



2021 ESG report

Primax Technology Co., Ltd.



Contents

00

Overview

0.0 About this Report	5
0.1 Message from the Chairman	8
0.2 Awards and Achievements in 2021	10
0.3 Company overview	13

01

Sustainability Management

1.1 Sustainable operation	18
1.2 Primax sustainability strategies and Blueprint	20
1.3 Stakeholders and material topics	21

02

Corporate Governance

2.1 Organization structure of corporate governance	33
2.2 Operations of corporate governance	35
2.3 Ethics and integrity	37
2.4 Operating performance	39
2.5 Innovation and service	43
2.6 Risk management	46
2.7 Privacy and Cybersecurity	49

03

Environmental Sustainability

3.1 Climate change management	56
3.2 Energy management	60
3.3 Greenhouse gas reduction	62
3.4 Water resource management	65
3.5 Pollution prevention and management	68

Contents

04 Responsible supply chain

- 4.1 Green product health and safety management 72
- 4.2 Sustainable supply chain management 77

05 Friendly Workplace

- 5.1 Labor rights 84
- 5.2 Overview of employee 87
- 5.3 Talent recruitment and retention 90
- 5.4 Talent Attraction 92
- 5.5 Diverse communication and interaction 99
- 5.6 Talent training and development 104
- 5.7 Occupational health and safety 109

06 Social Participation and charity

07 Appendices

- 7.1 List of Primax's Management Systems 124
- 7.2 GRI content index 125
- 7.3 Comparative Table with SASB Standards 131
- 7.4 Independent Third Party Verification Statement 133
- 7.5 TCFD Performance Statement 134

00

Overview

0.0 About this Report

0.1 Message from the Chairman

0.2 Awards and Achievements in 2021

0.3 Company overview

0.0 About this Report


This report is the 8th ESG Report released by Primax Technology Co., Ltd. (hereinafter referred to as “Primax Technology”, “Primax”, “the Company”, and “we”) Notes 1 and 2. In addition to following the GRI Standards: Core Option issued by the Global Reporting Initiative (GRI), this report serves as a reference for information disclosure in this report. Under the framework of the Task Force on Climate-related Financial Disclosure (TCFD) recommendations and the standards of the Sustainability Accounting Standards Board (SASB), we adopted sustainability management, corporate governance, environmental sustainability, responsible supply chain, friendly workplace, and social contribution as the main chapters of this report, to record the Primax Group’s efforts and achievements in sustainable issues, management approaches, and relevant performance in 2021, in terms of economy, governance, environment, and society (including product responsibility). we hope that Primax will demonstration the results of our efforts in promoting sustainable development and continue to listen to different stakeholders’ expectations and feedback as the direction of our continuous improvement on the road toward sustainability through the release of this report.

Reporting Period and Scope

This report discloses information from January 1, 2021 to December 31, 2021, and covers operations including Primax Electronics Taipei Headquarters/Taipei R&D Design Center, Dongguan Primax, Chongqing Primax, Kunshan Primax, as well as subsidiaries Huizhou Tymphany, Dongguan Tymphany, and Dongcheng Tymphany in China. Economic data was sourced from consolidated financial statements published as part of the organization's 2021 annual report, which covered

the operational headquarter of Primax Electronics Ltd. and performances of manufacturing sites and R&D centers worldwide. All financial data in the report was presented in NTD (NTD 4.4 = RMB 1). Based on GRI's materiality principles, we have decided to make environmental and social disclosures separately for our key operations by assessing how each topic affects the various operations. Furthermore, for the completeness of this report, certain contents have been disclosed from the perspective of Primax Group with the inclusion of occurrences, management plans, and goals before and after 2021.


Basis of report data

All data disclosed in the report was gathered and compiled by Primax Electronics, and presented in globally recognized indicators. Any use of estimate will be explained in the respective chapters. Financial data was sourced from consolidated, NTD-denominated financial statements that KPMG had prepared in accordance with International Financial Reporting Standards (IFRS). In addition, management systems, including ISO 9001:2015 - Quality Management System, IATF 16949: 2016 Automotive Quality Management System, CTPAT: Customs Trade Partnership Against Terrorism, ISO 27001:2013 IT security Management System, ISO 45001: 2018 Occupational Safety and Health Management System, IECQ QC 080000 Hazardous Substance Process Management (HSPM) System, ISO 14001: 2015 Environmental Management System, ISO 14064-1: 2018 Greenhouse Gas Inventory Standard, ISO 50001: 2018 Energy Management System, and ISO 14046: 2014 Water Footprint Standard have been verified by third-party verifiers ([Please refer to Appendix 7.1](#)). 

Note 1: Primax Electronics Ltd. includes Primax Electronics Taipei Headquarters/Taipei R&D Center, and Dongguan Primax, Chongqing Primax and Kunshan Primax in China.

Note 2: The term "Primax Group" or "Group" is used for disclosures that include subsidiaries such as Huizhou Tymphany (formerly known as Huizhou Loudspeaker), Dongguan Tymphany and Dongcheng Tymphany.

Edit, review and assurance of report

We have performed systematic analyses and determined the priority of stakeholders' sustainability concerns to provide the basis for contents disclosed in this report. The ESG Office first prepared an initial draft of the report and then disseminated it to members of the preparation team for reviews, additions, and amendments within their areas of responsibility. The revised report was later sent to SGS, an independent third-party verifier, which issued AA1000AS v3 Type 1 high assurance with respect to the inclusivity, materiality, responsiveness, and impact of this report. [Please refer to Appendix 7.4 for detailed SGS assurance report and statement and Appendix 7.3 for GRI content index.](#) 

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, and 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.

Time of report publication

Primax Electronics will prepare sustainability reports on a yearly basis and publish them over the Company's website.

Previous issue: published in June 2021

Current issue: published in June 2022

Contact information

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 Technology 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 website: <https://csr.primax.com.tw/>



Company website



ESG website

Support for Global Initiatives



0.1 Message from the Chairman

Looking back on 2021, the world was still impacted by the COVID-19 pandemic. Although many uncertainties still existed for the global economy, consumption, with the gradual slowdown of the pandemic, has begun to recover with a strong demand increasing around the world, tightening the supply of raw materials and components and causing disconnection of supply chains. The quantitative easing policies implemented by the central banks of various countries have prompted rising prices and costs, and exacerbated the concerns about inflation, while posing new challenges to global companies.

We expanded the global manufacturing layout to diversify risks and our profit hit a new high amid steady revenue growth

Primax Electronics, with the business resilience to stabilize the business rapidly after the pandemic, continues to build a long-term layout and invest in new products and new technologies from a forward-looking perspective, while strengthening the ability to diversify risks. The production site in Thailand has continued to expand its production capacity and shipments. The new plant was successfully completed by the end of 2021. With production sites and supply chains located in different regions, we are able to cope with the trend of differentiation of the post-global manufacturing systems. In terms of operating results and profits, in 2021 the revenue from electronic automobile products and police camera products increased steadily, and the applications of imaging technology were launched to new markets, and the subsidiaries' new projects were put into mass production. Meanwhile, continuing to benefit from the stay-at-home economy and market and a hybrid work model in the post-pandemic era, our shipments of the computer peripheral business group demonstrated a substantial increase, enabling Primax to achieve a new peak in profit amid steady revenue growth.

We established a climate change risk assessment framework under TCFD and were rated as “benchmark” in SGS performance assessment

Facing the rising awareness of global warming, extreme climate, environmental protection and energy conservation, safety and health, and conservation, Primax has established a risk framework with reference to TCFD, identified significant risks and opportunities from climate change through rigorous financial calculations, and set clear reduction SBTs as the basis for setting TCFD targets and indicators. As such, we can respond to climate change risks and challenges as soon as possible, while keeping abreast of the carbon reduction benefits of each link in our value chain. In addition, we passed the third-party performance assessment of TCFD in February 2022 and were rated as

“benchmark”, the highest rating, by SGS Taiwan, a verification entity in Taiwan, surpassing our competitors in the domestic electronics manufacturing industry, due to our high credibility and transparency in climate change governance and financial disclosure.

We joined the RE100 initiative with a commitment to 100% renewable energy and carbon neutral by 2040

As a leading provider of first-class solutions in information, electronics, and consumption, Primax officially announced to join the RE100 initiative, with a commitment to 100% renewable energy in our global operations and achieving carbon neutrality by 2040, to keep the global warming within 1.5°C with the world in response to the Paris Agreement. Facing the significant threats caused by climate change, Primax is more active in planning and implementing carbon reduction measures. Joining the RE100 initiative, with a commitment to 100% renewable energy and carbon neutrality is one of our important milestones. In the future, we will link our targets with SDGs and develop ecological designs and green processes, to further influence our supply chain and prompt them to pay attention to climate change issues and take actions.

We won the Best Companies to Work for in Asia 2021 with the best workplace for employees

We believe that talents are an important asset of an enterprise and a key to the enterprise's sustainable development and progress. Under the people-centered corporate culture, we are committed to employee care based on human rights and gender equality and attach great importance to the mutual commitments between the Company and our employees. We are honored to be awarded the Best Companies to Work for, which proves that Primax has a friendly workplace that cares employees with complete systems and a pragmatic corporate culture, thereby attracting top talents to join.

0.2 2021 Awards and Achievements in 2021

E environment

RE 100

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

In 2021, the carbon emissions through the energy conservation program plan was reduced by about **1,685** metric tons of CO₂e

Primax Group GHG emission

↓ **23.56%** compared to base year of 2019

Primax Group's water intensity

↓ **7.45%** compared to 2021

Primax Group's total waste volume

↓ **3.04%** compared to 2021



Primax Electronics adopted a **Greenhouse Gas Inventory Platform** to count Scope 3 emissions through the platform

Primax Electronics adopted a product **Ecodesign** framework for ecological designs of products and evaluations

Primax Group GHG emission intensity ↓ **12.72%** compared to 2020

Primax Group **did not violate** environmental laws and regulations in 2021

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

Renewable Energy Certificate

In 2021, a total of 14.2 million kWh of electricity was offset, translating into about **11,527** metric tons of CO₂e. A total of 18,959 metric tons of CO₂e; have been offset

Primax Group's energy intensity ↓ **12.57%** compared to 2021



Trusted Environment-friendly Business Chongqing Primax has been awarded the title of "Trusted Environment-friendly Business" in Yongchuan District, Chongqing, for four consecutive years, and is the only district-level business to earn this honor

Environment-friendly Business - blue verification Dongguan Primax was awarded the title of "Environment-friendly Business" - blue certification for nine consecutive years.

100% of Primax Group's new suppliers had signed the Supplier Commitment Statement in 2021.

On-site audits were performed on **13** main suppliers in 2021

In 2021, a total of **101** suppliers had participated in the annual supplier social responsibility training



Social

Won the **Best Companies to Work** for in Asia 2021

Selected as a constituent of the 2021

Taiwan High Compensation 100 Index



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

Won the **HRTech China Human Resource Technology Enterprise Practice Award** in China



Zero violation of human rights or discrimination within the Primax Group in 2021

Zero violation of laws, complaint, and major incident within the Primax Group in 2021

Primax Group encountered **no incident of occupational illness**

Average salary of full-time, non-managerial staff increased by **NT\$205,000** compared to 2020

In 2021, **100%** of full-time employees participated in performance evaluation

In 2021, the personal development plans of **15** senior managers have been completed with a retention rate of **100%**

A new hybrid work model
From September 2021, Primax's Taipei Headquarters has provided

a more flexible work model, allowing employees to work from home (WFH) every Friday

In 2021, the Group's education and training hours increased by **89,916** hours compared with the previous year

In 2021, the COVID-19 vaccination coverage at Primax's Taipei Headquarters reached **96%**

In 2021, **NT\$798,000** of childcare subsidies were provided to employees to support the care for **121** children **aged 0-6**

In 2021, employees in Taipei participated in volunteering activities for **150** hours, equivalent to a salary expense of about **NT\$128,241**

Charity road run

In 2021, the Taipei Headquarters participated in the Tech Cup Charity Road Run with more than 100 employees and their families participating



G Corporate Governance



In 2021, won the
CommonWealth
Magazine's

**Excellence
in Corporate
Social
Responsibility
Award**

In 2021, won
the **Corporate
Sustainability
Report Awards - IT
& IC Manufacturing
- Platinum**
at TCSA



TCFD was rated as
**"Pioneer", the
highest rating**

In 2021, won the
**Comprehensive
Performance: Taiwan
Top 50 Corporate
Sustainability Award**
at TCSA

In 2021, ranked
among
Top 5%
of FSC's corporate
governance
evaluation.

Established a Risk Management Committee

In November 2021, established the
Risk Management Committee under
the Board of Directors

Committed to increasing the
proportion of female directors. In
2021, the proportion of female or
foreign directors was **11.1%**

Independent directors accounted for
**More than half of the Board
members**

The proportion of independent
directors accounted for 56%

The average attendance of all
directors in 2021 was **100%** (after an
election of all directors)

In 2021, **100%** compliance with
directors' mandatory training hours



In 2021, Primax Group's consolidated
net operating revenue increased by
about **5%** compared with 2020, and
consolidated net income after tax
increased by **23.1%**

In 2021, Primax Group's R&D expenses
accounted for **4.06%** of operating
revenue

2019–2021, a total of **539** patents were
approved and **889** people won invention
awards

Zero leakage

In 2021, Primax Group received no
complaint concerning violation of
customers' sensitive information

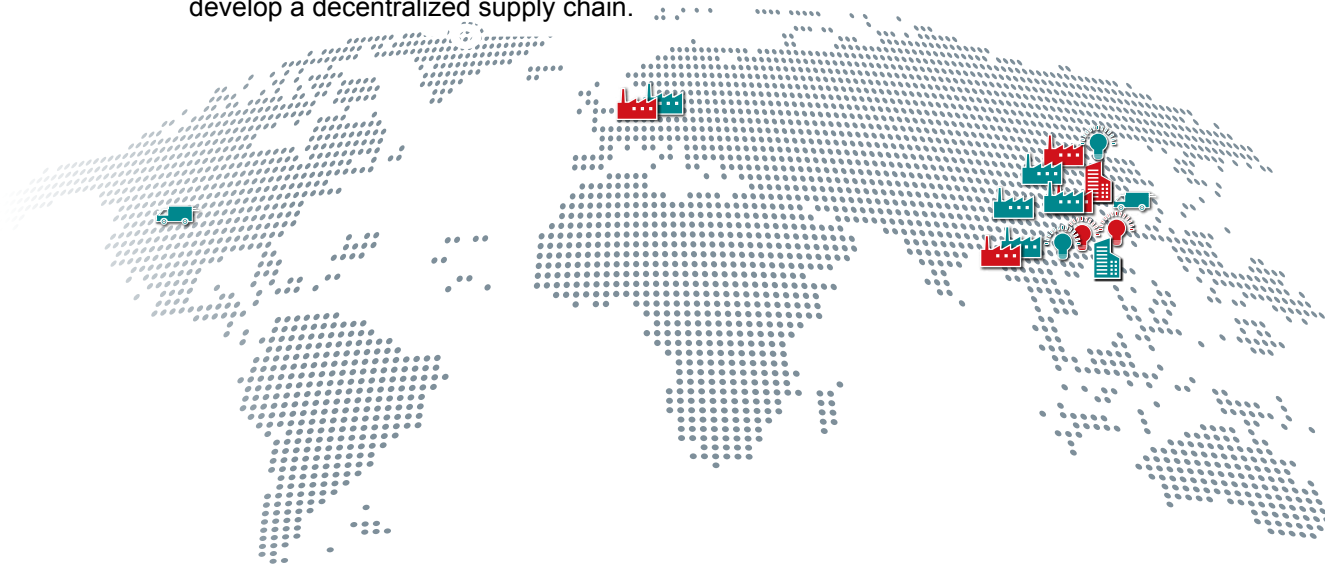
Zero complaints


In 2021, Primax Group received no
cybersecurity-related complaint from
external parties or the authority


0.3 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 2022, Primax, in terms of manufacturing strategy, will actively re-upgrade our manufacturing capabilities to replace labor with AI and further improve productivity per capita, in alignment with smart manufacturing and Industry 4.0. Meanwhile, we will expand our global manufacturing layout, stabilize the operations of the manufacturing site in Thailand, and expand our supply chains to accelerate the increase of production capacity and pursue cost competitiveness while maintaining high product yield and quality, to develop a decentralized supply chain.


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.




 Headquarters
Taipei and R&D Design
Center (910 people)

 Main production sites

- Dongguan Dongju (4,253 people)
- Chongqing (1,472 people)
- Kunshan (504 people)
- Thailand (714 people)


 R&D Center


- Beijing (42 people)
- Hong Kong (6 people)

 Logistics and Sales Center


- USA (10 people)
- Japan (3 people)



 Headquarters
Huizhou Headquarters/
production site (1,519
people)

 Main production sites

- Dongguan(1,628 people)
- Dongcheng(420 people)
- Czech Republic (372
people)
- Thailand (106 people)

 R&D Center

- Taipei (379 people)
- Shenzhen (207 people)



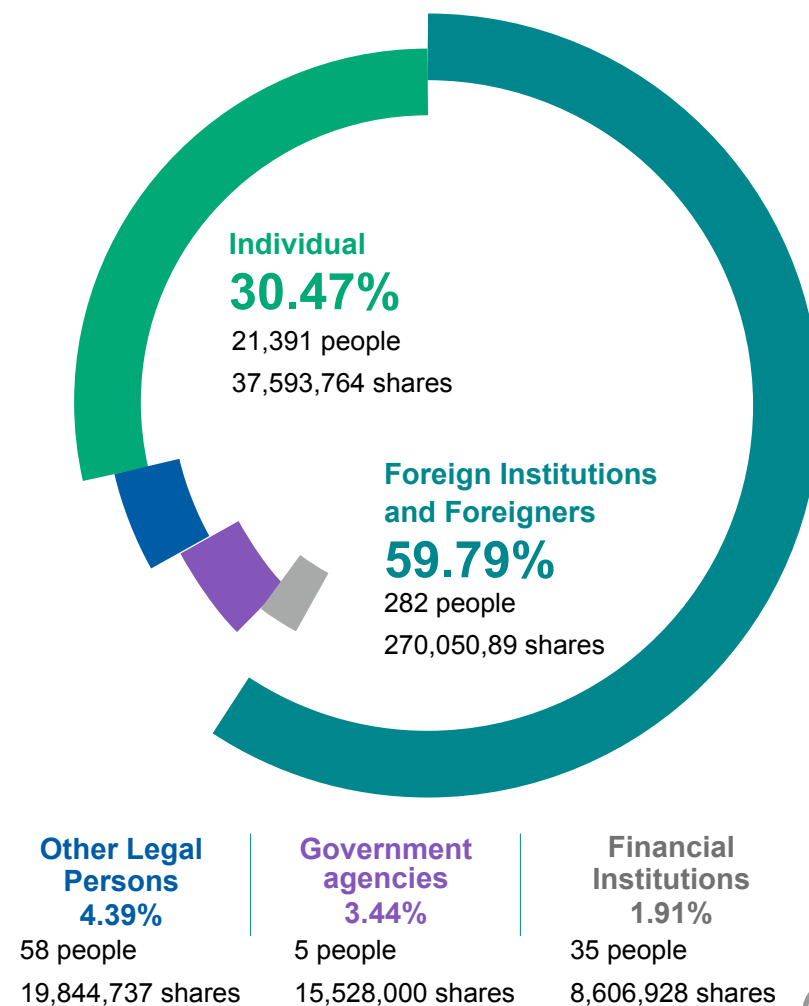
Company profile

Company name	Primax Technology Co., Ltd.
Nature of corporate ownership	Openly issued and publicly listed company (stock ID: 4915)
Paid-up Capital	NT\$4,516,243 thousand
Main products	Design, development, manufacturing, and sale of computer peripherals, mobile device components, office machines, communication accessories, smart home solutions, AI-assisted surveillance solutions, networking/multimedia products, acoustic products, and automobile electronics.
Date of establishment	2006 (initially founded in 1984)
Chairman/General Manager	Liang, Li-Sheng
Headquarters	No. 669, Ruiguang Road, Neihu District, Taipei City
Consolidated revenues - 2021	NT\$71,649,849 thousand
Total group head count	12,545 people (globally); 10,706 people (scope disclosed in this report)
Scope of disclosure of this report	Seven major sites: Primax Electronics Taipei Headquarters/Taipei R&D Design Center, Dongguan Primax, Chongqing Primax, Kunshan Primax, as well as subsidiaries Huizhou Tymphony, Dongguan Tymphony, and Dongcheng Tymphony in China. The remaining entities in the consolidated financial statements are not included in this report. More details of Primax's affiliates, please refer to pages 119 of the 2021 Annual Report.

