●		●					[GRI] [DJSI] [SASB]	Diversity and Equal Opportunity: 405 Labor Practices Indicators Employee Diversity and Inclusivity	6.1 Human Rights Due Diligence 6.2 Work Forces Overview
	Positive impact (9.45) > Negative impact (1.05)											
Labor Rights	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. In the year 2022, there were no incidents of violations of labor rights within the Primax Group.	●	●	●	●	●		●		[GRI] [GRI] [GRI] [DJSI]	Non-discrimination: 406 Child Labor: 408 Forced or Compulsory Labor: 409 Labor Practices Indicators, Human Right	6.1 Human Rights Due Diligence
	Positive impact (9.45) > Negative impact (1.05)											
Supply chain management	The Primax Group has not experienced any negative impacts due to inadequate management. We require all new suppliers to sign the "Supplier Declaration" to ensure their compliance 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. Furthermore, starting from 2023, we also plan to include "climate change" and "emissions" information in our supply chain management to further address sustainability concerns.	●	●	●		●				[GRI] [GRI] [GRI] [GRI] [Stock Exchange] [DJSI] [SASB] [MSCI]	Supplier Environmental Assessment: 308 Child Labor: 408 Forced or Compulsory Labor: 409 Supplier Social Assessment: 414 Sustainability Disclosure Indicator 6 Supply chain management Supply Chain Management, Material Purchase Disputed Purchases	5.2 Sustainable Supply Chain Management
	Positive impact (9.45) > Negative impact (1.05)											
Corporate governance	The Board of Directors is characterized by independence and diversity, with members possessing rich cross-industry experience. The performance of the directors has been rated as excellent by external professional organizations, making the company an attractive option for long-term investment by institutional investors with a focus on corporate governance. The Primax Group has not encountered any negative events related to corporate governance.	●	●	●	●	●				[DJSI] [MSCI]	Corporate governance Corporate Governance	3.2 Operations of Governance
	Positive impact (7.3) > Negative impact (1.05)											

Note 1: The table above is sorted by the average scores of positive and negative impacts. Note 2: Stakeholders include ① Government/Regulatory authorities, ② Customers, ③ Shareholders/Investors/Financial institutions/ External rating agencies, ④ Employees, ⑤ Suppliers/Contractors/Outsourcing partners, ⑥ Local communities, ⑦ Non-Governmental Organizations/Non-profit 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, Stock Exchange 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.

# 03

## Corporate governance

- 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





Corporate governance

Material Issues: Integrity in Operations, Corporate Governance

<p><b>Management purpose and importance</b></p> <p>To avoid financial and non-financial losses and other risks and enhance stakeholders' long-term trust in the Company, we uphold "integrity, legitimacy and transparency" at the core of our business practices. In addition to complying with laws, the Company 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 future business growth.</p>	<p><b>Negative Impact</b></p> <p>If incidents related to integrity in operations or corporate governance occur, they will directly impact the organization.</p>	<p><b>Remedial Measures</b></p> <p>In case of actual negative incidents, individual remedial plans will be formulated to minimize the negative impact.</p>
--	---	--

Short-term target	Achievement rate	Mid- and long-term target
<ul style="list-style-type: none"> <li>Ranked in the top 5% in the corporate governance evaluation of Listed Companies.</li> <li>Independent directors account for more than 50% of all directors.</li> <li>Female or foreign directors account for more than 10% of all directors.</li> <li>Strengthen board structure and functionality.</li> <li>Protect shareholders' interest and ensure fair treatment for shareholders.</li> <li>Enhance information transparency.</li> </ul> <ul style="list-style-type: none"> <li>Respond to all ethics-related complaints.</li> <li>Comply with relevant laws and regulations to avoid severe penalties.</li> </ul>	<ul style="list-style-type: none"> <li>☺ The Company ranked top 5% in the 2022 corporate governance evaluation.</li> <li>☺ Independent directors accounted for 50% of all directors.</li> <li>☺ Female or foreign directors accounted for more than 12.5% of all directors.</li> <li>☺ The internal performance evaluations of the Board of Directors and functional committees in 2022 were completed based on the above-mentioned methods by the end of 2022, with an average score between 4.98 points, the Excellent Level (Agree), to 5 points, the Extremely Excellent Level (Strongly agree). The results were submitted to the Board of Directors in 2023.</li> <li>☺ 100% of the Company's directors have completed the mandatory training hours and complied with the requirements of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".</li> <li>☺ The Primax Board is convened at least once a quarter. A total of 10 Board meetings were convened during 2022 and the average attendance rate for all directors was 100%.</li> <li>☺ The operation audit unit completed all internal audits in 2022 as planned, and major audit findings were reported to the Audit Committee on a quarterly basis.</li> <li>☺ 100% of new Primax Group employees were subjected to integrity and ethics training.</li> <li>☺ The Company did not violate social or economic law and incurred no related fine in 2022.</li> </ul>	<ul style="list-style-type: none"> <li>Female or foreign directors account for more than 20% of all directors between 2024 and 2027. Female or foreign directors account for more than 30% of all directors between 2030 and 2033.</li> <li>Participate in the Dow Jones Sustainability Indices (DJSI) questionnaire and disclose the assessment results.</li> <li>Enforce business integrity and anti-corruption training, and eliminate dishonest conducts.</li> <li>Comply with relevant laws and regulations to avoid penalties.</li> </ul>

**Performance**

- The Nomination Committee functions smoothly and follows the nomination review standards and operating procedures.
- Electronic voting has been adopted in shareholder meetings, whereas a candidate nomination system has been adopted for all director elections.
- Ranked 28th in the 2022 Commonwealth Magazine Excellence in Corporate Social Responsibility Awards for Large Enterprises.
- Won the Corporate ESG report Awards - IT & IC Manufacturing - Platinum at TCSA in 2022.
- Won the TCSA (Taiwan Corporate Sustainability Awards) as Top 100 enterprises in 2022.
- First-time participation in DJSI information disclosure, scoring in the top 5% among the global ITC industry (out of 427 companies) in the CSA category, outperforming the global ITC industry average in 2022.

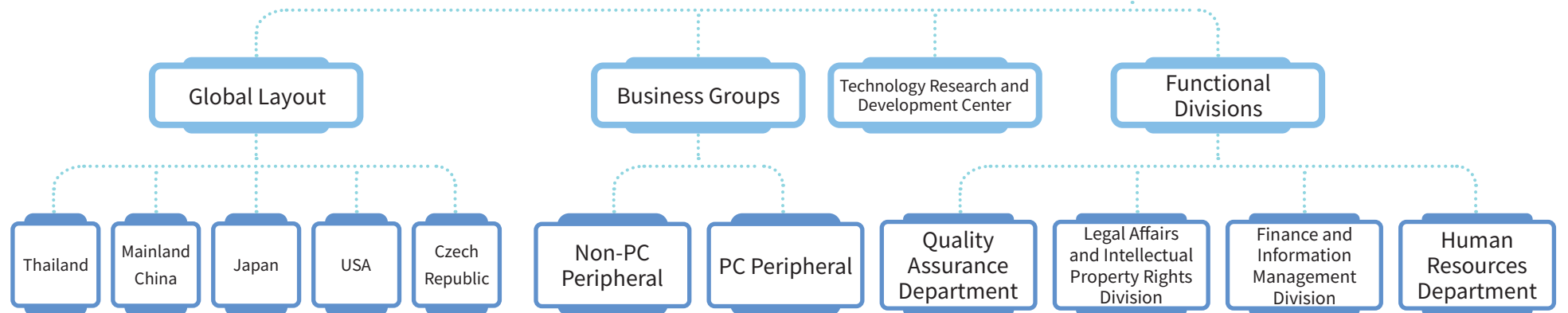
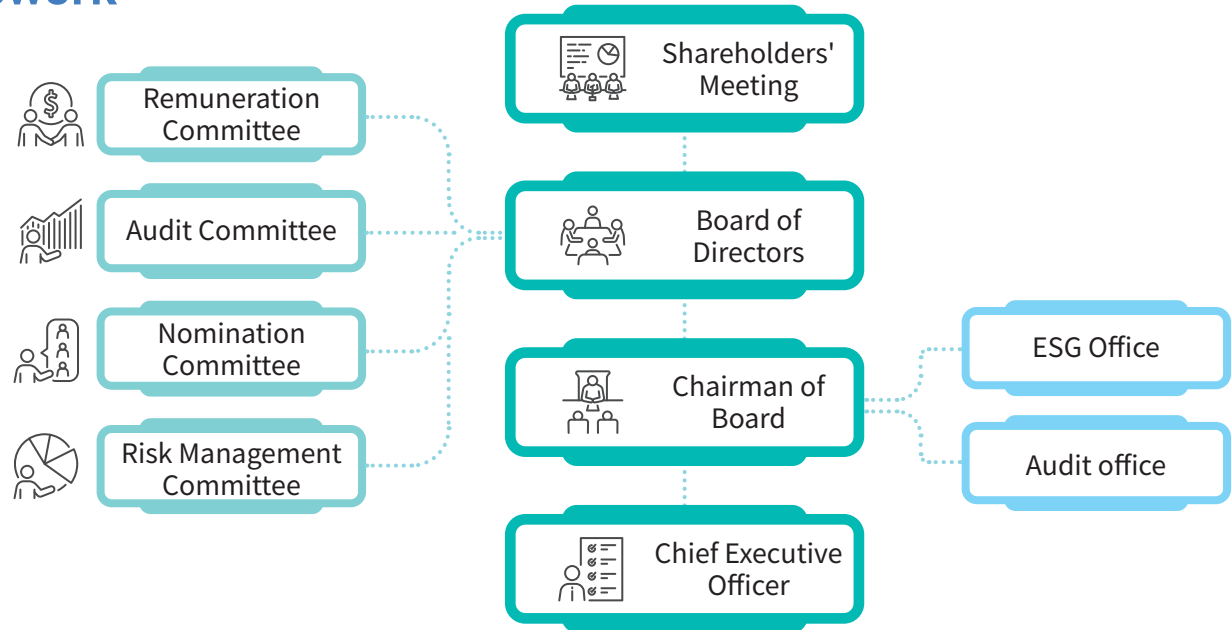


Note: ☺ Target achieved ☹ Target to be achieved ☹ Target not achieved

# 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 Compensation Committee, the Audit Committee, the Nomination Committee, and the Risk Management Committee have been set up under the Board of Directors. For the number of members, term of office, responsibilities, and major tasks of each committee established under the Board of Directors, please visit the Company's website, and refer to pages 8-10 of the 2022 Annual Report for Shareholders' Meeting for details of its operations.

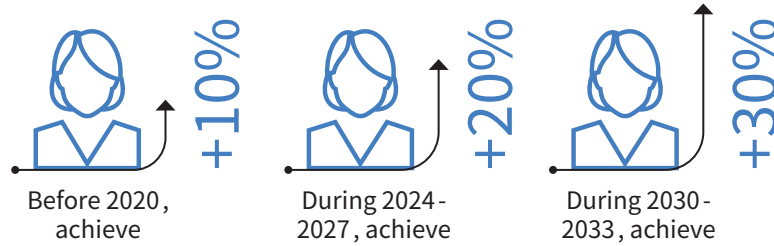


### Composition of the board of directors

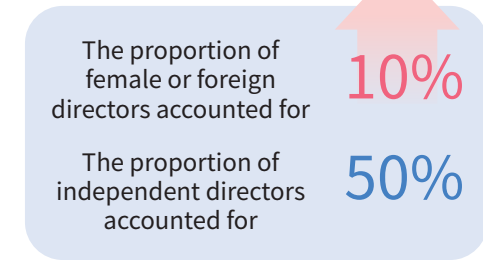
Board members at Primax Electronics are chosen through nomination and elected by all shareholders in a transparent, electronic voting session. All members possess the necessary abilities, knowledge and experience to exercise their powers and responsibilities. All directors have placed the Company's and 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 holds meetings at least once per quarter, and a total of 10 board meetings were convened in 2022, with a 100% average attendance rate of all directors. Mr. Liang, Li-Sheng is the original founder of Primax Electronics (retired at the end of May 2023) and serves as both the Chairman of the Board and the General Manager to enhance global expansion and decision-making efficiency in response to rapid industry changes. To address this situation, the majority of the current Board of Directors 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 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.

The company 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 eight 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 director

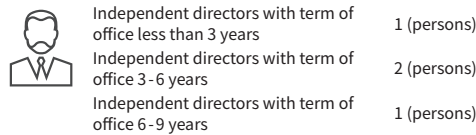
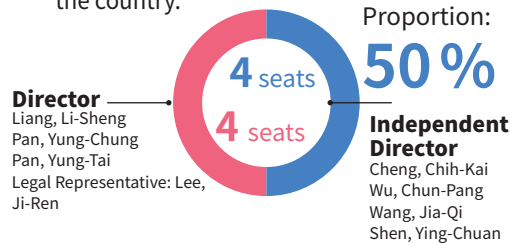


### Board Diversity

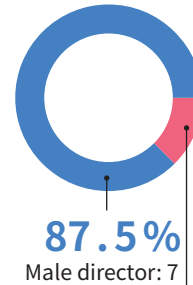


### Gender and Age of Directors

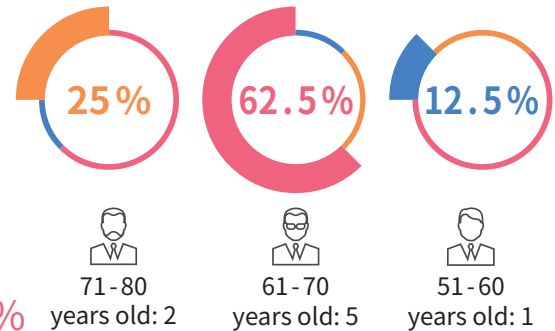
The Board of Directors consists of 8 members, all of whom are nationals of the country.



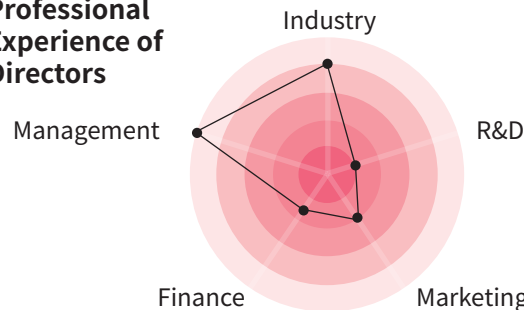
### Gender distribution of the Board



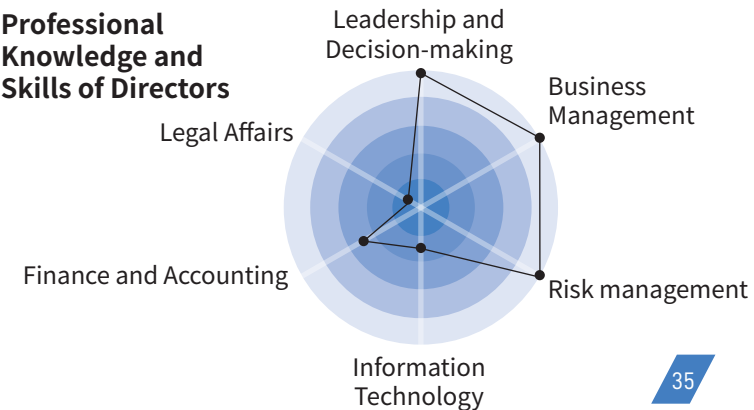
### Age distribution of the Board



### Professional Experience of Directors



### Professional Knowledge and Skills of Directors



## 3.2 Operations of Governance

### Directors' remuneration

A Remuneration Committee has been created directly under the board of directors in accordance with "Primax Electronics Remuneration 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 remunerations of directors include rewards and compensations. 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 Remuneration 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 Remuneration 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.

### Training of directors

To improve performance of board members, training courses are arranged regularly by the Company in accordance with "Primax Electronics Corporate Governance Principles", "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", and other relevant regulations on the latest domestic and overseas developments in economic, environmental and social governance. Topics included finance, risk management, business, commerce, accounting, law, corporate governance, integrity, ethics, and corporate social responsibility. These training courses help board members maintain their values, professionalism and capabilities. The 8 Primax directors attended 55 hours of continuing education during 2022 and complied with the requirements set by "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies". Re-elected directors were required to complete at least 6 hours of training during their term, while newly-elected directors were required to complete at least 12 hours. In addition, 7 out of 8 directors (approximately 87.5%) have participated in educational training programs related to corporate sustainability, corporate governance, and net-zero emissions. Among them, about 25% of the directors received training in courses related to integrity. Communication with all 8 directors is conducted through 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 board functionality, Primax Electronics has implemented a board performance evaluation policy since November 10, 2016 and disclosed it on the corporate website and MOPS. According to the policy, the Company is required to conduct internal board performance evaluation at least once a year, and engage an independent institution or expert team from outside the organization to conduct external board performance evaluation at least once every three (3) years. Performance evaluation for the current year needs to be completed by no later than the end of the year. The Company has completed the performance evaluation of the Board of Directors and functional committees by external entities in 2017 and 2020.

The internal performance evaluation for the 2022 Board of Directors was completed at the end of 2022 in accordance with the aforementioned rules. Evaluation unit: Finance and Administration Department. The evaluation was conducted in a questionnaire format. The performance evaluations for the Board of Directors, individual board members, Audit Committee, Remuneration Committee, Nomination Committee, and Risk management committee all fall within the range of excellent to outstanding. Directors provided feedback through questionnaires, with an average score of 4.98, indicating a strong agreement (between 4, agreeing, and 5, strongly agreeing) that the current system and smooth operation of the various functional committees within the company's Board of Directors are well-established and recognized. The results of the internal board performance evaluation in 2022 were reported to the Board of Directors on January 17, 2023, and the next external board performance evaluation is expected to be conducted in 2023. Please visit the [Company's website](#) for detailed information on the Board performance assessment and outcome of external assessment.

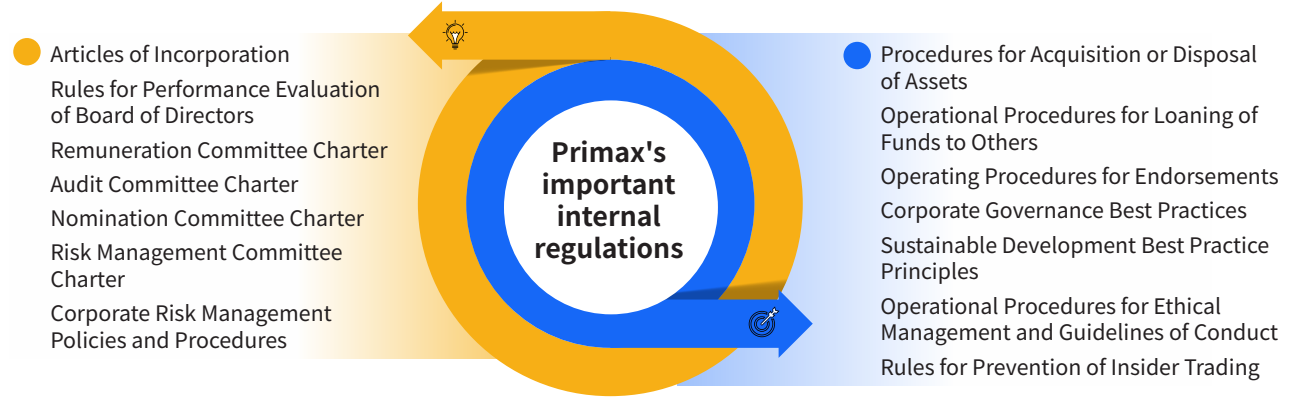


## 3.3 Ethics and Integrity

Primax Electronics has implemented a set of "Business Integrity Procedures and Behavioral Guidelines" that emphasizes integrity in business dealings. Employees are prohibited from accepting inappropriate gains or engaging in improper competition, and are required to enforce information transparency, respect intellectual property rights, protect the privacy of every business partner, and act responsibly when procuring supplies. The Company protects informants and has many different communication channels in place that allow employees to voice out freely without fear of retaliation. The Company contributes to cultural development and cares for the socially disadvantaged; it is actively involved in charity and constantly strives for improvement and compliance as a means of fulfilling social responsibilities, and Primax plans to establish anti-corruption policies in 2023.

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 a "Supplier Statement" in order to create a fair, honest, trustworthy and transparent trade environment.

Meanwhile, positions of special nature including but not limited to procurement, quality control, administration, warehousing and raw material control are rotated on a regular basis. The Company has a job rotation panel available to determine which positions are subject to rotation and how the rotation should be arranged. The panel announces its rotation guidelines in the beginning of each year, the Human Resources Department then follows and coordinates job rotation across departments, and produces an "Annual Job Rotation Plan" detailing the positions and the personnel involved for review by the panel. This practice works in favor of reducing risks of improper gain, and keeps the organization active at the same time.



### Compliance with fair trading

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

### Protection of business secrets

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

### 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

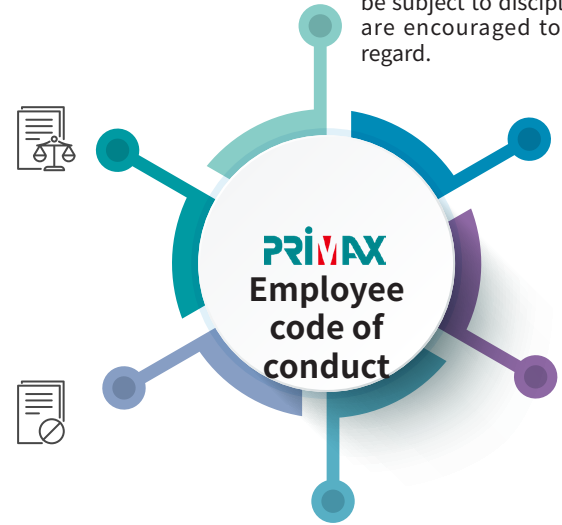
All conduct must be based upon integrity and respect; acts of violence/discrimination/sexual harassment/fraud/deception are strictly prohibited.

### Rules on gifts and treatments

Employees are prohibited from accepting cash kickbacks, gifts, vouchers and improper gains or any kind.

### Avoidance of conflicting interests

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



## Business integrity training

Primax Electronics organizes communication meetings, promotional videos and fun activities each year to convey integrity values in a comprehensive yet easily understandable manner. The Company also arranges for employees to undergo anti-corruption training. Currently, all new recruits are required to undergo 8 hours of orientation within the first month onboard, which includes a 1-hour introduction to business integrity and ethics. Primax received a total of 4,323 new recruits in 2022 and delivered 4,323 hours of integrity/ethics training, which covered 100% of new recruits. The training arrangement for existing employees is still under planning, and the future plan is to use online courses for training. In 2022, Tymphany Huizhou conducted a 0.5-hour RBA basic education training (including ethics and integrity) for a total of 6,378 employees and non-employee workers, with a total training time of 3,144.5 hours. The training coverage for new hires was 100% (other locations have not conducted RBA basic education training for new hires and existing employees yet).

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"

## Avoidance of conflicting interests

The Company has implemented "Corporate Governance Code of Conduct" and "Business Integrity Procedures and Behavioral Guidelines", which state that, if a director, manager, board meeting participant or any of the corporate entity they represent is considered a stakeholder to a topic discussed in board meeting, the party 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. In addition, the concerned party may not exercise voting rights on behalf of other directors. All of the Company's 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 by the highest governance body, please refer to the corporate governance chapter in "P23 of the 2022 Annual General Meeting Report".

## Robust internal audit system

To enforce corporate governance and self-monitoring, Primax Electronics has developed an internal check system based on operating activities of the Company and subsidiaries and Regulations Governing Establishment of Internal Control Systems by Public Companies that incorporates five main elements: "Environment control", "Risk assessment", "Processing of control", "Information and communication", and "Supervision processing".

The Company has set up an operation audit unit, including a chief auditor and two dedicated personnel. To ensure the effectiveness of internal control system in accomplishing the Company's operational goals and the effectiveness of self-verification practices across all units, Primax's General Manager serves as the convener of this unit and is fully authorized to inspect and evaluate the internal control system for defects and efficiency. In doing so, we ensure that design and implementation of the system continue to remain effective in helping the board of directors and the management fulfill their duties and supporting sound corporate governance practice.

The operation audit unit had completed inspection of all internal departments according to the 2022 internal inspection plan. Departments are being required to make improvements to the various defects highlighted during inspection, whereas the chief auditor engages independent directors in meetings at least once per quarter to report the current progress of internal audit and control, and reply to whatever queries independent directors may have. Each independent director is constantly updated on internal audit issues, and may call meetings or contact the chief auditor by phone at any time under exceptional circumstances. Please visit the [Company's website](#) for details of the communication between independent directors and the chief internal auditor/CPAs.



# 3.4 Operating Performance

## Management of operational development

## Material Issues: Economic Performance

<p><b>Management purpose and importance</b></p> <p>Continue to enhance the Company's competitive advantages in R&amp;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.</p>	<p><b>Negative Impact</b></p> <p>In the event of a negative economic performance incident, it may directly or indirectly impact the organization.</p>	<p><b>Remedial Measures</b></p> <p>In case of actual negative incidents, individual remedial plans will be formulated to minimize the negative impact.</p>
---	---	--

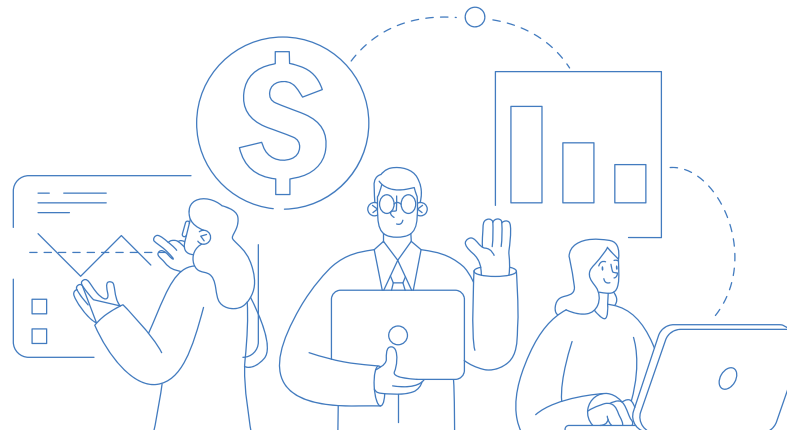
Short-term target	Achievement rate	Mid- and long-term target
<ul style="list-style-type: none"> <li>Complete the product Ecodesign management system.</li> <li>Continue to increase market share and reduce costs across all product lines.</li> <li>Continue to increase investment in product R&amp;D.</li> </ul>	<ul style="list-style-type: none"> <li>The project is in progress and is estimated to be completed by 2022.</li> <li>The non-computer peripherals business group, including the new product category, experienced a revenue increase of approximately 34% compared to the previous year.</li> <li>R&amp;D expenses totaling NT\$3,366 million were spent in 2022, representing 4.25% of operating revenue, an increase of 0.19% compared with 2021.</li> </ul>	<ul style="list-style-type: none"> <li>Deliver consistent business and profit growth.</li> <li>Incorporate core technologies to develop new products in the fields of medical care, smart vehicles, and professional acoustics, with percentage of the revenue increasing to 25% of the total.</li> </ul>

### Performance

- With the steady growth of revenue, Primax Group's profit in 2022 achieved a new high; the consolidated net operating revenue increased by about 11% and the consolidated net income after tax increased by 20% compared with 2021.
- In 2022, the production facility in Thailand continued to expand production and shipments, achieving a stable manufacturing cost level, which aligns with the group's strategy goal of decentralized production and manufacturing.



Note: 😊 Target achieved 🟡 Target to be achieved ☹️ Target not achieved



## Economic performance

In 2022, under the foundation of robust operational management and sound financial health, Primax Electronics achieved its highest historical profits. Despite the challenges posed by the pandemic, the company not only maintained stable business growth but also optimized its product portfolio, enhancing value-added and profit contributions. Primax continued to expand its presence in various sectors such as automotive, safety, home office, acoustics, and smart cities, driving an increase in gross profit margins. Additionally, effective supply chain risk management significantly minimized the impact of end-demand fluctuations on computer peripherals product shipments, leading to substantial growth in operating cash flow. With a global perspective, the production and shipments at the Thailand manufacturing site continued to expand in 2022, achieving stable manufacturing costs in line with the group's strategy of diversified production and manufacturing.

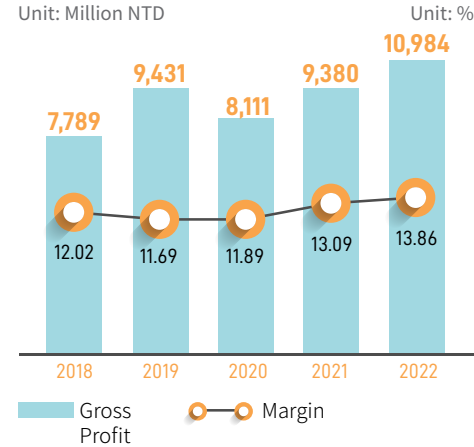
Overall, in 2022, Primax Technology's consolidated net operating revenue reached NT\$79,240,765 thousand, representing a growth of approximately 10.6% compared to the NT\$71,649,849 thousand in 2021. The consolidated after-tax net profit for 2022 amounted to NT\$2,868,961 thousand, reflecting an increase of approximately 19.9% compared to NT\$2,393,221 thousand in 2021.

### 2022 consolidated revenues and profit of Primax Group

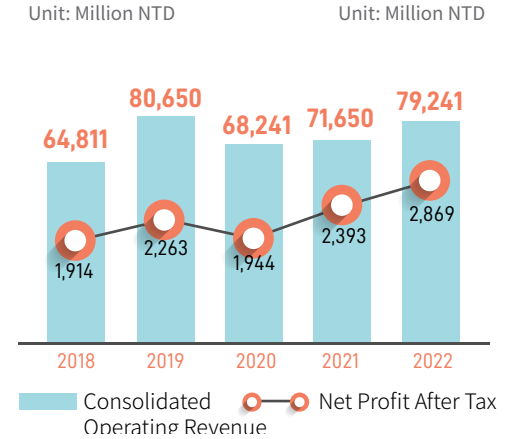
Unit: NTD thousands

Net revenues	79,240,765
Operating Costs	68,256,490
Gross Profit	10,984,275
Operating Expenses	7,639,502
Operating Profit	3,344,773
Non- Operating Income and Expenses	284,191
Employee salary and welfare	9,792,254
Payments to capital contributors (dividends)	1,411,230
Payments to government (income tax, sales tax, VAT etc)	1,795,594
Community investments, such as donation to charity organizations (donation)	10,364
Undistributed earnings	7,433,108
Amount of government grants	45,289

### Gross Profit and Margin Trends



### Primax consolidated revenues and net profit after tax



Consolidated revenue increased by about **11%** compared to the previous year

Consolidated net income after tax increased by about **20%** compared to the previous year

### 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 compliance with tax laws and fulfillment of corporate social responsibilities.

- All operating activities are carried out according to tax laws and related rules
- Compliance with world-recognized transfer pricing principles published by OECD
- Transparent financial reporting; all tax disclosures have complied with relevant rules, standards and requirements
- Refrain from transacting solely for tax evasion purposes
- Build relationships with the tax authority on the basis of mutual trust, transparency, and respect
- Tax impact in all key decisions
- Analyze the operating environment and adopt management systems for taxation risk assessment
- Develop taxation expertise through ongoing talent training



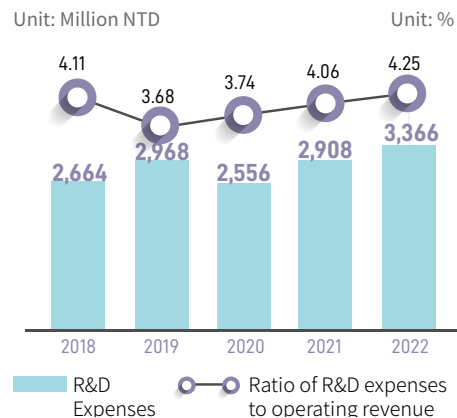
## 3.5 Innovation and Service

### Technology and manufacturing development

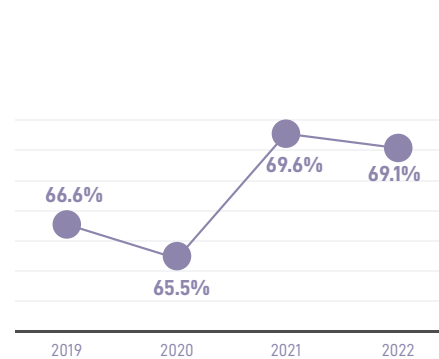
Primax Electronics's continuous profitability and growth are primarily attributed to its embrace of innovation. The company's focus on technology development lies in the integration of acoustics, visuals, and human-machine interfaces, known as "three-senses-in-one" product applications. In an era of 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. In 2022, the company invested a total of NT\$3,366 million in research and development (R&D), accounting for 4.25% of its operating income. Details of the R&D achievements in recent years can be found in the "2022 Shareholders' Meeting Annual Report, Pages 98 to 100".

In terms of production and global expansion, Primax Electronics continues to serve global customers with the motto of "Taiwan R&D, Smart Manufacturing, and Global Logistics". The planned Zhubei Innovation Center in Taiwan is expected to include advanced laboratories, industry-academia collaboration centers, and new product manufacturing centers. Primax will continue to expand its global manufacturing footprint. In addition to its main production base in mainland China, the company will deepen production at its manufacturing base in Thailand. Furthermore, this year, Primax will invest in establishing a facility in North America to achieve regionalized customer service.

**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 Company's 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. [Please refer to the Company's website for the details of our 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

The company has 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 occasionally receives notices from third parties or clients claiming that the Company's products are involved in intellectual property disputes. The Company 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 2022, a total of **844** patents were approved and **1,247** people won invention awards.

