



# 1. Basic Information and Sustainability Management

## 1.1 About This Report

### 1.1.1 Reporting Period

#### (GRI 2-3)

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

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

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

### 1.1.2 Guidelines Followed

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

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



### 1.1.3 Boundaries and Scope

#### (GRI 2-2)

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

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

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

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

### 1.1.4 Information Restatement

#### (GRI 2-4)

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

### 1.1.5 Internal Control

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



## 1.1.6 External Assurance/Verification

### (GRI 2-5)

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

## 1.1.7 Contact Information

### (GRI 2-3)

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

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Report Download URL:

[https://www.panpi.com.tw/tw/sustainability/csr\\_reports](https://www.panpi.com.tw/tw/sustainability/csr_reports)





## 1.2 Sustainability Strategy and Performance

### 1.2.1 Message from the Management

#### ESG Trends and Pan-International's Commitment

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

#### Pan-International's Environmental Responsibility and Carbon Neutrality Goals

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

## Chairman's Message 1

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

#### Dedicated Practice and Achievements of Social Responsibility

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



## Chairman's Message 2

### 2023 Operational Challenges and Effectiveness

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



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

Chairman 

### Board Re-election and Governance Performance

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

### Our Future Outlook and Opportunities

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





2023

# Pan-International Group Sustainability Highlights

## 1.2.2 Sustainability Performance



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

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

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

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

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

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

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

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



▼ Sustainability Highlights - 2



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

(AAA-CCC, AAA being the best)

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

▼ ISO Certificates (please refer to appendix for certificates)

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

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



## 1.3 Stakeholder Engagement

### 1.3.1 Identifying Stakeholders

(GRI 2-29)

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

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

### 1.3.2 Stakeholder Communication

(GRI 2-12, 2-29)

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





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

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

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

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



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

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



## 1.4 Material Topic Management

### 1.4.1 Material Topic Assessment Process

(GRI 2-14, 3-1)

#### Material Topic Assessment Process

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

#### Step 1: Identify Key Issues

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

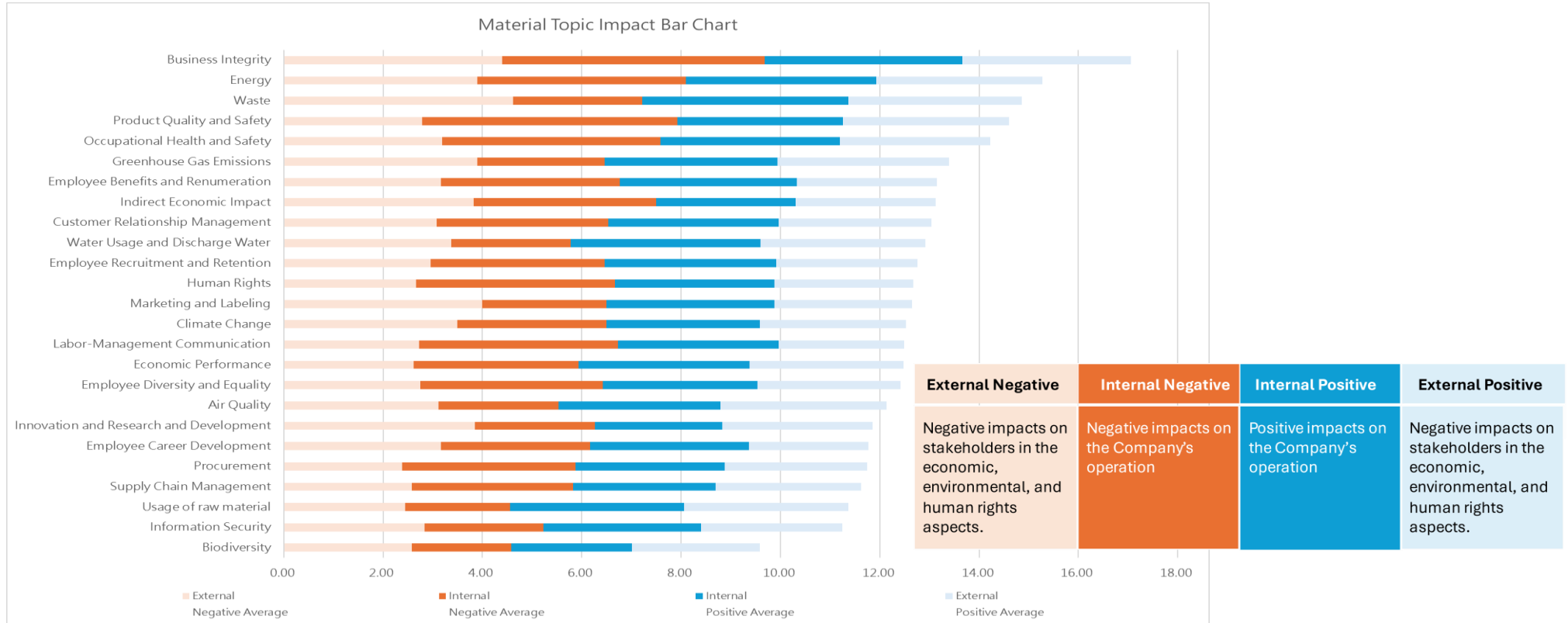
#### Step 2: Determine Material Topics

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

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

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

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





### Step 3: Reporting on Material Topics and Information

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

### Step 4: Continuous Review

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

## 1.4.2 Material Topic Impact Management

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

### Material Topic Management Strategy

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

### Material Topic List

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





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

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