Shareholder structure and shareholding percentage

As of March 28, 2022

Total number of people: 21,771
Total number of shares held: 451,624,324



Products and Services

Guided by the principle of “Global Operations with R&D and Smart Manufacturing in Taiwan”, Primax now has operating sites across Asia, Americas and Europe. Highly-efficient product sites have now been established in Taiwan, China and Thailand with nearly 10,000 employees worldwide. Seeing the potential of cloud technology and IoT, we have developed products in human-machine interface, visual imaging, and audio fields. 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.



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 Tymphony)

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

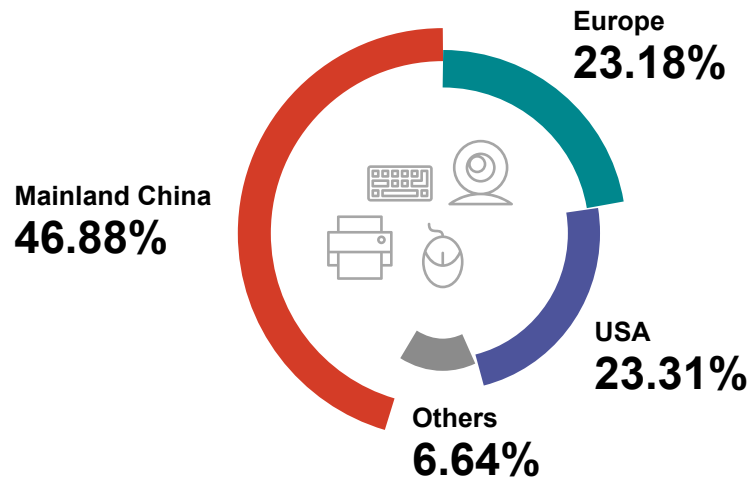
Key purposes of the major products

Major products and services	Key purpose or functions
Mouse	Controlling the computer cursor and scroll; providing convenience in the window operating systems.
Keyboards	Inputting works and other short-cut hot keys
Touch panels	By touching the panel with fingers to control cursor and scroll, and other convenient control
Wireless charger	Applicable to mobile phones, tablets, notebooks, consumer electronic products, industrial products, machine tools, household products, medical cares as the power supplies and charging.
Micro camera module	Applicable to mobile phones, tablets, commercial and household surveillances, smart TVs, game consoles, dash cams, embedded camera modules of GPS, video systems, and smart door lock camera modules.
Internet camera module	Applicable to notebooks, LCD monitors, embedded internet camera modules, external web cams
Fingerprint recognition modules	Applicable to mobile phones and tablets
Peripherals for Communications	Applicable of to mobile phones or MP3 players, embedded image, external voice, data transmission, and power supplies.
Imaging scanners	Applicable to personal computers, printers, file servers, USB flash drives, digitization and reservation of photos and documents.
Multi-function printers	Applicable for personal, household, office, stores, hotels, digital data centers, photo/document scanned, photo copy, printing of electronic document, and fax of documents.
Office automation products	Applicable for personal, household, office, stores, hotels, digital data centers, destruction, lamination and other treatment of photo/document/
Wireless storage devices	Applicable to audio-video entertainment and data saving of personal and household, data saving of office
Wireless audio equipment	ideal for personal and household, appreciation of music, audio-video purpose, or smart phone communications
Smart acoustic system	ideal for personal and household, smart home control, voice data search, app connections or linkages to related services, and appreciation of music
Smart imaging equipment	ideal for enterprises, home, and individuals, professional AI surveillance, smart home surveillance, image recognition, and connection with apps, and relevant services

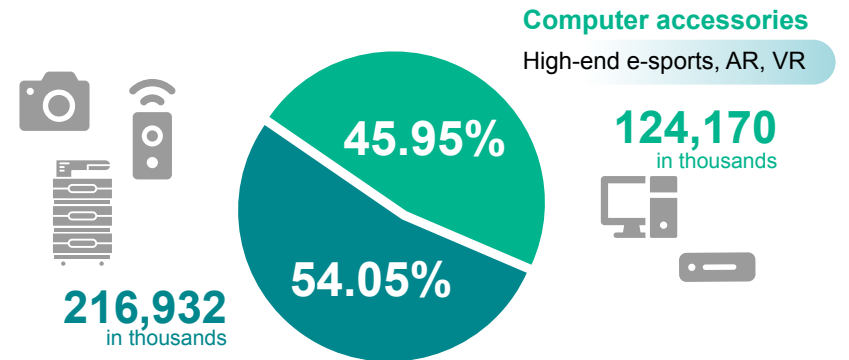
Sales of main products

Primax Group sells its products mainly to world-renowned brands. It has developed strong business relationship 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 47% of total sales, followed by Europe, accounting for about 23%.

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. Despite the escalation of the global pandemic, the overall PC market continues to grow with a strong demand WFH, online learning, and e-sports. This has in turn led to a boom in the live streaming peripherals market. We have already developed a business layout for live streaming peripherals in advance in the hope that the new product line will continue to create revenue for the group.



Among non-PC peripheral products, mobile device camera modules are our main products. With 3G and 4G and the upcoming 5G mobile network becoming more common, the percentage of mobile phones with built-in sub-camera modules (front-facing camera) is increasing year by year, and the major trend in smartphone camera modules in recent years is the continuous increase in the number of rear-facing cameras. With the rapid development of cloud computing, edge computing, and AI, AIoT devices will witness a significant growth in the following few years. Primax has been working in the field of smart doorbells and door locks for two years and expects to be able to seize the growth opportunities arising from this wave of AIoT devices. Please refer to pages 95–105 of the 2021 Annual Report for details of product and service sales.



Non PC Peripheral Products

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

01

Sustainability Management

- 1.1 Sustainable operation
- 1.2 Primax sustainability strategies and Blueprint
- 1.3 Stakeholders and material topics

1.1 Sustainable operation

Sustainable operation and organization

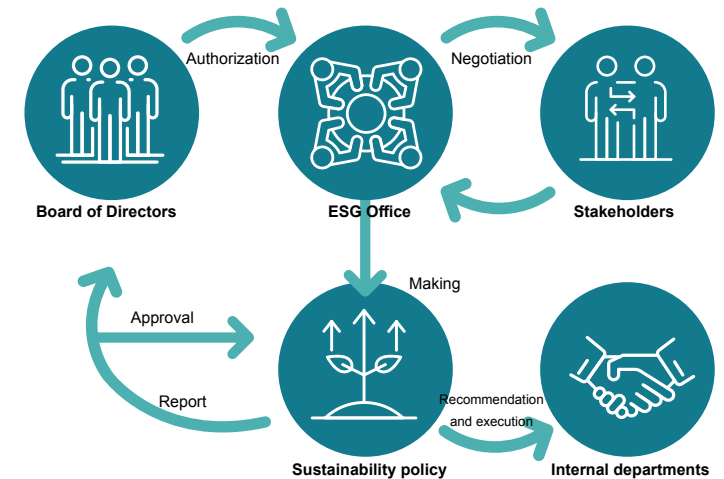
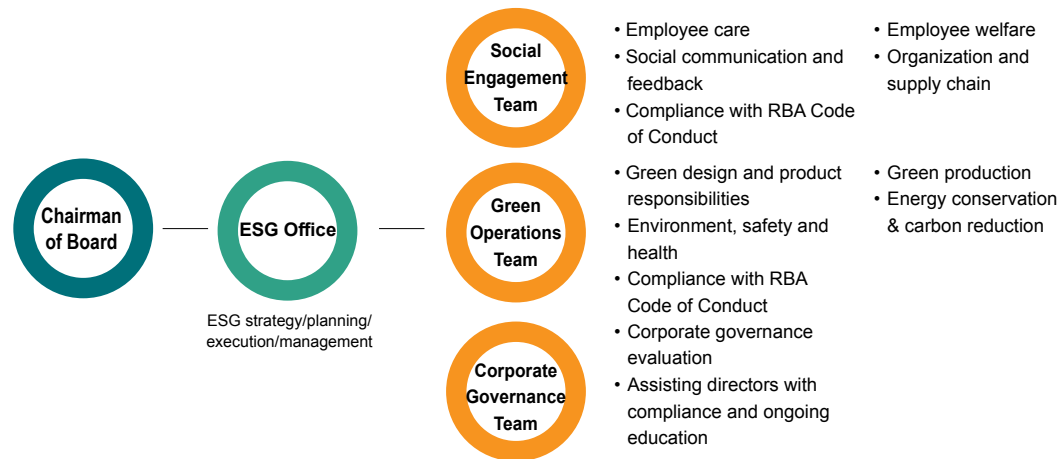
An ESG Office has been established under the authority of the board of directors of Primax Electronics, to implement corporate sustainable development initiatives with particular regard to corporate governance, sustainable environment, public welfare, and information disclosure. Under the CSR Office, a Corporate Governance Team, a Green Operations Team, and a Social Engagement Team have been assembled to address issues in the economic, governance, environmental, and social aspects, respectively. They respond to external initiatives by gathering economic, environmental, and social information relating to operating activities, and by reviewing the action plan, division of responsibility, and outcome of the overall execution. The ESG Office reports to the board of directors at least once a year on the situation of stakeholder engagement and past performance and future plans for key issues, and its presence is an indication of the Company's strong resolve towards sustainability. In 2021, it held a total of 11 meetings. The ESG Office last reported to the board of directors on November 4, 2021 regarding the execution of corporate social responsibilities in 2020 and plans for 2022.

Stakeholder engagement

Each year, the ESG Office is responsible for stakeholder engagement, ranking material issues, proposing ESG missions, visions, or roadmaps to the board of directors, and establishing ESG policies, systems, or guidelines. Plans proposed by the ESG Office are executed with the board's approval.

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

Organizational Chart of ESG Office



1.2 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.

P.R.I.MAX - Maximum ESG influence



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



Preservation MaxMaximum

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



Rresponsibility Maximum

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

1.3 Stakeholders and material topics

Confirm stakeholders

Eight categories of stakeholders

The main stakeholders of Primax are identified as per the AA1000 SES standard: Clients, board of directors, employees, government agencies/competent authorities, suppliers/contractors/ outsourced businesses, investors, external rating agencies, and society (community/NGO/NPO).

Collect ESG issues

38 ESG issues

With reference to international ESG standards and regulations (GRI Standards, SDGs, SASB, and TCFD), sustainable investment institutions (CDP, DJSI, MSCI, and Bloomberg), the topics for the upstream and downstream of the value chain (competitors and major clients), policies and regulations at home and abroad, as well as communication with and feedback from stakeholders, we have collected 38 ESG issues.

Identify material topics

12 material ESG topics

The convener, members, and consultants of the ESG Office have jointly identified 12 material ESG topics as per the impact of ESG issues on company operations and the degree of stakeholders' concern.

Respond to management approaches

9 management approaches

We collected and disclosed sustainability information according to the contents of the indicators corresponding to each topic and responded to the management approaches as per the reporting requirements as the direction for the Company to formulate relevant action plans.

ESG action plans

8 specific action plans

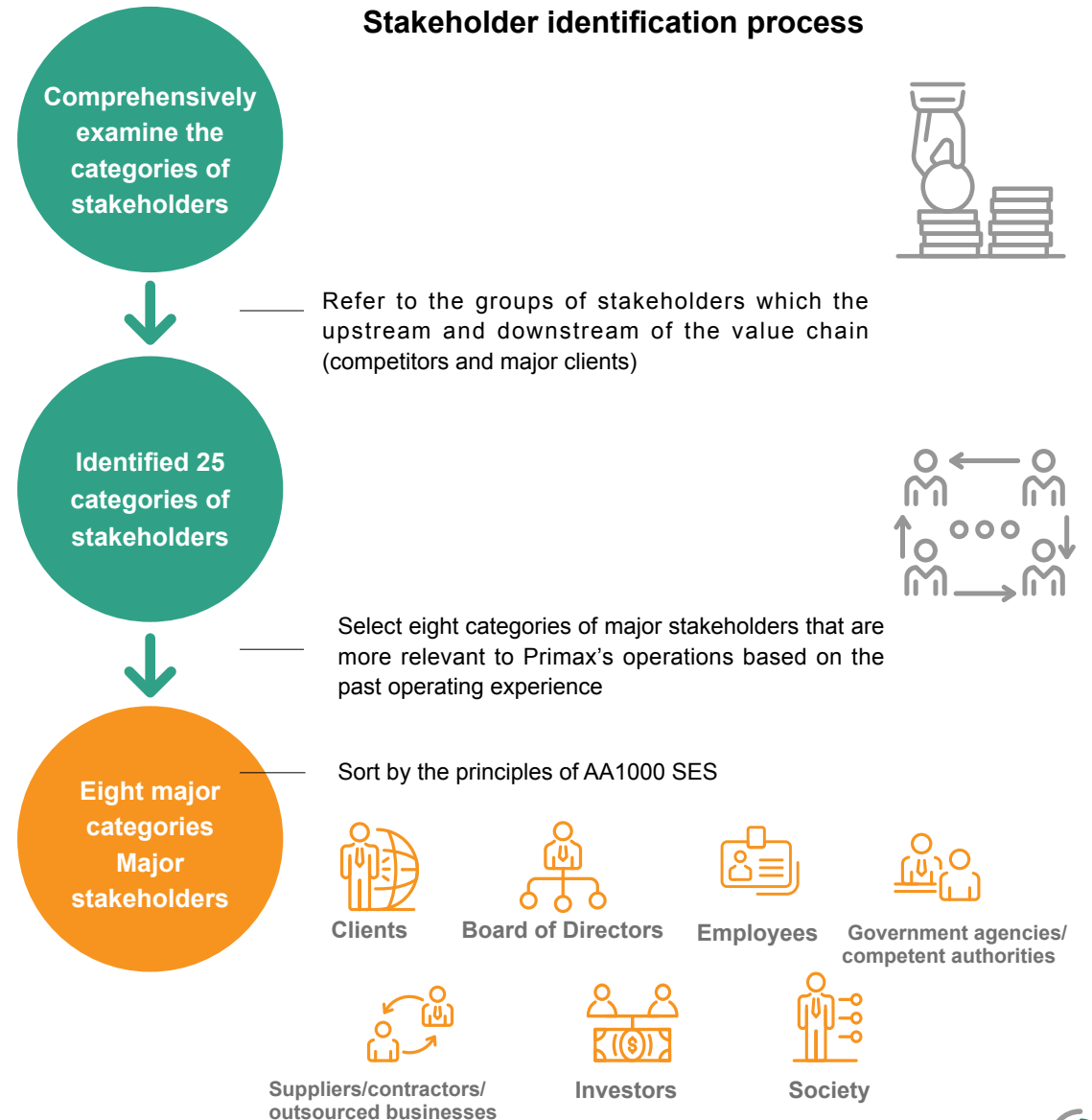
Primax's 2021 specific action plans included: implementation of ecological design projects, the publication of a TCFD report, appointment of another independent director, establishment of a Risk Management Committee, promotion of interaction with employees in ESG (ESG-themed month, COVID-19 employee care project, and a hybrid work model), and establishment of an internal employee salary donation platform.

Identification of stakeholders

We planned a rigorous identification and selection method to identify Primax's stakeholders, and the ESG Office held a stakeholder identification meeting. First, we comprehensively examined the types of stakeholders with reference to the groups of stakeholders which the upstream and downstream of the value chain (competitors and major clients) and each unit may interact with or affect and then identified a total of 25 categories of stakeholders. Based on the past operating experience, we selected eight categories of major stakeholders that were more relevant to Primax's operations first and then scored them as per the five principles of AA1000 Stakeholder Engagement Standards (SES) formulated by the global non-profit organization AccountAbility: dependence, responsibility, influence, diverse perspectives, and tension, and the stakeholders identified are clients, board of directors, employees, government agencies/competent authorities, suppliers/contractors/outsourced businesses, investors, external rating agencies, and society (community/NGO/NPO).



Stakeholder identification process



Communication with and response to stakeholders

Primax Electronics places great emphasis on stakeholders' rights and opinions, and engages them in ongoing communication to learn their concerns and expectations. In addition to surveying stakeholders for concerned issues, we also engaged them using different approaches including unilateral, bilateral, one-to-many and many-to-one. See the Stakeholder Engagement Table for details on the method, frequency and procedures used.

Stakeholders' concerned topics and communication channels

Stakeholders	Significance to Primax	Major issues of concern	Communication methods and channels	Frequency of communication	Relevant records
Investors	Primax Electronics maintains productive interaction with investors and implements robust supervision to ensure sustainability of the business.	Corporate governance Privacy and IT security Economic performance Occupational Health and Safety Ethical corporate management Climate change adaptation Risk management	Annual general meetings	Annually	Shareholder meeting registry and minutes
			Quarterly performance seminar and phone conference	Quarterly	Information published in investor seminars, available from MOPS
			Monthly revenue announcements	Monthly	Monthly revenues and news releases, available from MOPS and company website
			Domestic interview sessions	Monthly	E-mail, on-site visit, and phone interview
			Overseas investor forums	Annually	Information published in investor seminars, available from MOPS
Director	The board of directors of Primax Electronics has long adopted higher standards of corporate governance than what laws have stipulated, to protect shareholders' interests and provide the critical foundation for the Company's sustainable development.	Corporate governance Economic performance Ethical corporate management Climate change adaptation Risk management	Board of Directors	Quarterly	Board meeting minutes
			Individual committees	Regularly	Committee meeting minutes
			Communication meetings between independent directors and CPAs/internal auditors	Annually	Records for communication with independent directors
External rating agencies	Investors and relevant indexes are highly dependent on ESG evaluation indicators, with the aim of obtaining good ratings, as the benchmarks to push the Company to make continuous progress.	Corporate governance Occupational Health and Safety Climate change adaptation Risk management Labor management Product quality and safety	ESG performance evaluation	Annually	Evaluation reports
			Reply to ESG-related questionnaires	Annually	Audit reports
			Evaluation results communication and complaints	Immediate	Mail

Stakeholders	Significance to Primax	Major issues of concern	Communication methods and channels	Frequency of communication	Relevant records
Employee	"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.	Economic performance Occupational Health and Safety Labor management Innovative R&D Privacy and IT security	Labor-Management meeting	Quarterly	Labor-management meeting minutes
			Interview for employee's performance	Annually	Employee performance evaluation worksheet
			Communication meetings between departments	Immediate	Communication meeting minutes
			Union/welfare committee meeting minutes	Quarterly	Welfare committee meeting minutes
			Engagement surveys	Unscheduled	Survey report (random the employee questionnaire survey of "best company to work for "award in 2021)
			Internal communication channels	Immediate	Mail, electronic bulletin, elevator display, Line account, Wechat account
			Grievance and consultancy channel	Immediate	ESG mailbox, employee assistance hotline, grievance mailbox and opinion box
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.	Privacy and IT security Occupational Health and Safety Supply chain ESG management Innovative R&D Labor management Occupational Health and Safety Product quality and safety	GP, CSR, RBA, QPA/QSA audits	Annually	Customers' audit records
			Customers' GP/environmental protection requirements	Annually	Customers' specifications
			Satisfaction survey to clients	Annually	Customers' response records
			Convention of clients and suppliers	Annually	Meeting records
			Product RFQ	Case-by-case basis	RFQ
Suppliers Contractors Contractor	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.	Corporate governance Product quality and safety Supply chain ESG management Economic performance Privacy and IT security	New AVL appraisals/declaration	One per entity	QCDS record/declaration
			Environmental requirement of Primax and clients	Immediate	E-supply/GP Portal /correspondence
			Annual review	Annually	Supplier review records
			Trainings for suppliers (GHG/CFP/GP)	Unscheduled	Training materials
			Convention of suppliers	Annually	Meeting records

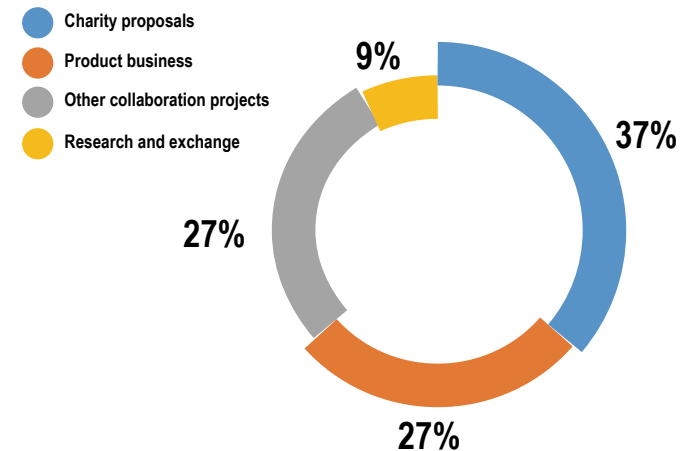
Stakeholders	Significance to Primax	Major issues of concern	Communication methods and channels	Frequency of communication	Relevant records
Government	As a corporate citizen, Primax Electronics fully supports government policies and maintains good relationship with local authorities by complying with rules.	Corporate governance Compliance with environmental regulations Green product Climate action Decent work and economic growth Emission	Official correspondence	Immediate	Correspondence
			MOPS	Immediate	http://mops.twse.com.tw/mops/web/index
			Company website	Immediate	https://www.primax.com.tw/
Society (community/ NGO/NPO)	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.	Indirect economic impacts Decent work and economic growth Non-discrimination Customer health and safety Quality education	Phone interview	Annually	Phone interview records

Smooth ESG Communication and Interaction

Primax has set up an ESG website, containing the information on an email for stakeholders to provide feedback and ESG mailbox as a communicate means for stakeholders. If stakeholders have any questions, suggestions, or even complaints, stakeholders can communicate with us immediately through these channels, and the ESG Office is responsible for forwarding the emails and messages received to the relevant internal units for assessment and response so as to ensure smooth communication and interaction. In 2021, we received a total of 11 effective communication emails in the ESG mailbox and did not receive any environmental, social, or customer complaint.