# 3.6 Risk Management

## Risk management


## Material Issues: Risk Management, Climate Change Measures

Management purpose and importance	Negative Impact	Remedial Measures
<p>Follow the requirements of corporate risk management, be aligned with the important aspects that clients are concerned about and international trends, and adopt the framework of TCFD to establish a risk management system to regularly evaluate operational and climate change risks and formulate follow-up corresponding strategies to reduce the impact on business operations, thereby achieving corporate sustainable development, while disclosing information on the financial impacts and opportunities.</p>	<p>In the event of a negative economic performance incident, it may directly or indirectly impact the organization.</p>	<ul style="list-style-type: none"> <li>• We actively manage risks to minimize operational risks for the company and enhance our ability to respond to and sustain operations in the face of risks.</li> <li>• In case of actual negative incidents, individual remedial plans will be formulated to minimize the negative impact.</li> </ul>

Short-term target	Achievement rate	Mid- and long-term target
<ul style="list-style-type: none"> <li>• Evaluate and alleviate the impact of risks in 1–3 years on Primax's operations every year and report to the Board of Directors.</li> <li>• Publish a TCFD report annually.</li> <li>• Expand the scope of TCFD governance to cover the entire global group from 2023.</li> </ul>	<ul style="list-style-type: none"> <li>☺ Convened a risk identification task force every year starting from 2021 to assess operational and climate change risks and reported the results to the Board of Directors in November 2022.</li> <li>☺ Published the first TCFD Report of Primax Electronics.</li> <li>☺ Increasing Primax's presence in Thailand.</li> </ul>	<ul style="list-style-type: none"> <li>• Assessed the risks arising and formulated strategies on a 5-year term or longer to alleviate the impact in response to climate change issues.</li> <li>• Complete the TCFD climate adaptation plan for the global group by 2030.</li> </ul>

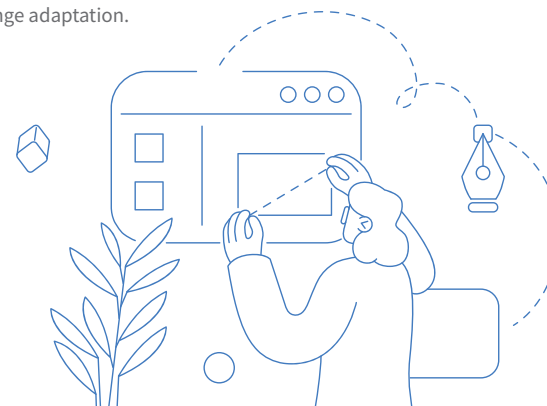
### Performance

- We completed a risk assessment report in 2022 and the chair of the ESG office reported it to the Board of Directors in November.
- Our TCFD performance was rated by SGS as benchmark, the highest rating.



Note: ☺ Target achieved ☹ Target to be achieved 😞 Target not achieved

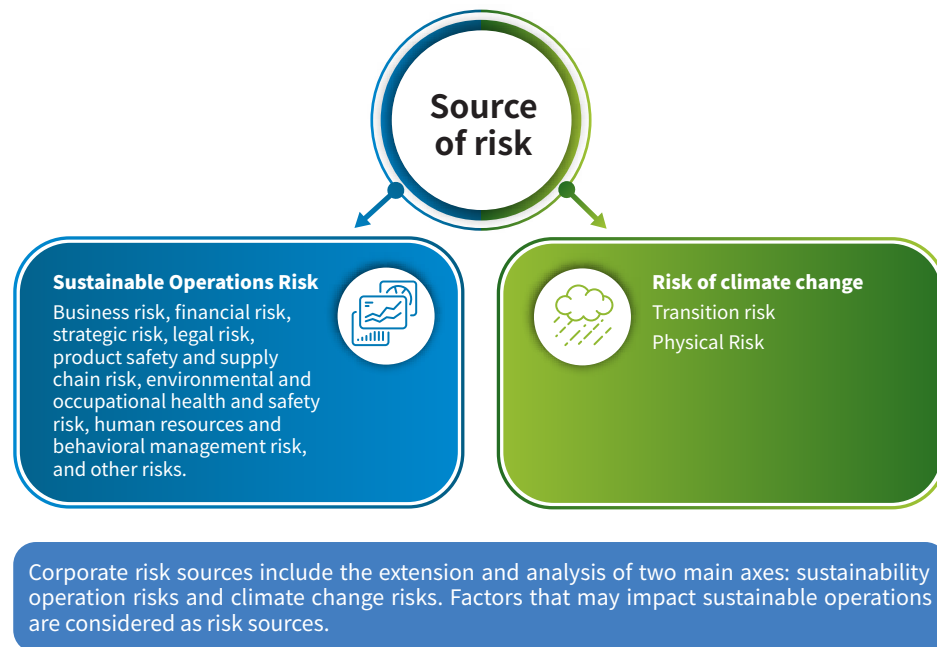
\*Please refer to Chapter 4 Environmental Sustainability in this report for more information on climate change adaptation.



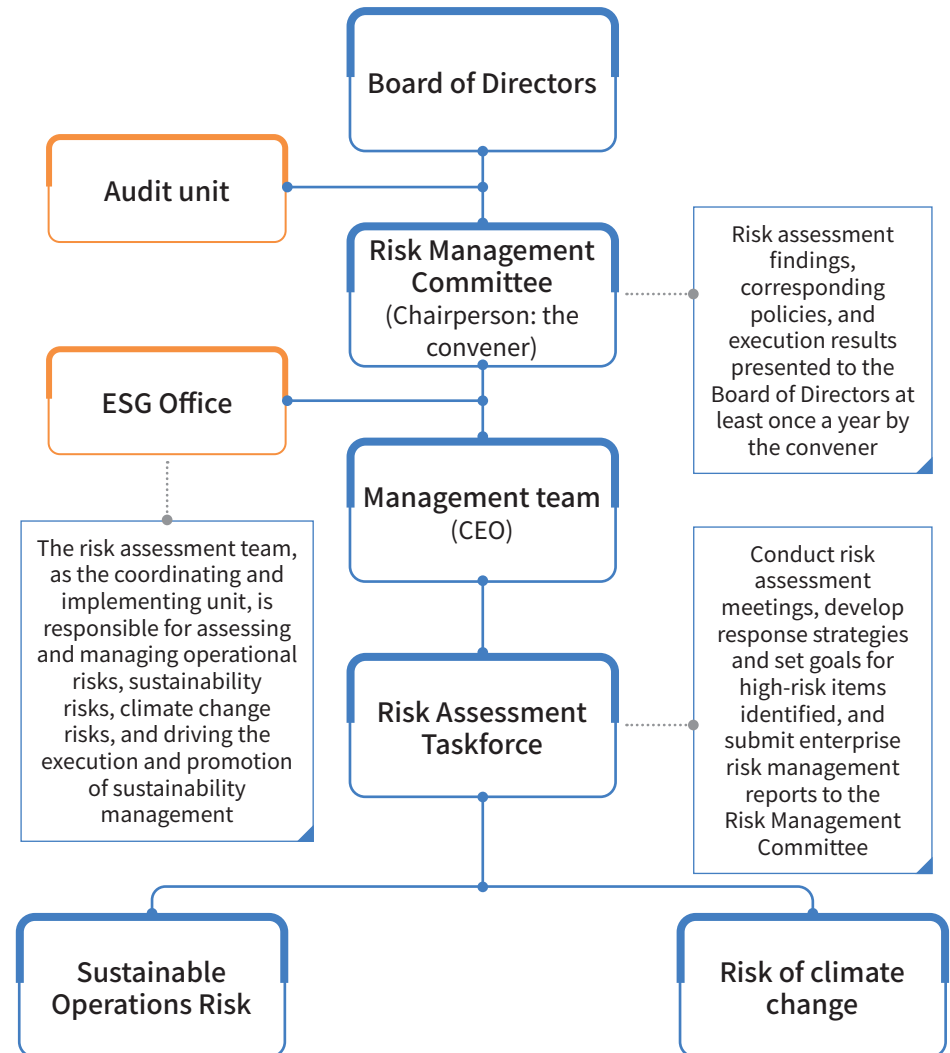
To achieve the goal of corporate sustainable development and be aligned with the important aspects that clients are concerned about and international trends, Primax has established a risk management system to regulate the management mechanism of risk management in accordance with the requirements of corporate risk management, thereby improving the operational efficiency of risk management.

Primax has established a risk assessment team through the authorization of the Board of Directors, led by the ESG office, and assigned various functional units to form risk assessment teams. At least once a year, we conduct risk and opportunity identification meetings to address operational, sustainability, and climate change risks. The scope of risk identification in 2022 includes our major operating locations such as Primax Electronics Taipei Headquarters/Taipei R&D Center, Primax Dongguan, Primax Chongqing, Primax Kunshan, and Primax Thailand, but excludes subsidiaries.

The risk assessment team evaluates the sources, items, and indices of risks, identifies significant risks and opportunities that may impact operations, and proposes relevant response strategies. The team provides an enterprise risk management report to the Risk Management Committee and reports to the Board of Directors at least once a year, as convened by the Chair of the Risk Management Committee.



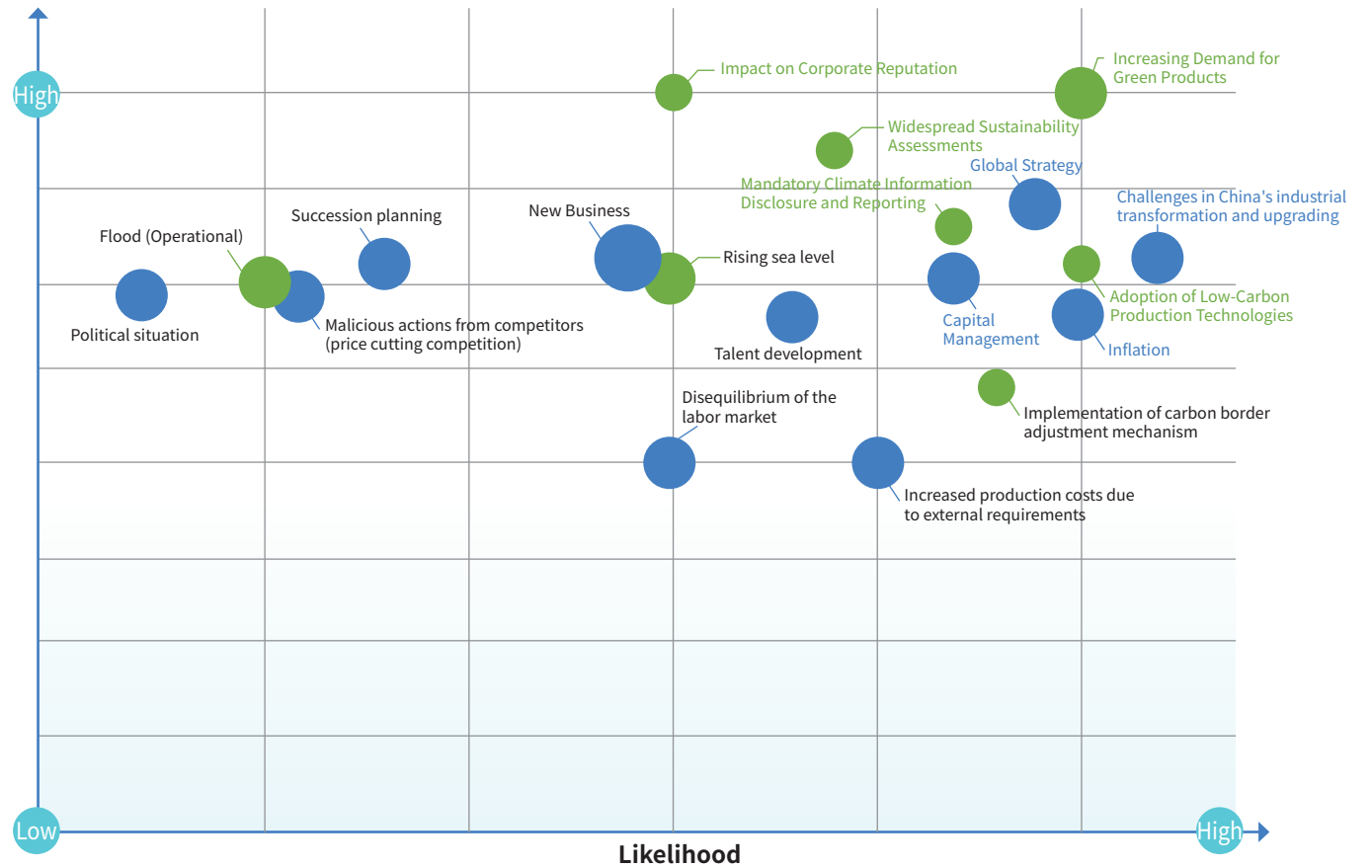
### Structure of Primax Risk Management Organization



In 2022, the Risk Assessment Team held risk assessment meetings in June and November, re-evaluating various corporate risks. The Enterprise Risk Management Report was presented to the Board of Directors in November by the convener of the ESG office, Vice General Manager Ms. Chiang, Yan-Ying. During the year, a total of 68 risk factors were collected, and after going through the risk management process, the major enterprise risks identified for Primax include: (1) Challenges in the Chinese industrial upgrading, (2) Inflation, (3) Global expansion, (4) Financial management, (5) Increasing demand for green products, (6) Adoption of low-carbon production technologies, (7) Mandatory climate information disclosure and reporting, (8) Non-compliance with customer ESG requirements, and (9) Widespread adoption of sustainability assessments. The corresponding risk response measures are shown in the table below (for detailed information on climate change risk, please refer to [Chapter 4.1 Climate Change Management](#)).



Matrix of Corporate Risks of Primax Electronics in 2022



- 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 vulnerability.
- 2. The above graph only includes high-risk and medium-risk items.
- 3. Blue icons represent climate change risks, and green icons represent climate change opportunities.

### Corporate Response Measures

Issues	Risk	Measures in response to risks
Sustainable Operations Risk	Challenges in China's industrial transformation and upgrading	<ol style="list-style-type: none"> <li>1. Implementation of Industry 4.0 reduces the reliance on manual labor and enhances manufacturing technology.</li> <li>2. Implement a global manufacturing layout, accelerate the scale production in Thailand factory to enhance cost competitiveness, while also diversify regional risks and ensuring production continuity.</li> <li>3. Actively promote green energy and carbon neutrality in compliance with mainland China's environmental policies.</li> </ol>
	Inflation	<ol style="list-style-type: none"> <li>1. Continuously increase the proportion of new products, enhance added value, and improve proactive pricing capabilities.</li> <li>2. Continuously improve per capita productivity, strictly implement quarterly workforce planning reviews to cope with the increase in labor costs.</li> <li>3. Strengthen asset turnover management, enhance the contribution of investment units, avoid idle assets, and control investments.</li> <li>4. Mitigate cost pressure through price and cost negotiations, with both upstream and downstream partners sharing the burden.</li> </ol>
	Global Strategy	Continuously enhancing the production output of manufacturing bases outside of China to implement a strategy of regional production risk diversification. Strengthening localized procurement and supply of raw materials to promote the regional integration of the supply chain. Adopting the principles of Industry 4.0, introducing advanced group processes to various production sites to achieve quality and cost targets.
	Capital Management	Proactively managing the turnover of funds in the supply chain, maintaining a robust ability to generate operating funds, and exercising cautious investment evaluation and benefit tracking for capital expenditures.
Risk of climate change	Increasing Demand for Green Products	<ol style="list-style-type: none"> <li>1. Establish a comprehensive green design system, enhance requirements for product green design, build internal capabilities, and fulfill the commitment to follow SBTi Scope 3 reduction targets. Develop management programs (including LCA analysis and various ECO design techniques) to reduce the impact of products on the environment and climate change.</li> <li>2. Follow the commitment to achieve SBT Scope 3 reduction targets, deepen low-carbon product design capabilities to better meet customer and global green design requirements.</li> <li>3. Collaborate with customers to jointly plan innovative products, enhance customer product image and value, and be willing to incorporate necessary costs into the selling price.</li> </ol>
	Adoption of Low-Carbon Production Technologies	<ol style="list-style-type: none"> <li>1. Ongoing implementation of the energy management system and expected introduction of a variety of management and energy efficiency measures to reduce waste.</li> <li>2. Actively phase-out inefficient facilities and actively manage high energy consumption equipment such as air-conditioning, air compressors and lighting to reduce GHG emissions.</li> <li>3. In addition to energy efficiency measures in operation, a variety of design techniques and planning methods are implemented to better production efficiency and reduce the space requirements for production and the complexity of manufacturing processes. In this way, resource efficiency is improved fundamentally.</li> <li>4. Evaluate the feasibility of investments in solar energy, green energy, and other equipment, and actively use more low-carbon energy sources to reduce carbon emission risks and associated costs, as well as sensitivity to carbon emission price fluctuations.</li> </ol>
	Mandatory Climate Information Disclosure and Reporting	<ol style="list-style-type: none"> <li>1. Implementing various management systems to strengthen ESG performance across all aspects and reduce risks.</li> <li>2. Since 2021, adopting the TCFD framework to identify and disclose climate-related risk information, as well as participating in initiatives such as CDP, DJSI, RE 100 to showcase and communicate sustainability performance, further seeking loan rate incentives, increasing revenue, and enhancing reputation.</li> </ol>
	Compliance with Customer ESG Requirements	
	Widespread Sustainability Assessments	

## 3.7 Privacy and Cyber Security

### Privacy and Cybersecurity management

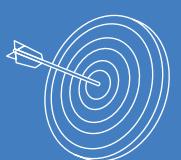
### Material Issues: Customer Privacy, Cybersecurity

Management purpose and importance	Negative Impact	Remedial Measures
Customer privacy and confidential information protection is the main reason that clients has been willing to establish partnerships with the Company for many years; therefore, the Group is dedicated to protecting customers' information security and their interests, which is regarded as the most important cybersecurity management goal	In the event of a cybersecurity incident, it may directly or indirectly impact the organization.	<ul style="list-style-type: none"> <li>Primax is dedicated to protecting customer data and company trade secrets as a primary mission. Based on customer contracts and confidentiality agreements, the Group has established an information security management system to safeguard customer and employee privacy. We have also implemented measures for managing confidential and personal data and continuously enhance employee awareness of data security through regular cybersecurity awareness campaigns and training.</li> <li>In the event of a major cybersecurity incident, the company 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.</li> </ul>

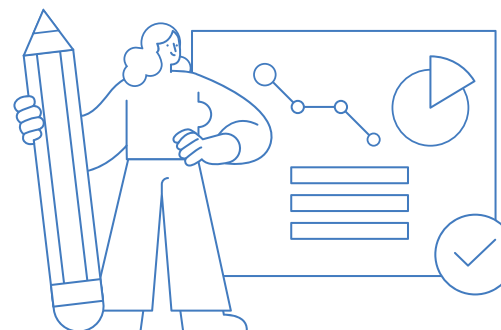
Short-term target	Achievement rate	Mid- and long-term target
<ul style="list-style-type: none"> <li>Monthly system weakness scan.</li> <li>Perform annual network and system penetration testing.</li> <li>Hold 6 annual email social engineering exercises.</li> <li>Passed continuing certification for ISO 27001 Information Security Management System.</li> <li>Offer cybersecurity education and training to employees every year.</li> </ul>	<ul style="list-style-type: none"> <li>☺ The completion rate for repairing severe risk vulnerabilities is 100%.</li> <li>☺ The percentage of high-risk penetration vulnerabilities patched was 100%.</li> <li>☺ Completed annual employee social engineering email exercises.</li> <li>☺ Passed the certification of the ISO 27001 external audit.</li> <li>☺ Held a total of four cybersecurity online education and training session, with a total of 2,537 participants.</li> </ul>	<ul style="list-style-type: none"> <li>A 5-year ISO 27001 expansion verification plan is planned for the period from 2023 to 2027. The verification scope will be expanded to cover all major operational locations of the group worldwide.</li> <li>Continue to enhance cybersecurity within the Company and ensure the confidentiality, integrity, availability and compliance of information kept in possession for the best interest of the Company's clients, shareholders, employees, and suppliers.</li> </ul>

#### Performance

- No complaint concerning violation of customers' sensitive information was received.
- No cybersecurity-related complaint from external parties or the authority was received.



Note: ☺ Target achieved ☹ Target to be achieved ☹ Target not achieved

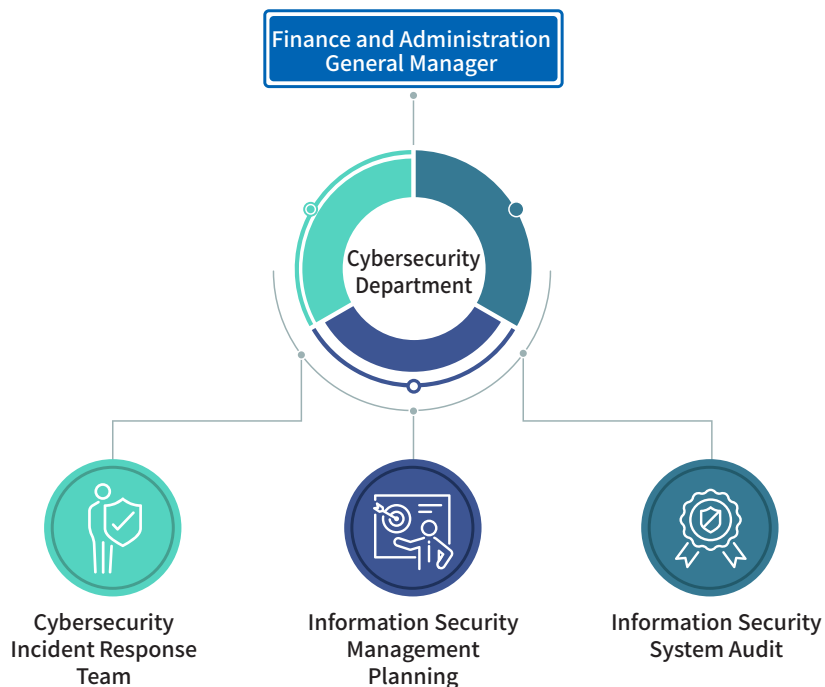


Primax Group is committed to protecting customer information security to safeguard customer rights. The company has established management procedures for customer privacy and confidential information, adhering to the principle of "least privilege". Access to sensitive data related to customer projects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

### Cybersecurity organizational structure

To improve the security management of the group, a Group Cybersecurity Department has been established, with the Chief Financial and Information Officer as the highest responsible person. The Information Security 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



### Primax Group's Cybersecurity Management and Continuous Improvement Framework



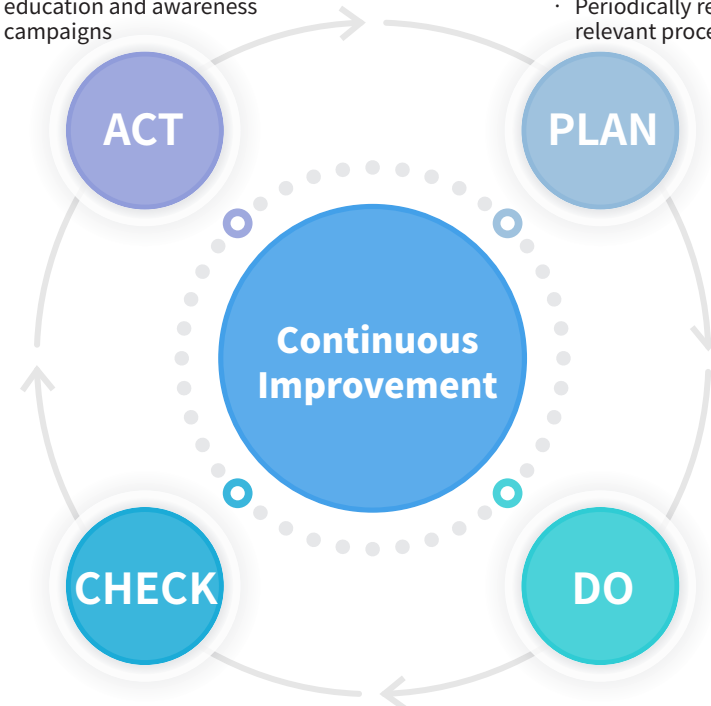
#### Ongoing improvement of information security

- Non-compliance of information security and corrections/preventions
- Information security improvement measures review and confirmation
- Regularly conducting cybersecurity education and awareness campaigns



#### Information security management system

- Develop suitable information security management system using the PDCA cycle
- Establish information security management system
- Periodically review and update relevant procedural documents



#### Assessment of information security

- Information security risk self-assessment and evaluation
- Information security internal audit plan and scope
- Regular execution of information security internal audits and improvements



#### Information security strengthening strategies and control measures

- Information security incident response mechanism
- Information security operational continuity management
- Monitoring of information security control measures

## Cybersecurity management mechanism

All of customers' private 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 customers' private and confidential information. Below is a summary of the three controls:



- New hires are required to undergo Cyber Security awareness training, while all other employees are subject to regular re-training of information security. The purpose of this training is to enhance employees' awareness towards customers' private and confidential information.
- A corporate security organization has been assembled directly under the General Manager. It is responsible for incorporating people, processes and technology into safeguarding customers' private and confidential information at the highest level. This organization exists to ensure that the various activities and measures are implemented properly, and that customers' private and confidential information is protected at all times.



- 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 the customer's project manager. Access to such information is granted only to the extent needed to serve the purpose.
- Customers' private and confidential information is protected before, during and after project until the product is discontinued.



- Network security equipment, software and anti-virus measures are constantly being enhanced to repel information security threats such as malware, botnet, virus, ransomware, and hack. Anti-virus and anti-hack platforms are being implemented throughout the Company.
- 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. Nine information security objectives have been formulated, and the results of their achievement are recorded on a monthly basis.
- To reinforce our cybersecurity protection capabilities, we request vendors perform hacker penetration testing every year to analyze the potential vulnerabilities and scenarios of hacking through various hacking methods, to improve the quality of cybersecurity protection.
- To enhance application system security and mitigate risks, regular system and equipment vulnerability scans are conducted each year. Vulnerabilities with medium and high risks are promptly addressed through patching. Additionally, measures such as the implementation of a computer asset management system, client privilege account management, mobile device security protection, and strengthening mechanisms like Multi-Factor Authentication (MFA) and centralized management of privilege accounts have been introduced. These actions aim to reduce incidents involving confidential or sensitive data. The company consistently filters malicious or spam emails, employs Security Information and Event Management (SIEM) for log monitoring, and implements Data Loss Prevention (DLP) mechanisms to protect against data leakage. All these efforts are geared towards achieving real-time monitoring of anomalies and reinforcing information security management mechanisms.
- 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 cybersecurity awareness training twice a year and social engineering drills six times a 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 cybersecurity awareness. Moreover, we have purchased cyber risk insurance or commercial crime insurance since June 2018 to reduce the risk of loss and liability caused by business interruption, to strive to become an enterprise with outstanding performance in information security governance.
- The Company has obtained the "ISO 27001:2013" international standard certification in January 2018. Currently, the certificate is valid from February 12, 2021, to February 11, 2024. Furthermore, a 5-year expansion verification plan for the period from 2023 to 2027 has been planned, and each year, the company will undergo a continuation review by a third-party verification company.

## 9 Information Security Objectives



## Cybersecurity risk assessment

The Company inventory the information assets and update the record book of assets periodically. 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 Company's 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 Cyber Security awareness training.

## Internal audit of cybersecurity

The information audit task force of the Cybersecurity Department establishes the evaluation indicators based on the risks. The self-assessment and inspection of cybersecurity are conducted annually. The outcome of assessment and supporting documents are sent to the Audit Department for verification. The Audit Department implements the information cycle audit every six months. Cybersecurity is one of the required items for audit. All the outcomes of audit are brought to the Audit Committee and the BOD regularly, at least annually.

## 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 computer peripherals and non-computer peripherals. Products such as acoustic products, OEM brand customer products, and non-connected products do not have input or software/firmware update functions, and therefore do not pose any information security concerns. For the rest of the products, Primax strictly adheres to customer-required security principles from the research and development phase to the product shipping phase. Any security-related concerns are immediately addressed and corrected without affecting the manufacturing process and subsequent operations, ensuring the security of product information. 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.



# 04

## Environmental Sustainability

- 4.1 Climate Change Financial Disclosure
- 4.2 Energy management
- 4.3 Greenhouse Gas Reduction
- 4.4 Water resource management
- 4.5 Pollution Prevention and Management



## Climate change adaptation and management Material Issues: Climate Action

### 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.

### Negative Impact

In the event of a risk management incident, it may directly or indirectly impact the organization.

### 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 target

- Reduce waste generation by 2% per year (2% of general waste generation)
- To reduce energy intensity (including electricity) usage by 3% per year.
- Achieve a 2% annual reduction in water consumption.
- Adopt SBTi 1.50°C approach and set carbon reduction targets: Reduce Scopes 1 and 2 GHG emissions (CO<sub>2</sub>e) by 30% by 2025, compared to 2019 (the base year).

### Achievement rate

- ☹ In 2022, total waste generation increased by 34.41%
- ☹ In 2022, general waste increased by 26.24%
- 😊 Reduced energy (including electricity) intensity by 5.98% in 2022.
- 😊 In 2022, water consumption decreased by 4.87%
- ☹ Compared to the base year of 2019, in 2022 greenhouse gas emissions were reduced by 53.79%
- ☹ The renewable energy consumed in 2022 accounted for 32.60%, and the total used energy was 31.69%
- 😊 The Taipei Headquarters obtained the ISO 14001 environmental management system certificate.

### Mid- and long-term target

- By 2030, water intensity will be reduced by 40% compared to the baseline year of 2020.
- By 2030, renewable energy will account for 60% of the total electricity consumption.
- Carbon neutrality in Scopes 1 and 2 emissions will be achieved by 2040.
- Achieve 100% use of renewable energy in 2040.
- Aim for net-zero emissions by 2050.

Note: 1. 😊 Target achieved ☹ Target to be achieved ☹ Target not achieved

2. Calculation formula for carbon reduction: Primax Group's GHG emission intensity in 2021 \* 2022 consolidated revenue - 2022 Primax Group's GHG s emissions (Location Base)

## Performance

- In 2022, Primax Group did not violate environmental laws or regulations and did not receive any penalty or fine accordingly.
- All major production sites execute energy conservation plans on a yearly basis. Carbon reduction volume in 2022 was estimated at 8,761,443 kg CO<sub>2</sub>e<sup>Note 2</sup>.
- All gas emitted by Primax Group in 2022 was 100% compliant with regulations.
- In 2022, Dongguan, Chongqing, Kunshan factories, Tymphany Huizhou, Primax Thailand, and Tymphany Thailand purchased renewable energy certificates, collectively offsetting 32.61 million kilowatt-hours of electricity, resulting in a cumulative reduction of approximately 37,407 metric tons of CO<sub>2</sub>e since 2019.
- Primax Group's GHG emission intensity in 2022 was 45.33% less than that in 2021.
- Primax Group's energy intensity in 2022 was down by 5.98% compared to 2021.
- Primax Group's water consumption intensity in 2022 was 13.99% less than in 2021.
- Primax Group's total waste volume in 2022 was 34.31% more than in 2021.
- In 2022, solar power facilities were established in Dongguan, Chongqing factories, generating a total of 362,697.23 kilowatt-hours of electricity. A Power Purchase Agreement (PPA) was made to purchase 205,306 kilowatt-hours of solar energy.



## 4.1 Climate Change Financial Disclosure

Strategies	
<b>Climate change</b>	Following the guidance of the United Nations Sustainable Development Goals (SDGs), we communicate organizational risks and opportunities through the Task Force on Climate-related Financial Disclosures (TCFD) process, implementing innovative values and strategic execution for the organization.
<b>Net-Zero Commitment and Carbon Management</b>	We are committed to achieving net-zero and carbon management, aligning with the RE100 commitment for carbon neutrality by 2040 and net-zero by 2050. Carbon reduction pathways are set based on Science-Based Targets (SBT) to achieve various milestone goals.
<b>Biodiversity</b>	We aim to gradually implement various environmental protection measures, with a focus on preserving biodiversity as a potential concern.

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. Primax started in 2016 to implement ISO 14064-1 GHG emission inventory and obtained third-party verification. We participate in the voluntary reduction program and disclose the GHG management information for the reference of stakeholders. The inventory details are recorded in the National Greenhouse Gas Registry Platform.

In response to the increasing concerns about global warming, extreme weather events, environmental conservation, energy efficiency, and safety, our company officially became a signatory to the Task Force on Climate-related Financial Disclosures (TCFD) in 2021. In January 2022, we successfully completed an external assessment conducted by SGS-Taiwan and obtained the "2021 TCFD Performance Assessment - Pioneer" statement, marking our commitment to TCFD recommendations. We published our first TCFD Climate-related Financial Disclosures Report.

In 2022, Primax Group continues to reference the TCFD recommendations issued by the Financial Stability Board (FSB) to ensure the disclosure of climate-related financial information. Following the four core elements of climate-related financial information disclosure: "Governance", "Strategy", "Risk Management", and "Metrics and Targets", we have established a risk framework. This framework enables us to identify significant risks and opportunities that may impact our operations and develop corresponding strategies to address them. The disclosure of this report covers Primax's major operating locations: Taipei Headquarters, three factories in mainland China (Primax Dongguan, Primax Chongqing, Primax Kunshan), and Primax Thailand. The second 2022 TCFD Climate-related Financial Disclosures Report will be published in June of 2023.

### Climate change related governance

Primax has established an ESG Office under the Board of Directors and authorized the Chairman to designate the ESG Office as responsible for climate change risk assessment and management. Vice President Yen-Ying Chiang serves as the chair and established the Risk Assessment Taskforce by pulling together different functions. Risk and opportunity identification in relation to climate change is performed at least once per annum according to Primax's risk management workflows set forth in the "Corporate Risk Management Policies and Procedures". The purpose is to evaluate and manage financial impacts, formulate responding strategies and define the targets of relevant items. Implementation results are reported to the Board of Directors each year. The Board of Directors provides guidance and reviews climate change risks and opportunities, assesses results, responding strategies and management performances. Measures are taken and ongoing monitoring is conducted on high-risk items. In this report, the management of climate change risks, strategies, and goal setting were presented by Yen-Ying, Chiang, the Convener of the ESG Office and Vice General Manager, to the Board of Directors in November, 2022, and were approved.

Furthermore, in order to realize green production, we have put in place for all our employees "Management and Control Regulations on Energy Efficiency and Waste Reduction". This includes proposals for energy efficiency and carbon reduction. The proposers will be rewarded with merit points based on project effects. Year-end performance bonuses will be issued according to the Regulations Governing Employee Rewards and Penalties. Furthermore, in 2022, we developed a sustainability strategy blueprint. Starting from 2023, senior executives at the level of Vice General Manager and above will have their incentives linked to sustainability performance, with a variation of 10 - 15%. This linkage includes targets such as smart manufacturing and greenhouse gas reduction.



## Management of climate change related risks and opportunities

### Process for Identifying Climate Change-Related Risks and Opportunities

1	<h4>Climate scenario analysis and setting</h4>	<p>The primary climate change risk scenario adopted by Primax is the 1.5°C scenario, and we assess transformational risks and opportunities based on this scenario. Additionally, for physical risks, we simulate the risk impact levels under the SSP1-1.9 and SSP5-8.5 scenarios outlined in the IPCC AR6 report. We incorporate past events and relevant climate change projection information, such as sea-level rise simulations (including the 1.5°C and 4°C scenarios) provided by organizations like Climate Central, as well as rainfall estimation (TCCiP) as references for risk assessments.</p>
2	<h4>Collecting Potential Risk/ Opportunity Issues</h4>	<p>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 2022, a total of 24 risks and 15 opportunity items were compiled.</p>
3	<h4>TCFD Risk/Opportunity Assessment</h4>	<p>The Primax Risk Assessment Taskforce convenes risk and opportunity identification meetings at least once a year to identify sustainability operational risks and climate change risks. Risk Assessment Taskforce compiles and establishes the "Primax Electronics Risk Integration Questionnaire" and follows the "Corporate Risk Management Policies and Procedures" for risk assessment. The evaluation criteria include "likelihood", "impact", and "vulnerability", which are compared to the scores defined in the company's impact scale, likelihood scale, and vulnerability 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.</p>
4	<h4>Identifying highly correlated risks/ opportunities</h4>	<p>The risk classification of our company is determined based on the factors of "likelihood" and "impact". The risk levels are 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 will then be responsible for devising mitigation solutions for high-risk and high-impact issues, and for subsequent monitoring and improvements. The internal audit unit conducts regular audits on the execution of key solutions as part of its audit plan.</p>
5	<h4>Strategy discussion and financial impact calculation</h4>	<p>Based on the identified risks/opportunities, the company 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 (2023-2024), medium term (2025-2027), and long term (2028-2032) timeframes.</p>
6	<h4>Goal setting and result tracking</h4>	<p>The Company uses the Science Based Targets initiative (SBTi) framework as the assessment basis of its climate change indicators and targets. Target 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.</p>

## Short, Medium, and Long-Term Climate-Related Risk and Opportunity Identification Results

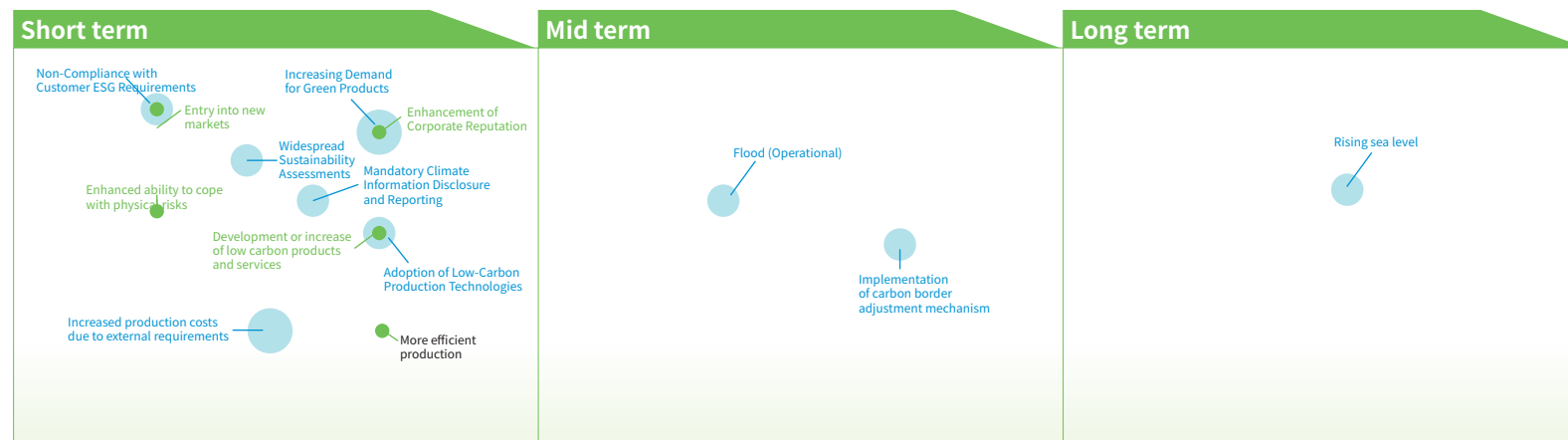
The risk assessment team, based on the questionnaire scales, considers international trends, existing company measures, and scenario simulation results to score and evaluate the risks. The ESG Office then discusses the results based on the scoring and identifies five climate change risks and three climate change opportunities. The TCFD Risk and Opportunity Response Strategy Discussion Meeting is convened by the ESG Office to determine the future climate change-related measures for the company.

The assessment for this period is divided into short-term (2023-2024), medium-term (2025-2027), and long-term (2028-2032). 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 graph 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 Little
Transition risks/ technologies	Adoption of Low-Carbon Production Technologies	Short term	Very significant	Significant	Very Little
Transition risks/ market	Increasing Demand for Green Products	Short term	Very significant	Very significant	Insignificant
Transition risks/ reputation	Non-Compliance with Customer ESG Requirements	Short term	Significant	Very significant	Very Little
Transition risks/ reputation	Widespread Sustainability Assessments	Short term	Significant	Very significant	Very Little

Opportunity types/ items	Identified opportunities	Time horizon	Likelihood	Financial impact
Products and Services	Development or increase of 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



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 vulnerability.
2. The above graph only includes high-risk and medium-risk items.
3. Blue icons represent climate change risks, and green icons represent climate change opportunities.

## Climate-related Risk/Opportunity Identification Results and Strategies

### High-Risk/Opportunity Analysis and Corresponding Strategies

Risk category	Potential Risks	Opportunities	Potential Benefits	Corresponding Strategies
<b>Mandatory Climate Information Disclosure and Reporting</b>	<ul style="list-style-type: none"> <li>Penalties Resulting from Non-compliance</li> <li>Damage to Reputation</li> <li>Related Costs from Regulatory Audits</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of Corporate Reputation</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Mitigating Penalty Risks</li> <li><input checked="" type="checkbox"/> Customer Orders</li> <li><input checked="" type="checkbox"/> Enhancing Reputation</li> </ul>	<ul style="list-style-type: none"> <li>Implementing various management systems to strengthen ESG performance across all aspects and reduce risks.</li> <li>Disclosing ESG information through platforms such as annual ESG reports and websites, actively responding to stakeholder expectations.</li> <li>Since 2021, adopting the TCFD framework to identify and disclose climate-related risk information, as well as participating in initiatives such as CDP, DJSI, RE100 to showcase and communicate sustainability performance, further seeking loan rate incentives, increasing revenue, and enhancing reputation.</li> </ul>
<b>Non-Compliance with Customer ESG Requirements</b>	<ul style="list-style-type: none"> <li>Damage to Reputation</li> <li>Customer Attrition</li> <li>Decrease Demand of the Product</li> </ul>			
<b>Widespread Sustainability Assessments</b>	<ul style="list-style-type: none"> <li>Impact on Reputation</li> </ul>			
<b>Adoption of Low-Carbon Production Technologies</b>	<ul style="list-style-type: none"> <li>Low-carbon cost for meeting customer needs</li> </ul>	-	-	<ul style="list-style-type: none"> <li>Ongoing implementation of the energy management system and expected introduction of a variety of management and energy efficiency measures to reduce waste.</li> <li>Proactive phase-out of inefficient facilities for main energy consumption such as air-conditioning, air pressure and lighting; active management and necessary phase-out to reduce GHG emissions.</li> <li>In addition to energy efficiency measures in operation, a variety of design techniques and planning methods is implemented to better production efficiency and reduce the space requirements for production and the complexity of manufacturing processes. In this way, resource efficiency is improved fundamentally.</li> <li>Evaluate the feasibility of investments in solar energy, green energy, and other equipment, and actively use more low-carbon energy sources to reduce carbon emission risks and associated costs, as well as sensitivity to carbon emission price fluctuations.</li> </ul>
-	-	<ul style="list-style-type: none"> <li>Entry into new markets</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Increased revenues</li> </ul>	<ul style="list-style-type: none"> <li>Establish regional supply bases and overseas factories to meet the localization requirements of the automotive industry.</li> <li>Continuously improve product design capabilities, manufacturing technology, and supply chain management in the automotive market.</li> <li>Enhance the establishment of automotive industry systems (ISO, IATF, ASIL, etc.) and comply with regulations.</li> </ul>



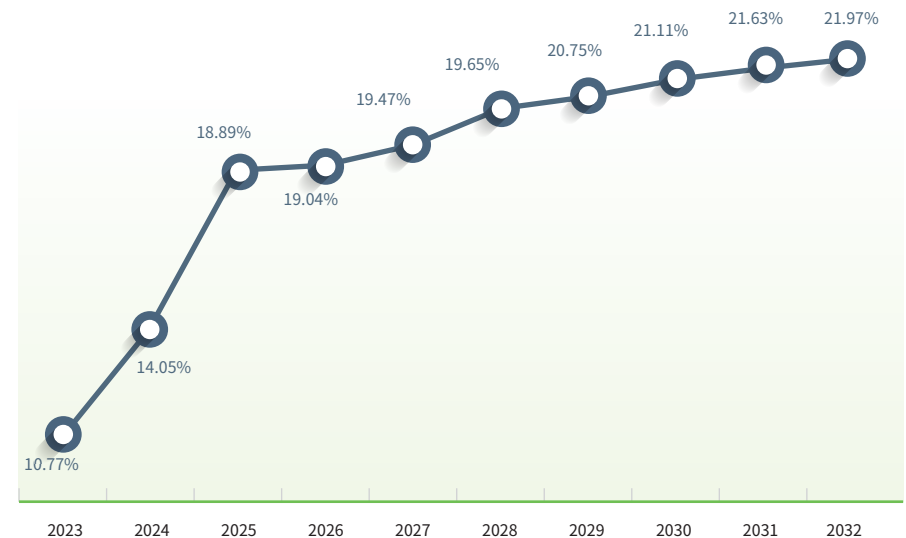
Risk category	Potential Financial Loss Risks	Opportunities	Potential Financial Benefit Opportunities	Corresponding Strategies
<b>Increasing Demand for Green Products</b>	<ul style="list-style-type: none"> <li>☒ Decline in product competitiveness</li> <li>☒ Customer Attrition</li> </ul>	<ul style="list-style-type: none"> <li>Low carbon products and services</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the green design system</li> <li>Meet customer green design requirements</li> <li>Strengthen ESG capabilities</li> <li>Improve the green image</li> </ul>	<ul style="list-style-type: none"> <li>Establish a comprehensive green design system, enhance requirements for product green design, build internal capabilities, and fulfill the commitment to achieve SBT Scope 3 reduction targets. Develop management programs (including LCA analysis and various ECO design techniques) to reduce the impact of products on the environment and climate change.</li> <li>To fulfill the commitment to achieve SBT Scope 3 reduction targets, deepen low-carbon product design capabilities to better meet customer and global green design requirements.</li> <li>Collaborate with customers to jointly plan innovative products, enhance customer product image and value, and be willing to incorporate necessary costs into the selling price.</li> </ul>

## Financial Impact Assessment of Climate-Related Risks and Opportunities

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. In the short term (2023-2024), the financial impact is estimated to be approximately 12.41% of revenue. In the medium term (2025-2027), the financial impact is estimated to be approximately 19.13% of revenue. In the long term (2028-2032), the financial impact is estimated to be approximately 21.02% of revenue.

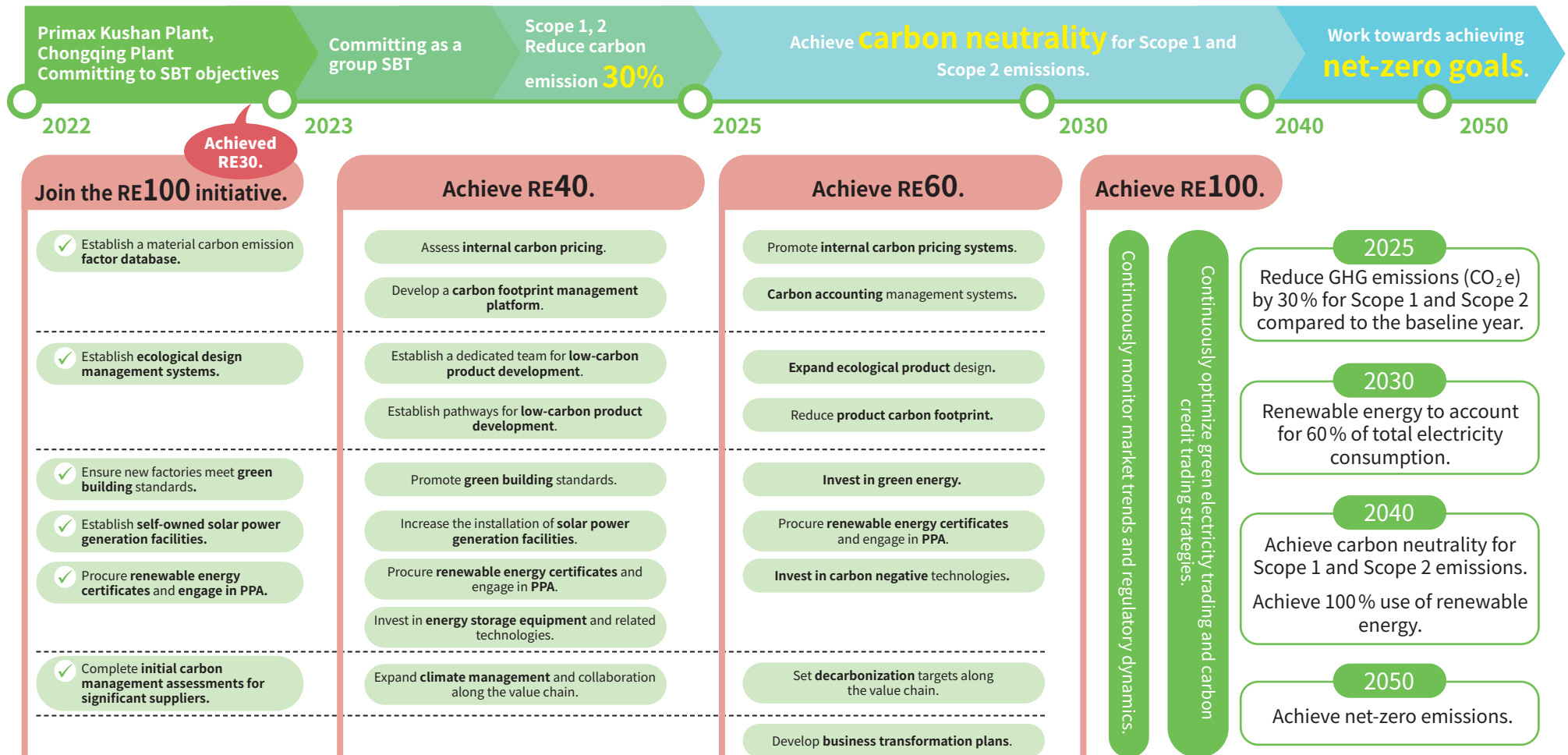


Primax's climate-related risk/opportunity benefits (Revenue share)



## Indicators and targets in relation to climate change

### Primax Group's net-zero pathway



Continuously improve information disclosure (following the TCFD framework, responding to CDP questionnaires, and other climate-related initiatives).

Please refer to 2022 TCFD Climate-related Financial Disclosures Report for complete information on Primax's climate change risks.

Please refer to the Chapter 4 Environmental Sustainability in this report for climate change adaptation management actions and achievements.

## 4.2 Energy Management

### Strategies

#### Energy management

Investing in energy-saving measures based on the net-zero pathway and goals, establishing an internal energy-saving culture, and continuously reducing operational energy consumption.

### 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 2022.

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 DJSI 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, Yen-Ying/ Vice President	Representative of Primax	Sustainable development related issues	Responding to and promoting sustainability-related issues and actions
RE 100	Chiang, Yen-Ying/ Vice President	Representative of Primax	Renewable energy	Achieve 100% use of renewable energy by 2040.
Taiwan Climate Partnership	Lee, Hung-Ta/ Senior Director	Representative of Primax	Climate-related issues	Responding to and promoting climate-related issues and actions
CommonWealth Sustainability (CWS)	Chiang, Yen-Ying/ Vice President	Founding Member	Climate-related issues	Responding to and promoting climate-related issues and actions
Taiwan Electrical and Electronic Manufacturers' Association	Liang, Li-Sheng / 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. These efforts not only enhance the corporate image of the group but also create new business opportunities.

## Energy consumption

Energy consumption is a main cause of climate change, because the combustion of non-renewable fuel creates greenhouse gas (GHG) among other environmental impacts. 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 gathers more sophisticated data to enhance its existing energy strategies. Primax Group's data on energy consumption is as follows:

Energy consumption statistics of Primax Group - 2019 – 2022

Unit: GJ

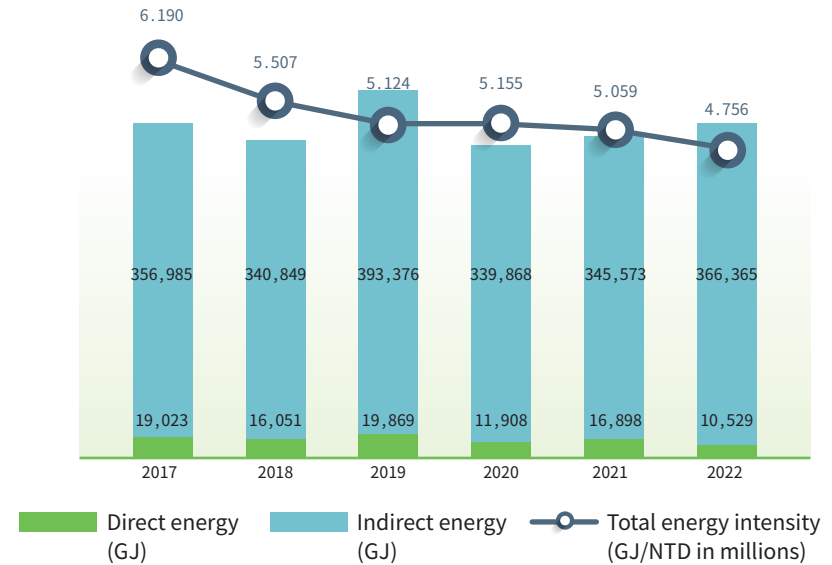
Energy	2019	2020	2021	2022	Compared to the previous year
Liquid petroleum gas	25.757	8.862	2.912	1.456	-50.00%
Natural gas	16,475.889	10,297.079	9,715.255	7,945.680	-18.21%
Diesel	2,132.186	750.536	6,459.917	1,940.968	-69.95%
Gasoline	1,235.611	851.839	719.842	641.038	-10.95%
Electricity	393,376.301	339,867.805	345,573.334	366,364.961	6.02%
Total energy consumption	413,245.744	351,776.121	362,471.261	376,894.102	3.98%
Energy consumption intensity (unit: GJ/NTD in millions)	5.124	5.155	5.059	4.756	-5.98%

Note:

- In 2022, the scope of energy statistics was the same as the 11 major sites disclosed in this report.
- 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.
- The main reason for the increase in electricity usage compared to 2021 is due to the addition of four new locations: Primax Thailand and Tymphany offices in Thailand, Taipei, and Shenzhen. The conversion rate used is 1 kWh = 3,600 kJ.
- Liquefied Petroleum Gas: Only used by Tymphany Dongcheng with a calorific value of 12,000 kcal/kg; the main reason for the decrease compared to 2021 was the replacement of natural gas boilers with air heat pump water heaters.
- Natural gas: used only by plants in China; calorific value = 9,310 kcal/M<sup>3</sup>.
- Calorific value of diesel: Taiwan = 8,400 kcal/L; China = 10,200 kcal/kg. Thailand is 8,710 kcal/L. The reason for the decrease in diesel usage compared to 2021 is mainly due to the reduced frequency of emergency generator usage.
- Calorific value of gasoline: Taiwan = 7,800 kcal/L; China = 10,300 kcal/kg.

## Energy consumption statistics of Primax Group

In 2022, there was a **5.98%** reduction in energy intensity compared to the previous year.



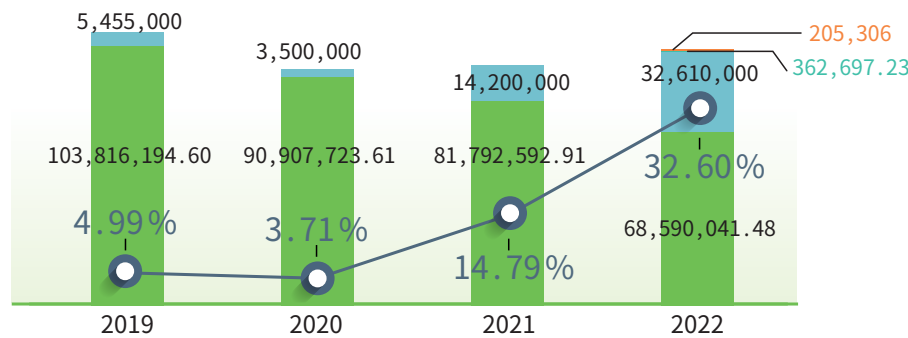
## Use of Renewable Energy

Since 2019, the Primax Group has been actively promoting a renewable energy utilization plan. This initiative mainly involves purchasing Energy Attribute Certificates (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 RE100 and established a target to achieve 100% renewable energy usage by the year 2040.

- Since 2019, we have been purchasing Energy Attribute Certificates (EAC) for renewable energy. In 2022, we purchased a total of 32,610,000 kWh of renewable energy certificates, with a cumulative purchase of 55,765,000 kWh of electricity.
- Renewable energy agreement: In 2022, we entered into a Power Purchase Agreement (PPA) for renewable energy, purchasing 205,306 kWh of electricity.
- Generate solar power for use: Primax has been generating our own solar power through in-house solar power facilities, with a total generation of 362,697.23 kWh.

In 2022, the total usage of renewable energy amounted to 33,178,003.23 kWh, accounting for **32.60%** of the total electricity consumption and **31.69%** of the total energy usage for 2022.

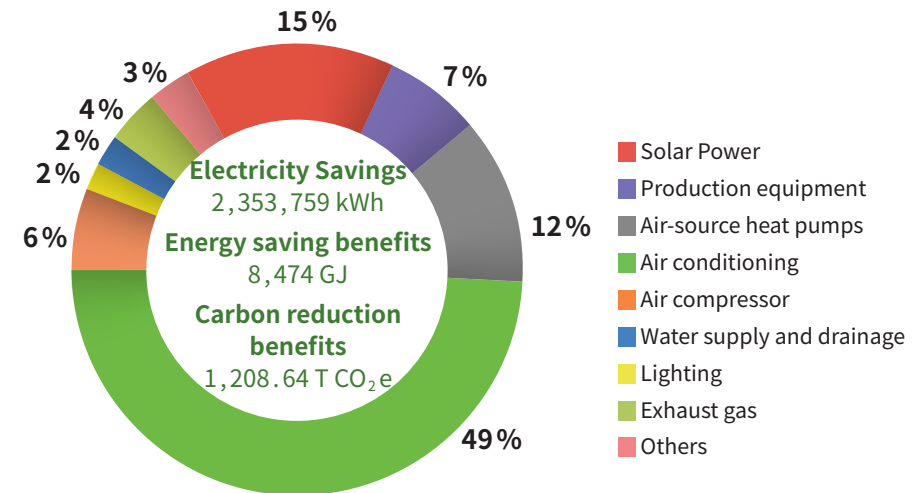
### Renewable Energy Usage Statistics



## 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.

### Energy-saving measures statistics for Primax Group in 2022



## 4.3 Greenhouse Gas Reduction

Electronic manufacturing runs the risk of emitting GHG, nitrogen oxides (NOx), sulfur oxides (SOx) and other gases that have significant impacts on the environment. and this is why we implement a variety of solutions to reduce GHG emission. Since 2010, we have been working with SGS, a third-party institution, to identify and measure GHG emitted by our plants, which helped enforce our GHG control strategies. The measurements cover direct GHG emissions, energy indirect GHG emissions, other indirect GHG emissions, and GHG emission intensity. By disclosing energy indicators, we intend to show the world how far we have accomplished in mitigating environmental impacts, and our ability to respond to carbon controls, rising operating costs, and changes in energy supply and prices.

Primax Group operates in Taiwan, mainland China, and Thailand, and has ensured 100% compliance with local environmental regulations. The "Climate Change Response Act" has been implemented in Taiwan. Although Primax Group does not operate any production facility in Taiwan and is not subject to GHG emissions reporting and control, we still take the initiative to survey GHG emissions and pay close attention to regulatory requirements. The carbon trade system is being implemented in the Mainland, while provincial governments are starting to introduce control over emissions. In the meantime, we adopt rigorous control and strive to reduce GHG emission to avoid being impacted by new policies and laws.

The Group's Scopes 1 and 2 greenhouse gas emissions in 2022 were be 42,435.696 tons of CO<sub>2</sub>e/year (Market Base), a decrease of 22,753.635 tons of CO<sub>2</sub>e/year, or about 39.54%, compared with 2021; a decrease of 49,387.699 tons of CO<sub>2</sub>e/year, or about 53.79%, compared with the base year of 2019. The greenhouse gas emission intensity in 2022 was 0.536 tCO<sub>2</sub>e/ million NTD, a decrease of 45.33% compared with 2021 and a decrease of 52.96% compared with the base year of 2019. The main reasons are due to the active implementation of energy-saving initiatives at various plants. The Dongguan Primax, Chongqing, Kunshan, Huizhou Tymphany, Thailand Primax, and Thailand Tymphany plants purchased Renewable Energy Certificates (I-REC). Additionally, the Dongguan Primax, Chongqing, and Huizhou Tymphany plants directly utilize electricity generated from solar power.

In 2022, 32,610,000 kwh of renewable energy offset a total of 18,447.08 metric tons of CO<sub>2</sub>e, accounting for 32.04% of the electricity used. Since 2019, the cumulative purchase of Renewable Energy Certificates has led to a reduction of 37,406.548 metric tons of CO<sub>2</sub>e.

### GHG emission statistics of Primax Group - 2022

Unit: tonnes CO<sub>2</sub>e/year

	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	NF <sub>3</sub>	Total
Category 1, 2 (Market Base)	38,424.895	2,084.536	1.941	1,924.324	0	0	0	42,435.696

### GHG emission statistics of Primax Group - 2019 ~ 2022

Unit: tonnes CO<sub>2</sub>e/year

Type of GHG	2019	2020	2021	2022	Compared to the previous year
Category 1	5,488.224	4,002.669	4,900.119	4,646.228	-5.18%
Category 2 (Market Base)	86,335.170	72,589.681	65,289.212	37,789.468	-42.12%
Category 1 + Category 2 (Market Base)	91,823.394	76,592.350	70,189.331	42,435.696	-39.54%
Category 2 (Location Base)	90,925.249	75,431.631	76,816.651	56,236.548	-26.79%
Category 1 + Category 2 (Location Base)	96,413.473	79,434.300	81,716.771	60,882.776	-25.50%
Emissions intensity (Market Base) (Unit: ton/million NTD)	1.139	1.122	0.980	0.536	-45.33%

Note:

- Scope 1 (Category 1) includes: liquid petroleum gas, diesel, gasoline, natural gas, refrigerant, and septic tank (BOD). Disclosures were made based on GWP value taken from IPCC 2013 5th evaluation report.
- Scope 2 (Category 2) includes: purchased electricity, emission factor - Taiwan=0.509 kg CO<sub>2</sub>e/kWh; China=0.5703 CO<sub>2</sub>e/kWh; Thailand=0.446 kg CO<sub>2</sub>e/kWh.
- The scope of GHG statistics was the same as the 11 major sites disclosed in this report.
- Since 2022, the unified electricity factor announced by the Chinese Ministry of Ecology and Environment has been used to replace the regional grid electricity factor. The proportion of carbon reduction (Scope 1+2) resulting from the change in electricity factor was 33.34%, and the proportion of carbon reduction offset by IREC was 65.11%.
- Emission intensity = Category 1 + Category 2 (Market Base) tons of CO<sub>2</sub>e/NT million in revenue.

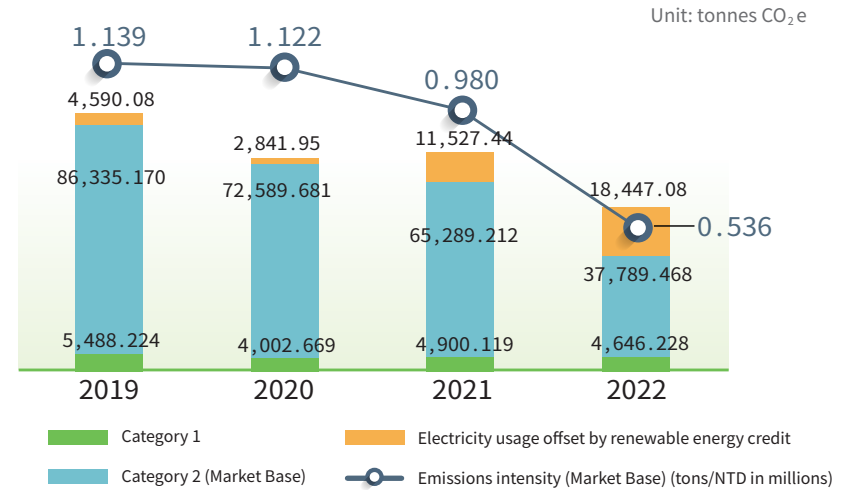
**Other indirect GHG emission statistics of Primax Group - 2022** Unit: tonnes CO<sub>2</sub>e/year

Category	Item	Plant covered	GHG emissions
Category 3	Upstream transportation and distribution	Primax (Dongguan, Chongqing, Kunshan, Thailand), Tymphany (Huizhou, Dongguan, Dongcheng, Thailand)	3,203.326
Category 3	Downstream transportation and distribution	Primax (Dongguan, Chongqing, Thailand), Tymphany (Huizhou, Dongguan, Dongcheng, Thailand)	2,024.793
Category 3	Business travel	Primax (Taipei, Dongguan, Chongqing, Kunshan, Thailand), Tymphany (Taipei, Huizhou, Dongguan, Dongcheng, Thailand)	2,340.915
Category 4	Goods (raw materials) purchased	Primax (Dongguan, Chongqing, Kunshan, Thailand), Tymphany (Huizhou, Dongguan, Dongcheng, Thailand)	960,543.532
Category 4	Waste Disposal (including transportation)	Primax (Taipei, Dongguan, Chongqing, Kunshan, Thailand), Tymphany (Taipei, Huizhou, Dongguan, Dongcheng, Thailand)	35.578
Category 4	Use of electricity/fuel (upstream)	Primax Taipei, Tymphany Taipei	274.133
Category 5	Use of products	Primax (Dongguan, Chongqing, Thailand), Tymphany (Huizhou, Dongguan, Dongcheng, Thailand)	727,012.192
Category 5	Investment	Primax Taipei	17,728.058

Note:

- The scope of GHG statistics was the same as the 11 major sites disclosed in this report.
- Significant indirect emission sources, conducting Category 3: Upstream transportation and distribution (top 80% of transaction amount suppliers), downstream transportation and distribution (large production or high-energy consumption products), business travel; Category 4: Purchased goods, waste disposal (including transportation) (hazardous waste), and electricity fuel use (upstream); Category 5: Product use (large production or high-energy consumption products), investment, and other projects are accounted for.

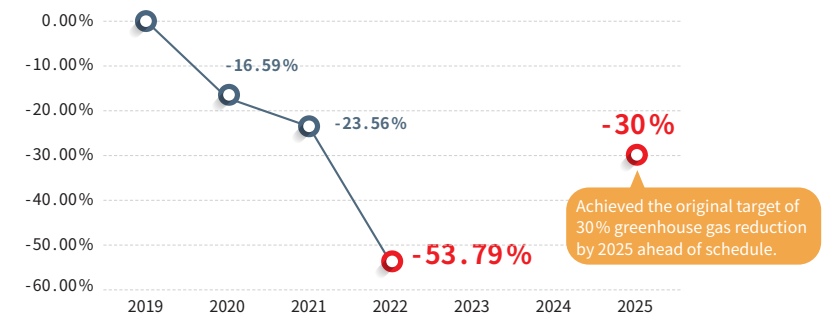
**GHG emission statistics of Primax Group - 2019~2022** Unit: tonnes CO<sub>2</sub>e



A total of **49,388** metric tons of CO<sub>2</sub>e<sup>Note 1</sup> were reduced in 2022. Equivalent to the carbon sequestration of approximately **95,203** Taiwan incense-cedars, which is equivalent to planting about **16** Daan Forest Parks.

- Note: 1. Compared with the emissions in the base year of 2019.  
2. The amount of carbon sequestered by a Taiwan incense cedar tree is 262 × 1.2 × 1.65 = 518.76 kgCO<sub>2</sub>e, and the amount is calculated based on about 6,000 such trees planted in Daan Forest Park.

**GHG emission reduction by Primax Group - 2022**



## 4.4 Water Resource Management

### Strategies

#### Water resource management

The company complies with international initiatives to manage water-related risks and implement appropriate response activities. It aims to achieve water conservation goals and minimize potential harm to the environment.

### Water management

Water usage and management have emerged to become two critical issues in business operations, given the increasing scarcity and rising demand for water. This is why we have long taken steps to monitor the volume of water used at our production plants, and are dedicated to reducing water volume where possible. 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.

We consider water assessment to be one of the ways to evaluate future management risks, and by adopting water footprint, we were able to collect water data in much greater detail and accuracy than we did in previous years. This increased precision has helped us produce a water balance chart, identify ideal water meter locations and improve water resource management practices at various operations of Primax Group. The Group continues to implement water footprint surveying and obtained certification for ISO 14046:2014, which is a testament to Primax's resolve in conserving water and protecting the environment.