Internally, employees may use the Intranet, Wechat, diner/dormitory bulletin, and opinion boxes to make inquiries or report misconduct. Any violation of law or the code of conduct can be reported using the above channels or directly to the head od department, the human resource department, or the legal department. For employees' protection, the names and identities of informants and investigators are kept strictly confidential. As an encouragement for voicing out, the Company rewards informants a minimum of NT\$1,000 or equivalent for reporting misconducts that are proven to be true. If the reported misconduct is proven to be beneficial to the Company and helps reduce losses, the informant may be rewarded an equivalent of NT\$3,000 or above plus a merit of equivalent weight. Employees are encouraged to seek advice and assistance from a line manager, the human resource department, or the legal department if they are unsure whether a behavior constitutes a violation against laws, policies, or internal rules. Primax Group encountered no grievance concerning employees' ethics and integrity in 2021.

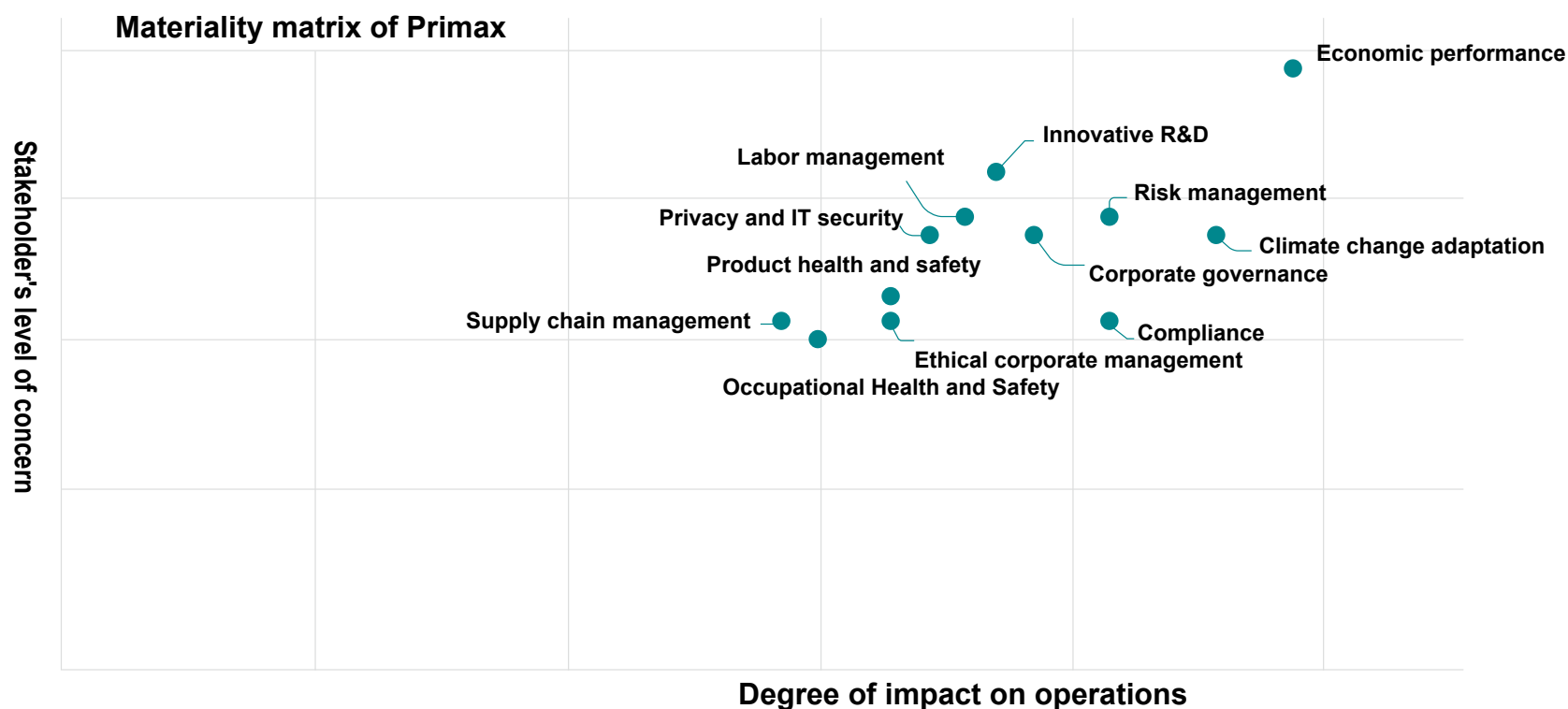
Emails in ESG mailbox





Identification of material topics

We collect ESG issues under the GRI framework and with reference to the spirit of the revised Universal standards 2021. The sources of ESG issues include the international ESG standards and regulations (GRI Standards, SDGs, SASB, and TCFD), sustainable investment institutions (CDP, DJSI, MSCI, and Bloomberg), the topics for the upstream and downstream of the value chain (competitors and major clients), policies and regulations at home and abroad, as well as communication with and feedback from stakeholders, and we have collected 38 ESG issues. We held meetings for discussion and identification for our materiality survey this year. The ESG Office and external consultants identified 12 material ESG issues as per the level of stakeholders' attention to the Company's various ESG issues and the degree of impact on the Company's business continuity, scored each issue, and drew a materiality matrix of Primax as a basis for information disclosure in this report. As such, we can communicate effectively with our stakeholders, gradually formulate ESG strategies, and continuously improve our ESG competitiveness.



Note: "Innovation and R&D", "compliance", and "ethical management" were added to the material ESG issues this year, mainly to be aligned with the sustainable development and ESG trends at home and abroad, and stakeholders' expectations, thereby demonstrating Primax's determination to respond to the ESG management trend.

List of Primax’s material ESG issues in 2021

Material ESG issue	Content of issue	Corresponding GRI topic/indicator	Corresponding sustainability standards
Economic performance	Company operating and financial performance and strategy	201 Economic performance	-
Climate change adaptation	Climate change-related financial impacts and countermeasures	201-2 Financial implications and other risks and opportunities due to climate change 302-4 Reduction of energy consumption 305-5 Reduction of GHG emissions	TCFD/SDGs
Risk management	Establishment of a risk management system and a risk management strategy	102-11 Precautionary principle or approach 102-15 Key impacts, risks, and opportunities 201-2 Financial implications and other risks and opportunities due to climate change	-
Innovative R&D	The Company's new product and new technology R&D, innovation, and future development planning	-	SDGs
Corporate governance	Corporate governance operation practice (operations of the board of directors, ethics and conflicts of interest, an internal control system, and board performance evaluation); independence of the board of directors, leadership of the board of directors, board members’ responsibilities and diversity, board members’ remuneration disclosure, and ESG linkage	102-18–39 Governance	MSCI/ Bloomberg rating
Labor management	1. The composition of the Company's workforce (including new employee percentage and turnover rate) 2. Employee rights and interests (including employee benefits, employee stock ownership plans, non-salary benefits for all employees, and the reinstatement rate after unpaid childcare leave) 3. Different training plans for each department, leadership training plans for each job level, and regular performance and career development evaluation.	401 Employment 404 Training and Education	MSCI/SDGs Bloomberg rating
Compliance	Whether there are violations of various laws and regulations with heavy fines or non-monetary penalties	205-3 Confirmed incidents of corruption and actions taken 307 Environmental compliance 419 Socioeconomic compliance 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services 417-2 Incidents of non-compliance concerning product and service information and labeling 417-3 Incidents of non-compliance concerning marketing communications	GRI

Material ESG issue	Content of issue	Corresponding GRI topic/indicator	Corresponding sustainability standards
Privacy and IT security	Personal data protection, customer privacy management, and IT security education and training	418 Customer privacy	MSCI/SASB
Green product health and safety	The Company's health and safety management of products and services and management of hazardous substances	416 Customer health and safety	MSCI
Ethical corporate management	The Company's a code of ethics/conduct, an ethics committee at the board level, a formal anti-corruption and integrity policy, business ethics audits at all operating sites, a formal whistleblower protection mechanism, and ethical standards education and training for all workers, an integrity commitment to be signed by all suppliers, and a formal anti-money laundering policy	205 Anti-corruption 102-16 Values, principles, standards, and norms of behavior 102-17 Mechanisms for advice and concerns about ethics	MSCI
Supply chain management	Risk assessment and audits of suppliers' economic, environmental, and social aspects and management effectiveness	204 Procurement practices 308 Supplier environmental assessment 414 Supplier social assessment	MSCI/SASB
Occupational Health and Safety	Occupational accidents, absenteeism rate, occupational prevention, ratio of labor representatives in the Safety and Health Committee, and whether health and safety-related issues are included in the collective bargaining agreement	403 Occupational health and safety	MSCI/ Bloomberg rating

List of Primax's secondary ESG issues in 2021

Economic	Environmental	Social
Market presence	Material	Labor-management relationship
Procurement practices	Energy	Diverse and inclusive workplace
Anti-corruption and anti-competitive behavior	Water resource management	Disputed purchases
Tax	Biodiversity	Industry-academia collaboration
Brand image	Carbon emission management	Diverse channels of communication
Circular economy	Air pollution discharge	Participation in social charity
Intellectual property protection	Waste management	Public Policy
New market development	Chemical safety	Marketing and Labeling
Customer satisfaction	Opportunities from clean energy technologies	
	Green product design	

Note: Secondary topics are to be listed only, and the order is not related to the importance.

Boundary of value chain impact of the material ESG issue

Management approach	Significance	Material ESG issue	Boundary of value chain impact of the material topic							Corresponding chapter/page	
			Within the organization		Outside of the organization						
			Primax	Subsidiaries	Suppliers	Contractors	Contractor	Clients	Investors		Social
Management of operational development	Continue to enhance the Company's competitive advantages in R&D and technologies and invest in the development and design of new products and new technologies, 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, proving a stable work environment to employees, and, in turn, achieving sustainable development.	Economic performance	●	●	◆	◆	◆		○		2.4 Operating performance
		Innovative R&D	●	●	◆		◆	◆			
Climate change adaptation and management	Follow the requirements of corporate risk management and 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.	Climate change adaptation	●	●	◆	◆	◆	◆	○	○	3.1 Climate change management
Risk management		Risk management	●	●	◆	◆	◆	◆	◆		2.6 Risk management
Corporate governance	Primax upholds "integrity, legitimacy and transparency" at the core of its 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.	Corporate governance	●	●	◆	◆	◆	◆	○		
		Compliance	●	●	◆	◆	◆	◆	○	○	2 Corporate Governance
		Ethical corporate management	●	●	◆	◆	◆	◆	○		2.3 Ethics and integrity



Management approach	Significance	Material ESG issue	Boundary of value chain impact of the material topic							Corresponding chapter/page	
			Within the organization		Outside of the organization						
			Primax	Subsidiaries	Suppliers	Contractors	Contractor	Clients	Investors		Social
Labor management	Strive to create a sound work environment where employees may work with passion and grow over time, while attracting and retaining top talents to maintain the Company's cutting-edge R&D capabilities as the foundation for corporate sustainability.	Labor management	●	●	◆	◆	◆	◆			5.1 Workers' human rights 5.2 Overview of manpower 5.3 Talent recruitment and retention 5.4 Rights and protection 5.6 Talent development and cultivation
Privacy and IT security management	Customers' privacy and confidential information are important reasons that customers choose to work with the Company over the years. This is why the Group is dedicated to securing customers' information as a means to protect their interests, and recognizes it as the most important IT security management goal.	Privacy and IT security	●	●	◆	◆	◆	◆			2.7 Privacy and IT security
Product health and safety management	We consider delivering products that are of high quality, safety and free of hazard to consumers to be critical to meeting customers' requirements, and form an essential part of our corporate social responsibilities.	Product health and safety	●	●	◆		◆	◆			4.1 Green product health and safety management
Supply chain management	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.	Supply chain management	●	●	◆	◆	◆	◆			4.2 Sustainable supply chain management
Safe and healthy workplace management	Primax never compromises on employees' safety. We believe that only a healthy and safe work environment is able to support a healthy, secured and happy work force, which in turn improves loyalty and output.	Occupational Health and Safety	●	●	◆	◆	◆	◆			5.7 Health and safety

Note: 1. 1. Source of impact upon occurrence: "●" represents direct impact; "○" represents indirect impact; "◆" represents impact from commercial relations.

02 Corporate Governance

- 2.1 Organization structure of corporate governance
- 2.2 Operations of corporate governance
- 2.3 Ethics and integrity
- 2.4 Operating performance
- 2.5 Innovation and service
- 2.6 Risk management
- 2.7 Privacy and Cybersecurity

2.0 Corporate Governance

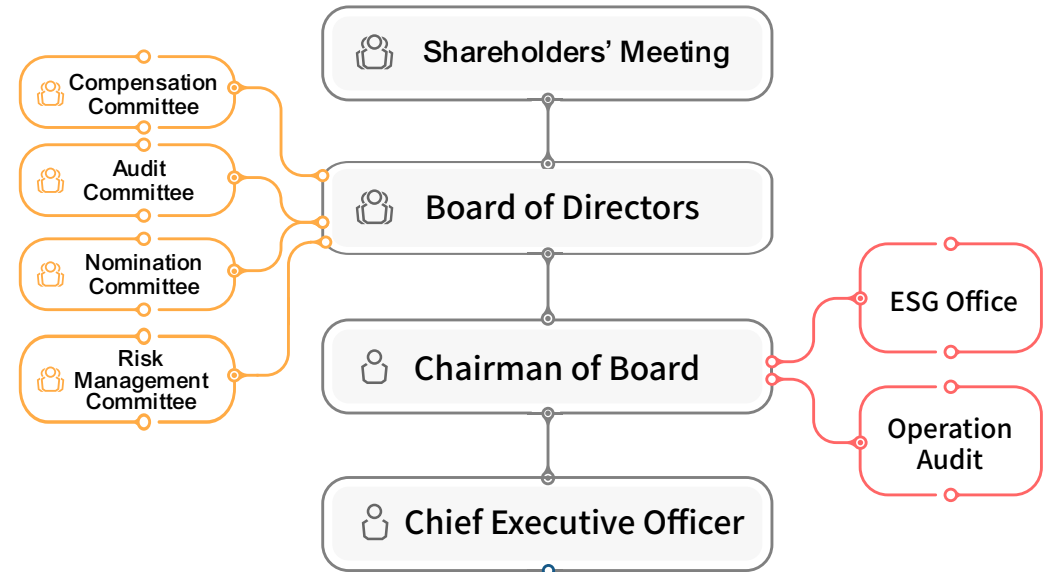
<p>Corporate governance GRI material topic: Compliance Corresponding ESG topics: Corporate governance and ethical corporate management</p> <p>Topic boundary Taipei Headquarters / Dongguan Primax / Chongqing Primax / Kunshan Primax / Huizhou Tymphony / Dongguan Tymphony / Dongcheng Tymphony / Supplier</p> <p>Boundary limitations For internal control and business integrity, the scope applies to all business and administrative activities conducted by various departments, offices and subsidiaries (50% shareholding interest and above, including 2nd tier subsidiaries) of the Company.</p> <p>Management purpose and importance 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>Responsible units Finance and Administration Department; Human Resources Department; Legal Department</p>	<p>Short-term target</p> <ul style="list-style-type: none"> Ranking among the top 5% of companies listed on TWSE/TPEX in the corporate governance evaluation. Independent directors account for more than 50% of all directors. Female or foreign directors account for more than 10% of all directors. Strengthen the structure and operations of the Board of Directors. Protect shareholders' interest and ensure fair treatment for shareholders. Enhance information transparency. Respond to all ethics-related complaints. Comply with relevant laws and regulations to avoid severe penalties. 	<p>Achievement rate</p> <ul style="list-style-type: none"> Ranked among top 5% of the corporate governance evaluation in 2021. Independent directors accounted for 56% of all directors. Female or foreign directors accounted for more than 11.1% of all directors. The internal performance evaluations of the Board of Directors and functional committees in 2021 were completed based on the above-mentioned methods by the end of 2021, with an average score between 4.94 points at xcellent Level (Agree) to 5 points Extremely Excellent Level (Strongly agree). The results were submitted to the Board of Directors in 2022. 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. The Board is convened at least once a quarter. A total of 11 Board meetings were convened during 2021 and the average attendance rate for all directors was 97.85% (The average attendance of new directors elected in the election on July 13, 2021 was 100%). The operation audit unit completed all internal audits in 2021 as planned, and major audit findings were reported to the Audit Committee on a quarterly basis. 100% of new Primax Group employees were subjected to integrity and ethics training. The Company did not violate social or economic law and incurred no related fine in 2021. 	<p>Mid- and long-term target</p> <ul style="list-style-type: none"> 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. Enforce business integrity and anti-corruption training, and eliminate dishonest conducts. Comply with relevant laws and regulations to avoid penalties. Participate in the Dow Jones Sustainability Indices (DJSI) questionnaire and disclose the assessment results.
	<p>Action plans</p> <ul style="list-style-type: none"> Foster the composition and independence of the Board of Directors and increase the number of independent directors on the Board to five. Enhance disclosure on functional committee performance (including Audit Committee, Remuneration Committee and Nomination Committee). The Board of Directors appoint dedicated corporate governance officer to oversee corporate governance-related affairs and make adequate disclosure of governance practices and execution. Disclose the association between directors' compensation, company performance, and board performance in details. Publish the announcements of financial information, publications of material information, shareholders' meeting related information, and the content of the investor conference in both Chinese and English. Monitor business integrity policy and prevention against dishonest conducts with execution outcome reported to the Board of Directors at least once a year. 	<p>Performance management achievements</p> <ul style="list-style-type: none"> 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. Won the CommonWealth Magazine's Excellence in Corporate Social Responsibility Award in 2021. Won the Corporate Sustainability Report Awards - IT & IC Manufacturing - Platinum at TCSA in 2021. Won the Comprehensive Performance: Taiwan Top 50 Corporate Sustainability Award at TCSA in 2021. 	