Primax Group uses World Resources Institute's "water resource risk assessment tool" to evaluate water resource risks at current sites, and devises management strategies based on the level of risk identified. In Taiwan, water pressure levels are generally classified as Low - Medium (1-2), while in Mainland China, including Dongguan, Huizhou, and Dongcheng, the water pressure is classified as Medium - High (2-3). In Mainland China's Kunshan area and Thailand, the water pressure is classified as High (3-4). The main water source used by the group is tap water; rainwater and groundwater are not utilized. Additionally, the water usage is in compliance with local regulations, and the withdrawal volume has no significant impact on the water sources. Water consumption reduced by 44,649 m<sup>3</sup> in 2022, approximately a 4.87% decrease compared to 2021. Water intensity decreased by 13.99% compared to 2021 to 11.00 m<sup>3</sup>/million NTD, a 20.40% decrease compared to the base year 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's Chongqing Plant has been recycling wastewater through RO for domestic water. Total volume of water recycled in 2022 was measured at 35.88 million liters, representing 4.12% of group-wide water usage. The recycling helps minimize use of fresh water, discharge of wastewater, and the overall environmental impact.

### Water usage statistics of Primax Group - 2022

Unit: million liters

Plant	2019	2020	2021	2022	Compared to the previous year	
Water usage	1,117.77	943.01	916.32	871.67	-4.87%	
Volume of Water Discharged	Wastewater from living activities	825.33	497.40	495.48	515.25	3.99%
	Industrial wastewater	38.44	40.75	56.05	53.67	-4.25%
Water consumption	254.00	404.86	364.79	302.75	-	
Volume recycled	21.60	19.25	16.73	35.88	114.16%	
Percentage of recycled water (%)	1.93%	2.04%	1.83%	4.12%	-	
Water use intensity	13.86	13.82	12.79	11.00	-13.99%	

Note:

- Information was calculated by adding up data shown on monthly statements/payment slips across all plants.
- The water discharge data is sourced from water balance diagrams of each plant; only water usage is calculated for Tymphany Taipei and Tymphany Shenzhen offices.
- Water consumption = water used - water discharged.
- Water use intensity unit: m<sup>3</sup>/million NTD
- The water discharge volume is presented net of wastewater generated from the cleaning process, which was treated by a locally licensed service provider.
- Apart from Dongguan Primax, all other sites are assembly plants and produce no industrial wastewater.
- Water recovery rate (%) = amount recovered / water usage \* 100%.
- 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 effluents. Since 2016, the company has been continuously implementing various environmentally friendly measures. 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.

With the exception of the Liuwu and Thailand plants that discharge industrial wastewater, all other plants within the Primax Group utilize water solely for domestic and public purposes. The water is discharged into local sewage systems in accordance with regulations, posing no significant impact on local water bodies.

Regarding wastewater management, we are committed to implementing various environmentally friendly measures to ensure sustainable practices.

- 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.

### 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 No ozone depleting substances (ODS) were emitted from the Company's productions. The air conditioning equipment at the server room of the Taipei Headquarters used small amounts of R22, a refrigerant restricted under the Montreal Protocol, and it was replaced with eco-friendly refrigerant.
- 2 The Company 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 2022 was 100% compliant with regulations.

## Waste Management

### Strategies

#### Waste management

Aiming to reduce environmental impact, promoting internal and supply chain collaboration to minimize waste generation at the source and create opportunities for resource circulation.

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 2022, the total amount of waste generated was 2,666.722 metric tons, which represents a 34.41% increase compared to the previous year. The main reason for this increase was the higher volume of waste generated at four locations: Primax Thailand, Tymphany Thailand, Tymphany Taipei and Tymphany Shenzhen. In 2022, the waste was categorized based on disposal methods, with a total of 1,486.649 metric tons requiring disposal (1,392.766 metric tons of general waste and 93.883 metric tons of industrial waste). Additionally, 1,176.821 metric tons of waste were disposed of through transfer and recycling (900.437 metric tons of recyclable waste and 276.384 metric tons of general waste). 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 is properly stored and managed, and legitimate waste treatment companies are entrusted to handle the disposal through incineration. In 2022, 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.

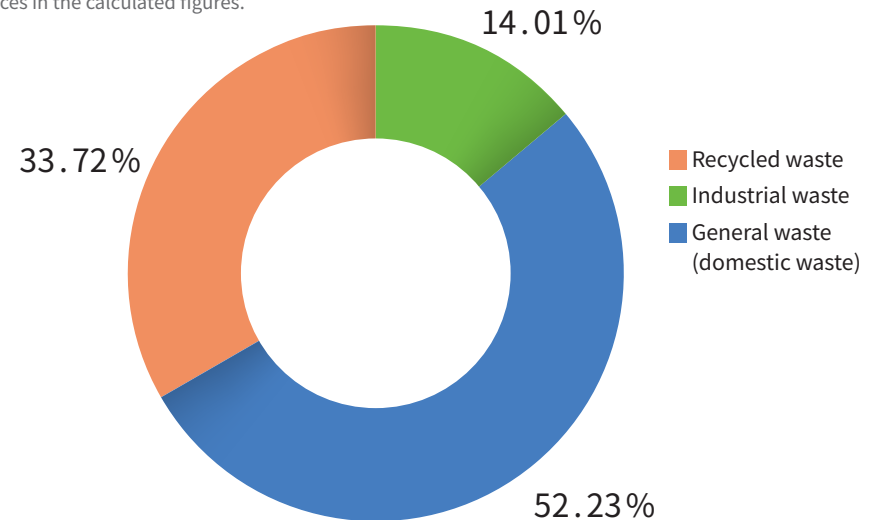
### Primax Group Waste Chart

Unit: million liters

Waste category	2019	2020	2021	2022	Compared to the previous year
General waste (domestic waste)	1,619.878	1,277.061	1,162.409	1,392.766	19.82%
Recycled waste	661.789	669.345	654.122	900.437	37.66%
Industrial waste	116.922	99.748	167.418	373.519	123.11%
Total	2,398.588	2,046.154	1,983.950	2,666.722	34.41%
Waste intensity	0.030	0.030	0.028	0.034	21.54%

Note:

1. Total waste volume represents the actual sum produced and measured in the current year.
2. Waste intensity unit: ton/million NTD.
3. The data is calculated based on the raw data compared to the previous year, hence there may be differences in the calculated figures.



Waste category	On-site treatment		Off-site treatment		
	Weight (tonnes)	Treatment method	Weight (tonnes)	Treatment method	
Hazardous waste	Waste containers	1.8943	Temporarily stored in plant	28.1825	Incineration (excluding recycling of energy source), landfilled and reuse
	Waste rag	0.5585	Temporarily stored in plant	5.72742	Incineration (including recycling of energy source), incineration (excluding recycling of energy source)
	Waste light tubes	-	-	0.015	Other means of recycling, landfilled
	Waste plastic materials	0.019	Temporarily stored in plant	1.216	Incineration (including recycling of energy source)
	Waste PCB	-	-	6.7	Renewal and reuse
	Waste ink	-	-	0.04	Landfilled
	Waste organic resins	-	-	-	
	Waste organic solvent and other waste	0.61	Temporarily stored in plant	9.173	Incineration (including recycling of energy source), Incineration (excluding recycling of energy source), Renewal and reuse
	Waste active carbon	0.6	Temporarily stored in plant	18.723	Incineration (including recycling of energy source), incineration (excluding recycling of energy source)
	Waste filter	0.05	Temporarily stored in plant	0.309	Incineration (including recycling of energy source)
	Waste filter	-	-	2.89	Incineration (including recycling of energy source)
	Waste cutting fluid	-	-	1.108	Other recycling operations (physical and chemical treatment)
	Items containing waste residue	0.128	Temporarily stored in plant	0.43	Incineration (including recycling of energy source)
	Waste motor oil	0.12	Temporarily stored in plant	0.12	Incineration (excluding recycling of energy source)
	Waste packaging materials	0.2	Temporarily stored in plant	3.122	Incineration (including recycling of energy source), renewal and reuse
	Waste spark oil	-	-	-	
	Cleaning wastewater	-	-	-	
	Waste plastic	0.08	Temporarily stored in plant	1.011	Incineration (including recycling of energy source), burial
	Waste sludge	-	-	0.035	Incineration (including recycling of energy source)
	Hexavalent chromium waste solution	-	-	-	
Waste paint	-	-	8.488	Incineration (including recycling of energy source)	
<b>Subtotal</b>	<b>4.260</b>		<b>87.230</b>		

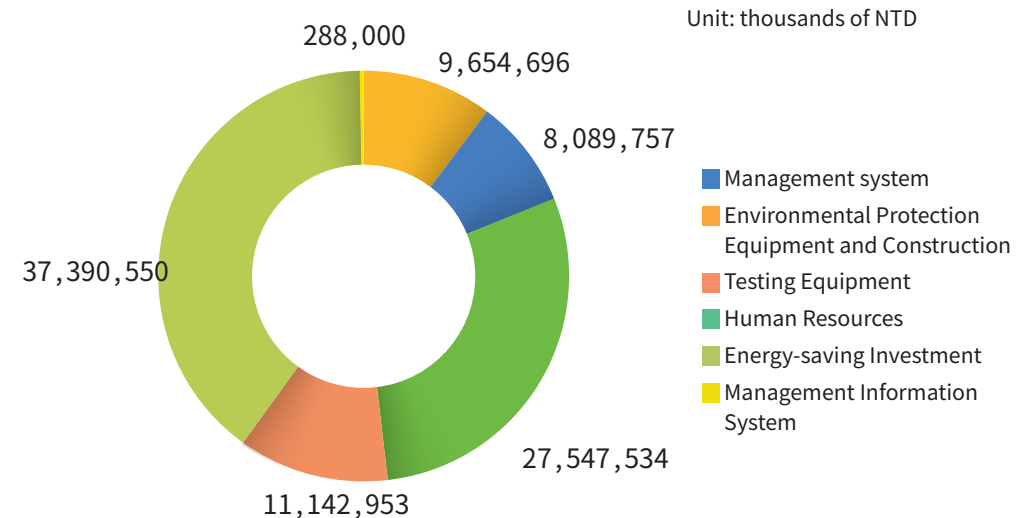
Waste category	On-site treatment		Off-site treatment	
	Weight (tonnes)	Treatment method	Weight (tonnes)	Treatment method
Non-hazardous waste	Waste from living activities	-	1,392.7659	Incineration (including recycling of energy source), incineration (excluding recycling of energy source), burial
	General waste	-	281.974	Incineration (including recycling of energy source), renewal and reuse
	Paper	0.2	Temporarily stored in plant	Renewal and reuse
	Metallic	-	46.6855	Renewal and reuse
	Non-metal materials	-	232.1059	Renewal and reuse
	subtotal	0.2		2,574.977
<b>Total</b>	<b>4.460</b>		<b>2,662.267</b>	

Note: The disposal methods for the same category of waste may vary depending on the contracted treatment companies in the local area.

### 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. For the environmental expenses in 2022, six categories are divided, as the environmental equipment and engineering, management system, human resources, testing equipment, investments for energy saving, and information management system. For the reporting period, the environmental expenses of the Group are 94,113,490 NTD, or an increase of 25,610,630 NTD, 37.39% higher compared to 2021.



# 05

## Responsible supply chain

- 5.1 Green Product Health and Safety Management  
[Column] Example: Low-Carbon Product Innovation  
Design - HVS40
- 5.2 Sustainable Supply Chain Management



# 5.1 Green Product Health and Safety Management

## Strategies

### Green product

Starting from the product life cycle, the company continuously develops innovative capabilities such as green design and green production to reduce environmental impact and fulfill carbon reduction commitments.

### Chemical Management

In compliance with regulations and international initiatives, the company aims to protect employees by implementing reduction and risk control measures from the source, process, and waste stages.

## Life cycle assessment and green product design

In 2022, the Ecodesign management system and environmental footprint database were completed.

Establishing a comprehensive **green product management system**

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

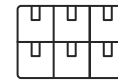
## Product Life Cycle

We use the life cycle assessment method to assess the high-quality electronic products produced by the Primax Group at various stages, such as raw material procurement, manufacturing, transportation, product use, and waste, to reduce the impact of our products on the environment. To effectively carry out life cycle assessment, Primax completed the development of a GHG Portal platform for carbon footprint calculation in 2021, as a basis for low-carbon product design.

In 2022, we have completed the establishment of an Ecodesign management system and an environmental footprint database and combined ISO 14021, the single product regulations, and our existing information management systems (PLM, SAP, GP Portal) in compliance with ISO 14040 and 14044, to establish a complete green product management system. Additionally, in 2022, we conducted environmental footprint life cycle assessments for five key products (gaming mouse, keyboard, multifunctional printer, medium-sized speaker, and headphones), covering raw material production, transportation, manufacturing, product usage, transportation, and disposal of hazardous waste within the facility. These assessments accounted for approximately 41% of the total revenue. In 2023, we will further expand our efforts by conducting product carbon footprint assessments, encompassing the entire product lifecycle from cradle to gate and during product usage.

### Stage of product life cycle

### Green design achievements



#### Materials

- Primax Group's use of PCR (Post-consumer Resin) plastics in 2022 amounted to 1,932.697 metric tons of recycled plastics and 17,805.346 metric tons of non-recycled plastics. The proportion of recycled plastics in all plastic usage was 9.79%.
- We assisted brand clients in obtaining relevant environmental protection labels (such as EPEAT) for a number of products.



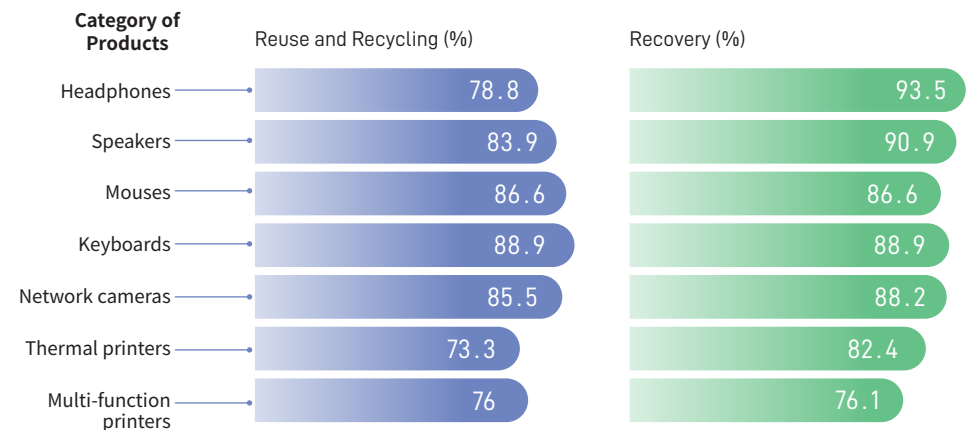
#### Production and manufacturing

- Due to improved product designs and production technology upgrade
- Keyboard module products have reduced production hours compared to 2021, resulting in efficiency improvements and saving approximately 138,000 hours of labor.



#### Waste recycling

- As a mainly OEM/ODM manufacturer, Primax Group's products are ultimately disposed of and recycled by customers. Nevertheless, the Group's products still meet the requirements for WEEE recycling rates (the proportion of Reuse and Recycling must be over 55%, and the proportion of Recovery must be over 75%). The WEEE disassembly analysis report for the following products is an example of how Primax Group can reduce the generation of waste from product disposal.



### | Ecological Design |

In 2022, we have completed the establishment of an Ecodesign management system and an environmental footprint database and combine ISO 14021, the single product regulations, and our existing information management systems (PLM, SAP, GP Portal) in compliance with ISO 14040 and 14044, to establish a complete green product management system. During the product development process, clear requirements for ecological design are understood (such as regulations, customer standards, eco-labels, product specifications, etc.). By conducting life cycle assessments and integrating systematic management into the design process, products that meet low-carbon, non-toxic, and low environmental impact criteria are achieved.

In 2022, based on ecological design criteria, environmental footprints (including water/air/soil...footprints) of major products were analyzed, identifying emission hotspots for reference in ecological design improvements to gradually reduce environmental impacts.



### Example: Low-Carbon Product Innovation Design - HVS40



HVS40 is a new HVS (High Value Series) speaker product developed successfully by Primax Group's Tymphany Acoustic. In product design, it not only meets customer requirements but also achieves carbon reduction effects, fulfilling Primax Group's goal of green product innovation technology development.

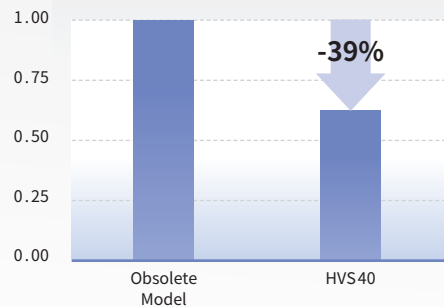
#### Green Design Highlights of HVS40

1. Reduced Raw Material Consumption: Using co-molding and encapsulation techniques, the soft surround and hard ball top of the speaker are formed as one unit, saving a significant amount of material and adhesive usage, maximizing carbon reduction from the source.
2. Fully Automated Production: HVS40 is a speaker unit that can be fully automated in production, achieving unmanned assembly and effectively reducing process carbon emissions.
3. This innovative design has obtained a US patent, number: US 11,432,091 B2
4. Promotion of Innovative Technology Application: Primax Group is actively promoting the low-carbon innovative design of the HVS40 product to be gradually applied to full-size products, expanding carbon reduction effects.

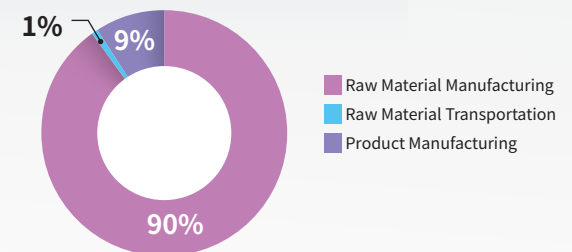
HVS40 single unit product reduces nearly **39%** of carbon emissions compared to older models.

**90%** of carbon reduction comes from reducing material consumption from the design source.

Relative carbon emissions of the single unit product



Carbon reduction sources in the product life cycle



## Chemical and hazardous substance management

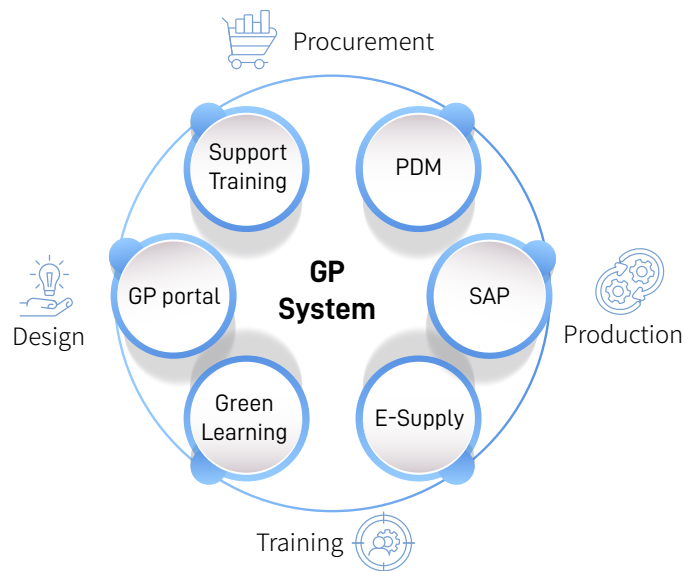
### Strategies

#### Green product policy

As part of its commitment to providing excellent products and services, Primax actively enforces environmental protection ideas into its green design and management practices. In doing so, the Company not only complies with laws and meets customers' requirements, but also fulfills its duties as a corporate citizen.

Primax has a green product management platform in place to control its raw material supply chain at the source. With PDM® system at the base, the Company has developed an integrated management information system by combining GP Portal®, SAP® and other information platforms to effectively reduce the time and cost of our processes. This integrated system controls virtually every aspect of our operation from customers' requirements, regulations, design, suppliers, procurement, 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 and terms of QW-5Q002 - Green Product Chemicals Specification for all substances contained in raw materials, dyes, solvents, consumables, packaging, and production process.



### | Compliance with law |

The sources of raw materials produced and used by Primax Group are in compliance with the EU Restriction of Hazardous Substances Directive (RoHS), the EU Registration, Evaluation, and Authorization of Chemicals (REACH), California Proposition 65 (Prop65), and the US Toxic Substances Control Act (TSCA). We will respond to changes and updates of laws and regulations one year earlier.

### | Hazardous substance disclosure |

Primax Group utilizes Product Data Management (PDM), Primax GP Portal®, and SAP® systems to verify the composition of all components used in our production. Suppliers should meet Primax Group's Restricted Substances Specifications for Green Products (QW-5Q002) and upload the raw materials contained in the components to the GP Portal. We comply with, adopt, and update a variety of international standards and regulations from time to time as the best practice guidelines for identifying raw materials in our products, including assessing various chemicals in these components, to help us understand the impact of these parts on human health and the environment. In 2022, 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.

All information that we provide to clients includes 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 2022, 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.

### | Hazardous substance management and execution |

Primax Group's hazardous substance management efforts are guided by International Electrotechnical Commission's IECQ HSPM QC080000 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. All production sites of the Group are equipped with chemical laboratories and instruments of equivalent grade as the ones used by third-party examiners. These laboratories enable the Company to analyze and manage hazardous substances. Instruments and equipment are calibrated on a regular basis and tested with the assistance of independent third parties. Employees are required to undergo proper training and pass tests before proceeding with testing works. Primax



5.1 Green Product Health and Safety Management 5.2 Sustainable Supply Chain Management

introduced an input materials inspection data platform in the second half of 2020, along with robust information practices (barcode labeling and scanning), to record test statistics on input materials and ensure accuracy of data on samples.

If any toxic substance is detected within products, steps will be taken immediate to reduce and eliminate them from design, or explore safer, alternative sources of supply. By eliminating toxic substances from the production process, Primax not only protects workers but also prevents consumers from harm and avoids causing pollution to land, air and water.

**| Reduction project |**

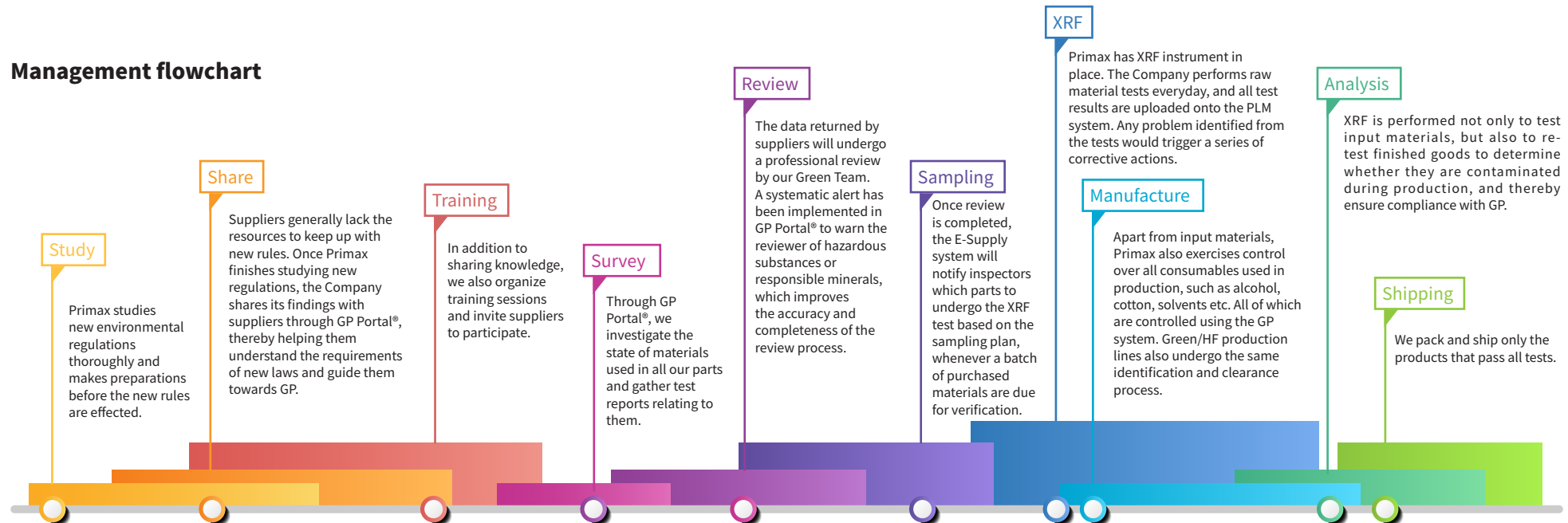
Today, countries including the USA, Japan and the EU have prioritized their efforts to control this type of substance through regulations. Examples of which include California Toxic Toy Bill AB-1108, REACH Annex 17, and Taiwan BSMI's CNS 4797. Given the fact that phthalate ester (PAE) is a very common plasticizer used in the production of plastics and poses potential threat to human health, the Group has completed the phthalates control project.

China strengthened its VOCs control program in 2020, mainly targeting coatings, inks, adhesives and rinse agents containing VOCs. After the plant-wide inspection, Primax has replaced the unqualified products, and the coatings, inks, adhesives and rinse agents currently used all meet the requirements.

We further control substances, including 1-bromopropane, benzene, toluene, methanol, methylene chloride, n-hexane, trichloroethylene, tetrachloroethylene, and N-methylpyrrolidone, which may cause severe harm to the human body in the case of exposure or inhalation, and we have investigated whether the raw materials, auxiliary items and consumables, and chemicals used in the plants contain these substances and have formulated a reduction project to ban the use of such substances by the end of 2023.

From Q4 of 2021 to the end of 2022, a total of 71,238 materials (including consumables) were investigated. Among them, 93 materials were found to contain at least one of the substances mentioned. These materials are currently without substitutes due to specific product requirements. However, it is important to note that their usage complies with the local country's occupational workplace limit requirements.

**Management flowchart**

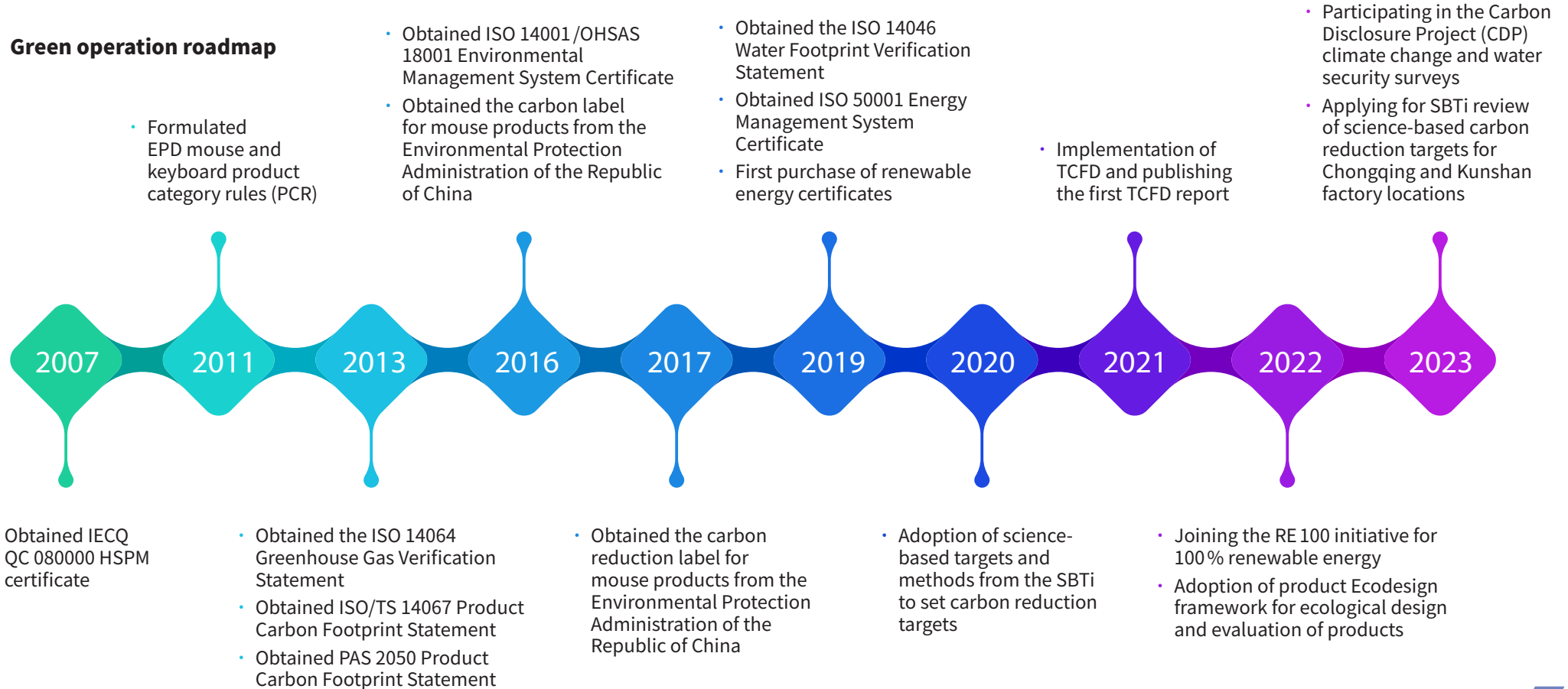


### Environmental Labels & Declarations

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). Our power supplies for audio products have been verified by Energy Star.

Primax Group conducts carbon footprint inspection as per ISO 14067: 2018 for our main products, such as mice, keyboards, bluetooth earbuds, speakers, and multifunctional office machines, and increases the quantity of recycled PCR and paper year by year. Through the process of obtaining the carbon/carbon reduction labels for Taiwan EPA, we have successfully established a management model for product eco labels and declarations within the plants and in the supply chain. By incorporating green designs into our products, we aim to fulfill Primax's vision toward environmental protection and sustainability. Over time, we shall apply this technology to other product categories to meet customers' requirements and further enhance product competitiveness.

#### Green operation roadmap



## 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 2022, the total procurement amount for environmentally certified products reached 75,350,000 NTD, accounting for 87.24% of the total procurement. This represents an increase of 13,100,000 NTD compared to the 2021 procurement amount of 62,250,000 NTD for environmentally certified products.



An increase of **13,100,000 NTD** in 2022 compared to the 2021 procurement amount of 62,250,000 NTD for environmentally certified products.

Total procurement amounts for 75,350,000 NTD

**87.24%**



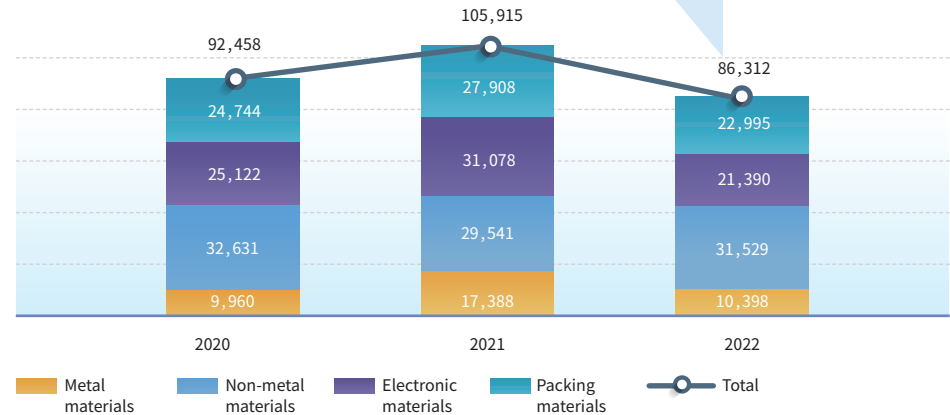
## Raw material consumption statistics

Table of raw material consumption

Unit: kg

Name of material	2020	2021	2022	
Metal materials	Iron	4,898,447	6,859,658	5,878,439
	Aluminum	1,143,156	1,474,652	1,148,222
	Copper	55,633	108,236	52,687
	Other metals	3,863,261	8,945,821	3,318,201
Non-metal materials	32,631,222	29,540,908	31,528,743	
Electronic materials	25,122,346	31,078,493	21,390,279	
Packing materials	24,743,650	27,907,680	22,995,035	
Total	92,457,715	105,915,448	86,311,606	

Primax Group consumed **86,312 tons** of raw materials in 2022, which was **18.51%** less than 2021.



## 5.2 Sustainable Supply Chain Management

### Supply chain management


**Material Issues:** Supplier Environmental Assessment, Supplier Social Assessment, Child Labor, Forced and Compulsory Labor, Controversial Procurements (Conflict Minerals)

<p><b>Management purpose and importance</b></p> <p>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.</p>	<p><b>Negative Impact</b></p> <p>In the event of supply chain incidents related to human rights, the environment, conflict minerals, or other issues, it may directly or indirectly impact the organization.</p>	<p><b>Remedial Measures</b></p> <p>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 impact.</p>
---	--	---

Short-term target	Achievement rate	Mid- and long-term target
<ul style="list-style-type: none"> <li>Respond to higher standards for supplier management principles, improve the supplier identification mechanism, and further classify different tiers of suppliers.</li> <li>Establish an ESG management communication platform and continue to evaluate supplier performance.</li> <li>For significant suppliers, conduct annual SER training with a target training rate of 90%.</li> <li>For high-risk suppliers, conduct on-site SER audits with a target audit rate of 90%, and ensure necessary improvements are tracked and completed.</li> <li>Starting from 2023, corporate management plans and data related to climate change, energy conservation and carbon reductions will be included in supply chain management as an important evaluation criterion.</li> </ul>	<ul style="list-style-type: none"> <li>☺ In September 2022, the definition of supplier identification based on DJSI and related requirements was adjusted to include definitions for significant suppliers, Tier-1 suppliers, high-risk suppliers, and supplier sustainability risks.</li> <li>☺ In August 2022, the first stage of constructing the supplier ESG management platform was completed, with further optimization in progress.</li> <li>☹ In 2022, a total of 248 important suppliers were identified (including 86 of Tymphany), with 198 suppliers participating in training and completing assessments, resulting in a training participation rate of 79.84%.</li> <li>☹ In 2022, 39 high-risk suppliers were identified (including 11 of Tymphany), and 29 of them (including 7 of Tymphany) underwent on-site audits, resulting in an audit rate of 74.36%.</li> <li>☹ In 2022, initial questionnaires were conducted for 234 important suppliers to understand their management practices related to climate change and energy conservation activities. In 2023, continuous action surveys for important suppliers will be carried out through the ESG management platform.</li> </ul>	<ul style="list-style-type: none"> <li>100% of important suppliers at global operational sites completed annual SER training.</li> <li>100% of key high-risk suppliers at global operational sites completed on-site SER audits annually, with necessary improvements being tracked and completed.</li> <li>Important suppliers responsible for GHG emissions at global major operational sites are targeted to achieve a 5% reduction in greenhouse gas emissions annually.</li> </ul>

### Performance

- CAV (Corrective action verification) audit was conducted for 13 suppliers that identified as high-risk in 2021. All findings closed (partial conditionally closed).
- Primax Group has received 100% responses from all 22 high-risk suppliers regarding the issues identified during on-site audits. Each supplier has provided a Corrective Action Plan (CAP) for improvement, and they are diligently updating their progress at 30/60/90-day intervals as required.
- Primax Group tracks the achievement of SER targets and improvement effectiveness on a monthly basis to enhance management actions' effectiveness.
- Primax Group prioritizes tracking supplier improvements through on-site audits. The improvement rate for critical non-compliant items reached 97.75%, and for other non-compliant items, it reached 95.57%. Items that have not been improved yet are still under continuous monitoring.