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

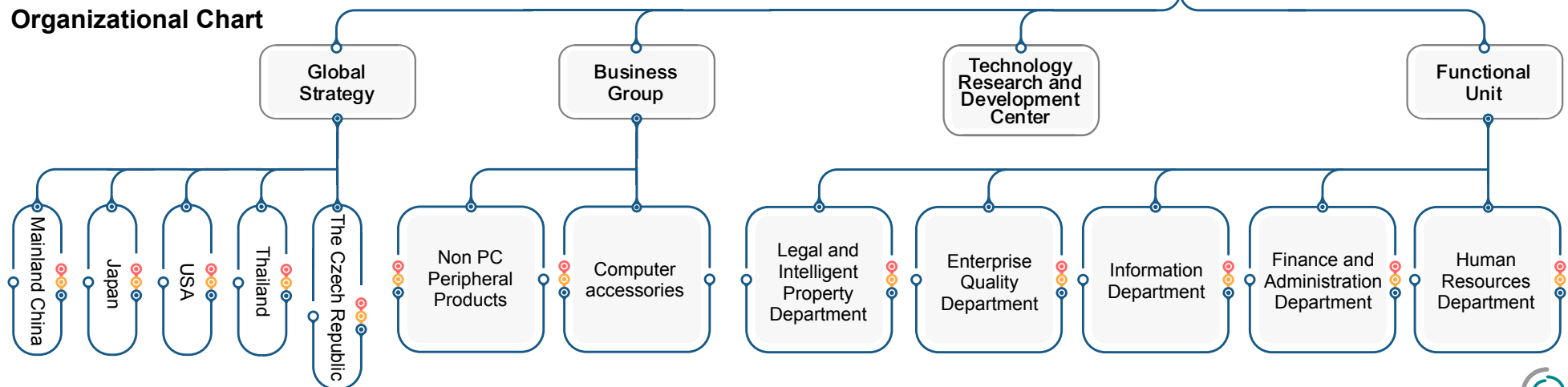
2.1 Organization structure of corporate governance

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, and the Nomination Committee have been set up under the Board of Directors, and the Risk Management Committee was formally established in November 2021 to improve the governance level of risk management and enhance the board functions. 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 2021 Annual Report for Shareholders' Meeting for details of its operations.



Organizational Chart

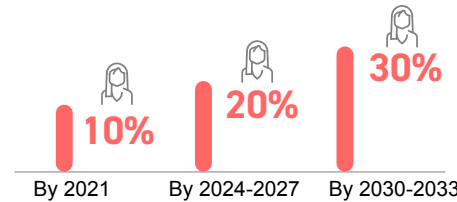


Diversity of the Board of Directors

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 Board is convened at least once a quarter. A total of 11 Board meetings were convened during 2021 and the average attendance rate for all directors was 97.85% (The average attendance of new directors elected in the election on July 13, 2021 was 100%). Please refer to "Board of Directors and Functional Committees" on the Company's official website for the profiles of the board members.

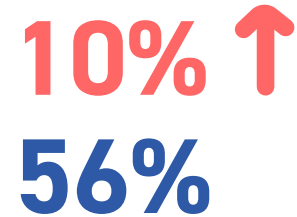
The Company puts emphasis on the diversity of the composition of directors and has set specific stage targets for the diversity of the Board of Directors, and board is formed by members in different age groups for gradual succession. In respect of professional background, all directors have experience in management and from industries, including R&D, marketing, and finance. In terms of directors' professional knowledge and skills, all nine directors possess knowledge and skills in leadership and decision-making and business management, with expertise in risk management, information technology, financial accounting, and law.

Target percentage of female or foreign directors



Board diversity

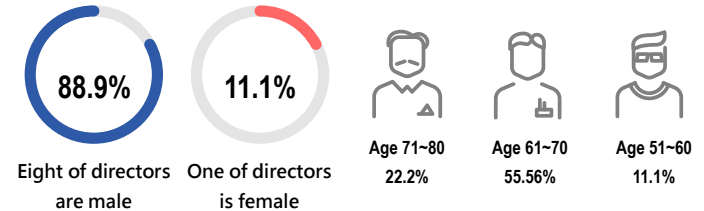
Female or foreign directors have reached the target of



Independent directors have reached

Gender and age of directors

A total of nine directors are on the board, including five independent directors (56%). Four of the independent directors have been in the position for less than three years, one independent director has been in the position for between six and nine years. Eight of directors are male (88.9%) and the other one is female (11.1%). In terms of age distribution, two directors are in the 71-80 age group (representing 22.2%), five in the 61-70 age group (representing 55.56%), and one in the 51-60 age group (representing 11.1%).



Title	Name	Basic Composition				Professional Experience					Professional Knowledge and Skills						
		Gender	Nationality	Age	Length of Service as Independent Director	Industry	R&D	Marketing	Finance	Management	Leadership and Decision-making	Business Management	Risk management	Information Technology	Finance and Accounting	Legal Affairs	
Director	Liang, Li-Sheng	Male	Republic of China	71~75		√		√		√	√	√	√	√	√		
Director	Pan, Yung-Chung	Male	Republic of China	61~70	3 to 9 years	√		√		√	√	√	√	√	√		
Director	Pan, Yung-Tai	Male	Republic of China			√	√			√	√	√		√			
Director	Green Land Investment Limited Representative: Lee, Ji-Ren	Male	Republic of China			√	√			√	√	√	√	√		√	
Independent Director	Cheng, Chih-Kai	Male	Republic of China			√				√	√	√	√	√	√	√	√
Independent Director	Wu, Chun-Pang	Male	Republic of China	Less than 3 years				√	√	√	√	√	√	√	√	√	
Independent Director	Duh, Jia-Bin	Male	Republic of China		√	√	√		√	√	√	√	√	√	√	√	
Independent Director	Shen, Ying-Chuan	Male	Republic of China		√	√			√	√	√	√	√	√	√	√	
Independent Director	Wang, Jia-Chyi	Female	Republic of China	51~60					√	√	√	√	√	√	√	√	

2.2 Operations of corporate governance

Establishment of Risk Management Committee

With more attention paid to the issue of climate change, Primax pays close attention to the trend of global climate change and international response and has included climate change in one of the material issues and key material risks for corporate sustainable development. Therefore, a Risk Management Committee was established under the Board of Directors in November 2021. Its main duties and operations in 2021 were as follows:

Main duty	Member	Operation Status												
<ol style="list-style-type: none"> 1. Reviewed various risk management policies. 2. Reviewed the appropriateness of the risk management framework. 3. Reviewed the early warning measures for material risk management issues and supervised the improvement mechanism. 4. Regularly reported on the implementation of risk management to the Board of Directors. 	<table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>Chairman of Board</td> <td>Liang, Li-Sheng</td> </tr> <tr> <td>Director</td> <td>Pan, Yung-Chung</td> </tr> <tr> <td>Independent Director</td> <td>Wu, Chun-Pang</td> </tr> <tr> <td>Independent Director</td> <td>Wang, Jia-Chyi</td> </tr> <tr> <td>Independent Director</td> <td>Duh, Jia-Bin</td> </tr> </tbody> </table>	Title	Name	Chairman of Board	Liang, Li-Sheng	Director	Pan, Yung-Chung	Independent Director	Wu, Chun-Pang	Independent Director	Wang, Jia-Chyi	Independent Director	Duh, Jia-Bin	<ul style="list-style-type: none"> • Major task Reviewed countermeasures against climate change risks • Actual operations and content of proposal Put forth a response plan for green products on November 11, 2021 • Resolution result All members present approved it
	Title	Name												
	Chairman of Board	Liang, Li-Sheng												
	Director	Pan, Yung-Chung												
Independent Director	Wu, Chun-Pang													
Independent Director	Wang, Jia-Chyi													
Independent Director	Duh, Jia-Bin													
<p>Note: Actual attendance (%) reached 100% in 2021.</p>														



Owing to the efforts and contribution of employees and board members, Primax Electronics has performed exceptionally in the domestic corporate governance evaluations, and was able to improve its ranking from the 21-35% tier in 2015 to the top 5% tier in 2016 and 2017, and settle in the 6-20% tier overall and 11-20% tier among electronic companies with market capitalization above NT\$10 billion in 2018. In 2019 and 2020, the Company once again reclaimed its position in the top 5% tier. This accomplishment is a strong indication of our resolve and execution toward enforcing corporate governance.

Remuneration Policy of the Board of Directors

A Compensation Committee has been created directly under the board of directors in accordance with "Primax Electronics Compensation Committee Charter" to review remuneration policies, systems, standards and structures, and to approve and evaluate performance target for all directors, executives, and managers. None of the committee members undertook concurrent role within the Company during their service.

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 the discussion of Compensation Committee and the resolution of Board, as well as the presentation to the Shareholders' Meeting. By referring the operating performance, the contribution to the such performance, and the outcomes of appraisal by the Board, the reasonable rewards are provided. The remuneration to Chairman is proposed by the HR Department with the considerations of competitive environment, operational risks on the basis of the management regulations and bonus plan assessment. The Compensation Committee approves the proposal by assessing the performance, for the resolution of the Board. The relevant appraisals and reasonableness of compensations are reviewed by the Compensation Committee and the Board; the remuneration system is subjected to reviewing based on the actual operation and relevant laws and regulations.

Training of directors

To improve performance of board members, training courses are arranged 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 9 Primax directors attended 82.5 hours of continuing in education during 2021 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

Title	Name	Name of the Class	Classification
Director	Liang, Li-Sheng	Quick Interpretation and Preparation for the Requirements for ESG Disclosures Under Corporate Governance 3.0	Corporate Sustainability
		Trade Secret Protection and Corporate Governance	Corporate governance
Director	Pan, Yung-Tai	13th Taipei Corporate Governance Forum	Corporate Sustainability
Director	Lee, Ji-Ren	Directors' Competencies and Responsibilities	Corporate governance
Independent Director	Cheng, Chih-Kai	13th Taipei Corporate Governance Forum	Corporate Sustainability
Independent Director	Shen, Ying-Chuan	On Anti-Money Laundering and Countering the Financing of Terrorism from Illegal Cases	Anti-corruption
Independent Director	Duh, Jia-Bin	On Anti-Money Laundering and Countering the Financing of Terrorism from Illegal Cases	Anti-corruption
		Aspects of Directors' and Supervisors' Responsibilities - Corporate Governance from KY Case	Anti-corruption
		13th Taipei Corporate Governance Forum	Corporate Sustainability
		Analysis of Trade Secret Protection and Fraud Detection and Prevention	Anti-corruption

term, while newly-elected directors were required to complete at least 12 hours. In addition, a total of six directors (about 67%) received education and training courses on corporate sustainability, corporate governance, and anti-corruption. Please refer to the table below for details of the courses and the [Company's official website](#) for details of training.

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.

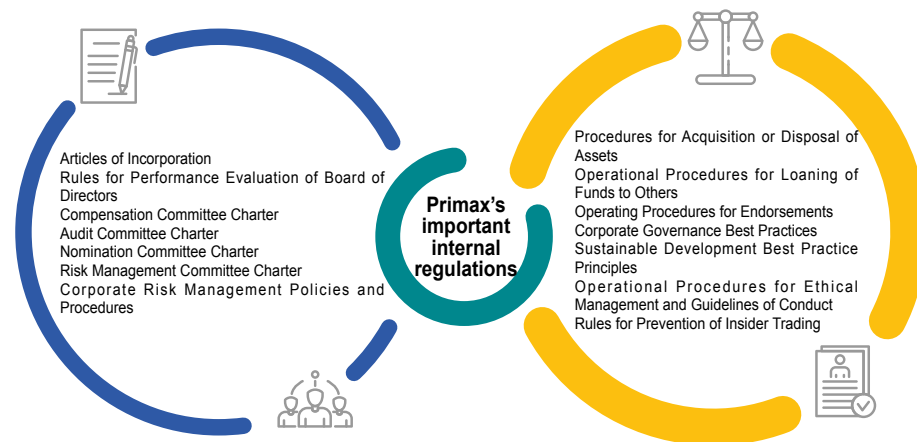
The internal performance evaluation for the 2021 Board of Directors was completed at the end of 2021 in accordance with the aforementioned rules. Evaluation unit: Finance and Administration Department. The evaluation was conducted in a questionnaire format. Performance evaluations of the Board, Board members, Audit Committee, Compensation Committee, and Nomination Committee all produced outcomes ranging from Good to Excellent. The average scores given by directors for each questionnaire ranged from average score between 4.94 points at Excellent Level (Agree) to 5 points at Extremely Excellent Level (Strongly agree). Directors therefore believe that the Board and its functional committees are working effectively and smoothly. The results of the internal board performance evaluation in 2021 were reported to the Board of Directors on January 21, 2022, and the next external board performance evaluation is expected to be conducted in 2023. Please visit the [Company's website](#) for detailed information on board performance assessment and outcome of external assessment.

2.3 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.

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.



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.

Compliance with fair trading

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

Rules on gifts and treatments

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

Protection of business secrets

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

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 4,520 new recruits in 2021 and delivered 4,520 hours of integrity/ethics training, which covered 100% of new recruits. Training for existing employees are still in the planning stage, and the Group plans to introduce online courses as a means of training. Meanwhile, Huizhou Tymphany arranged half-hour RBA basic training for a total of 1,046 employees in 2021, including 216 indirect staff and 830 direct staff, which represented 69% of Huizhou Tymphany's total employee count. A total of 523 hours of RBA basic training were delivered by Huizhou Tymphany in 2021.

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 page 23 of the 2021 Annual General Meeting Report for the corporate governance chapter.](#)

Internal audit system



To enforce corporate governance and self-monitoring, Primax Electronics as 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," "Activity control," "Information and communication," and "Supervision."

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 2021 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 that 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.



2.4 Operating performance

<p>Management of operational development</p> <p>GRI material topic: Economic performance Corresponding ESG topic: Innovation and R&D SDGs:  </p> <p>Topic boundary Entities included in the consolidated statements of Primax Electronics</p> <p>Boundary limitations Make disclosures on all entities that the Company has included in the consolidated financial statements according to International Financial Reporting Standards (IFRS).</p> <p>Management purpose and importance Continue to enhance the Company's competitive advantages in R&D and technologies, invest resources in the development and design of new products and new technologies, and improve production processes, while developing ecological design methods and promoting innovation in various smart production processes to improve efficiency, reduce costs, and reduce the impact of products and processes on the environment, thereby maintaining the Company's competitiveness during the transition to adapt to climate change, proving a stable work environment to employees, and, in turn, achieving sustainable development.</p> <p>Responsible units COO's Office and various business departments (groups)</p>	<p>Short-term target</p> <ul style="list-style-type: none"> · Complete the product Ecodesign management system. · Continue increase market share and reduce costs across all product lines. · Continue to increase investment in product R&D. 	<p>Achievement rate</p> <ul style="list-style-type: none"> ☺ The project is in progress and is estimated to be completed by 2022. ☺ Compound annual growth rate (CAGR) of consolidated revenue for 2014–2021: 4.6%. ☺ Compound annual growth rate (CAGR) of consolidated net income for 2014–2021: 5.8%. ☺ R&D expenses totaling NT\$2,908 million were spent in 2021, representing 4.06% of operating revenue, an increase of 0.32% compared with 2020. 	<p>Mid- and long-term target</p> <ul style="list-style-type: none"> · Deliver consistent business and profit growth. · 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.
	<p>Action plans</p> <ol style="list-style-type: none"> 1. Implemented the Ecodesign system and an environmental footprint database from 2021 to enhance our innovative technological capabilities. 2. Continue to focus on the development of intelligent production and testing equipment to enhance production efficiency and lower costs. 3. The R&D Technology Center leads the innovation of core technologies, and the Sales Department in the front line leads the development of new applications and new markets. 4. The production site in Thailand and the expansion of our supply chains have enabled us to diversify the overall operational risks and create more business opportunities in the competitive foundry market. 	<p>Performance management achievements</p> <ol style="list-style-type: none"> 1. With the steady growth of revenue, Primax Group's profit in 2021 achieved a new high; the consolidated net operating revenue increased by about 5% and the consolidated net income after tax increased by 23.1% compared with 2020. 2. The production site in Thailand continues to expand production and shipments, and the construction of a new plant was completed at the end of the year. They continue to decentralize our production capacity. 	

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

In recent years, branded manufacturers around the world have found themselves in need to concentrate resources on brand management and R&D and reduce production costs at the same time. As a result, they gradually outsourced production activities to OEMs, which also reduces complexity of management. This business model has become the norm for all major branded manufacturers in the world, and given rise to enormous OEM opportunities. The Group's recent success in the establishment of production facilities at Dongguan, Kunshan, Chongqing and Huizhou in China and Thailand has enabled it to serve customers up close and reduce production costs, which worked in favor of securing OEM relationships with renowned U.S., European and Japanese brands.

Evolution of consumer electronics in recent years has shortened the lifespan of electronic products, which leaves shorter time for the design, development and mass production of new products. Meanwhile, intensified competition makes products susceptible to price pressure, causing the price of consumer electronics to fall over time and erode profits. The Group has developed strong, long-term business relationships with many renowned brands local and abroad. This relationship enables us to communicate with customers thoroughly during product development for a full understanding of their needs and market trends, so that products can be developed and mass-produced in time to meet market demands. We apply stringent control over inventory of special raw materials to prevent obsolescence loss. During the product design stage, we strive to make improvements to the production process that would minimize material wastage, and explore opportunities to improve production efficiency by introducing advanced equipment. In terms of product portfolio management, we constantly search for high-end and higher margin products that can add value and differentiate ourselves from competitors.

Wages in China have risen across many provinces in recent years, meanwhile, rapid economic growth in inland areas also discourage workers from staying in the coastal regions. This shortage of labor combined with rising personnel costs have significantly increased operating costs for businesses alike. The Group has assembled a specialized department responsible for implementing Industry 4.0 and the design and production of automated assembly equipment. Additionally, modular automated production equipment and processes are being introduced into the organization to improve and simplify production procedures for further reduction of manual labor costs. Some of the Group's main development focuses in recent years are intelligent production and testing equipment, which have the potential to raise production efficiency and lower costs.

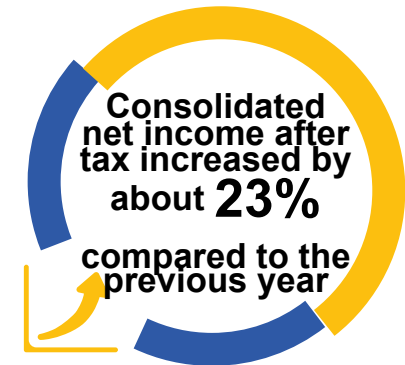
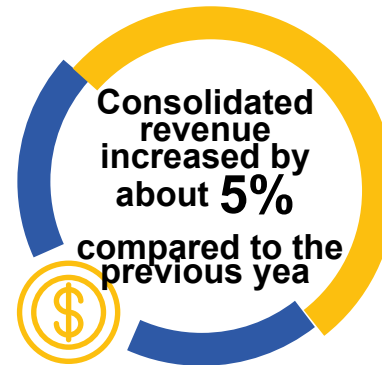
The Group has been successful at reducing production costs by leveraging its advanced technology development capabilities and efficient production models. Meanwhile, by securing performance and expanding supply chain of the Thailand plant, the Group was able to diversify business risks at a higher level and explore greater opportunities in the competitive OEM market.

Economic performance

In 2021, Primax Group's profit hit a new high due to the steady growth of revenue. For the visual products, Primax continued to strengthen the contribution of automotive electronic products to the revenue, steadily raised the supply of automotive camera modules to major international electric vehicle manufacturers, and worked with other leading electric vehicle manufacturers for product development. For police cameras, the revenue and profit began to recover due to the relief of the shortage of components. We also stepped into the fields of smart fitness equipment products and smart door locks with our applications of imaging technology. As for high-end acoustic, home audio, and video conferencing imaging products, subsidiary Tymphany has begun the mass production of new projects, which is estimated to contribute to the growth momentum of the Group's revenue and profit in the next stage. Meanwhile, continuing to benefit from the stay-at-home economy and the hybrid work model in the post-pandemic era, the shipments of customized gaming peripherals and laptop backlit keyboards for WFH under the Computer Peripheral Business Group have witnessed substantial growth.

In respect of a manufacturing and production layout, the production site in Thailand continues to expand production and shipments, and the construction of a new plant in Thailand was completed at the end of 2021. They continue to decentralize our production capacity.

In 2021, the Group's global consolidated net operating revenue was NT\$71,649,849 thousand, an increase of about 5.0% compared to the NT\$68,240,939 thousand in 2020. The Group's consolidated net income after tax in 2021 was NT\$2,393,221 thousand, an increase of about 23.1% compared to NT\$1,944,267 thousand in 2020.



Primax Group's 2021 consolidated revenue and profit

Unit: NTD thousands

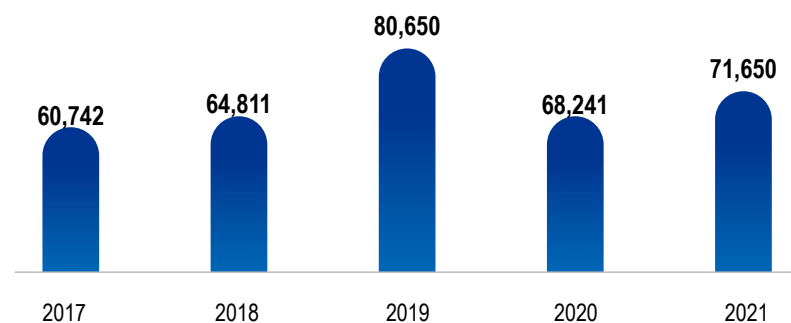
Net revenues	71,649,849
Operating Costs	62,270,246
Gross Profit	9,379,603
Operating Expenses	6,566,998
Operating Profit	2,812,605
Non- Operating Income and Expenses	217,358
Employee salary and welfare	8,789,667
Payments to capital contributors (dividends)	1,354,873
Payments to government (income tax, sales tax, VAT etc)	992,861
Community investments, such as donation to charity organizations (donation)	11,558
Undistributed earnings	6,492,401
Amount of government grants	130,071

Primax consolidated revenue and net income trend chart

Unit: Million NTD

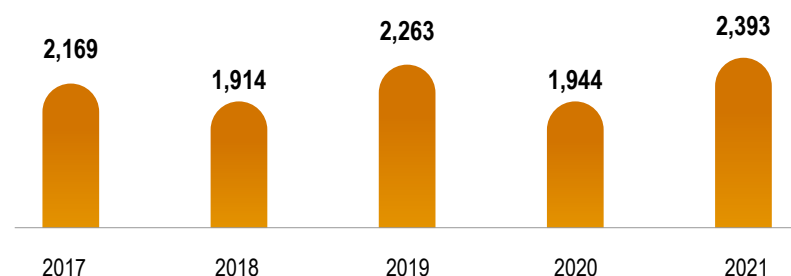
Consolidated Operating Revenue

Please provide the CAGR of consolidated revenue for 2021: **4.6%**.



Consolidated net income

Please provide the CAGR of net income for 2021: **5.8%**.



Tax policy

(Data provided by F&A/CSR team/Su, Yu-Cheng)

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 purpose
- Build relationship 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.

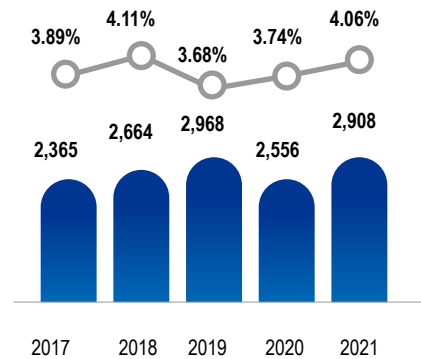
2.5 Innovation and service

Technology and manufacturing development

Primax continues to enhance the business development through technological advantages, integrate the Group's R&D strengths in various regions, improve the existing product technologies, and maintain our leading position of core products in technology, while focusing on system product development capabilities and striving to enhance the added value of clients' product development. We will also continue to facilitate the development of leading and unique products with three senses in one (visual, auditory, and tactile) and provide clients with new products for applications in relevant fields through one-stop services. The R&D expenses in 2021 totaled NT\$2,908 million, accounting for 4.06% of the operating revenue. The R&D achievements in recent years are detailed in [pages 89-91 of the 2021 Annual Report of the Shareholders' Meeting](#).

In terms of manufacturing strategy, we will actively re-upgrade our manufacturing capabilities to replace labor with AI and further improve productivity per capita, in alignment with smart manufacturing and Industry 4.0. Meanwhile, we will expand our global manufacturing layout, stabilize the operations of the manufacturing site in Thailand, and expand our supply chains to accelerate the increase of production capacity and pursue cost competitiveness while maintaining high product yield and quality, to develop a decentralized supply chain.

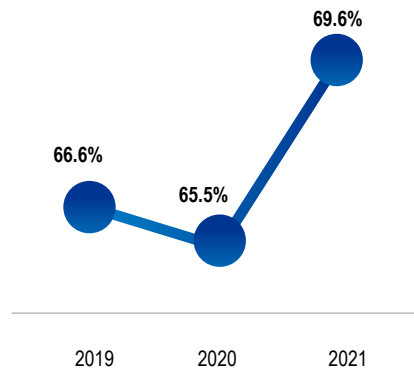
Ratio of R&D expenses to operating revenue trend chart



(Unit: Millions of NTD) ; %

● R&D Expenses
○ Ratio of R&D expenses to operating revenue

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

Primax, to protect the Company's R&D achievements and leading position in technology, internally, has motivated employees to put forth invention proposals with an innovation rewarding system, along with an evaluation process. There are four kinds of rewards, namely patent application, patent granted, Golden Brain membership, and annual king of inventor. In addition to bonuses, we announce a list of personnel receiving rewards regularly on the Company's electronic signage to increase employees' sense of identity. Meanwhile, we have established patent management and risk control policies and mechanisms and systematically manage the quantity and quality of employee patent applications through AI tools. Externally, we closely interact and cooperate with the patent authorities in the major local and overseas markets to improve the review efficiency and obtain high-quality patent protection, while taking effective measures to reduce patent risks.

2. Copyright management

We have formulated copyright management regulations to regulate the process of obtaining, preserving, and maintaining works.

3. Protection of trade secrets

Trade secrets are closely related to the Company's operations and core technologies. In addition to formulating confidential data management regulations to manage trade secrets, we have stipulated relevant rules in the employee code of conduct and employment contracts, while offering education and training for employees to raise their awareness of the importance of trade secrets and protective measures.

Countermeasures against intellectual property risks

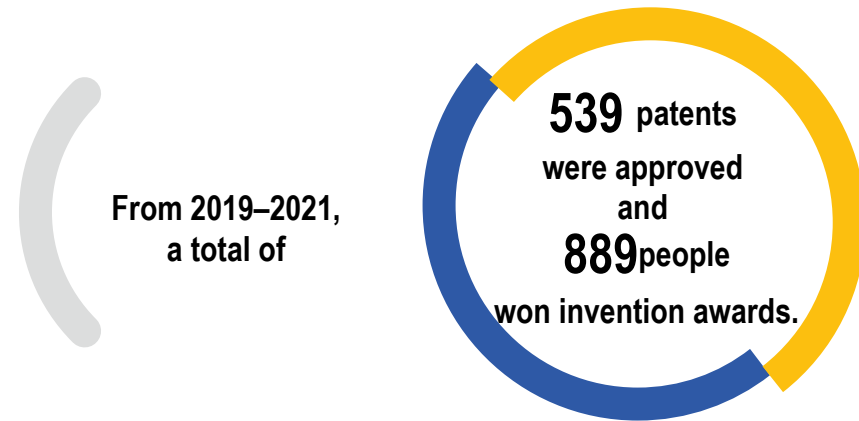
Primax occasionally receives notices from third parties or clients claiming that the Company's products are involved in intellectual property disputes. The Company has always adhered to the principle of respecting others' copyrights and insisted on not infringing on others' copyrights when they do not. 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.

Customer Relations

Primax Electronics is persistent in delivering high-quality products and services, and dedicated to ensuring total customer satisfaction. It strives to maintain technological and manufacturing capacity at levels that are adequate to deliver high-quality products and services to customers. Every employee is motivated by the initiative and teamwork to "do things right on the first try," "eliminate waste," and make continuous improvements to internal procedures.

The Company has service procedures, satisfaction surveys and complaint handling procedures in place to investigate customers' complaints, identify the cause of problem and distinguish areas of responsibility. Customer satisfaction survey is conducted on a yearly basis to obtain customers' opinions with regards to "quality," "price," "R&D and technology capacity," "delivery and control," and "overall performance." The findings help us assure the best services to customers.

In addition to the satisfaction survey results of the year, we have observed the trend of satisfaction survey results over the past 10 years, to understand the long-term clients' satisfaction trend through the observation so as to improve our services day by day. In 2021, clients' satisfaction with our products and services was higher than 2020. We will continue to improve and strive to meet clients' expectations for Primax.




Customer satisfaction survey process



2.6 Risk management

<p>Risk management GRI material topic: Risk management Corresponding ESG topic: Climate change adaptation</p>	<p>Short-term target</p>	<p>Achievement rate</p>	<p>Mid- and long-term target</p>
<p>Topic boundary Taipei Headquarter/Dongguan Primax/Chongqing Primax/Kunshan Primax/raw material suppliers/clients</p> <p>Boundary limitations This report discloses information relating to business risks and climate change risks of Primax (excluding subsidiary Tymphony).</p> <p>Management purpose and importance 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>Responsible units ESG Office</p>	<ul style="list-style-type: none"> · Set up a new functional committee: Risk Management Committee. · Evaluate and alleviate the impact of risks in 1–3 years on Primax’s operations every year and report to the Board of Directors. · Publish a TCFD report annually. 	<ul style="list-style-type: none"> ☺ Established the Risk Management Committee in 2021. ☺ 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 2021. ☺ Published the first TCFD Report of Primax Electronics. 	<p>Assessed the risks arising and formulated strategies on a 5-year term or longer to alleviate the impact in response to climate change issues.</p>
	<p>Action plans</p> <ul style="list-style-type: none"> · Established the Risk Management Committee under the Board of Directors in November 2021, to strengthen corporate risk management. · The Risk Assessment Task Force held at least a risk and opportunity identification meeting per year. · Disclosed climate-related information for 2021 in alignment with the framework for disclosure of climate-related financial information published by TCFD. · Published the 2021 TCFD Report of Primax Electronics and appointed SGS to complete the TCFD performance evaluation. · The material operational risks of identified in 2021 include IT security, supply chain management, production site planning, long-term exchange rate movements and succession planning; material risks of climate change include green products, low-carbon production, meeting of stakeholders’ expectations, and carbon border tax. We discussed the above risks with relevant units and formulated corresponding strategies before reporting to the Board of Directors. 		<p>Performance management achievements</p> <ul style="list-style-type: none"> · We completed a risk assessment report in 2021 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.

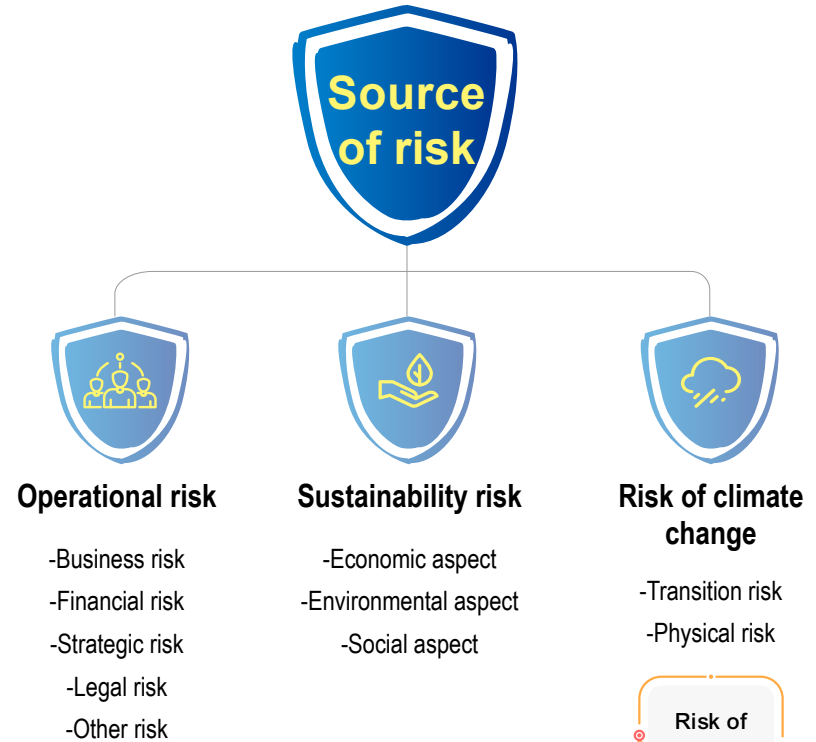
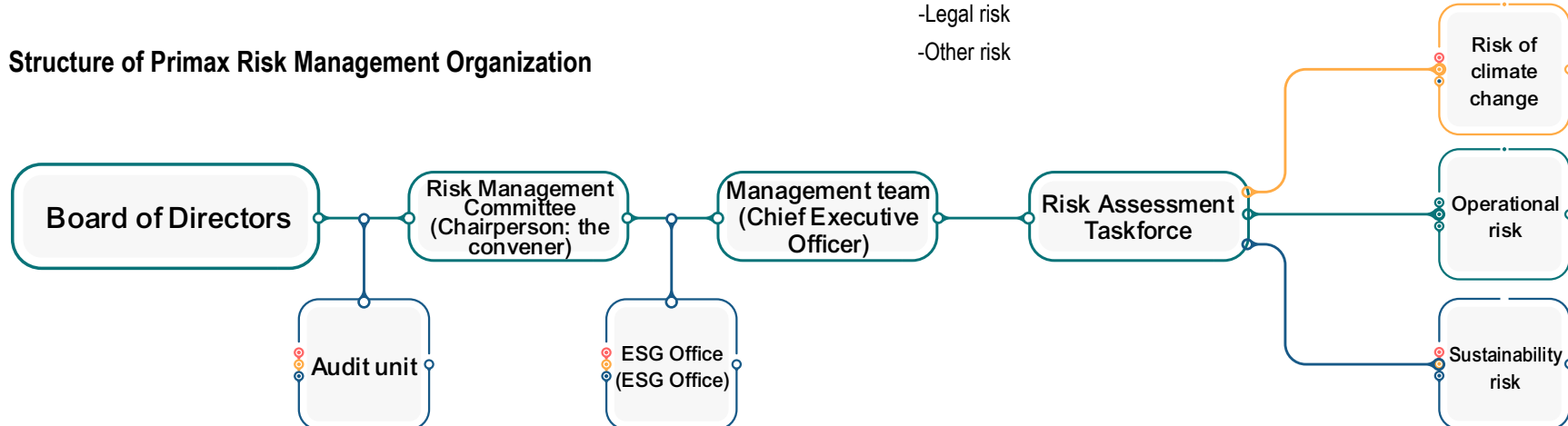
*Please refer to Chapter 3 [Environmental Sustainability](#) in this report for more information on climate change adaptation. 

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

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 ESG Office under the Board of Directors. Chairperson is authorized to designate ESG Office for operational risk, sustainability risk, 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. It should hold at least a risk assessment meeting per year according to Primax's risk management workflows set forth in the Corporate Risk Management Policies and Procedures and formulate response strategies and set goals as per the high risks identified, and submit a corporate risk management report to the Risk Management Committee; then, the Risk Management Committee will review the corresponding policies and implementation results for the risks identified, and the convener should report to the Board of Directors at least once a year.

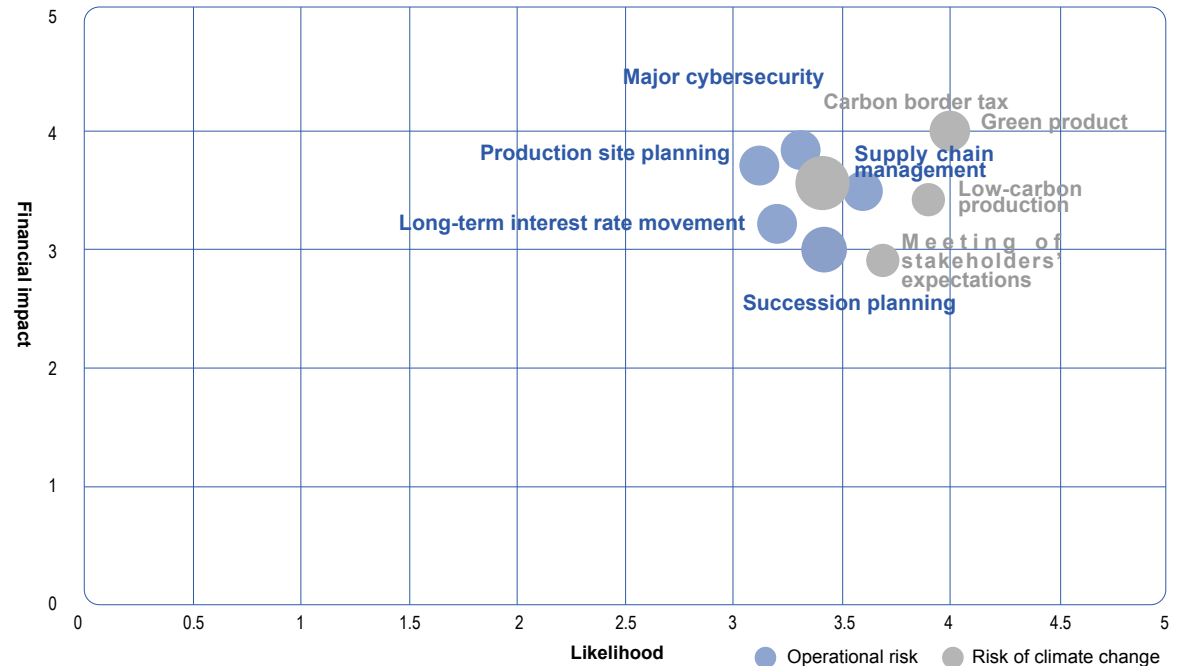
Structure of Primax Risk Management Organization



The Risk Assessment Task Force held a risk assessment meeting in February and March 2021, respectively, to re-identify various operational risks. The chair of the ESG Office already reported on the corporate risk management report to the Board of Directors in November. After the identification in the risk management process this year, the main risks identified include: (1) major cybersecurity, (2) supply chain management, (3) production site planning, (4) long-term exchange rate movement, (5) succession planning, and (6) climate change (including green products, low-carbon production, meeting of stakeholders' expectations, and carbon border tax). Relevant risk countermeasures are shown in the table below (please refer to [3.1 Climate Change Management](#) for climate change risks).

The spread of COVID-19 continues and the world still struggles to contain the disease even to this day. Having implemented relevant measures and assembled "Disease Control Teams" throughout Taipei Headquarters and production facilities in China, Primax Group will continue to fight the ongoing pandemic by introducing continuity plans, drills, and proper responses.

Matrix of Primax's risks



Risk	Measures in response to risks
Major cybersecurity	<ol style="list-style-type: none"> 1. Establish an IT security committee to formulate IT security policies and IT security standards and baselines 2. Implement and obtain ISO 27001 verification at operating sites 3. Set up a cybersecurity unit, which is responsible for IT security policy planning, implementation, and auditing 4. Enhance awareness-raising events for IT security and monthly IT security reports by all employees
Supply chain management	<ol style="list-style-type: none"> 1. Plan a safety stock for critical components 2. Plan a plan for collaboration with upstream and downstream supply chain partners 3. Adjust and formulate important supplier and procurement strategies
Plan production sites	<ol style="list-style-type: none"> 1. Increase the production capacity of the plant in Thailand and strengthen the operational capacity of the plant in the Czech Republic 2. Purchase land in Taiwan to build a production and R&D site, diversify the risk of factory concentration in mainland China
Long-term interest rate movement	<ol style="list-style-type: none"> 1. Manage the currencies of quotes and purchases, and use such currencies for natural hedging 2. Pass the cost of exchange rates to upstream and downstream suppliers through price and cost negotiation 3. Predict the position of assets and liabilities and choose appropriate financial trading tools for hedging
Succession planning	<ol style="list-style-type: none"> 1. Select the first-line managers for succession and training, and the top-level managers review their personal career development plans regularly 2. Hold regular talent development assessment meetings to accelerate the development of a team of middle and top-level management personnel to facilitate the organization's sustainable development.