Note: 1. ☺ Target achieved ☹ Target to be achieved ☹ Target not achieved

2. 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.

Strategies

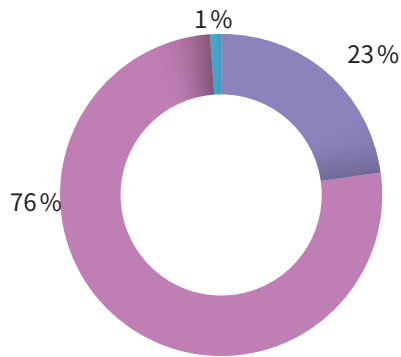
Sustainability Management of Suppliers

Establishing a sustainable and resilient supply chain is essential for reducing ESG system risks and addressing various operational challenges related to climate change, water management, and other critical aspects.

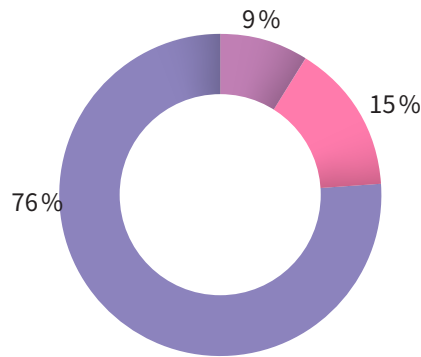
Supplier overview

Primax Group manufactures an extensive range of products from computer peripherals (mouse and keyboard), mobile device components, office machines, to Smart Home and acoustics. There are three categories of supplier that are directly relevant to our production, including: 1,505 raw material producers, 367 electronic parts distributors, and 6 subcontractors for a total of 1,878. Regionally, 281 suppliers were located in Taiwan, 1,422 were from China (including Hong Kong), and 175 were from other countries. Total transactions with suppliers amounted to approximately NT\$58 billion in 2022.

Proportion of transaction amount by supplier



Proportion of suppliers by region



Manufacturer Distributor Contractor Domestic China Overseas

Supplier Audit

In 2022, we completed the first phase of the ESG management communication platform and continued to advance the digitalized management of supplier responsibility.

We take supplier reviews as a means to improve suppliers' capabilities. A comprehensive set of procedures has been developed to help suppliers improve and comply with the Company's supplier management policies. All new Primax suppliers are required to pass QCDS+SER (Quality, Cost, Delivery, and Service&SER, QCDS) assessment before business. The specific suppliers (e.g., world-renowned manufacturers, vendors specifically designated by customers etc.) are still subject to comply with QCDS+SER requirements, but they may adopt the supplier's declaration in document review (such as statement of environmental or other self-declared environmental statement). Then could be involved in the Approved Vendor List (AVL) after approval

Primax's requirements for suppliers are not limited to performance and quality. Before collaboration, we require all new suppliers to sign the Integrity Statement and the Supplier Statement. They must cooperate in signing and submitting the environmental statement document reviewed by our company, including the responsible minerals statement, the restricted substances statement, company and the RBA Code of Conduct, to indicate that raw materials and finished goods they purchased have been in compliance with relevant initiatives, environmental laws and regulations, company policies and RBA Code of Conduct. Apart from environmental protection, it is mandatory for suppliers to make commitments with regard to intellectual properties, confidentiality, order placement, source of materials and compliance with relevant standards; as such, they are aware of our requirements for social and environmental responsibility and abide by the code of business ethics. In 2022, Primax Group had a total of 216 new suppliers, all of which underwent the supplier review process.



## Conflict minerals management and due diligence

### Responsible minerals policy

Primax Group does not purchase minerals (such as coltan, tin, wolframite, gold...) that are acquired through force or gathered in ways that violate human rights, or any products made from such minerals. Primax Group has also made the following commitments with respect to conflict minerals:

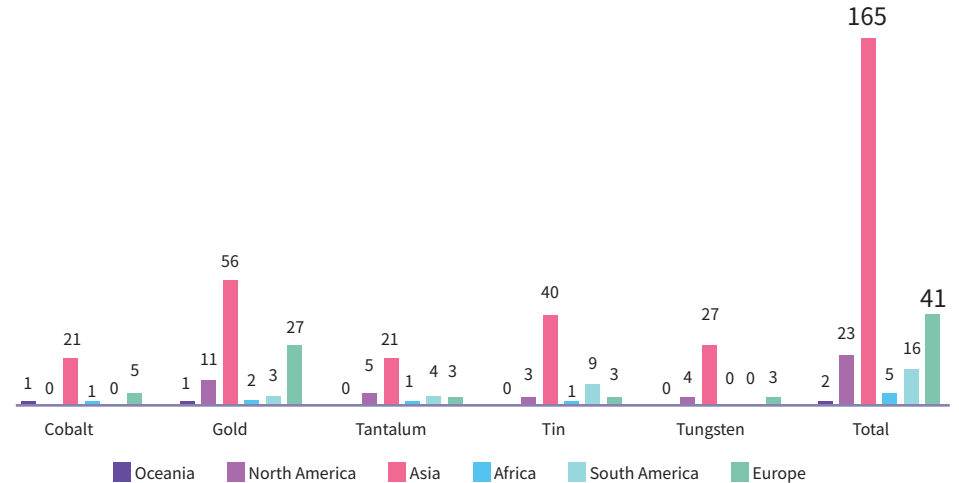
1. To purchase 3TG materials from Conflict-Free certified smelters (attaining CFSP certification or equivalent), and allowing certified materials that originate from Democratic Republic of the Congo and nearby countries.
2. Perform due diligence and risk management on suppliers according to OECD DDG.
3. Instruct suppliers to perform their own due diligence and risk management according to OECD DDG.

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 a 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® relating to 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. 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 2022, suppliers announced a total of 252 smelters, most of which smelted gold with 100. Followed by tin with 56, tantalum with 34, tungsten with 34, and cobalt with 28. The places of origin and distribution of all smelters are listed below and can be traced.

## Distribution of smelters in Primax's supply chain



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 2022, of the smelters we worked with, 18 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. 405 suppliers conducted risk assessment regarding conflict minerals management and due diligence in 2022.

## Supplier due diligence

### RBA Code of Conduct

All new suppliers are required to sign a "Supplier Statement" that includes a commitment to comply with the latest Code of Conduct developed by the Responsible Business Alliance (RBA; Version 7.0). Their commitments would ensure the safety of work environment, respect of employees, protection of local environment, and morality in future business engagements.

Primax conducts systematic audit procedures for suppliers using critical materials, focusing on environmental, social, and other risk aspects to manage supplier operational capabilities. It also implements comprehensive hazardous substance management procedures to ensure the safe use of critical materials. Additionally, a well-established inventory mechanism for critical materials is in place to mitigate the risk of supply chain disruption.

To enforce the terms of the statement, we make online and offline checks on suppliers' fulfillment of social/environmental responsibilities on a yearly basis, and in doing so evaluate their CSR performance while at the same time identify risks and improvement opportunities. For suppliers that do not meet the requirements, we help them improve within the specified time. Suppliers that fail to make satisfactory improvements will be replaced with other suppliers that meet our ethical and environmental standards. Furthermore, we maintain regular contact with suppliers and conduct annual reviews, unscheduled surveys etc., to make sure that they keep up the expected standards.

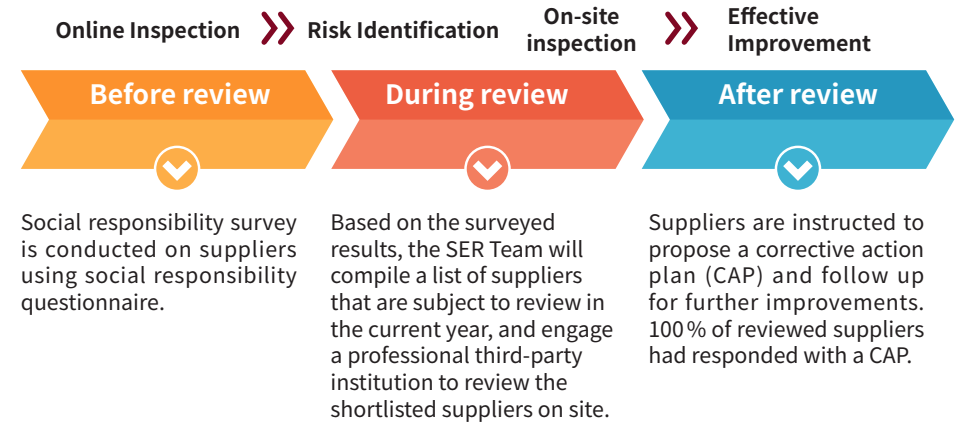
As part of our corporate social responsibilities, Primax Electronics has implemented policies to prohibit use of child labor and forced labor, whereas stringent recruitment processes and regular internal reviews are being carried out to eliminate even the slightest chance of occurrence. Meanwhile, all 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.

Grievance hotline: +886-2-27989008 ext: 1046

Email : tina.lee@primax.com.tw

## Supplier risk assessment and management



Before review		
<p><b>Supplier risk assessment selection criteria</b></p> <p>During the reporting period, we followed the materiality principle and shortlisted suppliers 80/20 (excluding those suppliers with low or small transaction volume and without transactions), identified the suppliers who account for 80% of our annual transaction value and all the on-site service providers and worker agencies that accounted for 80% of the Group's transactions in the prior year for online social responsibilities risk assessment for major suppliers, including 162 from Primax Electronics and 86 from Tympany.</p>	<p><b>Design of supplier risk self-assessment questionnaire</b></p> <p>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. The questionnaire also includes scoring principles and risk level assessment logic.</p>	<p><b>Design of supplier risk self-assessment questionnaire</b></p> <p>In August 2022, Primax utilized the company's supplier ESG management platform to distribute risk assessment self-assessment questionnaires to 162 important suppliers. Out of the total, 145 suppliers promptly completed the questionnaires as required, resulting in a response rate of 89.51%. The SER Team then reviewed and verified the contents and documents provided by the suppliers in their responses.</p>
A total of 248 suppliers	Setting six dimensions of content and risk level assessment rationale	89.51% of the suppliers responded to the questionnaire.

During review

Supplier Risk Assessment

- Combining supplier feedback results and risk assessment logic, the final determination of the risk level for each supplier was made. A total of 39 potential high-risk suppliers were identified (28 from Primax and 11 from Tymphany) and included in the 2022 supplier on-site audit plan.
- In addition, based on specific customer requirements, 16 non-potential high-risk suppliers were added as on-site audit targets.

On-site audit by third-party notary organizations

- The plan for third-party notary organizations to conduct on-site audits for suppliers in 2022 included a total of 55 suppliers (44 from Primax and 11 from Tymphany). However, due to the impact of the pandemic, the actual number of on-site audits conducted by third-party notary organizations in 2022 was 44 suppliers (37 from Primax and 7 from Tymphany). Eleven suppliers (6 potential high-risk suppliers from Primax, 1 customer-designated supplier, and 4 potential high-risk suppliers from Tymphany) were unable to undergo on-site audits and will be rescheduled for 2023.
- In order to monitor fulfillment of suppliers' social responsibilities and ensure the professionalism and objectivity of the review process, we have engaged third-party institutions to inspect suppliers on-site with regards to workers' rights, health and safety, environmental protection, business ethics, and social/environmental responsibility management.

After review

On site assessment results

The on-site audit results did not reveal any instances of child labor or forced labor, which are zero-tolerance violations. However, potential negative impacts were found in the social aspect, mainly related to work-time management, blocking of fire exits, and management and maintenance of emergency facilities. In terms of environmental aspects, potential negative impacts were found in energy and resource management, waste gas management, hazardous substance management, and environmental monitoring and renewal management.

Corrective action plan implementation

All suppliers provided improvement plans (CAP) for the audit findings. As of now, improvement progress is regularly updated based on actual improvement status, and relevant improvement statuses are still being further consolidated.

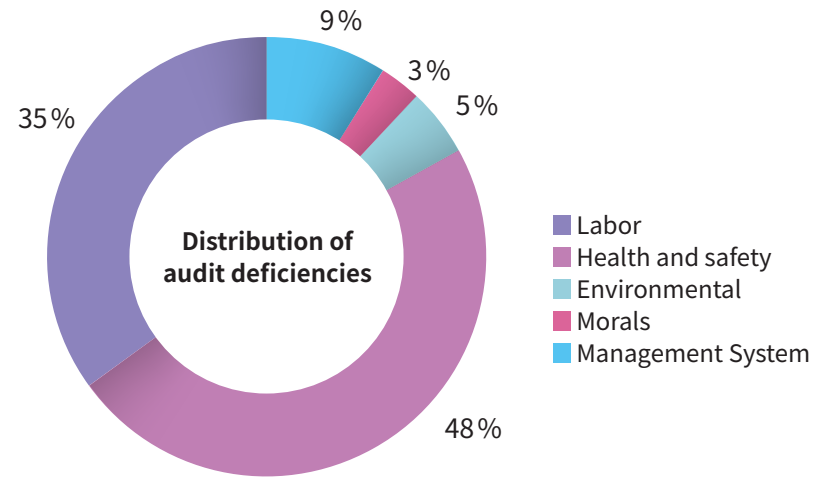
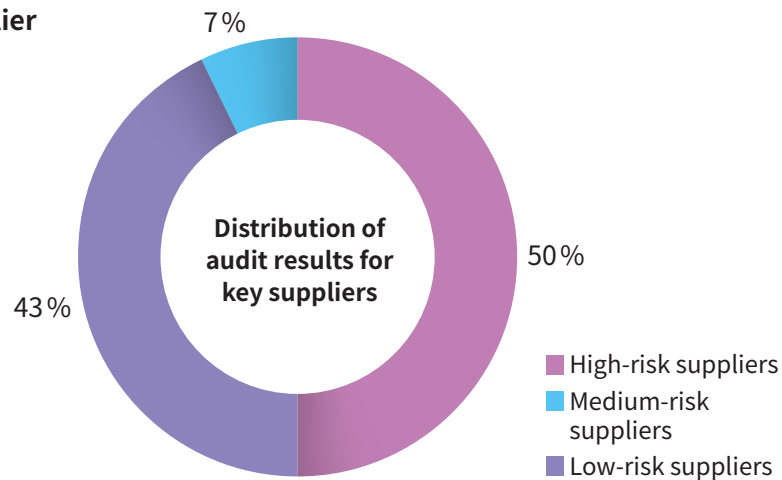
Annual on-site audit targets for suppliers were set.

Audits were conducted for 44 suppliers.

No zero-tolerance violations were found.

CAP response rate: 100%

Primax Group's supplier audit results



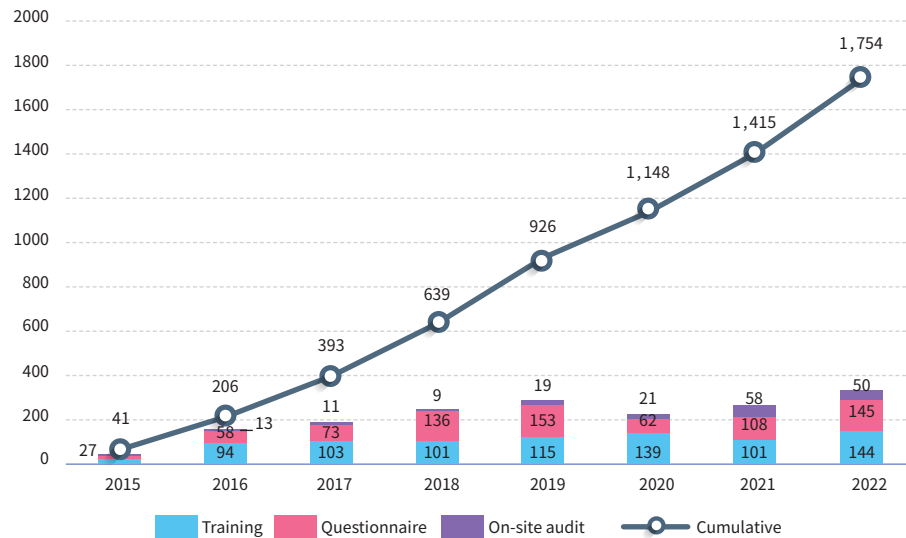


### Suppliers capacity building programs |

Primax devotes to the participation of stakeholders and strive to create more opportunities and resources for suppliers to learn and improve, so as to achieve continuous progress, and we will continue to follow up suppliers to control the potential risks. This is why we have engaged a third-party institution since 2015 to organize annual social responsibility training for suppliers. In 2022, training was conducted online, with a total of 204 suppliers (including 60 of Tymphany) participating in the social and environmental responsibility network seminar developed by a third-party, Elevate. All participants completed the post-training assessments with a 100% pass rate. We will continue to promote social responsibilities in the future and devise suitable and effective courses that conform to suppliers' needs.

To sum up, as of 2022, Primax has covered a total of 1,754 suppliers through social and environmental responsibility questionnaires, on-site audits, online training, and advocacy.

Cumulative number of suppliers covered



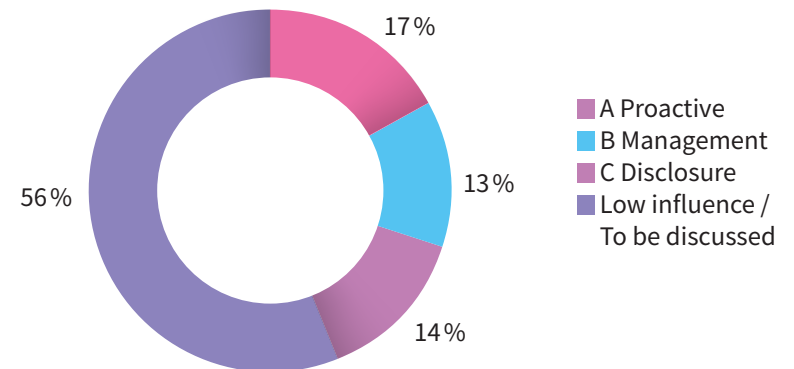
Note: The above figure does not include the subsidiary Tymphany

### Working Hand in Hand with Suppliers for Sustainability

In 2023, we will respond to higher standards of supplier management principles, improve our supplier management mechanisms, and continue to demand that suppliers strengthen their focus on social and environmental responsibilities and enhance their management capabilities, collaborating with them to make continuous progress. To achieve this, we have formulated the following plans and are gradually implementing them:

- In 2022, we conducted a preliminary survey on the climate response status of the supply chain to serve as a reference for formulating climate change action plans in the future. We completed initial questionnaires for 234 key suppliers in 2022.
- We conducted surveys on greenhouse gas emissions and carbon reduction status for key suppliers to plan for climate change management and develop appropriate strategies in 2023. The responses from suppliers were evaluated and categorized into positive, managed, and disclosed statuses (excluding low-impact and low-control vendors such as overseas and agents).
- In 2023, we will actively engage in communication and greenhouse gas inventory checks related to the supply chain's climate change actions, as well as conduct training activities for experience sharing on emission reduction, and establish an ESG system for suppliers to facilitate continuous and systematic communication and documentation of climate change activities in the supply chain.

Results of the Preliminary Survey on the Supply Chain's Climate Response Status



In 2022, initial questionnaires were conducted for **234** important suppliers to understand their management practices related to climate change and energy conservation activities.

# 06

## Friendly Workplace

- 6.1 Human Rights Due Diligence
- 6.2 Work Forces Overview
- 6.3 Talent recruitment and retention
- 6.4 Talent Attraction
- 6.5 Diverse and Effective Employee Communication
- 6.6 Talent Development and Cultivation
- 6.7 Health and safety

[Column] ESG Theme Monthly Series

[Column] Building a Comprehensive ESG Ecosystem

Where Everyone Benefits and Finds Joy Within



# 6.1 Human Rights Management

## Human Rights

### Material Issues: Labor relations, diversity and equality, labor rights

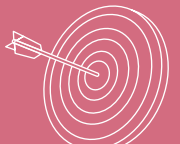
<p><b style="color: #c00000;">Management purpose and importance</b></p> <p>Primax refers to international norms such as the RBA (Responsible Business Alliance) Code of Conduct, the United Nations Universal Declaration of Human Rights, and the International Labor Organization conventions to formulate 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.</p>	<p><b style="color: #c00000;">Negative Impact</b></p> <p>If there are negative impacts events related to labor relations, diversity and equality, labor rights, etc., they may directly or indirectly affect the organization.</p>	<p><b style="color: #c00000;">Remedial Measures</b></p> <p>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.</p>
--	--	---

Short-term target	Achievement rate	Mid- and long-term target
<ul style="list-style-type: none"> <li>Regular human rights risk assessment surveys were completed for Primax's locations in mainland China, with ongoing monitoring and mitigation measures.</li> <li>All locations adhere to the Responsible Business Alliance (RBA) Code of Conduct, relevant international conventions, and local regulations.</li> <li>100% of employee communication and problem feedback were addressed.</li> <li>Human rights policies were effectively implemented.</li> </ul>	<ul style="list-style-type: none"> <li>☺ 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.</li> <li>☺ All locations comply with the Responsible Business Alliance (RBA) Code of Conduct, relevant international conventions, and local regulations.</li> <li>☹ A total of 24 risk items related to labor rights were identified in Primax's mainland China locations and have been scheduled for improvement.</li> <li>☺ The improvement rate of employee communication and problem feedback is 100%.</li> <li>☺ Zero human rights violations in 2022.</li> </ul>	<ul style="list-style-type: none"> <li>Provide employees with a "D.E.I.B." work environment, featuring diversity, equality, tolerance, and respect.</li> <li>The scope of human rights risk assessment is gradually expanding.</li> <li>It is planned to increase the proportion of the Group's senior female leaders to 25% by 2024.</li> </ul>

Note: ☺ Target achieved ☹ Target to be achieved ☹ Target not achieved

## Performance

- In 2022, Primax Taipei was recognized as an outstanding enterprise for hiring people with disabilities by the Taipei City Government, while Primax Dongguan received the title of "Best Employer for Assisting People with Disabilities" in China.
- Primax Group was 100% compliant with the Labor Standards Act in regards to the employees hired. No violation, complaint or major incident occurred in 2022 in this regard.

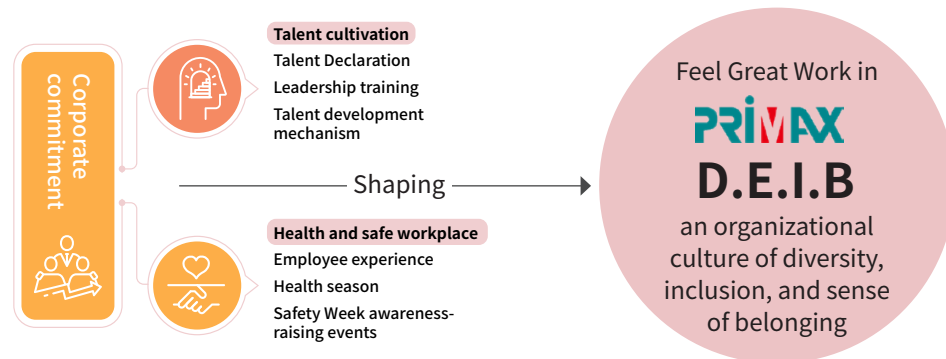



## Employee policy driven by humanity

Primax considers employees to be its greatest advantage, and prides itself for having creative and pro-active employees as well as a top-performing management team. Primax has a multi-national management team that brings global and industry visions to help Primax expand and globalize.

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.



## Human Right Assessment and Management

In addition to treating every member of the Primax Group equally, we have formulated a human rights policy, including non-discrimination, no child labor, elimination of forced labor, and respect for employees' freedom of association with reference to the RBA Code of Conduct, the Universal Declaration of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, and other international conventions. We conduct human rights risk assessments at each site on a regular basis and follow up on and confirm countermeasures against relevant risks. It is our responsibility to create a fair, safe, and comfortable workplace and completely eradicate the problems of bonded labor, underage labor, and overtime work.

In 2022, the Group conducted human rights-related education and training for employees, with a total of 6,016 participants and a participation rate of 52% among employees. Throughout the reporting period, there were no incidents of discrimination, child or underage labor, forced or compulsory labor. Additionally, no related complaints or significant penalties were found, except for two minor fines totaling 60,760 NTD, both of which have been rectified.

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", Clause 3, Subparagraph 26, Article 4, which involves a cumulative fine amount exceeding one million New Taiwan Dollars for one single event.

### Primax Human Right Impact and Risk Assessment

<b>Scope</b>		Primax Dongguan, Chongqing, Kunshan (including all regular, dispatched, and stationed workers), significant suppliers, and new suppliers.
<b>Assessed risk categories</b>		Forced labor, child labor, freedom of associate and group negotiation, equality, non-discrimination
<b>Risk investigation methods</b>		The Social Responsibility Management Team under the General Manager's Office collaborates with the Human Resources Department and Central Plant Affairs Department to form an investigation team. They conduct regular audits and assessments each year to determine if there are any incidents or risks of violations. Risks are then further evaluated and categorized based on their severity.
<b>Risk tracking and improvement measures</b>		Medium and above level risk requires separate notification to relevant departments, requesting them to propose mitigation or remediation measures. Additionally, the risk levels need to be reassessed each quarter to confirm if they have been reduced.

**Human Rights Risk Mitigation and Remediation Measures**

Human rights policy	 <h3>Non-discrimination</h3>	 <h3>Prohibition against child labor</h3>	 <h3>No forced labor</h3>	 <h3>Respect employees' freedom of association</h3>
Risk category	<ul style="list-style-type: none"> <li>• Different treatment due to gender, age, health, pregnancy, region, nationality, ethnicity, or religion</li> <li>• Unequal remuneration</li> </ul>	<ul style="list-style-type: none"> <li>• Recruitment of child labor</li> </ul>	<ul style="list-style-type: none"> <li>• Request for security deposits and identity documents</li> <li>• Recruitment involuntary labor</li> <li>• Employees not allowed to resign freely</li> <li>• Sexual harassment or illegal harm</li> </ul>	<ul style="list-style-type: none"> <li>• Restrict employees' legitimate rights to freely associate, organize groups, and bargain collectively</li> </ul>
<p align="center"><b>Management regulation</b></p>				
<ul style="list-style-type: none"> <li>• Anti-discrimination, anti-harassment, anti-abuse management regulations/workplace sexual harassment prevention regulations</li> <li>• Salary and bonus regulations</li> <li>• Recruitment and appointment regulations</li> <li>• Child labor and underage labor management regulations</li> <li>• Private employment agency management regulations</li> <li>• Freedom of association and collective bargaining management regulations/Labor-management meeting regulations</li> </ul>				
Mitigation or Remediation Measures	<ul style="list-style-type: none"> <li>• Committed to prohibiting any form of discrimination</li> <li>• HR personnel receive relevant training</li> <li>• Plan a work environment that is friendly to women, persons with disabilities, and foreigners in accordance with relevant government regulations</li> <li>• Provide minimum salary in accordance with local government regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Strictly comply with national laws and regulations, industry standards, client requirements, and other regulations prohibiting the use of child labor</li> <li>• Adopt an identification device to validate the authenticity</li> <li>• Set the HR system to calculate the age automatically. For any underage labor, the system will issue a warning automatically.</li> <li>• 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.</li> <li>• Include relevant policies in orientation and annual training to ensure that all new hires, existing managers and employees are familiar with the prohibitions in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Prohibit any form of forced, bonded, indentured, or involuntary prison labor</li> <li>• Prohibit slavery or trafficking of labor for exploitation</li> <li>• Communicate with candidates during recruitment to confirm that all employees are voluntary</li> <li>• Prohibit the seizure of employees' identity documents and the request for security deposits as a condition of employment</li> <li>• Allow employees to report anonymously without fear of retaliation when discovering forced labor or sexual harassment</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Facilitate employee communication and grievances channels, regularly collect employee opinions, and respond appropriately</li> </ul>

## 6.2 Work Forces Overview

In 2022, Primax Electronics had a total of 6,892 employees, with 98.07% being regular employees and 1.93% being temporary employees. Among the workforce, 52.77% were male, and 47.23% were female. Subsidiary company Tymphany had a total of 4,636 employees, with 99.4% being regular employees and 0.6% being temporary employees. Among the workforce, 50.95% were male, and 49.05% were female.

Primax Group's workers primarily consisted of contract employees and suppliers' representatives, 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.

### 2022 Primax Group Employees Overview

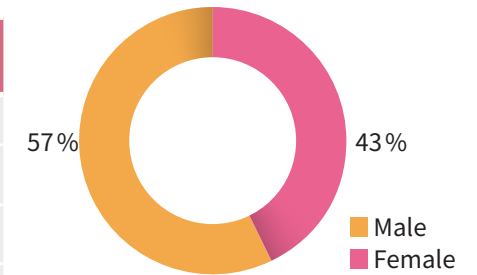
Location	Employment Contract				Type of Employment				Total
	Permanent		Temporary		Full-time		Part-time		
	Male	Female	Male	Female	Male	Female	Male	Female	
Taiwan	964	352	29	21	993	373	0	0	1,366
Mainland China	4,649	4,266	66	42	4,684	4,303	31	5	9,023
Thailand	290	846	1	2	291	848	0	0	1,139
Total	5,903	5,464	96	65	5,968	5,524	31	5	11,528

Note:

- The above information is compiled based on records of the human resource system dated December 31, 2022. No assumption was applied.
- 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.
- This report discloses that there are no "zero-hour contract employees" at the locations mentioned.

### Summary of Non-Employee Workers in Primax Group in 2022

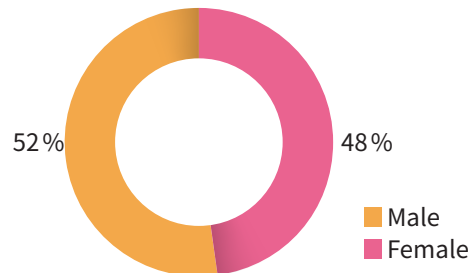
Location	Workers			Worker percentage
	Male	Female	Total	
Taiwan	10	15	25	1.80%
Mainland China	1,749	1,102	2,851	24.01%
Thailand	88	272	360	24.02%
Total	1,847	1,389	3,236	21.92%



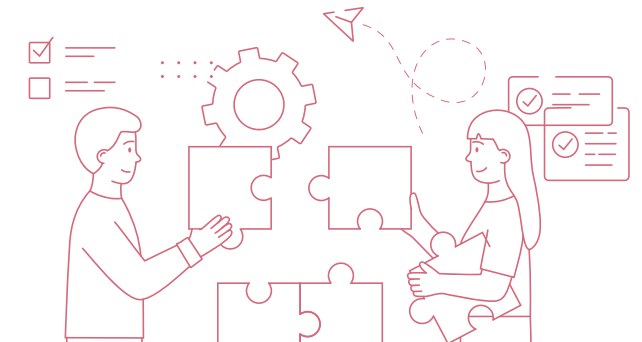
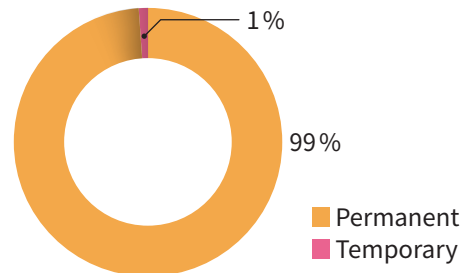
Note:

- Percentage of workers at various areas = workers per operation / (total employees per operation + total workers per operation).
- Workers consist of contract employees and supplier representatives.
- The on-site vendor personnel include cleaning, security, catering, gardening, car rental, and on-site inspection personnel. This year, it does not include ad-hoc contractors for non-regular demands.
- The above information is compiled based on records of the human resource system dated December 31, 2022. No assumption was applied.

**Primax Group's gender ratio of employees**



**The ratio of labor contracts for Primax Group employees**



## 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. Additionally, Primax Taipei was awarded the "Excellent Enterprise for Hiring Persons with Disabilities" by the Taipei City government, demonstrating our unwavering commitment to creating an inclusive and friendly workplace.

In 2022, Primax Group hired 16 foreign workers and 125 people with disabilities. Although the Group did not employ enough people with disabilities to fulfill the minimum quota, the organization paid monthly compensation for the shortfall as required by law, and continues to search for people with disabilities of suitable skills that can be hired to ensure compliance with local regulations. The following shows age and gender distribution of employees at Primax Group:

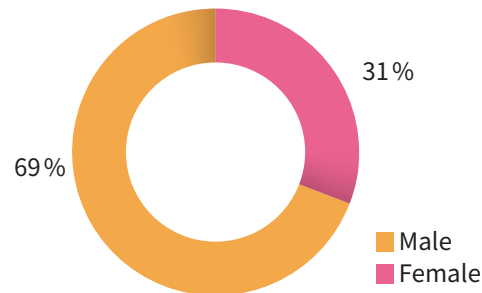
Distribution of foreign employees within Primax Group in 2022

Location	Below 30		30 - 50		Age 51 and above		Total	
	Male	Female	Male	Female	Male	Female	Number	Percentage
Taiwan	0	1	5	2	2	0	10	0.73%
Mainland China	0	0	3	1	1	1	6	0.07%
Thailand	0	0	0	0	0	0	0	0.00%
Total	0	1	8	3	3	1	16	0.14%

Note:

1. The male-to-female ratio of foreign employees in each region = the number of male (female) foreign employees in each region in 2022 / the total number of employees in each region in 2022.
2. The above information is compiled based on records of the human resource system dated December 31, 2022. No assumption was applied.