2.7 Privacy and Cybersecurity

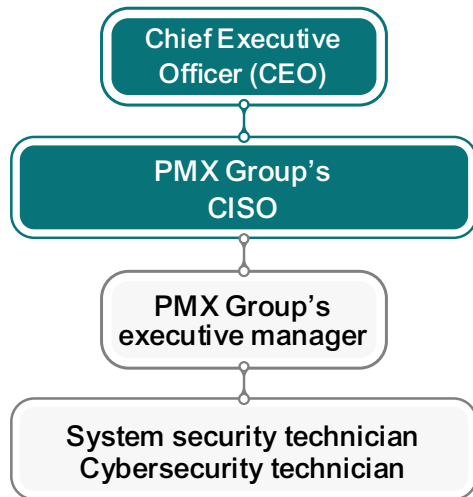
<p>Privacy and Cybersecurity management GRI material topic: Customer privacy Corresponding ESG topic: IT security</p>	<p>Short-term target</p>	<p>Achievement rate</p>	<p>Mid- and long-term target</p>
<p>Topic boundary Taipei Headquarters / Dongguan Primax / Chongqing Primax / Kunshan Primax / Huizhou Tymphony / Dongguan Tymphony / Dongcheng Tymphony / Raw material supplier / Customer</p> <p>Boundary limitations This report discloses Primax Group's actions toward protecting privacy and confidential information.</p> <p>Management purpose and importance 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</p> <p>Responsible units Corp.security Department</p>	<ul style="list-style-type: none"> · Perform annual network and system penetration testing. · Hold annual email social engineering exercises. · Pass external certification for ISO 27001 information security Management System annually. · Offer cybersecurity education and training to employees every year. 	<ul style="list-style-type: none"> ☑ The percentage of high-risk penetration vulnerabilities patched was 100%. ☑ Completed annual employee social engineering email exercises. ☑ Passed the certification of the ISO 27001 external audit. ☑ Held a total of four cybersecurity online education and training session, with a total of 3,571 participants. 	<p>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.</p> <p>Performance management achievements</p> <ul style="list-style-type: none"> · No complaint concerning violation of customers' sensitive information was received. · No cybersecurity-related complaint from external parties or the authority was received.
<p>Action plans</p>		<p>Performance management achievements</p>	
<ul style="list-style-type: none"> · The Company aims to build an effective cybersecurity defense network as our vision for cybersecurity. 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 become an enterprise with outstanding performance in information security governance. · To reinforce our cybersecurity protection capabilities, we request vendors to perform white-hat penetration testing every year to analyze the potential vulnerabilities and scenarios of hacking through various hacking methods, to improve the quality of cybersecurity protection. · We perform annual vulnerability scans of our host systems and network devices regularly and patch critical and high-risk vulnerabilities. · We have adopted a computer asset management system, a client privileged account management system, a mobile device security protection mechanism, a data loss prevention (DLP) system, and a multi-factor authentication (MFA) mechanism to reduce anomalies in confidential or sensitive data. · We continue to implement the business email compromise (BEC) to screen emails and the security information and event management (SIEM) to monitor logs, to identify any anomaly in time. 		<p>· No complaint concerning violation of customers' sensitive information was received.</p> <p>· No cybersecurity-related complaint from external parties or the authority was received.</p>	

Note: ☑ Target achieved ☐ Target to be achieved ☒ Target not achieved

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, to ensure clients' long-term mutual trust and partnerships.

Cybersecurity organizational structure

To improve the Group's security management, we have established a Cybersecurity Department. The Chief Information Security Officer (CISO) is responsible for launching cybersecurity policies and dispatching resources, and the information security executive manager and two information security technical employees ensure that the various cybersecurity management regulations can be continuously implemented effectively. The organizational structure of the Group's Cybersecurity Department is shown in the figure below



The organizational structure of the Group's Cybersecurity Department

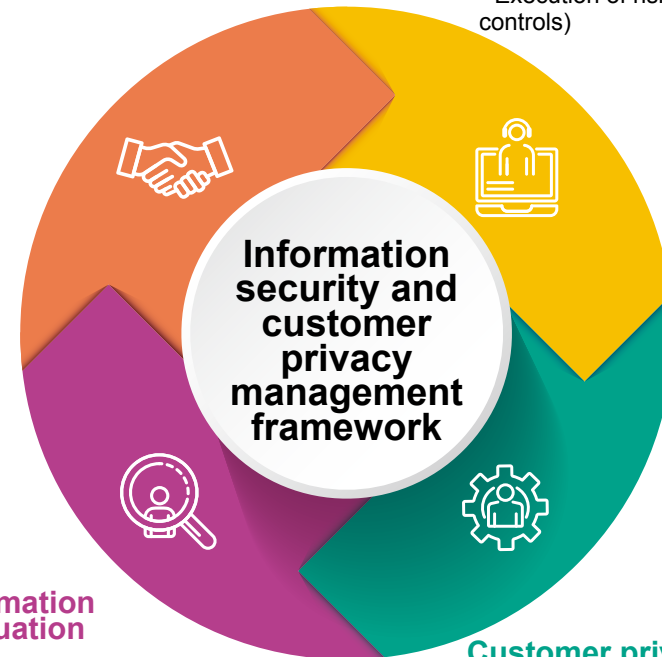
PMX Group's Cybersecurity Management and Continuous Improvement Framework

Execution plan for information security enhancement strategies

- Response mechanism for information security incidents
- Information security in business continuity management
- Ongoing improvement to information security control

Information security management system

- A suitable information security management system using the PDCA cycle
- A risk evaluation and response mechanism
- Execution of risk control (114 controls)



Internal information security evaluation

- Information security evaluation plans and guidelines
- Information security evaluation indicators and scope
- Non-compliance of information security and corrections/ preventions

Customer privacy protection mechanism

- Customer privacy identification
- Customer privacy protection measures
- Legitimate use of customers' private information

Cybersecurity management mechanism

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



People

- New recruits are required to undergo IT security awareness training, while all other employees are subject to regular re-training of IT security. The purpose of these training is to enhance employees' awareness towards customer privacy and confidential information.
- A cybersecurity organization has been assembled directly under the CEO. It is responsible for incorporating people, process and technology into safeguarding customer privacy and confidential information at the highest level. This organization exists to ensure that the various activities and measures are implemented properly, and that customer privacy and confidential information is protected at all times.



Process

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



Technology

- Network security equipment, software and anti-virus measures are constantly being enhanced to repel IT security threats such as malware, botnet, virus, worm 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 enhance security and reduce risk in applications and systems, we scan IT equipment for vulnerabilities on an annual basis and patch vulnerabilities of medium/high risk upon discovery. We have implemented a computer asset management system, a client privileged account management system, a mobile device security protection mechanism, a DLP system, and a MFA mechanism to minimize chances of incident involving confidential or sensitive data, while continuing to implement the BEC to screen emails and the SIEM to monitor logs to identify abnormal occurrences in time, which in turn enhances our cybersecurity management.

We organize cybersecurity awareness training and social engineering drills twice 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. Also, we have purchased cyber risk insurance or commercial crime insurance since June 2018.

To continue to ensure the security of client privacy and confidential information on the basis of the sound cybersecurity management, Primax has begun to establish an information security management system in alignment with ISO 27001:2013 since 2017. We have formulated a cybersecurity policy and four levels of management documents, while adopting a Plan-Do-Check-Act (PDCA) method to continuously improve the overall cyber security environment and establishing quantitative cyber security targets for us to regularly review and evaluate the achievement of the targets.

The Company has passed the ISO 27001:2013 international standard certification in January 2018. The validity period of the certification is from February 12, 2021 through February 7, 2024. We continue to pass the certification agency's renewal certification review to verify the effectiveness of our information security management system.



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.

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

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

Internal audit of cybersecurity

The information audit 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 reported to the Audit Committee and the BOD regularly, at least annually.

03

Environmental Sustainability

- 3.1 Climate change management
 - 3.2 Energy management
 - 3.3 Greenhouse gas reduction
 - 3.4 Water resource management
 - 3.5 Pollution prevention and management
- 2.7 Privacy and Cybersecurity



3 Environmental Sustainability

Climate change adaptation and management

GRI topics: Energy, emission, waste, and water and wastewater

Corresponding ESG topic: Climate change adaptation

SDGs:



Topic boundary

Taipei Headquarters / Dongguan Primax / Chongqing Primax / Kunshan Primax / Huizhou Tymphony / Dongguan Tymphony / Dongcheng Tymphony / Raw material supplier / Customer

Boundary limitations

This report discloses information relating to climate change risks about energy, emission, waste, water and wastewater of Primax Group.

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.

Responsible units

The ESG office formulates climate change policies and mid- and long-term targets, and each responsible unit is responsible for formulating action plans.

Short-term target

- Reduce total waste by 2% and general waste by 2% per year.
- Reduce energy (including electricity) consumption by 2% per year.
- Reduce water consumption by 2% per year.
- Adopt the SBTi approach and set carbon reduction targets: Reduce Scopes 1 and 2 GHG emissions (CO2e) by 25% by 2025, compared to 2019 (the base year).
- Implement the ISO 14001 environmental management system at Taipei Headquarters.
- Primax Electronics officially joins the RE100 initiative.

Achievement rate

- ☺ Reduced total waste generation by 3.04% in 2021.
- ☺ Reduced general waste by 6.67% in 2021.
- ☺ Reduced energy (including electricity) consumption by 8.20% in 2021.
- ☺ Reduced water consumption by 2.83% in 2021.
- ☺ Reduced GHG emissions by 23.56% in 2021 compared to the base year of 2019.
- ☺ Estimated to implement ISO 14001 at Taipei Headquarters in 2022.
- ☺ The renewable energy consumed accounted for 14.79% of the total used electricity in 2021.

Mid- and long-term target

- **Mid-term target:** Increased consumption of renewable energy: Raise renewable energy consumed to 60% of total electricity consumption by 2030.
- **Long-term target:** Achieve carbon neutral: Achieve Scopes 1 and 2 carbon neutral by 2040.



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

2. Calculation formula for carbon reduction: Primax Group's GHG emission intensity in 2020* 2021 consolidated revenue - 2021 Primax Group's GHG s emissions



Action plans

- Seven of Primax Group's major sites have developed management procedures in accordance with ISO 14001 - Environmental Management System, ISO 14064-1 - Greenhouse Gas Inventory, ISO 14046 - Water Footprint, and ISO 50001 - Energy Management System, and obtained verification for the above systems.
- Continued waste reduction actions, hazardous waste management by classifying, storing, and weighing.
- Printed all annual reports and conference manuals used in annual general meetings on FSC-certificated paper using soy-based ink for environmental protection.
- Primax Group adopted the SBTi approach to set short-term carbon-reduction targets in 2020.
- Primax supports customers' Carbon Disclosure Project (CDP) initiatives by taking part in supply chain surveys and disclosing environment-related information on a yearly basis.
- Executed energy conservation plans at all major production sites on a yearly basis. (such as installing solar photovoltaic panels or setting up automatic monitoring systems)
- Seven major sites of Primax Group continued to pass ISO 14064-1 greenhouse gas verification in 2021.
- Seven major sites of Primax Group continued to pass ISO14046 water footprint verification in 2021.
- Seven major sites of Primax Group continued to pass ISO 50001 Energy Management System certification in 2021.
- Dongguan Primax and Chongqing Primax continued to purchase renewable energy certificates in 2021.
- TCFD framework was adopted in 2021 for systematic identification and management of climate change risks and opportunities, and our TCFD performance was rated by SGS as benchmark, the highest rating-Pioneer.
- Primax Electronics officially joined the RE100 initiative in 2022.

Performance management achievements

- In 2021, Primax Group did not violate environmental laws and regulations and receive any penalty accordingly.
- All major production sites execute energy conservation plans on a yearly basis. Carbon reduction volume in 2021 was estimated at 1,685,593 kg CO₂e Note2.
- All gas emitted by Primax Group in 2021 was 100% compliant with regulations.
- Dongguan Primax and the Chongqing Plant purchased additional 14.2 million kWh of renewable energy certificate in 2021, offsetting approximately 18,959 tons of CO₂e to date.
- Primax Group's GHG emission intensity in 2021 was 12.72% less than that in 2020.
- Primax Group's energy intensity in 2021 was down by 12.57% compared to 2020.
- Primax Group's water consumption intensity in 2021 was 7.45% less than 2020.
- Primax Group's total waste volume in 2021 was 3.04% less than 2020.
- Dongguan Primax was awarded the title of "Environment-friendly Business" - blue verification for 9 consecutive years.
- The emergency rainwater treatment solution adopted by Dongguan Primax passed municipal verification for "emergency environment precaution" of the local government in 2021.
- Chongqing Primax has been awarded the title of "Trusted Environment-friendly Business" in Yongchuan District, Chongqing, for four consecutive years.






3.1 Climate change management

In the face of global warming, extreme climates and in response to rising awareness of environmental protection, energy efficiency, health and safety and conservation, the Company refers to the Task Force on Climate-Related Financial Disclosures (TCFD) framework published by the Financial Stability Board (FSB) in order to establish a risk framework according to the four core elements for TCFD reporting (i.e., "Governance", "Strategy", "Risk management", and "Metrics and targets"), identify material risks and opportunities for operation and develop corresponding strategies. In October 2021, we became a TCFD Supporter by signing the Statement of Support form.

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 establish its 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 2021, Primax conducted systematic identification and management of climate change risks and opportunities for the major operating sites: Primax Electronics Taipei Headquarters/ Taipei R&D Center, and Dongguan Primax, Chongqing Primax and Kunshan Primax in China under the TCFD framework based on four core elements. We also officially passed the SGS Taiwan's assessment in January 2022 and obtained the TCFD Performance Assessment "Pioneer"– Benchmark statement (as in Appendix 7.7). 

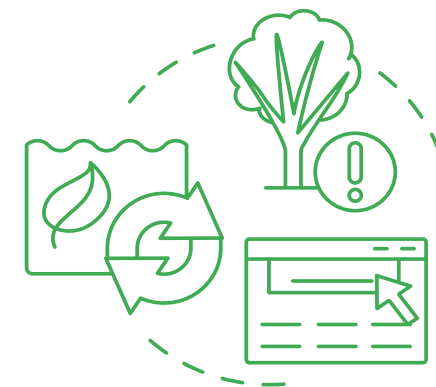
Climate change related governance

Primax has established ESG Office under the Board of Directors. Chairperson is authorized to designate ESG Office 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. Climate change risk management, strategy, and targets were approved by the Board of Directors on November 4, 2021.

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. A total of 16 people received merit points in 2021 and the rewards in January 2022. Going forward, the remuneration to Chief Executive Officer and management will be linked with the operational key performance indicators (KPIs), including GHG reduction targets.

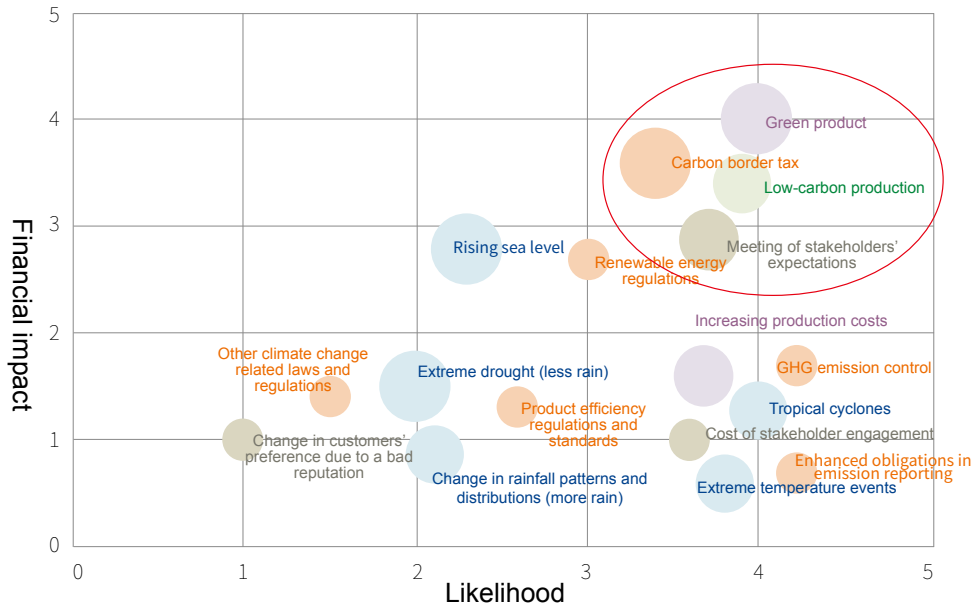


Management of climate change related risks and opportunities

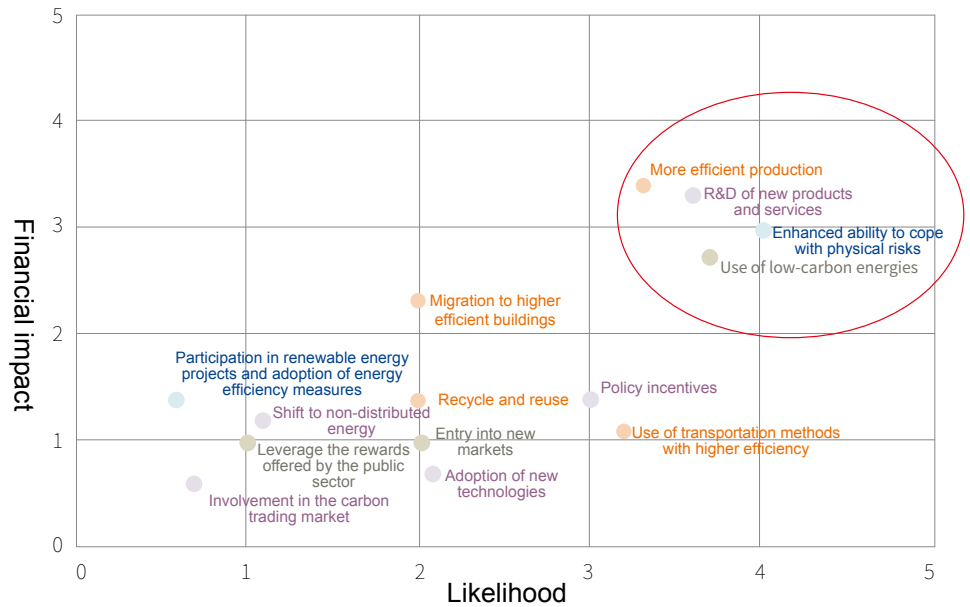
Primax mainly adopts B2DS as our climate change risk scenario and describes climate change risks and opportunities in terms of physical risks, transition risks, and sources of opportunities in this scenario. We simulate the impact of physical risks under different scenarios. The risk assessments are based on historical circumstances and relevant climate change forecasts such as surging sea levels in the 2°C scenario and the 4°C scenario provided by Climate Central Note 1 and rainfall forecasts by TCCIP) Note 2.

The Risk Assessment Task Force members assigned scores on the questionnaire results and these scores were forwarded to ESG Office for discussion to identify climate change risks and opportunities, and a total of four climate change risks and four potential climate change opportunities were identified as a result. A matrix of risks and opportunities was produced based on the sorted results. Then ESG Office convened a meeting to discuss TCFD risks and opportunities, so as to determine the Company’s strategies in response to climate change.

Primax’s climate change risk matrix



Primax’s climate change opportunities matrix





Climate change strategies

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

Risk category	Potential financial impacts	Measures in response to risks
Green product	Reduced revenues Reduction in orders due to inability to meet customers' needs Increase in direct costs Operating costs for the use of recycled materials and green energies	<ol style="list-style-type: none"> 1. Establishment of a comprehensive green design system and implementation of product lifecycle assessments to mitigate the product impact on the environment and climate change. 2. Deepening the design capabilities for recyclability and low energy consumption, to better align with the global demand from customers for green design. 3. Cooperation with customers to enhance product images and values of customers, so that they are willing to accept necessary costs and reflect such costs in selling prices.
Low-carbon production	Increase in direct costs Operating costs for new and improved manufacturing processes and technologies.	<ol style="list-style-type: none"> 1. Ongoing implementation of the energy management system and expected introduction of a variety of management and energy efficiency measures to reduce waste. 2. 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.
Meeting of stakeholders' expectations	Increase in direct costs Operating costs of borrowing interests	The Company introduces different management systems and enhances management performances in ESG elements in order to reduce risks. ESG information is disclosed in annual sustainability reports and on websites, to respond to the expectations of stakeholders. The TCFD framework was introduced in 2021 for the identification and disclosure of information related to climate change risks and the enhancement of management performances.
Carbon border tax	Increase in direct costs Operating costs due to higher taxes	The carbon border tax is yet to be assessed and Primax is not subject to the initial levy on products and materials. However, its carbon footprint inventory is calculated first and energy efficiency design is incorporated into products exported to Europe, in order to reduce or avoid the carbon border tax when the levy is expanded, or there are requirements from the supply chain.