Primax Group's gender ratio of foreign employees



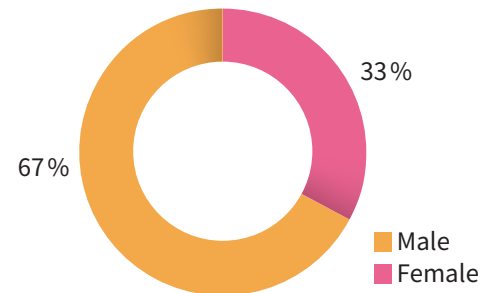
Distribution of persons with disabilities within Primax Group in 2022

Location	Below 30		30 - 50		Age 51 and above		Total	
	Male	Female	Male	Female	Male	Female	Number	Percentage
Taiwan	0	0	4	3	2	2	11	0.81%
Mainland China	22	7	43	18	4	0	94	1.04%
Thailand	5	8	3	3	1	0	20	1.76%
Total	27	15	50	24	7	2	125	1.08%

Note:

1. The male-to-female ratio of employees with disabilities in each region = the number of male (female) employees with disabilities in each region in 2022 / the total number of employees in each region in 2022.
2. The above information is compiled based on records of the human resource system dated December 31, 2022. No assumption was applied.

Primax Group's gender ratio of employees with disabilities



Employees with disabilities enjoy working.

# 6.3 Talent Recruitment and Retention

## Talent Management

## Material Issue: Talent Recruitment and Retention, Talent Development and Cultivation

### 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.

### Negative Impact

Negative impacts such as talent recruitment and retention, talent development, and cultivation issues can directly impact the organization.

### Remedial Measures

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 target

Comply with labor laws and regulations (or better than labor laws and regulations) and provide a work model, featuring work-life balance.

### Achievement rate

- ☺ The percentage of employees working from home every Friday was 70%.
- ☺ As high as 26.35% of employees use P coins to participate in company activities.
- ☺ Employee salary and welfare expenses totaled NT\$9,792,254 thousand in 2022, representing approximately 12.3% of revenues.
- ☺ The average salary for non-managerial positions in 2022 was 1.76 million.
- ☺ Continued to provide employees and their spouses with childbirth cash gifts and childcare subsidies.

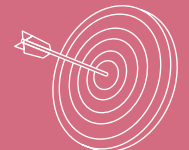
### Mid- and long-term target

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

### Performance

- In 2022, the personal development plans of 92 senior managers have been completed with a retention rate of 97%.
- In 2022, Primax Taipei received the "Best Companies to work for in Asia" Award, Work-Life Balance Award, and Sports Enterprise Certification.
- In 2022, Primax Dongguan received the "Best Companies to work for in Asia" Award, We Care Most Caring Companies Award, Best HR Team Award, and Best HR Practices Award.
- In 2022, Primax Chongqing became the first company in Yongchuan District to receive the Healthy Enterprise Award.
- In 2022, Tymphany Huizhou received the Employer Branding Excellence Award.

Note: ☺ Target achieved ☹ Target to be achieved ☹ Target not achieved





## Diverse and complete recruitment channels

We value and care for employees' actual experiences in the workplace. The Company 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 four 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.

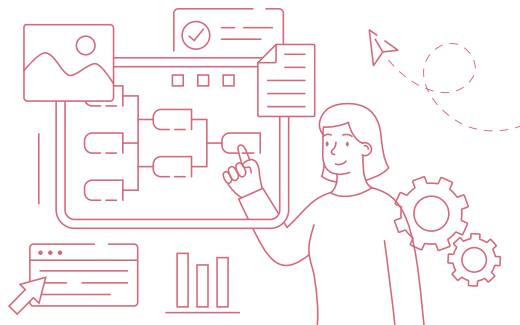
Certainly, internal talent is also a crucial partner for us. To address this, Primax has established a digital Talent Bank system to complement various talent recruitment, rotation, and retention programs, serving as a powerful tool for building a talent pipeline. We have integrated the Human Capital 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 2022.



## New Hiring

In 2022, Primax Group hired a total of 7,982 new employees (5,257 males and 2,725 females), with an average monthly new hiring percentage of 5.77%. Among them, Primax Electronics hired a total of 4,323 new hires (2,907 males and 1,416 females), with an average monthly new hiring percentage of 5.23%. Additionally, Tymphony hired a total of 3,659 new employees (2,350 males and 1,309 females), with an average monthly new hiring percentage of 6.58%.

## 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 2022, Primax Group had a total of 8,755 employees who left the company (5,576 males and 3,179 females), with an average monthly turnover rate of 6.33%. Among them, Primax Electronics had a total of 5,286 employees who left the company (3,295 males and 1,991 females), with an average monthly turnover rate of 6.39%. Additionally, Tymphony had a total of 3,469 employees who left the company (2,281 males and 1,188 females), with an average monthly turnover rate of 6.24%.

## The Best Companies to work for in Asia

In 2022, both Primax Taipei and Primax Dongguan were recognized and awarded The Best Companies to work for in Asia



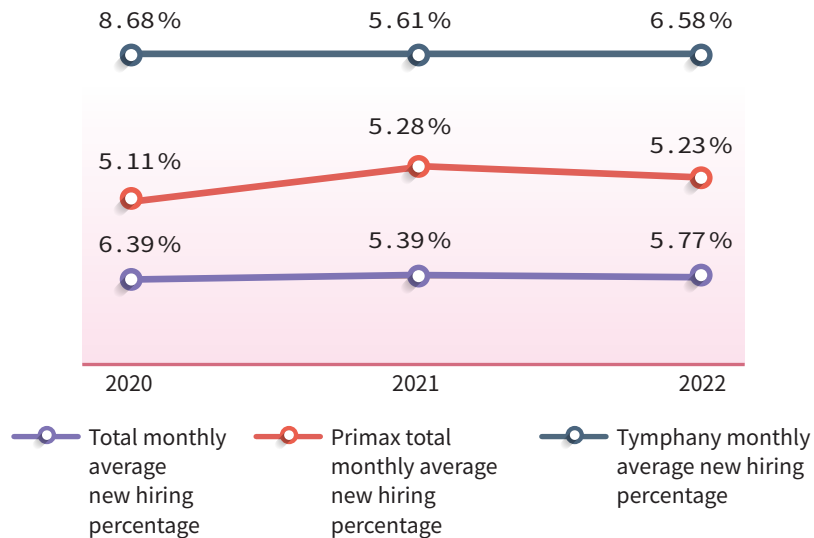
### 2022 Primax Group New Hires Overview

Location	Below 30		30 - 50		Age 51 and above		Total	
	Male	Female	Male	Female	Male	Female	Number	Percentage
Taiwan	54	31	144	53	10	3	295	1.80%
Mainland China	3,075	1,336	1,883	1,184	1	2	7,481	6.91%
Thailand	47	76	42	40	1	0	206	1.51%
Total	3,176	1,443	2,069	1,277	12	5	7,982	5.77%
Category ratio <sup>Note 2</sup>	16.69%	8.01%	4.18%	2.70%	0.35%	0.46%		

Note:

1. The average monthly new hiring percentage for employees in each region = Total new hires in each region in 2022 / 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 2022 / Total employees in that age group in Primax Group at the end of 2022 / 12 months.

### New Hiring Percentages in the 3 Recent Years



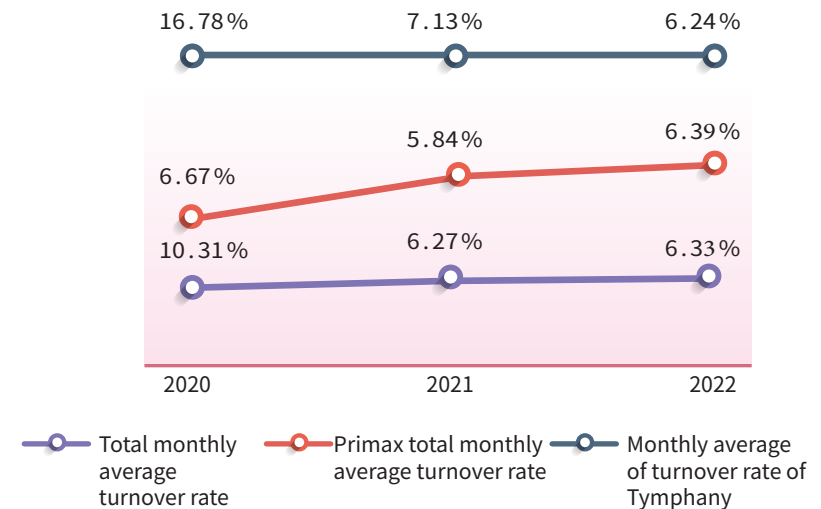
### 2022 Primax Group Departed Employee Overview

Location	Below 30		30 - 50		Age 51 and above		Total	
	Male	Female	Male	Female	Male	Female	Number	Percentage
Taiwan	37	29	153	41	27	7	294	1.79%
Mainland China	3,133	1,280	2,049	1,377	25	15	7,879	7.28%
Thailand	89	286	61	144	2	0	582	4.26%
Total	3,259	1,595	2,263	1,562	54	22	8,755	6.33%
Category ratio <sup>Note 2</sup>	17.12%	8.85%	4.57%	3.31%	1.56%	2.01%		

Note:

1. Monthly average of employee turnover rate in each area = number of people who resigned in each operating site in 2022 / total employee count of the given site at the end of 2022 / 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 2022 / Total employees in that age group in Primax Group at the end of 2022 / 12 months.
3. The employees who left the organization include those who resigned voluntarily, were terminated, or retired, and does not include employees who joined the organization and left within less than 3 months.

### Turnover Rates in the 3 Recent Years



## 6.4 Talent Attraction

### Protection of labor's right

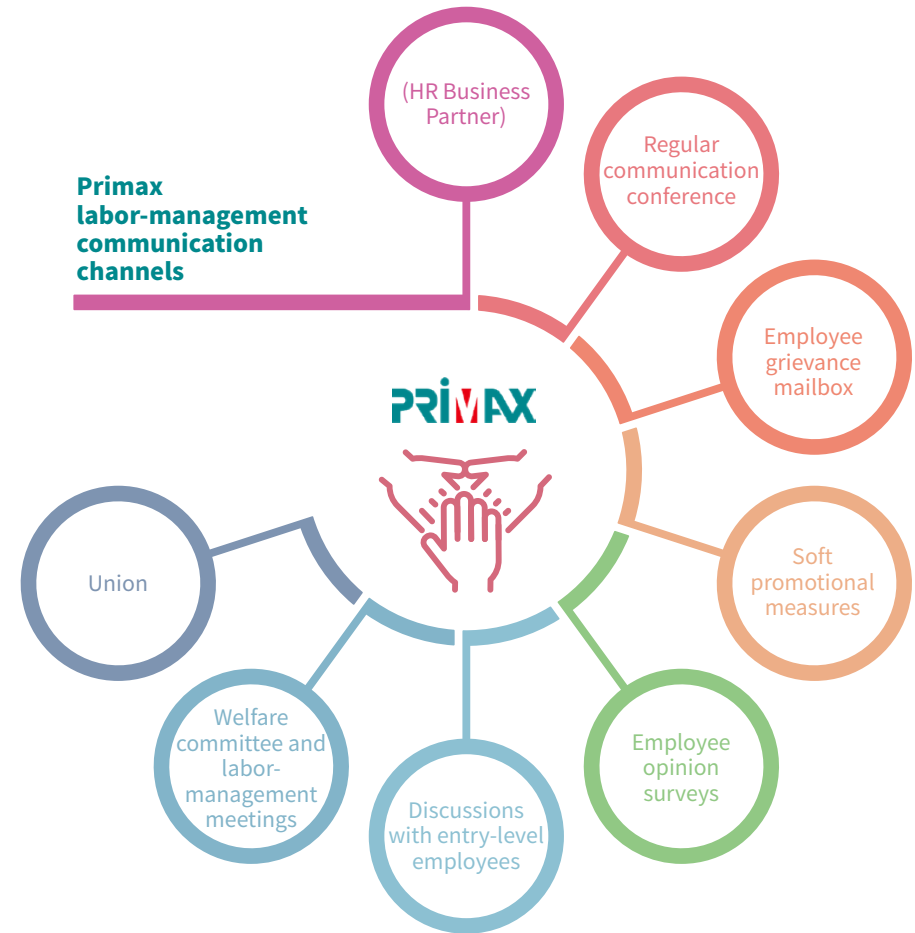
In terms of workforce management, Primax Group complies strictly with local labor regulations wherever it operates. Employment relations at Chinese production sites are governed by the "Employment Contract Law". Our human resource department has been entrusted with the responsibility of managing workplace 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 labor unions, and collective agreements cover all employees. 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 2022, employees at various manufacturing sites in mainland China submitted a total of 796 proposals and registered 796 cases through grassroots interviews, mailboxes, emails, direct communication with supervisors and HR, the enterprise WeChat platform, and labor unions. The proposals covered various issues related to employees' daily lives, work, and company benefits. All 796 proposals were improved, achieving a 100% completion rate. The various channels for filing complaints and the labor union members fully utilized their functions to help convey employees' concerns and ensured that the problems were effectively addressed through meetings.

Tymphany Huizhou and Dongcheng also have labor unions, and besides the labor unions, employees can submit their opinions through the employee suggestion box. HR regularly reviews the suggestions and provides feedback on the issues. Although other locations have not established labor unions, they have employee communication and complaint platforms, where employees can directly submit their opinions. The specific channels for complaints at Tymphany are detailed in the "Stakeholders' Inquiries and Complaints" document (add a hyperlink). A total of 17 grievances and improvement/optimization proposals concerning work hours, corporate activities, employee training, and employee welfare were raised by employees in 2022; all of which have been responded with improvement measures devised.



Regular communication conference



## 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.

We recruit and compensate employees with salary packages that correspond to their job grades, and not by gender. Employees are guaranteed an annual pay of 13~14 months' salary, depending on their grades. By offering competitive salary, we hope to attract talented employees and recognize and inspire their performance. In addition to regular salary, we also provide a broad range of incentives including monthly production efficiency bonus, annual performance bonus, proposal bonus, year-end bonus, patent bonus, long-service bonus, ad-hoc rewards, and quarterly team bonus to compensate employees for their contribution.

## A comparison between male and female salaries at operating sites of Primax Group

Salary/compensation		Local minimum salary ratio		Basic salary ratio			
		Entry-level employees		Non-managerial role		Managerial role	
Office location	Gender	Female	Male	Female	Male	Female	Male
	Primax	Taipei	1.1	1.1	0.8	1.0	0.9
Dongguan		1.0	1.0	0.7	1.0	0.8	1.0
Chongqing		1.0	1.0	0.8	1.0	1.0	1.0
Kunshan		1.3	1.3	0.9	1.0	0.9	1.0
Thailand		1.2	1.2	1.0	1.0	0.7	1.0
Tympany	Taipei	1.0	1.0	1.0	1.0	1.0	1.0
	Dongguan	1.1	1.1	1.0	1.0	0.9	1.0
	Huizhou	1.3	1.3	1.0	1.0	1.5	1.0
	Dongcheng	1.2	1.2	1.1	1.0	1.0	1.0
	Thailand	1.2	1.2	1.0	1.0	0.9	1.0

Note:

1. Minimum wages set by various governments in 2022 (in New Taiwan Dollars, RMB/TWD = 4.42, THB/TWD = 0.85): NT\$ 25,250 (Taipei), NT\$ 10,078 (Kunshan), NT\$ 9,282 (Chongqing), NT\$ 8,398 (Dongguan), NT\$ 9,027 (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. Definition of entry-level employees: In Taipei, it refers to professional staff, while in mainland China, it refers to direct staff. Non-supervisory personnel refer to indirect staff in professional positions, and supervisory personnel refer to indirect staff in management positions.
4. Basic salary refers to recurring salary (excluding bonus).

## 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:



- In Primax, group insurance not only covers employees themselves, but also extends to spouse and an 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 China 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.



- 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 Taipei has provided a more flexible work model, allowing employees to WFH every Friday.
- Employees at the China plants are entitled to adjust their leaves flexibly during continuous holidays to visit their home. Home visit leaves are also provided during the Chinese New Year period.



- 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 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, Chinese New Year packages, and emergency assistance through the Love and Care Fund. Furthermore, the Chongqing plant provides hospitalization consolation funds as an additional benefit.
- Tymphony 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.



- Primax Taipei offers staff dinner, cafeteria, and smart vending machines.
- All Primax's China factories provide dormitories and staff dining area, and Primax Dongguan has an entire building constructed for leisure purposes.
- The Employee Welfare Committee (ECP) in Tymphony provides employee canteens and dormitories. During special holidays, the canteens also offer additional meals. In Taipei, Tymphony's ECP provides daily meal vouchers worth 30 TWD that can be used to offset meal expenses at contracted vendors.



- 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 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.
- Tymphony also organizes various activities such as basketball tournaments, music festivals, and annual sports events.



Pension plan

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



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, calligraphy, floral design, and coffee.
- There are seven clubs at the Dongguan plant, namely football, badminton, biking, basketball, dance, volunteer, and the Wind Trampers 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.
- Tympany 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.



Employee care

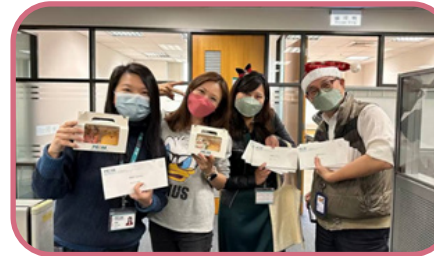
- In both Primax Taipei and Primax Dongguan, there are medical centers with stationed medical personnel who provide emergency medical assistance, disease prevention, medical consultation, and other services for employees. Additionally, each department is equipped with medical kits for use in urgent situations.
- 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.
- Chongqing plant, Kunshan plant have established service agreements with nearby medical centers or community hospitals to provide emergency medical assistance. At Tympany, employees are entitled to complimentary health checkup and infirmary service. Shuttle bus service has been arranged to help employees reduce spending on commuting.



Family Day



Technology Expo



Year-end Thanksgiving Greeting Card Activity



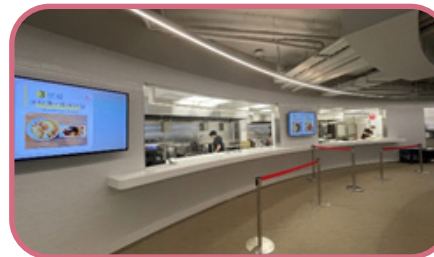
EAP - Employee Assistance Program



Seats at staff restaurant



Cafe



Kitchen

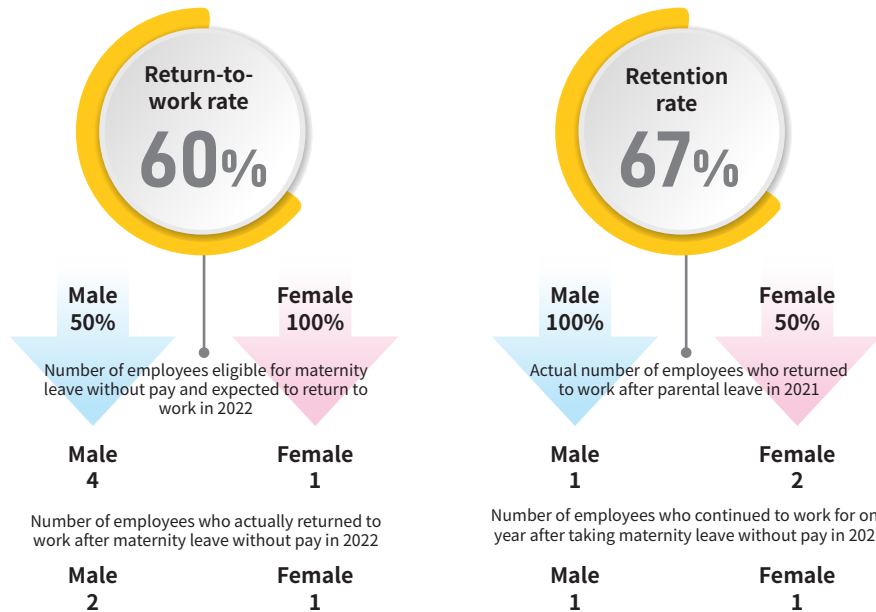


Club activities

## 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 strictly complies with local labor regulations. Moreover, they have designed additional welfare benefits for female employees, exceeding the legal requirements. For instance, in all Primax manufacturing sites in mainland China, they have established dedicated areas for pregnant women to dine, rest, and breastfeed, aiming to alleviate the burdens that employees may experience during the pre and post-pregnancy periods. 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 2019 for providing employees with a comfortable and accessible nursery space.

In 2022, there were a total of 72 eligible employees (60 males, 12 females) in Primax Taipei who qualified for maternity leave without pay. However, only 5 employees (4 males, 1 female) 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 (2 males, 1 female) actually returned, resulting in a return rate of 60% and a retention rate of 67%.



Note: The number of employees eligible to apply for unpaid parental leave was determined as the number of employees having received childbirth cash in the 3 years before the reporting period.

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.

- 1 Each pregnancy is eligible for a total subsidy of NT\$100,000.
- 2 The maternity gift has been increased to NT\$8,000 per birth.
- 3 Each childbirth is entitled to a subsidy of NT\$50,000.
- 4 Childcare subsidy is provided at NT\$7,000 per year.
- 5 To ensure proper care for female employees after childbirth, they can apply for 4 weeks of work-from-home after their maternity leave ends.



Breastfeeding room



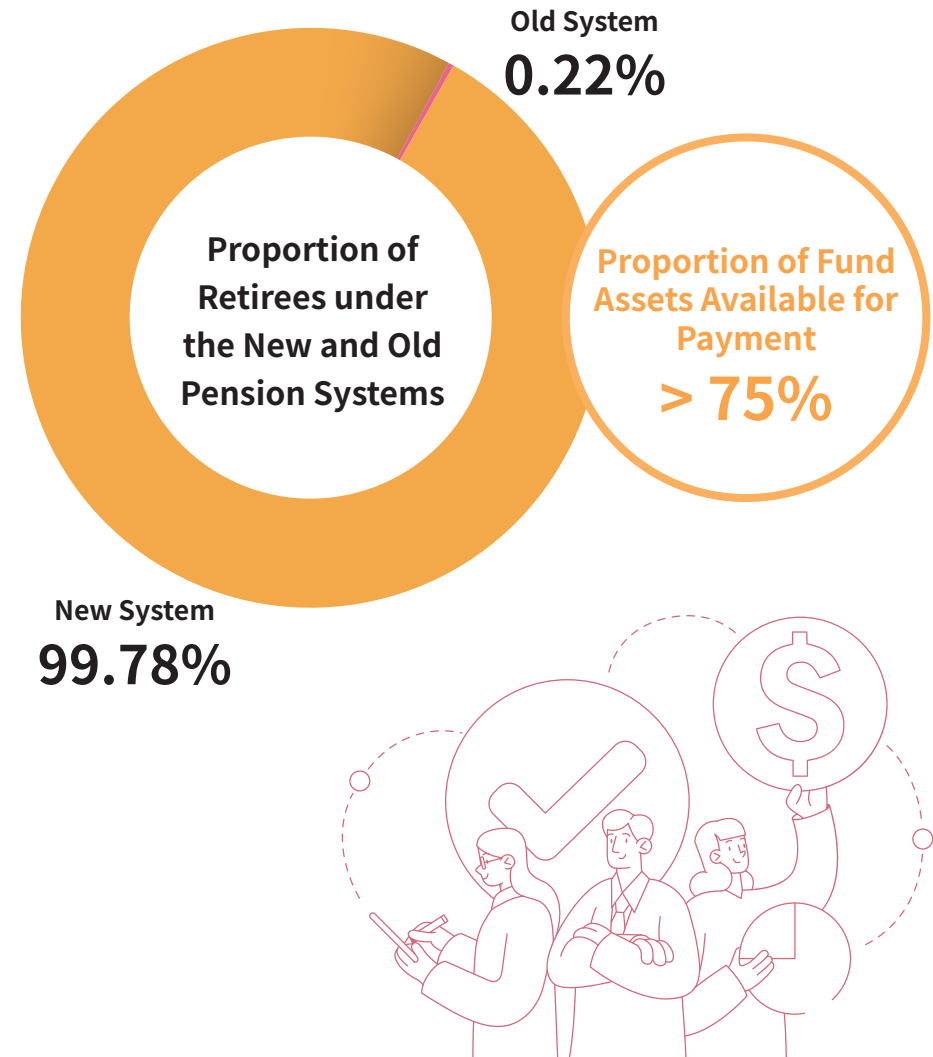
Maternity subsidy poster

## 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. A new pension system was introduced in Taiwan in 2005. Employees who were already employed at the time of change were given the choice to either continue the old system or adopt the new system. For this reason, some employees who came on board on or before June 30, 2005 had chosen to continue with the old pension system, for which the Company contributes an amount equal to 2% of employees' monthly salary to the labor pension fund account. Under the new scheme, the Company contributes 6% of employees' monthly salary into their personal pension accounts. In addition to the 6% monthly contributions made by the employer, employees may also choose to contribute an additional 0% - 6% of their salary into their pension accounts. During the reporting period, about 0.22% of 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 75% in excess of pension payable.

Employees of our various operations in China are entitled to pension insurance under the Social Insurance Law. This insurance provides employees the financial security they need to retire without worries. 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. Tymphany paid a month of salary to appreciate these senior employees' dedication to the Company for many years.








## 6.5 Diverse and Effective Employee Communication


In June 2021, Primax's HR launched an internal communication brand Primax Care to focus on health and ESG in Taiwan. We intend to convey the spirit of "Enrich Your Life" to our employees. To convey the brand spirit and value of Primax Care, Primax's Taipei Headquarters organized a series of employee communication activities, such as newsletters, podcasts, and P coin collection and interactive platform, as well as various online and offline interactive events regarding health or ESG to connect with employees.


In 2022, we further enhanced the Primax Care brand by launching a themed series of events each quarter. These themed events included the Health Season, Financial Season, ESG Sustainability Season, and Gratitude Season. Through diverse activities, we provided our employees with knowledge and experiences beyond work, while also raising awareness about sustainability issues. Together with our employees, we aimed to create a fulfilling life and a sense of mission towards sustainability.


- 

**Primax Care newsletters**  
In 2022, we sent approximately 38 push notifications for various events, reaching a total of about 30,400 recipients.
- 

**Podcast- No. 669 Ruiguang Road**  
The total number of listeners in 2022 was 344 (excluding repeat listeners), representing nearly a three-fold growth compared to 2021.
- 

**P coin collection and interactive platform**  
we had 580 new members join the platform by the end of 2022, marking a significant growth rate of 33.9% compared to the previous year.
- 

**Leaders' knowledge and skills competition**  
In the first round of competition, a remarkable 95.4% of the total 166 leaders participated.
- 

**Social media and platform management**
  - The number of followers on LinkedIn increased by 1,347 in 2022, showing a growth rate of 20%.
  - The total number of likes and interactions on LinkedIn posts for the entire year was 2,581, with a post engagement rate of 13.6%.
  - As of December 31, 2022, our Facebook fan page received 262 likes, had 5,355 views, and reached 11,516 people through our posts.
- 

**Sponsored the 2022 Asia Esports Championship.**  
The total viewership of the 2022 Asia Esports Championship was 6,840,182.



Asia Esports Championship



### ESG Theme Monthly Series

To practice ESG sustainable actions and continuously promote the spirit of corporate sustainability, we strive to progress towards the sustainable goals set for each year. 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, our Primax operations in China follow the footsteps of the Taipei Headquarters and have progressively launched various ESG internal and external activities in 2022. Through cultural and branding 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.

Since mid-July 2022, Primax Taipei has been organizing the "2-Month ESG Sustainable Season Series Events". By integrating the P Coin Collection Platform, we have held a series of activities including "Second-hand Clothing Collection", "Inclusive and Diverse Exhibition", "10,000 Steps of walk a day for Carbon Reduction", and the "ESG Online Book Exhibition". Through these events, we hope that our colleagues will not only respond to the ESG series activities and earn P coins rewards but also gain a deeper understanding of the importance of sustainability, and embrace it in their hearts.



#### Second-hand Clothing Collection Event

In 2022, Primax partnered with the Eden Foundation to organize a "Second-hand Clothing Collection" event. We encouraged our colleagues to donate their gently used and clean but less frequently worn clothing. Through the Eden Social Welfare Foundation, these clothes were provided to disadvantaged families both locally and internationally, contributing to social sustainability and promoting a cycle of love. As an incentive for participation, each colleague who donated 5 pieces of clothing received 1 P Coin. Thanks to this rewarding mechanism, the two-day event saw the enthusiastic participation of 52 colleagues, resulting in a total of 855 pieces of clothing collected. This effort is equivalent to reducing 3,591 kg of carbon emissions or surpassing the carbon dioxide absorption of over 299 trees annually. (Reference sources: Environmental Protection Administration website states that recycling one piece of clothing reduces 4.2 kg of carbon emissions; Environmental Quality Education Foundation website mentions that each tree can absorb approximately 12 kg of carbon dioxide annually.)



A total of over **947** colleagues responded to the second-hand clothing collection event across the four main activity series  
A total of **855** pieces of clothing were collected, which is equivalent to reducing **3,591** kg of carbon emissions.



#### Diversity and Inclusion Norms Exhibition

In 2022, Primax held its first "Diversity and Inclusion (D&I) Exhibition" to promote the concept of diversity and inclusion among our colleagues. The exhibition used static displays to spark curiosity and encourage our colleagues to become more aware of the importance of listening, empathy, and unconscious biases. The goal was to foster a culture of respect and acceptance for different perspectives. During the event, we set up photo spots and interactive activities in the company's lobby and B1 area. Colleagues could participate by holding slogan placards, taking photos at the designated spots, and uploading the pictures to the event platform. In return, they received P Coins and delightful ESG-themed milk candies as rewards for their engagement.



#### The first-ever "ESG Theme Month Series" event held in Primax's mainland locations

In June 2022, Primax's mainland China operations hosted its first-ever "ESG Theme Month" event. During this event, a series of ESG-themed creative merchandise was launched, including ESG-themed masks, eco-friendly bags, and phone wallpapers. Additionally, the event focused on four main activities: "Energy Conservation and Carbon Reduction", "Volunteer Service", "Employee Care", and "Donations for Education", all centered around ESG principles. To encourage more colleagues to participate, we adopted a combination of online and offline engagement activities. This included organizing online sharing sessions, activities to collect likes on event posters, on-site charity sales events, and, for the first time, a multi-location ESG communication and sharing event, connecting colleagues from various locations. This allowed for a heartfelt resonance between colleagues on both sides of the Taiwan Strait and a deeper understanding and connection to ESG. The ESG Theme Month received enthusiastic responses from internal and external partners alike. Many colleagues willingly purchased charity goods, and some even voluntarily contributed their own items for charity sales. Moreover, our supplier partners actively supported the charity sales event, and some even joined the ESG movement after being touched by the cause. This expanded and enhanced Primax's philanthropic impact, radiating outward and continuously shining bright.



## 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". This logo will serve as the foundation for the Primax ESG brand, further propagating our sustainable ideals.

### PRIMAX ESG LOGO was officially created.

The Primax ESG LOGO made its official debut in March 2022 when we collectively planted this ESG seed. Comprised of three graphic elements - a flower with a water droplet, blue clouds, and a gray-brown tree trunk - it forms a thriving little tree, emanating feelings of joy, warmth, and care. Additionally, the combination of water, tree, and clouds symbolizes an organic life cycle, representing Primax's ongoing engagement and unlimited responsibility towards society. By branding



ESG in this manner, we aim to quietly sow the seeds in everyone's hearts, nurturing their growth continuously.

### Hello, Primax ESG Joyful Trio!

In the process of branding ESG, in addition to planting the ESG small tree, we also introduced three companions representing Primax's commitment to sustainability. These characters were derived from the ESG small tree and were given names through a naming event that resonated across Taiwan, China, and other regions. They are "Cong Cong" who loves science, "Zhuang Zhuang" who is passionate about the Earth, and "Duo Duo" who is diligent and eager to learn. To quickly familiarize them with everyone, they made their debut as a group and released their first set of WeChat stickers called Primax ESG Joyful Trio. Through this popular and everyday form of communication, they showcase Primax's ESG values to the public, and they are here to accompany and inspire everyone in practicing ESG principles together.

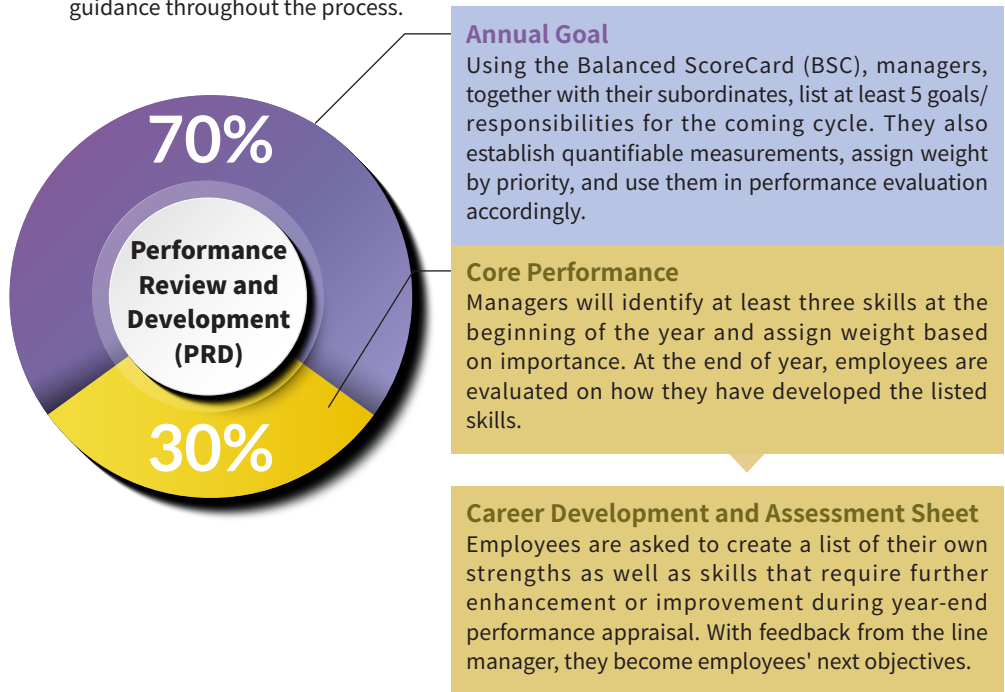


# 6.6 Talent Development and Cultivation

## 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.

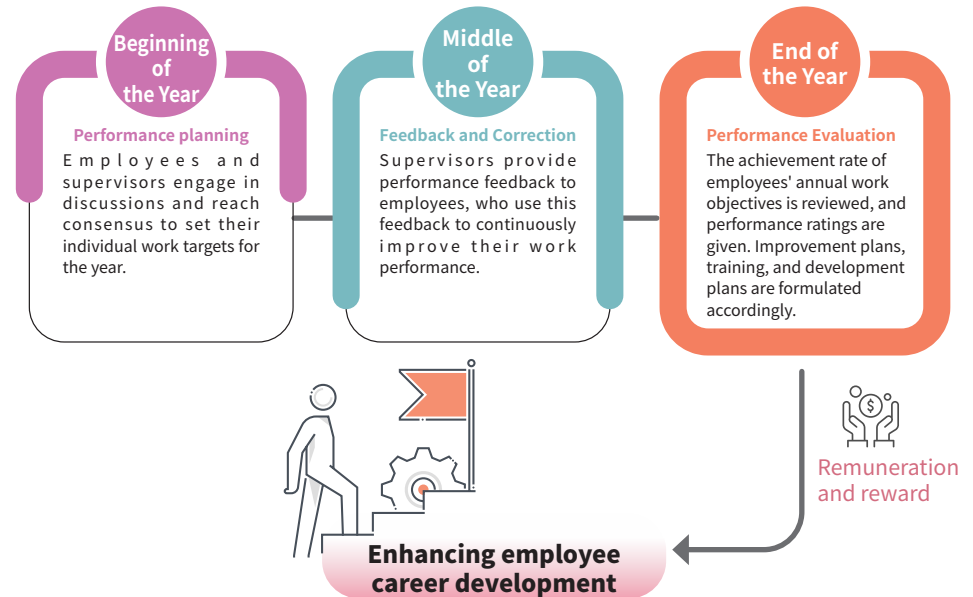


## Performance evaluation system

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 and China operations are entitled to performance evaluation, whereas all employees at Tymphony are subjected to performance evaluation and have access to fair promotion opportunities.



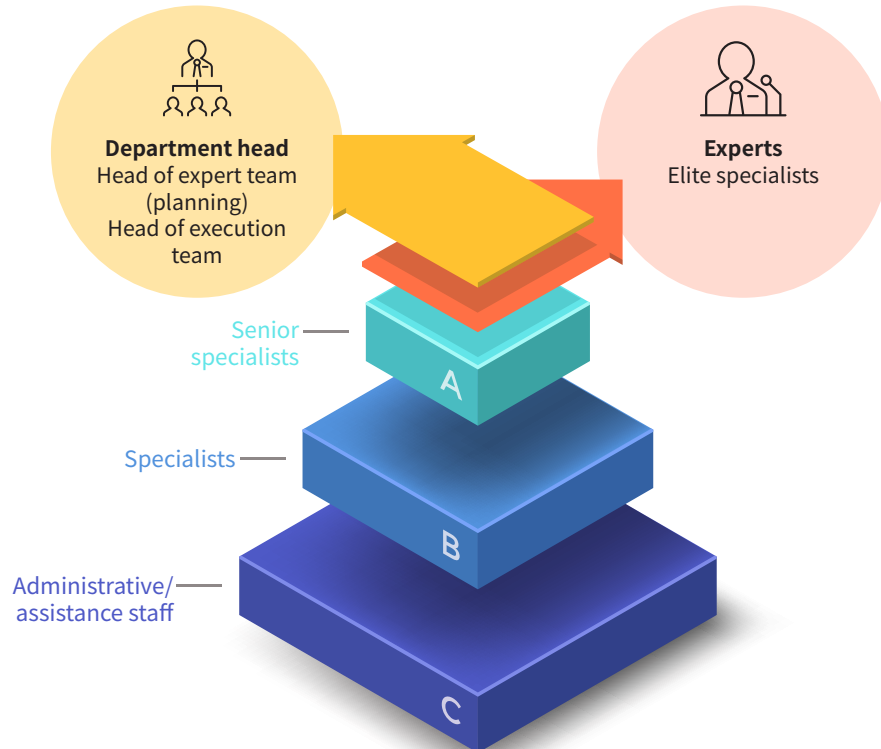
In 2022, **100%** of full-time employees participated in performance evaluation



## 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.

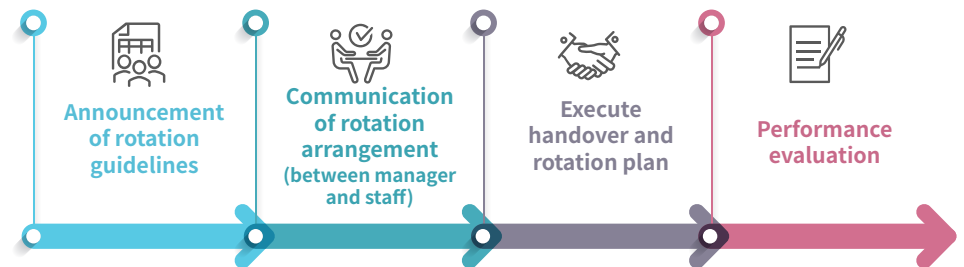
Whether it is a managerial role or a specialist role, there is abundant room to advance and grow for every Primax employee



## 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.

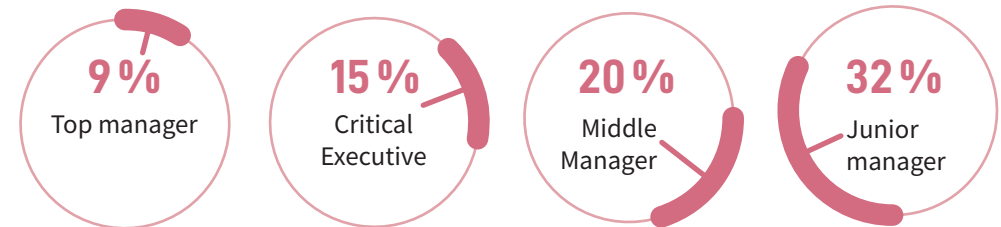
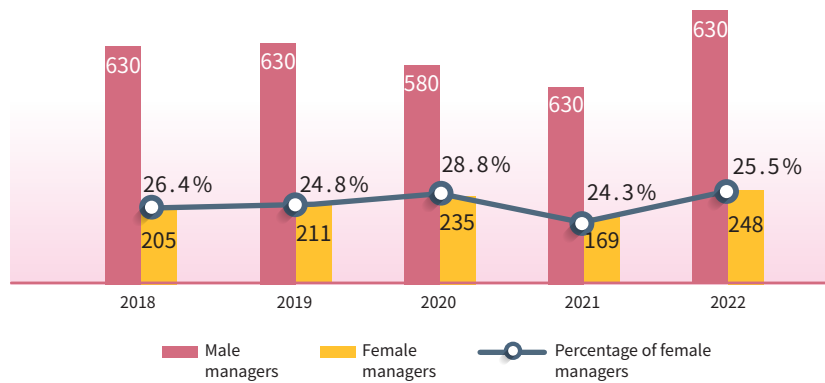


## Diverse and equal talent development program

### | 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 representation of women in senior management roles, and we project a steady growth to reach 20% of female leaders at the executive level by 2030. This commitment to fostering gender diversity in leadership positions is integral to our sustainable business objectives.

Percentage of Primax Group's female managers in 2022

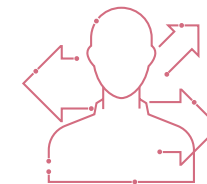


Note: 1. Top manager: Management positions at the second level below the CEO.  
2. Critical Executive: Management positions at the fourth level below the CEO.  
3. Junior manager: Management positions at the frontline of the organizational structure.  
4. Middle Manager: Management positions between the senior and frontline supervisors.

**Setting the goal to promote female leadership in the organization: Aiming to achieve 20% representation of female leaders in key positions by 2030.**

### | 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. We used to focus on KPI setting and require a strong link between targets and rewards. 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.



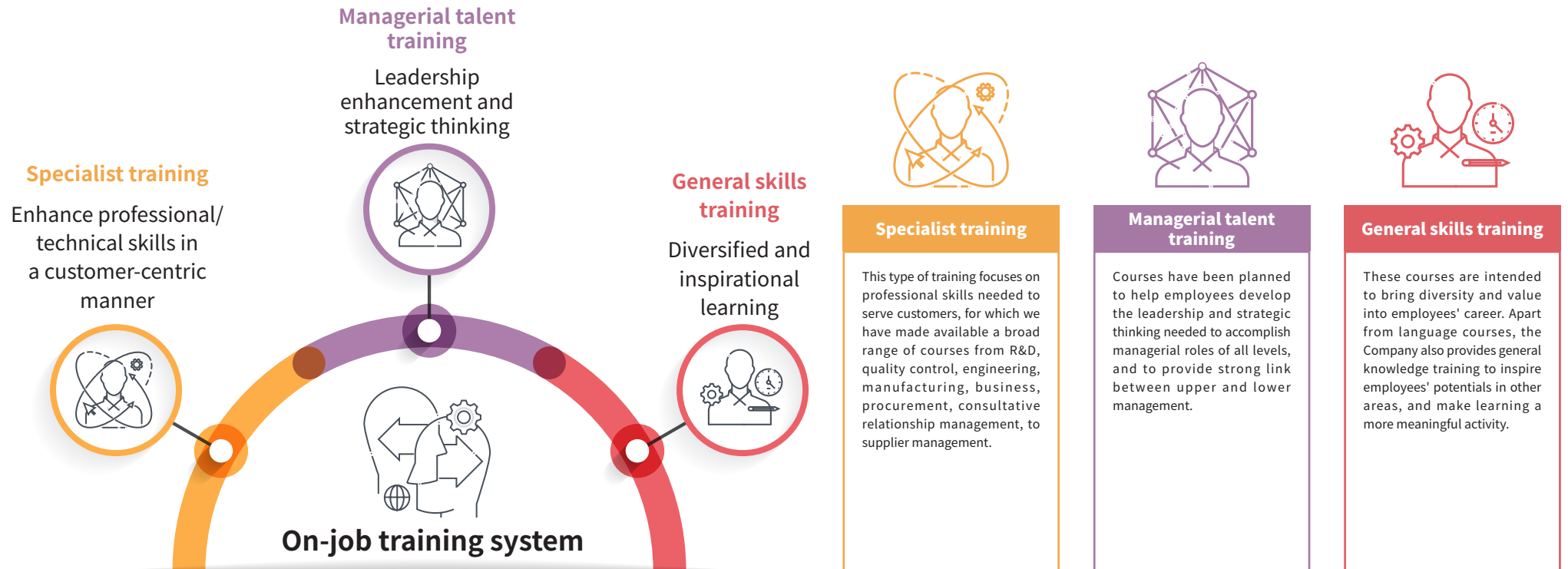
In 2022, a total of **92** talent development plans were successfully executed, with **30** colleagues experiencing job expansions and **17** receiving promotions.

## 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.

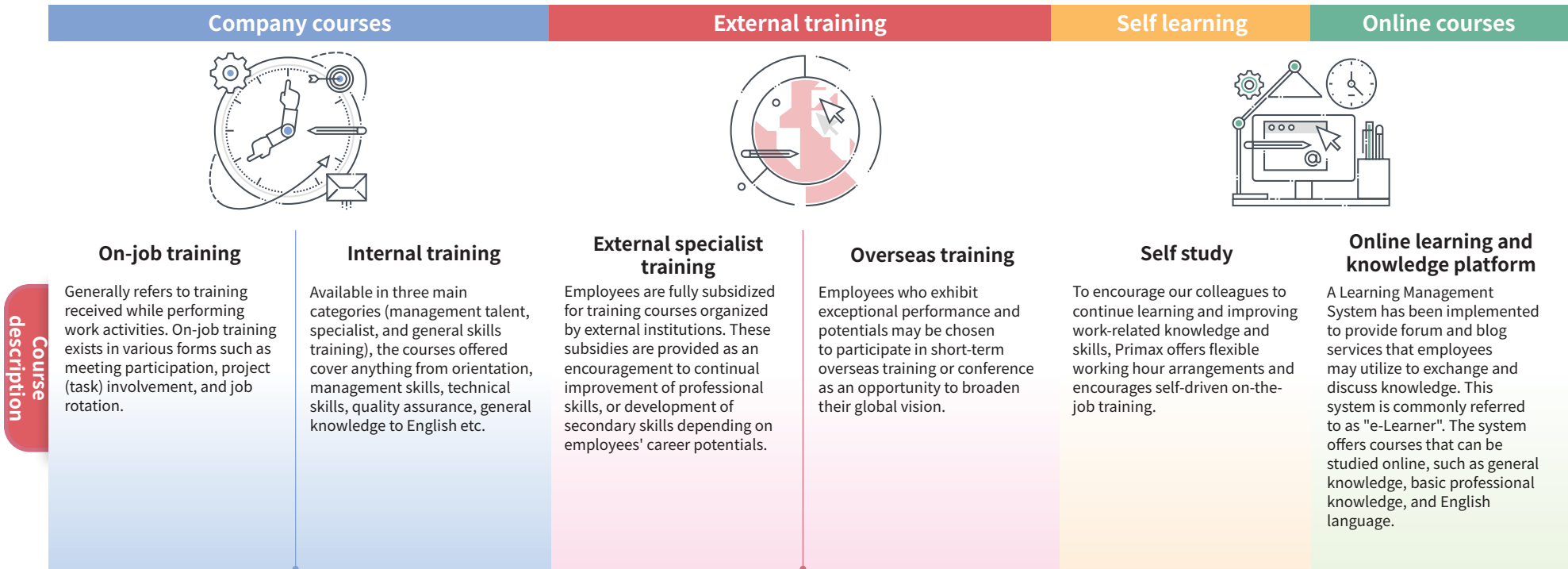
### | Employee career training system |

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 Tymphony, employees are offered training opportunities on areas such as quality assurance, acoustics, production, administration, and self-development.

### Employee career training system





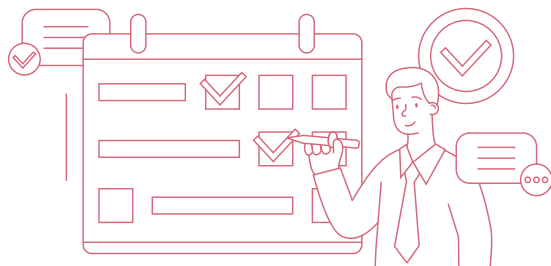
**| Employee education and training |**

Primax Group values employees' career development, and all employees are entitled to receive training. In 2022, employees of Primax Group participated in training courses organized by the Human Resources Department, with a total training duration of 107,862 hours. On average, each employee received 9.36 hours of training.

**Training overview of Primax Group employees - 2022**

Office location	Taipei				China				Thailand			
	Managerial role		Specialist role		Managerial role		Specialist role		Managerial role		Specialist role	
Training hours	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Employee size	341	84	652	289	364	154	4351	4154	17	10	274	838
Total training hours	5,657.3	1,783.2	5,449.6	2,528.1	9,105.3	3,508.7	46,605.8	28,963.6	366.4	111.2	1,439.7	2,343.0
Average training hours	16.59	21.23	8.36	8.75	25.01	22.78	10.71	6.97	21.55	11.12	5.25	2.80

Note: Average training hours by gender and role in each region = total training hours by gender and role in each region in 2022 / 2022 year-end employee count by gender and role per site.



Amount of time for group-wide human rights training in 2022 was **107,862** hours.

Average training time per employee in the Group in 2022 was **9.36** hours.

**Training for new hires**



**Training for managerial personnel**



## 6.7 Health and Safety

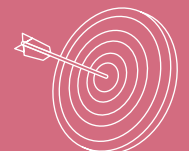
### Safe and healthy workplace management

### Material Issue: Occupational Health and Safety, Local Community

<p><b>Management purpose and importance</b></p> <p>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.</p>	<p><b>Negative Impact</b></p> <p>In the event of a risk management incident, it may directly or indirectly impact the organization.</p>	<p><b>Remedial Measures</b></p> <p>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.</p>
---	---	--

Short-term target	Achievement rate	Mid- and long-term target	Performance
<ul style="list-style-type: none"> <li>• Zero Work-related ill health.</li> <li>• Zero Major Occupational Accidents</li> <li>• There was a 10% decrease compared to the baseline year at Primax Group.</li> </ul>	<ul style="list-style-type: none"> <li>☺ Zero Work-related ill health in the Primax Group in 2022.</li> <li>☺ Zero high-consequence work-related injuries (including fatalities).</li> <li>☹ In 2022, Primax Group recorded a total of 25 Work-related injuries. The Lost-Time Injury Frequency Rate (LTIFR) in our main production locations was 1.27 in China and 4.47 in Thailand.</li> </ul>	<ul style="list-style-type: none"> <li>• Work with suppliers, contractors, and outsourced businesses to promote health and safety at work.</li> <li>• Pay attention to employees' physical and psychological health and create a healthy workplace.</li> </ul>	<ul style="list-style-type: none"> <li>• Primax (3 plants in China and Thailand) and Tymphany (3 plants in China) three plants have all implemented ISO 45001 and passed third-party verification regularly.</li> <li>• Primax Group held occupational safety-related training and incurred total training expenses of NT\$924,963.</li> <li>• A total of 23,639 participants took part in the safety drill and operational exercises in 2022.</li> </ul>

Note: ☺ Target achieved ☹ Target to be achieved ☹ Target not achieved



## Occupational health and safety management

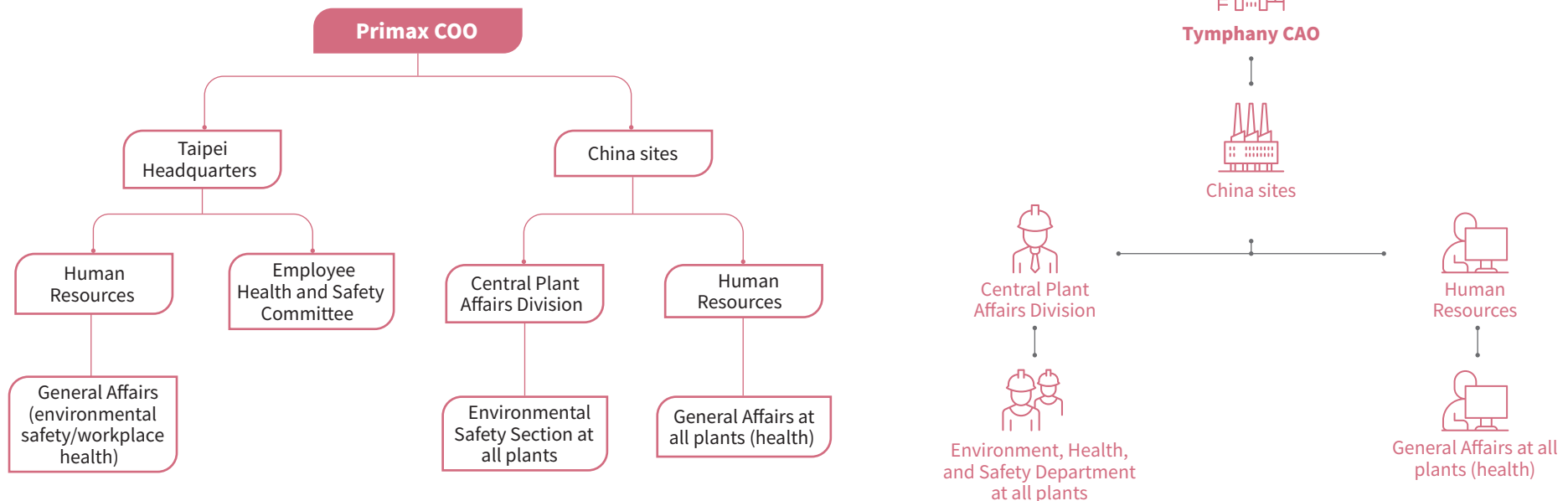
To align with the international trends in occupational health and safety management and enhance regulatory compliance, Primax Group has proactively responded to customer concerns regarding occupational safety and health. Our main production sites, including three facilities in China, one in Thailand, three facilities for Tymphany in China, and one in Thailand, a total of eight sites, have all implemented the ISO 45001 Occupational Health and Safety Management System (except for Primax Taipei and Tymphany Taipei office locations, which are in the process of adopting the system, as described in Appendix 8.1). These sites have also obtained certification from a third-party verification agency, SGS. The management system, verified externally, covers 100% of employees and non-employees (including temporary workers and on-site contractors) across all eight main production sites. Additionally, Primax Taipei Headquarters officially implemented relevant management processes in 2020, demonstrating the company's strong commitment and support to occupational health and safety management through concrete actions.

### | 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.

In Taiwan, employee representatives make up approximately 50% of the committee, exceeding the regulatory requirement. In China and Thailand facilities, labor representatives account for 13% and 45%, respectively. The Occupational Health and Safety Committee in China and Thailand convene regular monthly meetings to address various occupational health and safety topics. The discussions are based on the operational conditions and annual priorities of each facility, covering areas such as training planning and implementation, incident and accident reviews, medical room usage statistics, auditing deficiencies review and improvement, fire safety, equipment operation safety, electrical safety, and chemical safety. The committee helps supervise, recommend, and plan occupational health and safety-related issues. Other indirect workers including outsourced cleaners, security guards, drivers, and electromechanical personnel may express opinions to the head of General Affairs and have them proposed during committee meetings.

### Occupational health and safety management framework of Primax Group

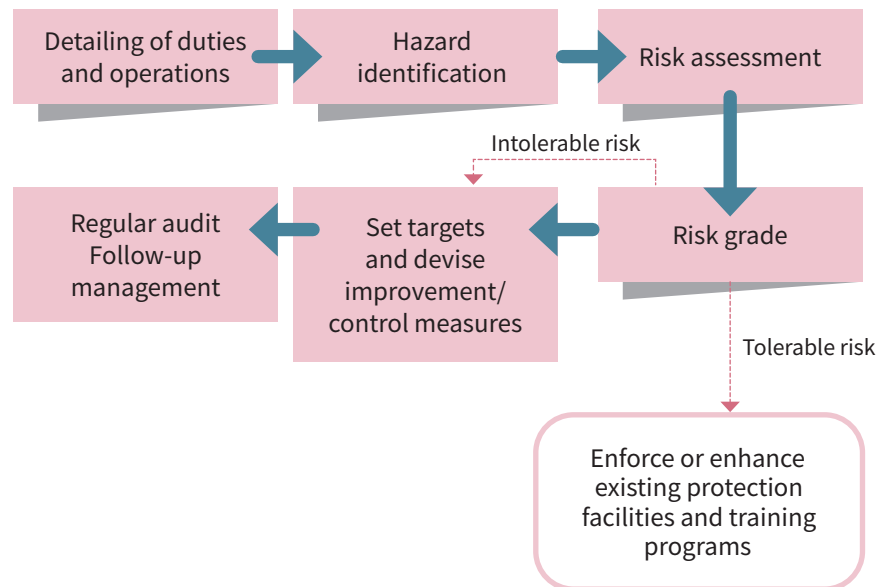


**| Occupational hazard identification and risk assessment procedures |**

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 must undergo training and be certified for hazard identification and risk assessment. Hazard identification and risk assessment are performed on all routine and 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.

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



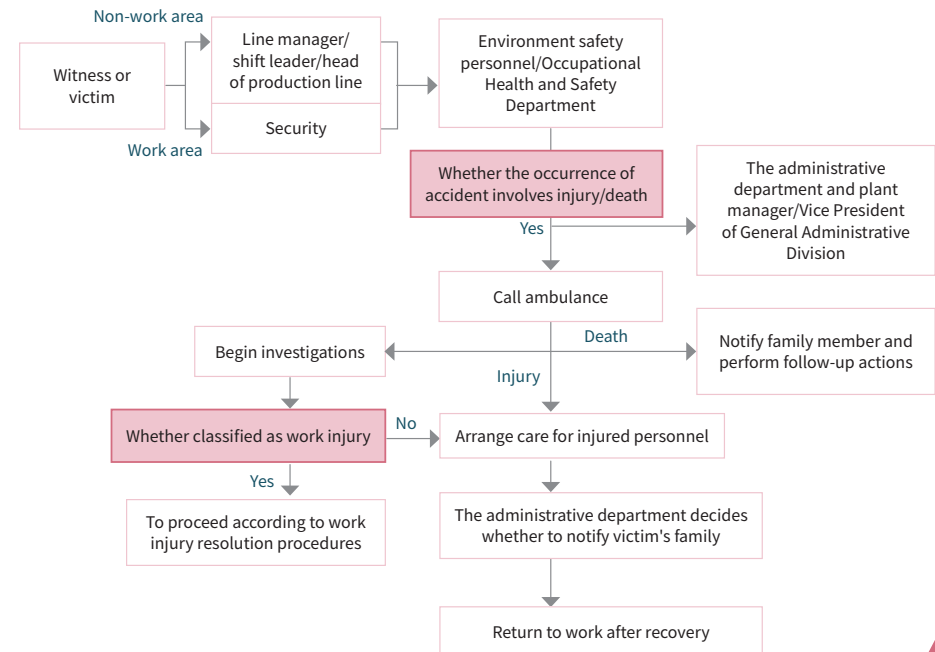
**| Incident reporting and investigation procedures |**

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 life-threatening emergency arise in relation to the works performed, 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, environment, safety and health risk identification, occupational health, and emergency response. Each production site has a safety officer who is regularly trained and certified. The safety-related training expenses of Primax Group amounted to NTD 924,963 in 2022.

At the same time, to enhance employees' responses in the event of emergency, Primax Taipei organizes drills on situations such as fire disaster and evacuation on a regular basis, whereas production plants in China hold fire drills on a rotating basis (by plant and by shift) once every six months. Employees are taught on the use of fire safety equipment and emergency evacuation, as well as key points concerning property recovery and first aid. In 2022, Primax Group conducted a total of 23,639 evacuation and emergency drills related to fire evacuation, chemical spillage, food poisoning, elevator entrapment, and emergency response for special equipment. The participation breakdown was as follows: 191 participants from Taiwan, 22,006 participants from Mainland China, and 1,442 participants from Thailand.



Tymphany Huizhou Chemical Management Personnel Training



Tymphany Huizhou Chemical Leak Drill



Tymphany Dongcheng Fire Safety Training



Primax Dongguan Chemical Leak Drill



Primax Chongqing Emergency First Aid Training



Primax Dongguan Fire Evacuation Drill



Huizhou Tymphany's fire and anti-terrorism exercises



Primax Chongqing Occupational Health and Safety Training

Uses of plant equipment are strictly managed; any addition and change of equipment is subject to review by the environment safety personnel before installation. The purpose of the above requirements is to control risk of accident, and they represent our commitment to creating a safe and healthy work environment. In the future, we hope to further expand our emergency response system to better protect our employees in the event of fire, earthquake, explosion, or any natural disaster or workplace accident.

## 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. All contractors are 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 "Safe 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. All plant sites have implemented "Contractor Management Procedures", and any accident that arises in relation to the works performed on Primax's premise, such as occupational hazard, fire, explosion etc., will be reported, investigated, analyzed, and recorded according to the Company's accident investigation and improvement procedures. Primax Group encountered no work-related injury or safety accident involving any contractor in 2022.

## Occupational injuries

In addition to correcting existing and potential workplace safety concerns, Primax Group monitors statistics such as employees' work 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.

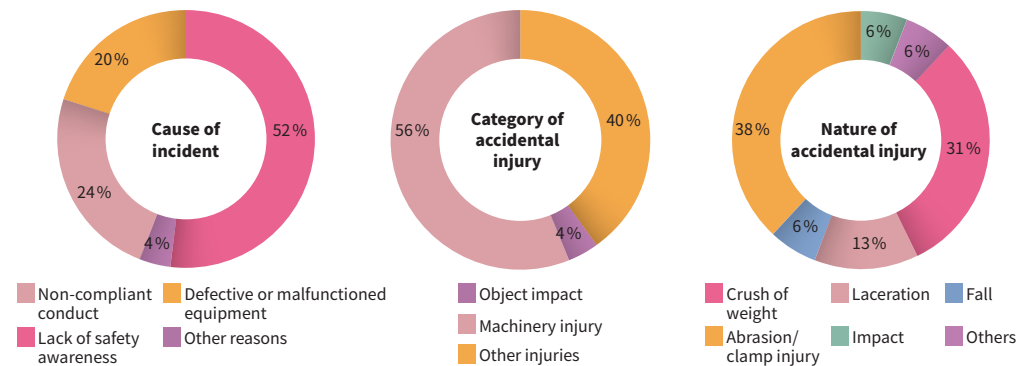
In 2022, Primax Group recorded a total of 25 occupational injuries (15 in Mainland China, 10 in Thailand). All incidents were promptly handled, and we provided assistance to the injured employees in filing insurance claims and adjusting their work duties based on their recovery status. Furthermore, to prevent future occupational injuries, we conducted a thorough analysis of the root causes of these incidents and developed corresponding action plans. These measures include organizing safety training courses, increasing on-site inspection frequency, and enhancing personnel safety awareness to reduce accidents caused by negligence. Additionally, we have been gradually phasing out old equipment and installing protective covers to prevent accidents resulting from inherent equipment defects or malfunctions.

### Occupational injuries and occupational diseases statistics of Primax Group employees in 2022

Item	Gender	Taiwan	China	Thailand
Total work hours	Female	731,080	5,711,064	1,662,080
	Male	1,946,280	6,089,544	570,360
	Total	2,677,360	11,800,608	2,232,440
Lost-Time Injury Frequency Rate (LTIFR)	Female	0	1.22	0.60
	Male	0	1.67	15.78
	Total	0	1.27	4.47
Work-related ill health percentage	Total	0	0	0

Note:

- Total work hours in the above chart were estimated (employee count \* 8 hours \* work days).
- Lost-Time Injury Frequency Rate (LTIFR) - Employees = Recordable occupational injuries (including fatalities and severe occupational injuries) × 1,000,000 / total work hours.
- The number of recordable occupational injuries is based on the internal occupational injury incident summary and does not include commuting accidents.
- Severe occupational injuries refer to injuries resulting in disability or inability to return to the pre-injury health status within six months due to occupational injuries. (Primax Group did not experience any severe occupational injuries or fatalities in 2022).
- 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 2022).
- Occupational Disease Rate (ODR) = Number of occupational disease cases × 1,000,000 / total work hours.
- In 2022, 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) in Primax Group. There were a total of 3,236 non-employee workers, with a total of 6,433,792 work hours, including 1,389 females (work hours: 2,757,704) and 1,847 males (work hours: 3,676,088 hours).



## 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 plant has set up a clinic to provide health consultation and health management services, with the aim of creating a healthy workplace.

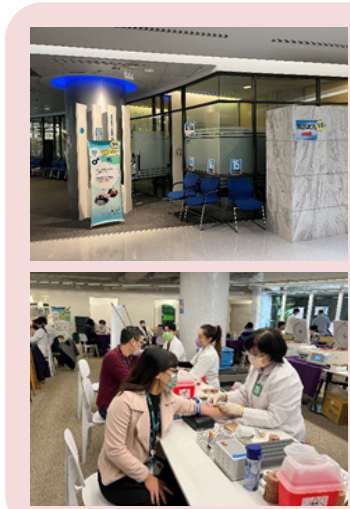
Primax Group provides special examinations for employees who are exposed to high-risk activities/substances such as: gluing, printing, soldering, forklift, electrical works, noise, dust, laser, X-Ray etc. For these employees, examinations such as B-scan ultrasonography, pulmonary function, bilirubin, hearing, trace element, and eye function are provided before, during and after performing work. Employees who operate X-ray related equipment are subjected to full body examinations that cover potential skin, liver, kidney, lymphatic, and thyroid diseases; In 2022, a total of 23 abnormal inspection results were discovered at the main operational production plants and factories. These cases were confirmed by doctors to raise concerns about hazardous operations. Proper measures have been taken to prevent relevant employees from engaging in hazardous operations, including avoiding assignment to such tasks during job allocation and relocating them from their original positions as necessary.

The Taipei Headquarters also organizes general health checks with more comprehensive coverage than what the laws require. 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.

### | Risk mitigation and preventive protection measures |

To Primax Taipei, with an office-oriented work approach, promoting the physical and mental well-being of employees and maintaining a work-life balance are our main directions in mitigating workplace hazards and showing care for employees. The Taipei Headquarters has implemented plans to identify employee risk factors and develop risk reduction and preventive measures related to gender hazards prevention, prevention of abnormal workloads leading to illnesses, protection against unlawful harm in the line of duty, and maternal health care.

Referring to the 2021 employee health examination results, we have planned risk reduction measures for 2022. The analysis of colleagues' health examination results showed a significant risk of metabolic syndrome and hypertension. Therefore, in 2022, we are implementing comprehensive employee health enhancement actions, focusing on health awareness, a healthy diet, and health management. We follow the principles of soft promotion and daily integration to enhance employees' willingness to participate and implement preventive measures effectively.



**Dissemination of Health Awareness**  
Health awareness is conveyed to colleagues through organizing seminars and workshops on physical and mental health enhancement. In 2022, a total of 142 individuals participated in these events.

**Employees enjoy fully paid vaccination leave and in-house vaccination services are provided by Primax**  
In 2022, a total of 404 doses of vaccines were administered within the company.