Opportunities	Potential financial impacts	Measures in response to opportunities
Development or increase of low carbon products and services	Increase in revenue Higher revenues due to more demand for products and services.	<ol style="list-style-type: none"> 1. Completion of a green design system and cooperation with customers to enhance the product values and images of customers. 2. Announcement of the carbon neutrality target for better images in front of customers and stakeholders.
More efficient production	Cost reduction Improvement of manufacturing process efficiency and reduction of processing costs.	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.
Use of low-carbon energies	Increase in capital expenditures New equipment procurement Solar energy equipment procurement	The Company will evaluate the feasibility of investing in solar energy and other green energy equipment and pursue the use of low carbon energies to reduce emission risks and costs.
Enhanced ability to cope with physical risks	Increase in revenue Higher revenues from new operation premises	A manufacturing site was established in Thailand in 2020, to diversify physical risks (e.g., due to natural disasters, pandemics and politics) and enhance the capability in continuous operation. The risk Management Committee will be established under the Board of Directors, to stay better informed and facilitate swift decisions on operational risks and opportunities caused by climate change.

Indicators and targets in relation to climate change



SBTi carbon reduction target:

Annual reduction of Scope 1 and Scope 2 GHG emissions by 25% by 2025 measured in carbon dioxide equivalent (CO₂e) from the base year of 2019.

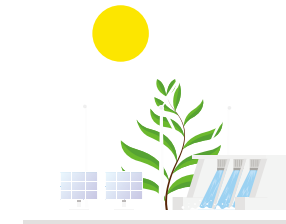
The Company sets up the timeframe for short-term targets in reference to benchmark companies and its own product development cycles, sale strategies and timetables.



Increase in the percentage of renewable energy consumption:

Increased consumption of renewable energy: Raise renewable energy consumed to 60% of total energy consumption by 2030.

We have set up a timeline of our mid-term targets according to the carbon neutrality (100% carbon neutrality) target of Apple (our main client) by 2030 and the Company's SBTi carbon reduction target.



Achieving carbon neutrality:

Achieving carbon neutrality in Scopes 1 and 2 emissions by 2040.

We have set up a timeline for our long-term target for carbon neutrality in Scopes 1 and 2 emissions by 2040.



Please refer to 2021 TCFD Report of Primax Electronics (link to be confirmed) for complete information on Primax's climate change risks. Please refer to the Chapter 3 Environmental Sustainability in this report for climate change adaptation management actions and achievements.



3.2 Energy management

Active participation in international energy conservation initiatives
Endeavor to realize the commitment to energy conservation and carbon reduction

In response to the COP26,
we have set the carbon reduction targets below:

Short-term target:

Adopt the SBTi approach and set carbon reduction targets for Scopes 1 and 2 GHG emissions reduction (CO₂e) by **25%** by 2025, compared to 2019 (the base year).

Mid-term target:

Continue to use renewable energy and raise the consumption of renewable energy to **60% of total used electricity** by 2030.

Long-term target:

Achieve carbon **neutral** in Scopes 1 and 2 emissions by 2040.

Primax will apply to join the RE 100 initiative in 2022, with a commitment to adopting renewable energy in all operating sites, and actively set the above renewable energy targets. In addition to actively implementing energy conservation plans, we have increase the proportion of renewable energy certificates purchased year by year since 2019 and established solar power facilities since 2022 to achieve carbon neutral by 2040.

Complying with global environmental protocols

7 of Primax Group's major sites have 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 verified for all of the above systems.

As an electronics manufacturer, energy efficiency, greenhouse gas reduction, waste watert/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 encountered no violation against environmental laws or related fines in 2021.

Primax actively participates in the international initiatives as well as corporate sustainability and climate change events below.

- Member of Taiwan Business Council for Sustainable Development
- Founding member of CWS
- We participate in the Carbon Disclosure Project (CDP) supply chain survey to disclose Primax's information on greenhouse gases, energy consumption, and water resources.

In addition, we adopt the Dow Jones Sustainability Indices (DJSI) and the MSCI ESG questionnaire to examine our internal compliance to identify areas for improvement.

In 2016, Primax began exploring energy conservation solutions at various plant sites, and made adjustments based on the outcome. We also embrace opportunities given rise by climate change, and have dedicated ourselves to low-carbon design and production. Establishing carbon footprint rules and obtaining carbon label and reduction certificate will boost image of Primax Group, and even open up new opportunities.

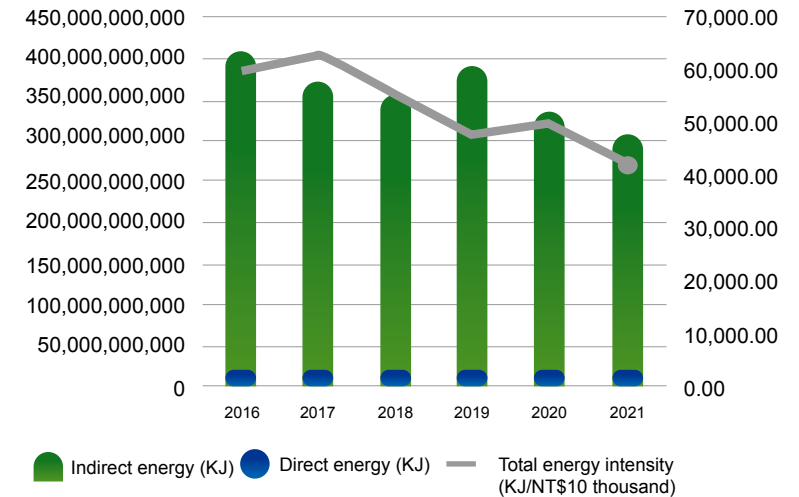
Energy consumption

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 - 2018–2021

Energy	2018	2019	2020	2021	Compared to the previous year	Remarks
Liquid petroleum gas (Unit: KJ)	29,371,680	25,756,704	8,861,712	2,912,064	-67.14%	Liquid petroleum gas was used only at Huizhou Tymphany and Dongcheng Tymphany; calorific value = 12,000kcal/kg
Natural gas (Unit: KJ)	13,358,633,444	16,475,889,423	10,297,079,151	9,715,255,477	-5.65%	Natural gas is used only by plants in China; calorific value = 9,310kcal/M3
Diesel (Unit: KJ)	1,298,837,371	2,132,186,299	750,535,619	6,459,917,456	760.71%	Calorific value: Taiwan = 8,400 kcal/L; China = 10,200 kcal/kg
Gasoline (Unit: KJ)	1,364,471,802	1,235,610,743	851,839,466	719,841,542	-15.50%	Calorific value: Taiwan = 7,800 kcal/L; China = 10,300 kcal/kg
Electricity (Unit: KJ)	340,848,595,028	373,738,300,577	327,267,805,013	294,453,334,478	-10.03%	1kwh=3,600KJ
Total energy consumption (Unit: KJ)	356,899,909,325	393,607,743,746	339,176,120,960	311,351,261,017	-8.20%	
Energy intensity (Unit: KJ/NT\$10 thousand)	55,067.5	48,804.7	49,702.7	43,454.6	-12.57%	

Energy consumption statistics of Primax Group



	Direct energy (KJ)	Indirect energy (KJ)	Total energy intensity (KJ/NT\$10 thousand)
2016 年	21,514,637,272	386,731,862,932	60,117.38
2017 年	19,022,652,087	356,984,603,442	61,902.66
2018 年	16,051,314,297	340,848,595,028	55,067.45
2019 年	19,869,443,169	373,738,300,577	48,804.7
2020 年	11,908,315,948	327,267,805,013	49,702.7
2021 年	16,897,926,539	294,453,334,478	43,454.6

Note:

1. The scope of energy statistics was the same as the seven major sites disclosed in this report.
2. Source of data: Electricity/natural gas volume was derived by summing the figures shown on monthly statements/payment slips across all plants; liquid petroleum gas, diesel and gasoline volume was based on the actual amount collected.
3. The main reason for the increase in the consumption of diesel compared to 2020 was that a production site used diesel to generate power due to forced power outage.



3.3 Greenhouse gas reduction

Electronic manufacturing runs the risk of emitting GHG, nitrogen oxides (NO_x), sulfur oxides (SO_x) 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 and China, and has ensured 100% compliance with local environmental regulations. The "Greenhouse Gas Reduction and Management Act" has been implemented in Taiwan. Although Primax Group does not operate any production facility in Taiwan and is not subject to GHG emission reporting and control, we still take the initiative to survey GHG emission 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 2021 were be 70,189.331 tons of CO₂e/year (Market Base), a decrease of 6,403.02 tons of CO₂e/year, or about 8.36%, compared with 2020; a decrease of 21,634.063 tons of CO₂e/year, or about 23.56%, compared with the base year of 2019. The greenhouse gas emission intensity in 2021 was 0.0098 TCO₂e/10 thousand NT, a decrease of 12.72% compared with 2020 and a decrease of 13.96% compared with the base year of 2019. The main reason is that each plant has actively implemented energy conservation projects and that Dongguan Primax, Chongqing Primax, Kunshan Primax, and Huizhou Tymphany purchased international renewable energy certificate (I-REC).

In 2021, 14,200,000 kwh of renewable energy offset a total of 11,527.44 metric tons of CO₂e, accounting for 14.79% of the electricity used. A total of 23,155,000 kwh of renewable energy has been purchased since 2019, offsetting 18,959.468 metric tons of CO₂e.

GHG emission statistics of Primax Group - 2021

Unit: tons of CO₂e/year

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Primax Group Total GHG emission
Scopes 1 and 2 (Market Base)	66364.1841	2104.9888	2.8772	1717.2808	0	0	0	70189.331

GHG emission statistics of Primax Group - 2018–2021

Unit: tons of CO₂e/year

Type of GHG	2018	2019	2020	2021	Compared to the previous year
Category 1	4,117.224	5,488.224	4,002.669	4,900.119	22.42%
Scope 2 (Market Base)	-	86,335.170	72,589.681	65,289.212	-10.06%
Scopes 1+2 (Market Base)	-	91,823.394	76,592.350	70,189.331	-8.36%
Scope 2 (Location Base)	78,703.647	90,925.249	75,431.631	76,816.652	1.84%
Scopes 1+2 (Location Base)	82,820.871	96,413.473	79,434.300	81,716.771	2.87%
Emissions intensity (Market Base)	0.01278	0.01139	0.01122	0.0098	-12.72%

Note: 1. Scope 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.

2. Scope 2 includes: purchased electricity. The emission coefficients used were 0.502kg CO₂e/kWh for Taiwan, 0.8042kg CO₂e/kWh for Southern China, 0.8587 kg CO₂e/kWh for Central China, and 0.7921 kg CO₂e/kWh for Eastern China.

3. The scope of GHG statistics was the same as the seven major sites disclosed in this report.

4. Minor discrepancies in GHG emission statistics for 2020 were caused by rounding errors.

5. Unit for emission intensity: ton of CO₂e/NT\$10 thousand

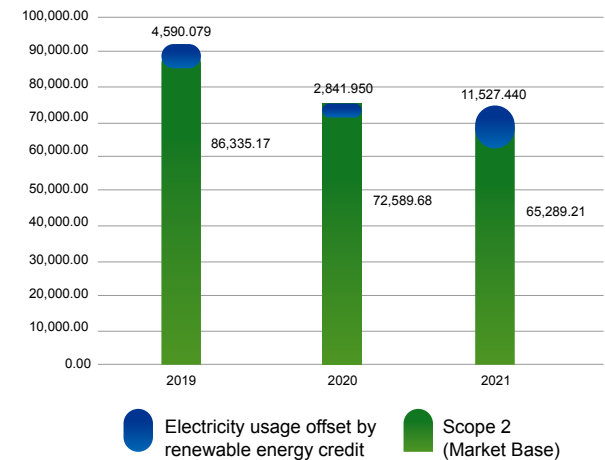
Other indirect GHG emission statistics of Primax Group - 2021

Category	Item	Plant covered	GHG emissions
Category 3	Upstream transportation and distribution	Dongguan Primax/Chongqing Primax/Huizhou Tymphany/Dongguan Tymphany/Dongcheng Tymphany	616.077
Category 3	Downstream transportation and distribution	Dongguan Primax/Chongqing Primax/Huizhou Tymphany/Dongguan Tymphany/Dongcheng Tymphany	149.157
Category 3	Business travel	Taipei Headquarters / Dongguan Primax / Chongqing Primax / Kunshan Primax / Huizhou Tymphany / Dongguan Tymphany / Dongcheng Tymphany /	1,606.529
Category 4	Goods (raw materials) purchased	Dongguan Primax/Chongqing Primax/Huizhou Tymphany/Dongguan Tymphany/Dongcheng Tymphany	92,258.155
Category 4	Waste Disposal (including transportation)	Taipei Headquarters / Dongguan Primax / Chongqing Primax / Kunshan Primax / Huizhou Tymphany / Dongguan Tymphany / Dongcheng Tymphany /	41.633
Category 4	Use of electricity/fuel (upstream)	Taipei Headquarters	207.115
Category 5	Use of products	Dongguan Primax/Chongqing Primax/Huizhou Tymphany/Dongguan Tymphany/Dongcheng Tymphany	366,145.818
Category 5	Investment	Taipei Headquarters	19,834.454

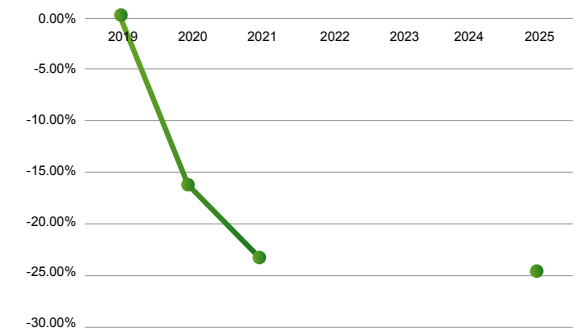
Note:

1. The scope of GHG emission data was the same as that from the seven major sites disclosed in this report.
2. Main products (those of high production volume or are energy intensive) were surveyed and examined for significant indirect sources of emissions, including category 3: transportation and shipment by upstream partners, transportation and shipment by downstream partners, and business travel; category 4: goods purchased, waste treatment (including transportation), and use of electricity/fuel (upstream); and category 5: use of products and investment.

The ratio of renewable energy consumed to total electricity consumption



GHG emission reduction by Primax Group - 2021



A total of **21,634** metric tons of CO₂e Note1 were reduced in 2021.
 Equivalent to the amount of carbon sequestered by **41,703** Taiwan incense cedar trees
 Equivalent to the number of the trees of **7** 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 trees is 262×1.2×1.65=518.76kgCO₂e, and the amount is calculated based on about 6,000 such trees planted in the Daan Forest Park.



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. Some of the actions taken by the Company include: replacing motors with energy-efficient models, optimizing air compressor utilization, improving energy efficiency of chillers, replacing lights with LED ones for plants, warehouses, and street lights, replacing street lights with solar lights, and replacing air compressors with variable-frequency models. For more details, please see "Energy-saving Solutions at Main Production Sites - 2021".

Energy-saving solutions at main production sites - 2021

Plant	Classification	Item	Power saving benefits (kWh)	Energy saving benefits(KJ)	Carbon reduction benefits(kg CO2e)
Dongguan Plant	Air conditioning system	On-site confirmation and analysis of chiller efficiency at LW plant and monitoring of energy measures	930,014	3,348,050,832	747,917
	Waste heat recovery	D1&D3 dorm waste heat recovery		6,622,016,800	372,151
	Street lights	Street lights replaced with solar ones	2,736	9,849,600	2,200
Chongqing	Air conditioning	The electromagnetic cryopumps of water chillers replaced with permanent magnetic ones	15,631.2	56,272,320	13,423
	Air compressor	Air-conditioning systems monitored and controlled with cooling metering devices	15,600	56,160,000	13,396
	Water supply and drainage	Water heaters added for employees to heat meals	1,603.68	5,773,248	1,377
	Lighting	LED street lights replaced with solar lights	1,728	6,220,800	1,484
Kunshan Plant	Lighting	T8 fluorescent tubes replaced with LED lights	30,814	110,930,400	24,408
	Air conditioning	Air conditioner time controlled	473,200	1,703,520,000	374,822
	Humidifier	humidifier replaced	99,840	359,424,000	79,083
	Air compressor	Air compressor with appropriate power selected to supply air pressure	125,611	452,199,600	99,496
Dongguan Tymphony	Air conditioning	Air conditioning temperature controlled	10,800	38,880,000	8,685
	Air compressor	Reduction of and improvement to energy consumption of air compressors	18,360	66,096,000	14,765
	Dryer for injection molding machine	Reduction of and improvement to energy consumption of manufacturing equipment	21,888	78,796,800	17,602
	Air conditioning system	Improvement to water consumption of water chillers	15,120	54,432,000	12,160
Dongcheng Tymphony	Central air conditioning system	Central air conditioning water temperature control	105,480	379,728,000	84,827
	Water pump	Electric valve	14,120	50,832,000	11,355
	Ventilation system	Ventilation system	22,890	82,404,000	18,408
Huizhou Loudspeaker	Lighting	Time control of lights in parking space	3,400	12,240,000	2,734.28
	Lighting	Solar panels adopted in the new plant	14,746	53,085,600	11,858.73
	Lighting	Office lighting adjustment	11,880	42,768,000	9,553.90
	Lighting	Light control at production line workstations	153,000	550,800,000	123,042.60
	Lighting	Alternate lights on in warehouse	25,920	93,312,000	20,844.86
	Air conditioning	The temperature of chilled-water raised upward	306,240	1,102,464,000	246,278
	Ventilation	Time control of toilet ventilation system	11,384	40,982,400	9,155.01
Taipei Headquarters	Air conditioning	Energy efficiency improvement of air conditioning system in server room on 10F	3,591	129,27,600	1,803
Total			2,435,597	15,390,166,000	2,322,830

Note: 1. Dongguan production facilities include Dongguan Liuwu and Mingzhu, and Dongguan Tymphony.
 2. The CO2 emission coefficient of steam is 2.187 kg CO2e/m3, the CH4 emission coefficient is 0.000038979 kg CO2e/m3, and the N2O emission coefficient is 0.0000038979 kg CO2e/m3.
 3. Emission coefficient of purchased electricity: 0.502 kg CO2e/kWh for Taiwan, 0.8042 CO2e/kWh for Southern China, 0.8587 kg CO2e/kWh for Central China, and 0.7921 kg CO2e/kWh for Eastern China.
 4. The above data was estimated based on equipment specifications.

3.4 Water resource management

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 seven major operating sites have obtained the ISO 14046 Water Footprint Verification Statement and formulated a water balance map of each plant to help reinforce our water conservation strategy.

Primax Group 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.