<p>Name of the Seminar <b>Health Seminar on Dietary Improvement Strategies for the Three Hypers and Metabolic Syndrome</b></p> <p>Purpose of the Seminar Reducing the risks of "Three Hypers" (high blood pressure, high blood sugar, high cholesterol) and metabolic syndrome among employees.</p> <p>No. of participants <b>34</b></p>	<p>Name of the Seminar <b>Sports Injury Management and Prevention &amp; Magic Muscle Patch Application</b></p> <p>Purpose of the Seminar Preventing employee sports injuries and reducing musculoskeletal risks</p> <p>No. of participants <b>58</b></p>	<p>Name of the Seminar <b>EAP-Friendly Workplace Epidemic Prevention Advocacy</b></p> <p>Purpose of the Seminar Promoting employee health</p> <p>No. of participants <b>27</b></p>	<p>Name of the Seminar <b>AED and CPR Workshop</b></p> <p>Purpose of the Seminar Providing hands-on training for general staff (exceeding regulatory requirements) to enhance employee first aid skills</p> <p>No. of participants <b>23</b></p>
--	--	--	--

## Health Promotion Activities

Encouraging employees to move more, be willing to exercise, and adopt a habit of regular physical activity is our goal. In 2022, Primax Taipei organized various health promotion activities to help employees increase their vitality and prioritize their health while balancing their work commitments.

### Colorful Clubs



As of now, Primax has seven employee clubs that allow them to participate freely: Muscular Endurance Training Club, Stretching Sculpt Yoga Club, Running Club, Basketball Club, Boxing Aerobics Club, Badminton Club, and YOGA CLUB. Each club is subsidized with a budget of 60,000 NT dollars per year for internal expenses and course-related activities.

### Online Fitness Center



In 2022, the online fitness center was established, considering the changes brought about by the pandemic and promoting an online mode for implementing health and wellness programs. It ensures that colleagues can continue their fitness activities without being restricted by the environment. Starting from February 2022, a 12-week online training course on Kinstretch - Joint Strengthening Technique was launched every Friday from 8:30 am to 9:30 am, with a total of 446 participants.

### Charity Road Running



Since 2021, Primax has been participating in the Love Earth Charity Road Run. In 2022, the second Charity Road Running saw a gathering of 134 participants in response.

### ESG Carbon and Fat Reduction Love Earth



The "Ten Thousand Steps a Day" activity was combined with ESG carbon reduction efforts, with a total of 184 participants. The entire team accumulated at least 38.77 million steps, resulting in a total reduction of 5,506 kilograms of carbon dioxide equivalent.

### Stress-relief Massage Service



In 2022, Primax hired visually impaired massage therapists to provide stress-relieving massage services, addressing common shoulder and neck pain issues resulting from prolonged office work. The service was used by a total of 2,200 people during the year.





### Implementation of Healthy Diet

Implementing healthy diet is a continuous goal for us to ensure that our employees eat well and stay healthy. To achieve this goal, we have a spacious and well-lit employee cafeteria and coffee shop, offering meal subsidies and providing weekly menus in advance. We also label the calorie and nutritional information for each set meal, giving colleagues more choices.

At Primax, we aim to reduce the risk of cardiovascular diseases and metabolic syndrome caused by unhealthy eating habits in our employees' daily work routines. For a nominal fee of just 45 NT dollars, our colleagues can enjoy delicious and nutritious lunches. In 2022, due to the restaurant renovation in the first half of the year, a total of 36,411 meal subsidies were used in the second half of the year. The bustling crowd in the cafeteria during lunchtime reflects the strong support Primax receives for providing daily health protection to our employees.

### Mental Health Promotion and Caring

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. At the Taipei Headquarters, we have established an Employee Assistance Program (EAP) helpline to ensure that employees' medical, legal, and psychological issues are effectively addressed. In 2022, a total of 278 employees used the first-stage consultation service, and 29 employees further utilized the second-stage service. The main consultation topics were related to legal issues and interpersonal relationships. The satisfaction survey revealed a score of 5.8 out of 6, indicating that the EAP helpline effectively helped employees reduce negative impacts on their work and life, providing positive assistance in balancing both aspects.

Moreover, we conduct employee mental health workshops and seminars to share experiences and positive energy, showing our care and concern for employees' psychological well-being. In 2022, a total of 3,516 employees participated in these workshops.



<p>Name of the Seminar <b>Saying Goodbye to the Moonlight Tribe with EAP: Wealth Treasure Chest</b></p> <p>Purpose of the Seminar Assisting employees in achieving work-life balance.</p> <p>No. of participants <b>46</b></p>	<p>Name of the Seminar <b>EAP Investment Magnifying Glass: Understanding Investment Tools and Risk Analysis</b></p> <p>Purpose of the Seminar Assisting employees in achieving work-life balance.</p> <p>No. of participants <b>49</b></p>	<p>Name of the Seminar <b>Together in a Friendly Workplace: Interpersonal Boundaries Definition</b></p> <p>Purpose of the Seminar Helping employees understand workplace misconduct</p> <p>No. of participants <b>53</b></p>	<p>Name of the Seminar <b>"So Nice to Have You Here" Year-end Thanksgiving Event</b></p> <p>Purpose of the Seminar Providing employees with a warm and friendly workplace</p> <p>No. of participants <b>3,216</b></p>	<p>Name of the Seminar <b>Group workshops for caring for new hires (total of 10 sessions)</b></p> <p>Purpose of the Seminar Helping new employees adapt to their work</p> <p>No. of participants <b>152</b></p>
--	--	--	---	---

### Primax was awarded the 4<sup>th</sup> Work-Life Balance Award organized by the Ministry of Labor in 2022

For participating in the evaluation for the first time, the company received recognition in the "Family Friendly Category" for the Work-Life Balance Award. Primax provides employees with flexible work hours and locations, measures or mechanisms that consider work-life balance and caregiving, and caring support for physical and mental health. Moving forward, Primax will continue its efforts to create a friendly workplace with work-life balance.



# 07

## Contribution to Society

- 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.

In the fundraising campaign for Taoyuan Community Emergency Relief, more than **85** colleagues responded within just **3** hours, raising a total of NTD **149,500** and providing **299** care packages.

**25** graduates of Taoyuan Elementary School received the handmade dolls as a graduation gift from Primax employees in 2022.

### 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, we have maintained a good relationship with Taoyuan Elementary School and Taoyuan Community in Yenping Township, Taitung County. 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 the interaction between Primax employees and the children of Taoyuan Elementary School continues despite the pandemic.

In 2022, as the COVID-19 pandemic continued to spread throughout Taiwan, the remote Taoyuan community faced not only the problem of limited medical capacity but also the hardship of the entire family's livelihood being greatly impacted when a family member tested positive. To alleviate the various difficulties arising in the Taoyuan community during the pandemic, Primax took the lead in donating a large number of rapid Primax kits to reduce the number of infections in the community. Furthermore, we collaborated with the "Seed Home" organization and initiated the "Taoyuan Community Emergency Relief Fundraising Campaign" within the company, hoping that all colleagues could share their love and support.

**PRIMAX**

愛，讓我們樂於付出。  
愛，讓我們願意分享。

公司日前發起桃源社區急難救助行動。短短3小時，就有超過85名致伸同仁響應，共募得\$149,500，總計捐出299箱急難救助物資！感謝同仁熱情參與！

歡迎您與我們一起努力，把更多的把愛傳出去

#種子之家 #巴魯告部落防疫關懷包  
#桃源社區 #部落防疫 #我們一起

### Primax Tech Expo Family Day x Dousi Multicultural Studio

In October 2022, Primax held a grand technology expo while also incorporating Primax Family Day, welcoming all employees to bring their families to participate. Additionally, for the first time, Primax collaborated with the Dousi Multicultural Studio and invited Bunun children from Taitung to perform and celebrate together. The event not only featured presentations about Primax Group and its main product technologies but also offered a variety of delicious food, photo booths, interactive games, and lifestyle DIY activities, creating a lively and festive atmosphere for the entire tech expo.

The most anticipated highlight of this event was the traditional tribal singing and dancing performance by the Bunun children led by the Dousi Multicultural Studio. This provided these children, who are making efforts to preserve their mother tongue and culture, with a grand stage and boosted their self-confidence. Additionally, after the event, Primax arranged a sightseeing activity in Taipei, allowing the Bunun children to have fun and get to know Taipei. Through this experience, it is hoped that the children's horizons will be broadened while also strengthening the connection between Primax and the community, working towards the vision of multicultural integration and coexistence.



Inviting Bunun tribal children to perform traditional tribal dances.



Primax Technology Exposition Family Day group photo.

### Esports Career Experience Camp x Taitung Zhiben Kids' Bookhouse - Bookhouse Festival

With the rapid advancement of information technology, professional Esports competitions in Taiwan have been gaining increasing attention. As a major manufacturer of Esports peripherals, Primax aims to contribute to the education of the Esports industry and provide young people with an accurate understanding of the vast and emerging Esports field. Therefore, in early December 2022, we partnered with our charity partner, Taitung Zhiben Kids' Bookhouse, to set up an "Esports Career Experience" booth during the annual Bookhouse Festival. This booth provided children from rural areas with an opportunity to explore the Esports industry and enjoy a rich and fun Esports experience.

During the event, we guided the children through various gaming challenges, step by step, to explore the Esports industry. First, we introduced the different categories in the Esports industry. Apart from the glamorous players, there are also many essential roles behind the scenes, such as coaches, streamers, commentators, producers, sound designers, editors, event planners, executors, marketers, game designers, and Esports peripheral manufacturers. Each of these roles plays a crucial part in the Esports ecosystem. Next, we explained the differences between Esports products and general computer peripherals, allowing the children to operate related equipment. We also simulated the roles of broadcasters, producers, and players in an Esports competition setting, providing an interactive experience. After completing all the challenges, the children could participate in an exciting lottery draw.

The total number of participants in this event was **226**, and among 213 valid questionnaires, it received an average satisfaction score of **9.85** out of 10.



Engaging documentary of the 2022 Bookhouse Festival.

## 7.2 Participation in Public Welfare Contributions

“ Dedicated to Extending Goodness, Gathering Love from our Initial Heart ”

### Regular Sponsorships for Public Welfare Partners and Encouragement to Employees for Participation

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.



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.

Since its establishment in 2018, the Primax Pearl Class has raised a cumulative total of approximately 3.93 million NT dollars, with 2,825 people participating in the fundraising efforts.



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.

Since its inception in 2021, the Love Gathering Children project has invested 2.21 million NT dollars, benefiting a total of 18,439 beneficiaries.



We continue to offer scholarships 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.

Since its launch in 2022, the Scholarship Assistance program has provided 442,000 NT dollars in total, benefiting 42 students.



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 organize five research and study activities, using an enjoyable learning approach to promote STEM education among young individuals in the technology industry and contribute to national scientific endeavors.

Since its initiation in 2022, the Growth Classes project has invested 660,000 NT dollars, benefiting 1,500 participants.

Primax Taipei Headquarters sponsored and contributed to public welfare events with a total of 7,972,872 NTD in 2022.

### 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 2022, we initiated four major philanthropic projects, namely "Primax Pearl Class", "Love Gathering Children", "Scholarship", and "Growth Classes", focusing on sponsoring education, caring for left-behind children, and supporting rural educational development. 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, contributing to the development of a better society.

## Proactively Leveraging Primax's Influence, Encouraging More People to Participate in Educational Philanthropy

Primax not only takes action from within but also leads its employees to actively engage in philanthropic activities. Furthermore, it extends its efforts to stakeholders, encouraging friendly businesses to join the ranks of charitable actions. In June 2022, Primax reached out to Xin Hua Education Foundation through the Primax information platform to participate in the "Reclaiming Pearl Project", providing funding for three Pearl Classes.



### Donating to Support Education - Gathering Love for Children

Fulfilling its corporate social responsibility, Primax has been actively involved in caring for the disadvantaged and supporting education in rural areas, igniting the flames of hope in every corner of society. In 2021, we collaborated with the Youth Development Foundation of Guangdong to launch the "Love Gathering Children" program, spanning from September 2021 to September 2022. The project aims to support rural teachers by providing educational funding and conducting "Storytelling Events for Left-Behind Children" to provide care, assistance, and extracurricular education for these children. Additionally, during the implementation of the program, we completed two renovation projects at Pingshan Primary School (replacing lights and fans, and repairing interior walls) to improve the learning environment for the children, allowing them to grow up in a healthy and happy environment.

#### ● Storytelling Events for Left-Behind Children

Primax sponsors the establishment of "Storytelling Events for Left-Behind Children" in collaboration with its philanthropic partner, the Youth Development Foundation of Guangdong Province. This event involves accompanying left-behind children to watch educational videos, guiding and expanding their knowledge beyond the regular curriculum. The content of these events is designed based on the developmental level and interests of different grade levels. For example, for younger children, there are drawing and English language activities to lay the foundation for foreign language proficiency. As for children in the senior grades, the focus is on themed educational animations and films covering topics such as maternal love, friendship, patriotism, and scientific knowledge, providing them with an education beyond textbooks.



Storytelling Events for Left-Behind Children

#### Event Results

- Gathering Love for Children: As of September 2022, a total of 2.21 million NT dollars has been invested, benefiting a total of 18,439 individuals.
- Funding Support for 3 Volunteer Teachers: Accumulated a total of 3,348 teaching sessions (2,304 regular classes + 1,044 morning and afternoon reading sessions) for Datang Primary School.
- Establishment of Storytelling Events for Left-Behind Children: By playing educational, patriotic, historical, scientific, and emotionally-guided videos, the accumulated duration of companionship has reached 10,450 minutes.
- Improvement of Basic Infrastructure: Two renovation projects have been completed for Pingshan Primary School (replacement of lights and fans & repair of interior walls), enhancing the learning environment for the children.



Guangdong Youth Development Foundation 2021 Annual Report and Logo

## 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. ”

### Primax's Volunteer Service Team and Star-rating Volunteer Reward System

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:



In Dongguan Dongju established the Dongju Electronic Volunteer Service Team.

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

In Kunshan Primax established the Primax Dongju Volunteer Service Team.

In addition, we have established the "Star Volunteer Incentive System" with the aim of encouraging colleagues to actively participate in charitable activities. In 2022, despite the somewhat controlled situation of the COVID-19 pandemic, the volunteer service teams continued to respond to various service activities. These included events like "Childhood Love, Childhood Growth", "Brighten Up" Project, visiting underprivileged children and the elderly, all of which were key philanthropic activities for Primax in 2022. 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 an outstanding volunteer service team and a compassionate collective. This external acknowledgment has been received by our volunteer team every year since its establishment.



Children's Heart, Children's Love, Children's Growth Activities (Phase 7)



Visits for Underprivileged Children and the Elderly

In 2022, the Primax Volunteer Service Teams executed a total of **24** activities, with **323** participants, benefiting a total of **6,891** individuals. The total philanthropic expenditure amounted to **223,117** NT dollars.

In 2022, a total of **31** volunteers met the criteria for star-rated volunteers and were commended in public.

### 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 2022, due to the impact of the pandemic, we transformed the routine "Year-end Shopping with the Elderly" activity into an online format. Initially, Primax volunteers visited the Hongdao service center to accompany the elderly in browsing online store catalogs, recording their needs. Subsequently, the center staff placed orders for the required items, and Primax volunteers delivered them directly to the elderly. This approach reduced the potential risk of infection for the elderly in crowded stores while achieving the goal of providing companionship to the elderly and delivering warmth and happiness to them before the Lunar New Year.

Additionally, during the Double Ninth Festival in September, we organized the "Companionship Meal with the Elderly" event at the Hongdao Nangang branch. During the activity, our volunteers engaged the elderly in fun intellectual games, casual conversations, and shared delicious meals together. 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.



Pictures of employees accompanying the elderly to have meals together





# 08

## Appendices

- 8.1 Certification and Verification
- 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 and Verification

Name of system Plant	Environmental						Social			Governance				
	ISO 14064-1 Greenhouse Gas Inventory	ISO 14001 Environmental Management System	ISO 50001 Energy Management System	ISO 14046 Water footprint standards for organization life cycle	IECQ QC 080000 Hazardous Substance Process Management System	UL 2799 Certification of Zero Burial	RBA VAP Responsible Business Alliance	ISO 45001 Occupational health and safety management system	C-TPAT Customs-Trade Partnership Against Terrorism	AEO High-Quality Enterprise	ISO 27001 Cyber Security Management System	ISO 9001 Quality Management System	ISO 13485 Medical Device Management System	IATF 16949 Automotive Quality Management System
Primax Taipei	● 2023/4/10	● 2025/10/26	● 2025/12/16	● 2023/4/11	● 2025/5/8						● 2024/2/11	● 2025/4/23		
Primax Dongguan	● 2023/4/10	● 2025/12/18	● 2025/11/11	● 2023/4/11	● 2025/5/8	2023 Certification	● 2023/12/30	● 2025/9/18	● 2023/8/2	● (No validity period)	● 2024/2/11	● 2025/4/23		● 2025/3/14
Primax Chongqing	● 2023/4/10	● 2025/12/18	● 2025/11/19	● 2023/4/11	● 2025/5/8	2024 Certification	● 2023/10/20	● 2025/9/18	● 2025/3/7	● (No validity period)	● 2024/2/11	● 2025/4/23		
Primax Kunshan	● 2023/4/10	● 2025/12/18	● 2025/11/12	● 2023/4/11	● 2025/5/8			● 2025/9/18			2023 Certification	● 2025/4/23		
Primax Thailand	2023 Verification	● 2025/5/19	2023 Verification	2023 Verification	● 2025/5/8	2025 Certification	● 2024/06/28	● 2025/5/19	● 2023/11/07		● 2024/2/11	● 2025/4/23		
Tymphony Dongguan	● 2023/4/10	● 2026/01/13	● 2025/11/30	● 2023/4/11	● 2025/07/31	● 2023/12	2024 Certification	● 2026/01/13	● 2025/05/15		● 2024/9/5	● 2024/09/07	● 2025/06/27	● 2025/5/16
Tymphony Huizhou	● 2023/4/10	● 2024/05/18	● 2025/11/30	● 2023/4/11	● 2025/09/12	2024 Certification	2024 Certification	● 2024/5/18	● 2023/08/08		● 2024/9/5	● 2024/08/06		● 2025/7/29
Tymphony Thailand	2023 Verification	● 2025/11/17	2023 Verification	2023 Verification	● 2025/5/8	2025 Certification	2024 Certification	● 2025/11/17	● 2023/10/11		● 2024/9/5	● 2025/04/23		
Tymphony Czech	2024 Verification	● 2025/11/17	2025 Verification	2024 Verification	2023 Certification			● 2025/11/17			● 2024/9/5	● 2024/4/16		

## 8.2 GRI Content Index

### Declaration of Use

Primax Electronics has reported in accordance with the GRI (Global Reporting Initiative) guidelines for the period from January 1, 2022, to December 31, 2022.

### GRI 1 Used

GRI 1: Basic 2021

### Applicable GRI Industry Standards

No Applicable GRI Industry Standards

GRI Topics	Disclosures	Corresponding chapter	Reasons/Explanations for Omission	Page
<b>GRI 2: General Disclosures 2021</b>				
Organizational and Reporting Practices				
2-1	Detailed information about the organization	1.4 Company Overview		11
2-2	Entities included in the ESG report	About the report		5
2-3	Reporting period, frequency, and contact person	About the report		5
2-4	Restatements of information	About the report		5
2-5	External Assurance	About the report 8.6 Independent Third Party Verification Statement		5 132
Activities and Workers				
2-6	Activities, value chain, and other business relationships	1.4 Company Overview		11
2-7	Employee	6.2 Work Forces Overview		86
2-8	Non-employee workers	6.2 Work Forces Overview		86
Governance				
2-9	Governance structure and composition	3.1 Corporate Governance Framework		34
2-10	Nominating and selecting the highest governance body	3.1 Corporate Governance Framework		34
2-11	Chair of the highest governance body	3.1 Corporate Governance Framework		34
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 ESG reporting	About the report 2.1 Sustainability Management and Practice		5 15
2-15	Conflicts of interest	3.3 Ethics and Integrity		37
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		36
2-18	Evaluating the highest governance body's performance	3.2 Operations of Governance		36

GRI Topics	Disclosures	Corresponding chapter	Reasons/Explanations for Omission	Page
2-19	Compensation policies	3.2 Operations of Governance		36
2-20	Compensation decision-making process	3.2 Operations of Governance		36
2-21	Annual total compensation ratio	-	Expected to be disclosed in the 2023 ESG report	
<b>Strategies, Policies, and Practices</b>				
2-22	Statement of sustainable development strategy	1.2 Message from the Chairman		7
2-23	Policy commitments	6.1 Human Rights Management 5.2 Sustainable Supply Chain Management		84 76
2-24	Inclusion of policy commitments	6.1 Human Rights Management 5.2 Sustainable Supply Chain Management		84 76
2-25	Remediation process for negative impacts	2.3 Stakeholder Engagement		20
<b>Chapter Management Policies</b>				
2-26	Mechanism for Seeking Advice and Raising Concerns	2.3 Stakeholder Engagement		20
2-27	Compliance	1.3 Awards and Achievements in 2022		8
2-28	Membership of associations	4.2 Energy Management		59
<b>Stakeholder engagement</b>				
2-29	Stakeholder Engagement Policy	2.3 Stakeholder Engagement		20
2-30	Collective bargaining agreements	6.4 Talent Attraction		91
<b>Material topic</b>				
<b>GRI 3 : Material Topics 2021</b>				
3-1	Decide on the process of material topics	2.4 Identification of Material Issues		25
3-2	List of Material Topics	2.4 Identification of Material Issues		25
<b>Material Issues: Occupational Health and Safety</b>				
3-3	Management of Material Topics	6.7 Health and Safety		2017
GRI 403 Occupational safety and health 2018	403-1 Occupational health and safety management system	6.7 Health and Safety		2017
	403-2 Hazard identification, risk assessment, and incident investigation	6.7 Health and Safety		2017
	403-3 Occupational health services	6.7 Health and Safety		2017
	403-4 Worker participation, consultation, and communication on occupational health and safety	6.7 Health and Safety		2017
	403-5 Worker training on occupational health and safety	6.7 Health and Safety		2017
	403-6 Promotion of worker health	6.7 Health and Safety		2017
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.7 Health and Safety		2017

GRI Topics	Disclosures	Corresponding chapter	Reasons/Explanations for Omission	Page
GRI 403 Occupational safety and health 2018	403-8 Workers covered by an occupational health and safety management system	6.7 Health and Safety		2017
	403-9 Work-related injuries	6.7 Health and Safety		2017
	403-10 Work-related ill health	6.7 Health and Safety		2017
<b>Material Issues: Economic performance</b>				
3-3	Management of Material Topics	3.4 Operating Performance		39
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	3.4 Operating Performance		39
	201-4 Financial assistance received from government	3.4 Operating Performance		39
<b>Material Issues: Climate Action</b>				
3-3	Management of Material Topics	4 Environmental Sustainability		52
GRI 201 Economic Performance 2018	201-2 Financial implications and other risks and opportunities due to climate change	4.1 Climate Change Financial Disclosure		53
GRI 302 Energy 2016	302-1 Energy consumption within the organization	4.2 Energy Management		59
	302-3 Energy intensity	4.2 Energy Management		59
	302-4 Reduction of energy consumption	4.2 Energy Management		59
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.3 Greenhouse Gas Reduction		62
	305-2 Energy indirect (Scope 2) GHG emissions	4.3 Greenhouse Gas Reduction		62
	305-3 Other indirect (Scope 3) GHG emissions	4.3 Greenhouse Gas Reduction		62
	305-4 GHG emissions intensity	4.3 Greenhouse Gas Reduction		62
	305-5 Reduction of GHG emissions	4.3 Greenhouse Gas Reduction		62
<b>Material Issues: Privacy and Cyber Security</b>				
3-3	Management of Material Topics	3.7 Privacy and Cyber Security		46
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		46
<b>Material Issues: Talent Recruitment and Retention</b>				
3-3	Management of Material Topics	6.3 Talent recruitment and retention		88
GRI 202 Market Presence 2016	202-2 Proportion of hiring local residents for high-level management positions	6.3 Talent Recruitment and Retention		88
GRI 401 Labor/Management Relations 2016	401-1 New employee hires and departed employees	6.3 Talent Recruitment and Retention		88
	401-2 Benefits provided to full-time employees (excluding temporary and part-time employees)	6.4 Talent Attraction		91
	401-3 Parental leave	6.4 Talent Attraction		91
GRI 201 Economic Performance 2018	201-3 Defined benefit plan obligations and other retirement plans	6.4 Talent Attraction		91

GRI Topics	Disclosures	Corresponding chapter	Reasons/Explanations for Omission	Page
<b>Material Issues: Risk Management</b>				
3-3	Management of Material Topics	3.6 Risk Management		42
GRI 201 Economic Performance 2018	201-2 Financial implications and other risks and opportunities due to climate change	4.1 Climate Change Financial Disclosure		53
<b>Material Issues: Labor/Management Relations</b>				
3-3	Management of Material Topics	6.1 Human Rights Management		83
GRI 402 Labor-management relationship 2016	402-1 Minimum notice periods regarding operational changes	6.3 Talent Recruitment and Retention		88
<b>Material Issues: Talent Development and Cultivation</b>				
3-3	Management of Material Topics	6.3 Talent Recruitment and Retention		88
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	6.6 Talent Development and Cultivation		100
	404-3 Percentage of employees receiving regular performance and career development reviews	6.6 Talent Development and Cultivation		100
<b>Material Issues: Ethical Corporate Management</b>				
3-3	Management of Material Topics	3 Corporate Governance		33
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		36 37
	205-3 Confirmed incidents of corruption and actions taken	3.3 Ethics and Integrity	None	37
<b>Material Issues: Diversity and Equality</b>				
3-3	Management of Material Topics	6.1 Human Rights Management		83
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	3.1 Corporate Governance Framework		34
	405-2 Ratio of female to male basic salary and total compensation	6.4 Talent Attraction		91
<b>Material Issues: Labor Rights</b>				
3-3	Management of Material Topics	6.1 Human Rights Management		83
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	6.1 Human Rights Management		83
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	6.1 Human Rights Management		83
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		83
<b>Material Issues: Supply Chain Sustainability Management</b>				
3-3	Management of Material Topics	5.2 Sustainable Supply Chain Management		76
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5.2 Sustainable Supply Chain Management		76
	308-2 Negative environmental impacts in the supply chain and actions taken	5.2 Sustainable Supply Chain Management		76
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	5.2 Sustainable Supply Chain Management		76

GRI Topics	Disclosures	Corresponding chapter	Reasons/Explanations for Omission	Page
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.2 Sustainable Supply Chain Management		76
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	5.2 Sustainable Supply Chain Management		76
	414-2 Negative social impacts in the supply chain and actions taken	5.2 Sustainable Supply Chain Management		76
<b>Material Issues: Corporate Governance</b>				
3-3	Management of Material Topics	3 Corporate Governance		33

## Voluntary Disclosure Indicator

GRI Topics	Disclosures	Corresponding chapter	Reasons/Explanations for Omission	Page
GRI 303: Water and Wastewater 2018	303-2 Management of water discharge-related impacts	4.4 Water Resource Management		64
	303-3 Water withdrawal	4.4 Water Resource Management		64
	303-4 Water Discharge	4.4 Water Resource Management		64
	303-5 Water consumption	4.4 Water Resource Management		64
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	4.5 Pollution Prevention and Management		65
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.5 Pollution Prevention and Management		65
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	4.5 Pollution Prevention and Management		65
	306-3 Waste generated	4.5 Pollution Prevention and Management		65
	306-4 Waste diverted from disposal	4.5 Pollution Prevention and Management		65
	306-5 Waste directed to disposal	4.5 Pollution Prevention and Management		65
GRI 301: Materials 2016	301-1 Materials used by weight or volume	5.1 Green Product Health and Safety Management		70
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	5.1 Green Product Health and Safety Management		70
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	5.1 Green Product Health and Safety Management		70
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	7 Contribution to Society		115

## 8.3 SASB Index

### Technology & Communication/Hardware

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	230 a. 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	330 a. 1	(1) executive management, (2) technical personnel, and (3) all other employees.	Quantitative	%	Statistics by genders Managers: Male 74.43%, Female 25.57% Technical Staff: Male 84.54%, Female 15.46% Other Employees: Male 45.88%, Female 54.12%  Statistics by ethnicities Managers: Asian 99.7%, Caucasian 0.3% Technical Staff: Asian 99.9%, Caucasian 0.1% Other Employees: Asian 100%, Caucasian 0%
Product life cycle management	410 a. 1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	%	The percentage of products in the Primax Group that can be declared according to IEC 62474 is 100%; the percentage of products sold containing 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 5.1 Green Product Health and Safety Management
	410 a. 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.
	410 a. 3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Quantitative	%	Primax Group's products are business to business (B2B), and ENERGY STAR® registration is executed by our clients. If they have application needs, we will provide the information required for registration.
Product life cycle management	410 a. 4	Weight of end-of-life products and e-waste recovered, percentage recycled	Quantitative	t,%	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. Weight of end-of-life products and e-waste recovered at the plants, percentage recycled Weight: 6.7 t Percentage of recycled objects: 100%



Topic	Indicator No.	Disclosure indicator	Nature	Unit	Report content or description
Supply chain management	430 a. 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) Number of audits conducted at Tier suppliers / Total number of Tier suppliers. 2.34% (b) Number of audits conducted at high-risk Tier 1 suppliers / Total number of high-risk Tier 1 suppliers. 74.36% 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.
	430 a. 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) Priority non-conformances = Number of priority non-conformances / Total number of items inspected: 3.06% (b) Other non-conformances = Number of other non-conformances / Total number of items inspected: 18.66% (2) Improvement Rate: (a) Improvement rate of priority non-conformances = Number of priority non-conformances corrected / Total number of priority non-conformances: 97.75% (b) Improvement rate of other non-conformances = Number of other non-conformances corrected / Total number of other non-conformances. 95.57%
Material procurement	440 a. 1	Description of the management of risks associated with the use of critical materials	Qualitative	n/a	Please refer to 5.2 Sustainable Supply Chain Management Primax Group has established a green product management platform to manage raw materials in the supply chain from the source by integrating GP Portal®, SAP®, and other information platforms into the PDM® system, to form a complete management information system, while requiring suppliers to be committed to using responsible minerals, and striving to ensure the minerals used in our products (such as tantalum, tin, gold, and tungsten). If our suppliers use conflict metals, they will be made to disclose the information on the smelters and announce them on the Primax's green product management platform, GP-Portal®, and they will be notified to replace the minerals. Furthermore, Primax conducts systematic audit procedures for suppliers using critical materials, focusing on environmental, social, and other risk aspects to manage supplier operational capabilities. It also implements comprehensive hazardous substance management procedures to ensure the safe use of critical materials. Additionally, a well-established inventory mechanism for critical materials is in place to mitigate the risk of supply chain disruption.

## 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 (%)	376,894.102 GJ ∙ 96.86% ∙ 32.6%
2	Total water intake and total water consumption	Quantitative	Thousand cubic meters (M <sup>3</sup> )	871,672 M <sup>3</sup>
3	Weight of generated hazardous waste and recycling percentage	Quantitative	Metric tons (t), percentage (%)	Weight: 91.55 t Recycling Percentage: 47.38%
4	Description of occupational accident categories, number, and ratio	Quantitative	Ratio (%), Quantity	Number: 25 people (all general occupational accidents) Occupational Accident Ratio: 0.22%
5	Disclosure of product life cycle management: weight of scrapped products and electronic waste and recycling percentage	Quantitative	Metric tons (t), percentage (%)	Weight: 6.7 t Percentage of recycled objects: 100%
6	Description of risk management related to the use of key materials	Qualitative description	Not applicable	Please refer to 5.2 Sustainable Supply Chain Management
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	146,074 thousand

## 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 of how the identified climate risks and opportunities affect the company's business, strategies, and finances in the short, medium, and long term.	4.1 Climate Change Financial Disclosure
3.	Explanation of the financial impact of extreme climate events and transition actions.	4.1 Climate Change Financial Disclosure
4.	Description of how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	4.1 Climate Change Financial Disclosure
5.	If scenario analysis is used to assess resilience to climate change risks, provide details of the scenarios, parameters, assumptions, analysis factors, and major financial impacts used.	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.	N/A
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.	Inventory and verification of greenhouse gas emissions.	As Primax's total capital has not reached five billion New Taiwan Dollars, the individual company's assurance will be completed starting from 2028, and the consolidated subsidiary's assurance will be completed starting from 2029. The company has conducted audits and verifications of various locations within the group and will disclose according to regulations in the future.

# 8.6 Statement of Independent Third-party Verification Opinion



## ASSURANCE STATEMENT

### SGS TAIWAN LTD.'S REPORT ON ESG ACTIVITIES IN THE PRIMAX ELECTRONICS LTD'S ESG REPORT FOR 2022

#### NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

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 2022 (hereinafter referred to as the Report). The scope of assurance is based on the SGS ESG & 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 Universal Standard (2021) and AA1000 Accountability Principles (2018) and ESG disclosure topics & accounting metrics follows ESG accounting standards (SASB)-Hardware version 2018-10 during on-site verification (2023/04/17-2023/05/22) in PRIMAX headquarter. The boundary of this report includes PRIMAX Taiwan and oversea 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 2022 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 verification 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 ESG Reporting Standards (GRI Standards) GRI 1 Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to 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 (Hardware)

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

#### ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, 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, 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 verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and ESG report assurance. SGS affirm our independence from PRIMAX, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

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

#### VERIFICATION/ ASSURANCE OPINION

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

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

#### AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

##### Inclusivity

PRIMAX has demonstrated a sufficient commitment to stakeholder inclusivity and stakeholder engagement. Processes are in place to prioritise the stakeholder groups and descriptions of the relationships with the identified stakeholder groups are well defined. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, ESG experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

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

#### GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, PRIMAX's ESG Report of 2022, 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 ESG development. For future reporting, PRIMAX is encouraged to prepare for the transition to reporting in accordance with the GRI Standards, with more comprehensive details of its management processes on the identified impacts on the economy, environment, and people, including impacts on their human rights.

#### SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

PRIMAX has referenced with SASB's Standard, Technology & Communications Sector-Hardware Industry Standard, VERSION 2018-10 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  
Knowledge Deputy General Manager  
Taipei, Taiwan  
13 June, 2023  
[www.sgs.com](http://www.sgs.com)



AA1000  
Licensed Report  
000-8/V3-ETDQW