Risk level	Office location	Source of water resource	Destination of water discharge	Management strategy
Low - Medium (1-2)	Taipei Headquarters	Xindian River (Feitsui Reservoir)	Discharged into Keelung River after being treated at Neihu Water Treatment Plant	At times of water shortage, the Company would purchase water from Taipei Water Department and collect at Jingmao 1st road, Nangang District. All water discharge is directed to the sanitary sewer
	Chongqing Primax	Yongchuan Qiaoli Water Co., Ltd. (upstream reservoir)	Discharged into Linjiang River after being treated at Yongchuan Phoenix Lake Water treatment plant	To proceed according to emergency response and crisis management procedures; if water supply is disrupted at the upstream reservoir, the plant may draw water from an alternative reservoir (Guanmenshan Reservoir)
Medium - High (2-3)	Dongguan Primax	Dong River (from two sources: Liuwu Water Plant and Shijie Water Plant)	Discharged into Dong River after being treated at Shijie Shayao Water Treatment Plant	To proceed according to emergency response and crisis management procedures
	Huizhou Tymphony	Primary: Dong River Secondary: reservoir and Xizhi River (from water plant in Huiyang District)	Discharged into Dong River after being treated at Xinxu Town Water Treatment Plant	To proceed according to emergency response and crisis management procedures
	Dongguan Tymphony	Dong River (from two sources: Liuwu Water Plant and Shijie Water Plant)	Discharged into Dong River after being treated at Shijie Shayao Water Treatment Plant	To proceed according to emergency response and crisis management procedures
	Dongcheng Tymphony	Dong River (Dongguan Water Group Co. Ltd. Guancheng Branch)	Dongguan Zhangcun Water Purification Co., Ltd. (Discharged into Dong River after treatment)	To proceed according to emergency response and crisis management procedures
High (3-4)	Kunshan Primax	From two sources: Yangtze River or Kuilei Lake	Discharged into Loushui River after being treated at Chengbei Water treatment plant	To proceed according to emergency response and crisis management procedures depending on the circumstances: 1. Build up water reserve where possible after being notified of the disruption 2. Make shift changes according to business volume 3. Purchase water from other locations

Note: Aqueduct Water Risk Atlas was used for water risk assessment.



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 passed water footprint survey and obtained verification for ISO 14046:2014 in 2021, which is a testament to Primax's resolve in conserving water resource and protecting the environment.

The Group sources water entirely from tap water. Water usage complies with local regulations, and the volume of water drawn poses no significant impact on water resources. The Group's water consumption in 2021 was down 26,685 m³ or 2.83% from 2020; water intensity was 12.79 m³/million NTD, down 7.45% from 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 implemented a reclaimed water system that enabled it to recycle and reuse production wastewater. Recycled wastewater 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 2021 was measured at 16.73 million liters, representing 1.83% of group-wide water usage. The recycling helps minimize use of fresh water, discharge of wastewater, and the overall environmental impact.

Wastewater management

River not only serves as a source of water, but also provides habitat that is vital to creating biodiversity. For this reason, we have devoted part of our environmental focus to keeping rivers clean. By tracking the volume of water discharged, we are able to ensure effective management of production wastewater. In addition to the improvements made in 2016, the Company also implemented a number of environment-friendly measures this year, such as: (1) Construction of reclaimed water pool for production activities of three coating lines, (2) Auto sediment filtering for water recycling and minimization of effluent discharge, (3) Improvement of proprietary water treatment station with PH monitors/sampling pools for automatic monitoring of water quality data, and (4) More robust response measures.

Except for the industrial wastewater discharge in the Liuwu Plant, the other plants of Primax Group only use domestic and public water. All the plants discharged wastewater into the local underground water pipelines according to regulations without material impact on the local water.

Water usage statistics of Primax Group - 2021

Plant	2018	2019	2020	2021	Compared to the previous year	
Water Consumption	921.03	1117.77	943.01	916.32	-2.83%	
Water discharge	Wastewater from living activities	560.09	825.33	497.40	495.48	-0.39%
	Industrial wastewater	93.61	38.44	40.75	56.05	37.55%
Water consumption	267.33	254.00	404.86	364.79	-	
Volume recycled	44.40	21.60	19.25	16.73	-13.09%	
Percentage of recycled water (%)	4.82%	1.93%	2.04%	1.83%	-	
Water use intensity	14.21	13.86	13.82	12.79	-7.45%	

Note:

- Information was calculated by adding up data shown on monthly statements/payment slips across all plants.
- Data on water discharge is sourced from water balance chart of each plant.
- Water consumption = water used - water discharged.
- Water use intensity unit: m³/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 consumption * 100%.

Effluent test results in 2021- Dongguan Primax Liuwu Plant

Unit: mg/L (except for pH value)

Measurement	pH	Suspended solids (SS)	Chemical oxygen demand (COD)	Biochemical oxygen demand (BOD5)	Ammonia	Total phosphorus	Oil-related	Anionic surfactants
Statutory standard	6~9	60	90	20	10	0.5	5	5
Results	6.88	22	26	5.6	2.18	0.48	0.05	0.06

Note: SKYTE was appointed to conduct testing on March 27, 2021.

3.5 Pollution prevention and management

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. As the air conditioning equipment at the server room of Taipei Headquarters used small amounts of R22, a refrigerant restricted under the Montreal Protocol and 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.

Chinese regulations have made benzene, toluene, xylene and VOC part of mandatory emission management, while NMHC, lead and lead compounds, and tin and tin compounds are excluded from mandatory emission management, hence no calculation was made on the latter this year. All gas emitted by Primax Group in 2021 was 100% compliant with regulations. Please see "Air pollutant emission statistics" for details.

Primax Group air pollutant emission statistics - 2021

Plant	Item	Benzene	Toluene and xylene	Total VOCs
Chongqing Primax	Emission concentration (mg/m3)	/	/	0.867
	Emission (kg)	/	/	127.42
Dongguan Primax Liuwu Plant	Emission concentration (mg/m3)	/	/	1.963
	Emission (kg)	/	/	798.99
Dongguan Tymphony	Emission concentration (mg/m3)	01383	0.901	5.409
	Emission (kg)	24.07	156.8	941.49
Dongcheng Tymphony	Emission concentration (mg/m3)	/	/	0.263
	Emission (kg)	/	/	20.93

Note:

1. There was no emission from coating in Dongguan Primax Liuwu Plant and Huizhou Tymphony.
2. Source of data: the 2021 environmental monitoring report.
3. Emission of benzene, toluene, and xylene is not regulated in some plant areas, therefore no measurement was conducted.

Waste management

Waste produced by Primax Group can be classified into general waste (domestic waste), recycled waste, and industrial waste (including hazardous waste and general industrial waste). The total volume of waste in 2021 was 1,983.950T, a decrease of 8.98% from the previous year, mainly due to active waste reduction plans being implemented at various sites, which greatly reduced the volume of treated waste. If classified by method of treatment, Primax had 1,328.827T (including 1,162.409T of general waste and 167.418T of industrial waste) that required direct treatment, and 654.122T of recyclable waste that was being handed over for further treatment in 2021. 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 plants have properly stored their industrial waste, they also engage licensed contractors to incinerate waste. Waste is legally transferred to an industrial waste processing station located in Shenzhen. Primax Group has managed all types of waste properly in manners that conform with laws in Taiwan and China. No significant leakage of waste had occurred in 2021.

Primax Group Waste Chart

Unit: T

Waste category	2018	2019	2020	2021	Compared to the previous year
General waste (domestic waste)	1,519.311	1,619.878	1,277.061	1,162.409	-8.98%
Recycled waste	1,423.418	661.789	669.345	654.122	-2.27%
Industrial waste	87.839	116.922	99.748	167.418	+67.84%
Total	3,030.567	2,398.588	2,046.154	1,983.950	-3.04%
Waste intensity	0.0468	0.0297	0.0300	0.0277	-7.65%

Note:

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



2021 Primax group waste treatment chart

Unit: T

Waste category	On-site treatment		Off-site treatment		
	Weight (tonnes)	Treatment method	Weight (tonnes)	Treatment method	
Hazardous waste	Waste containers	7.321	Temporarily stored in plant	32.967	Incineration (including recycling of energy source), and other methods of disposal Incineration (including recycling of energy source), and other methods of disposal Other methods of disposal Incineration (excluding recycling of energy source) Renewal and reuse Incineration (including recycling of energy source) Incineration (including recycling of energy source), renewal and reuse
	Waste rag	1.079	Temporarily stored in plant	4.175	
	Waste light tubes	0.011	Temporarily stored in plant	0	
	Waste plastic materials	0.781	Temporarily stored in plant	1.649	
	Waste PCB	0	Temporarily stored in plant	15.256	
	Waste organic resins	0.010	Temporarily stored in plant	0.463	
	Waste organic solvent and other waste	0	-	18.63	

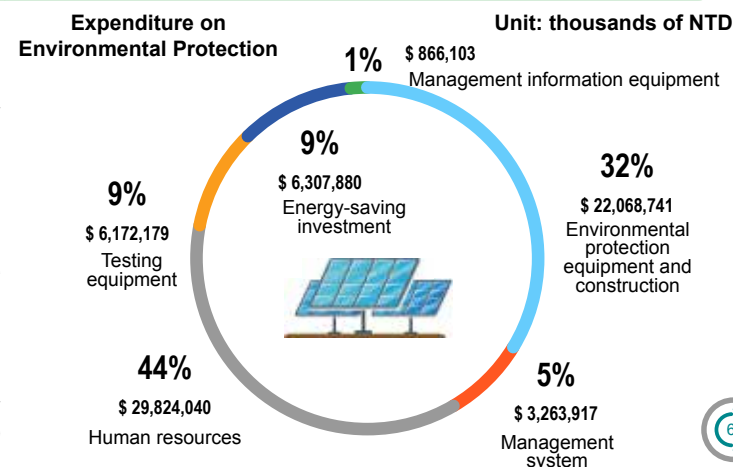
Unit: T

Waste category		On-site treatment		Off-site treatment	
		Weight (tonnes)	Treatment method	Weight (tonnes)	Treatment method
Hazardous waste	Waste active carbon	7.461	Temporarily stored in plant	11.93	Incineration (including recycling of energy source)
	Waste filter	0	Temporarily stored in plant	0.395	Incineration (including recycling of energy source)
	Waste filter	0	-	3.245	Incineration (including recycling of energy source)
	Waste paint	1	Temporarily stored in plant	18.14	Incineration (including recycling of energy source)
	Waste cutting fluid	0	-	2.885	Other methods of disposal
	Items containing waste residue	0.356	Temporarily stored in plant	2.755	Incineration (including recycling of energy source)
	Waste motor oil	0.195	Temporarily stored in plant	2.302	Incineration (including recycling of energy source)
	Waste packaging materials	0.067	Temporarily stored in plant	2.035	Incineration (including recycling of energy source)
	Waste spark oil	0	-	3.425	Other methods of disposal
Cleaning wastewater	0	-	1.765	Other methods of disposal	
subtotal		18.282		122.017	
Non-hazardous waste	Waste from living activities	-	-	1,162.409	Incineration (including recycling of energy source)
	General waste	-	-	19.250	Incineration (including recycling of energy source)
	Paper	-	-	420.269	Other means of recycling, renewal, and reuse
	Metallic	-	-	119.791	Other means of recycling, renewal, and reuse
	Non-metal materials	-	-	121.933	Other means of recycling
subtotal		18.282		1,843.652	
Total		18.282		1,965.669	

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 2021, 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 is NT\$68,502,860, an increase of NT\$8,198,852, or 13.60% higher compared to 2020.



04 Responsible supply chain

- 4.1 Green product health and safety management
- 4.2 Sustainable supply chain management






4.1 Green product health and safety management

<p>Product health and safety management</p> <p>GRI material topic: Customer health and safety Corresponding ESG topic: Chemical safety</p> <p>Topic boundary Taipei Headquarters / Dongguan Primax / Chongqing Primax / Kunshan Primax / Huizhou Tymphony / Dongguan Tymphony / Dongcheng Tymphony / Raw material supplier</p> <p>Boundary limitations This report discloses health and safety information of products made by Primax Group and raw materials used.</p> <p>Management purpose and importance As part of our commitment to providing excellent product and service, we not only ensure compliance with laws and customers'/users' safety and health requirements from the time raw materials are acquired until products are developed, manufactured, used and disposed but also enforce environmental protection visions in product design and management. In doing so, we fulfill our duties as a corporate citizen.</p> <p>Responsible units Production and Manufacturing; Environment, Safety, and Health; Design and Development</p>	Short-term target	Achievement rate	Mid- and long-term target
	<ul style="list-style-type: none"> No product and service is found to have violated any health or safety regulations or self-regulating rules every year. All products provided to customers have passed health and safety evaluation. We pass ISO 9001, IECQ QC080000, and IATF 16949 every year. Complete the product Ecodesign management system. 	<ul style="list-style-type: none"> ☺ No product and service is found to have violated any health or safety regulations or self-regulating rules. ☺ All products provided to customers have passed health and safety evaluation. ☺ Our major production sites have all passed ISO 9001 and IECQ QC080000 and automotive electronics production sites have passed IATF 16949 certification. ☹ The project is in progress and is estimated to be completed by 2022. 	<ul style="list-style-type: none"> Raw materials, auxiliary items and consumables and chemicals for production exclude 1-bromopropane, benzene, toluene, methanol, methylene chloride, n-hexane, trichloroethylene, tetrachloroethylene, and N-methylpyrrolidone. Increase the percentage of PCR materials used.
	Action plans	Performance management achievements	
	<ul style="list-style-type: none"> Comply with the regulations of the ISO 9001 - Quality Management System, and IECQ QC080000 - Hazardous Substance Process Management (HSPM). Adopt Product Data Management (PDM), Primax GP Portal® and SAP® systems, and SAP® Information Management System. All product designs should pass relevant quality verification tests, including functional verification, compatibility verification, reliability verification, and XRF/GCMS hazardous substance verification, to ensure that our products are in compliance with clients' and relevant environmental and safety regulations before mass production. 	<ul style="list-style-type: none"> No product and service is found to have violated any health or safety regulations or self-regulating rules. 	

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

Life cycle assessment and product green design

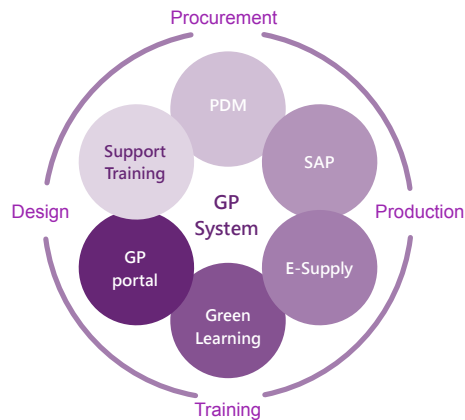
We use the life cycle assessment method to assess the high-quality electronic products produced by the Primax Group at various stages, such as raw material procurement, manufacturing, transportation, product use, and waste, to reduce the impact of our products on the environment. To effectively carry 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 will complete 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, we can clearly understand the requirements in each stage (such as regulations, client standards, environmental protection labels, and product specifications) to design low-carbon and non-toxic products with low environmental impact through systematic management.

Stage of product life cycle	Green design achievements
 <p>Materials</p>	<ul style="list-style-type: none"> · We used 857 metric tons of recycled post-consumer resin (PCR) for electronic peripherals (keyboards and mice) and 249 metric tons for audio products in 2021. · We assisted brand clients in obtaining relevant environmental protection labels (such as EPEAT) for a number of products.
 <p>Production and manufacturing</p>	<p>Due to improved product designs and production technology upgrade</p> <ul style="list-style-type: none"> · The production man-hours of speaker products were reduced by about 134,000 hours compared with 2020. · The production man-hours of e-sports products were reduced by about 220,000 hours compared with 2020.
 <p>Transportation and distribution</p>	<p>We used recycled pulp (certificated by FSC) for all the packaging and paper used for electronic peripherals (keyboards and mice). In 2021, 1,314 metric tons of recycled paper was used, reducing virgin pulp by roughly 1,051 metric tons.</p>
 <p>Use of products</p>	<p>The wireless mouse and keyboard are designed to be energy efficient. With 1.35 million units shipped in 2021, about 3,725,700 batteries were reduced, and 252.6 tCO₂e of emissions were reduced.</p>
 <p>Waste recycling</p>	<p>The Primax Group's products are mainly OEM/ODM, so clients are responsible for the final disposal and recycling of the products. However, our products still meet the recycling rate of WEEE. Take SGS's WEEE disassembly analysis report results for the products below as an example, the waste reduced after disposal.</p> <ul style="list-style-type: none"> · Headphone products: Reuse and recycling should be over 55% (currently over 84.6%) and recovery over 75% (currently over 87.9%) · Audio products: Reuse and recycling should be over 55% (currently over 80.4%) and recovery over 75% (currently over 86.3%)

Chemical and hazardous substance management

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.



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.

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 survey, and safety/EMC standards conformity report. Such information can meet the requirements of IEC 62474 and can be used for tracing upstream suppliers. In 2021, no product and service was found to have violated any health or safety regulations or self-regulating rules. There had also been 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 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.

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.



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.

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.

Suppliers generally have relatively insufficient resources to keep up with new rules. Once Primax finishes studying new regulations, the Company shares its findings with suppliers through GP Portal®, thereby helping them understand the requirements of new laws and guide them toward GP.

Share

Study

Primax studies new environmental regulations thoroughly and makes preparations before the new rules take effect.

Management flowchart

Through GP Portal®, we investigate the state of materials used in all our parts and gather test reports relating to them.

Survey

Once review is completed, the E-Supply system will notify inspectors which parts to undergo the XRF test based on the sampling plan, whenever a batch of purchased materials are due for verification.

Sampling

XRF

Primax has XRF instrument in place. The Company performs raw material tests everyday, and all test results are uploaded onto the PLM system. Any problem identified from the tests would trigger a series of corrective actions.

Review

The information submitted by suppliers will be professionally reviewed by our Green Team. Meanwhile, there is a system warning function on GP Portal®. If hazardous substances or conflict minerals are contained, it will automatically warn and notify the reviewer to improve the accuracy and completeness.

In addition to the raw materials, we control the production lines. The consumables, such as alcohol, cotton, and solvents, used in production are also included in the GP control, and we screen the Green/HF production lines and relevant production line operations.

Manufacture

We pack and ship only the products that pass all tests.

Shipping

Analysis

XRF is performed not only to test input materials, but also to re-test finished goods to determine whether they are contaminated during production, Ensure compliance with GP.

Training

In addition to sharing knowledge, we also organize training sessions and invite suppliers to participate.

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

Obtained the ISO 14064 Greenhouse Gas Verification Statement in 2013

Obtained ISO/TS 14067 Product Carbon Footprint Statement in 2013

Obtained PAS 2050 Product Carbon Footprint Statement in 2013

Obtained IECQ QC 080000 HSPM certificate in 2007

Obtained ISO 14001 / OHSAS 18001 Environmental Management System Certificate in 2016

Obtained the carbon label for mouse products from the Environmental Protection Administration of the Republic of China in 2016

Obtained the ISO 14046 Water Footprint Verification Statement in 2019

Obtained ISO 50001 Energy Management System Certificate in 2019

Obtained ISO 45001 Safety and Health Management System Certificate in 2019

Adopted TCFD in 2021

Adopted SBTi to set carbon reduction targets in 2020

Formulated EPD mouse and keyboard product category rules (PCR) in 2011

Formulated EPD mouse and keyboard product category rules (PCR) of Environmental Protection Administration of the Republic of China in 2015

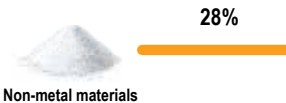
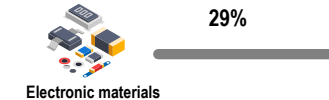
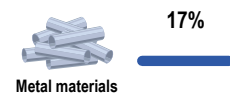
Obtained the carbon reduction label for mouse products from the Environmental Protection Administration of the Republic of China in 2017

Raw material consumption statistics

Primax Group consumed 105,915,448 kg of raw materials in 2021, which was 14.5% more than 2020.

Unit: kg

Name of material		2019	2020	2021
Metal materials	Iron	5,806,559	4,898,447	6,859,658
	Aluminum	540,027	1,143,156	1,474,652
	Copper	42,284	55,633	108,236
	Other metals	2,171,466	3,863,261	8,945,821
Non-metal materials		40,692,717	32,631,222	29,540,908
Electronic materials		20,187,401	25,122,346	31,078,493
Packing materials		20,525,345	24,743,650	27,907,680
Total		89,965,799	92,457,715	105,915,448



4.2 Sustainable supply chain management

<p>Supply chain ESG management</p> <p>GRI material topic: Supplier social assessment / Supplier environmental assessment</p> <p>Corresponding ESG topics:</p> <p>Topic boundary Taipei Headquarters / Dongguan Primax / Chongqing Primax / Kunshan Primax / Huizhou Tymphany / Dongguan Tymphany / Dongcheng Tymphany / Supplier</p> <p>Boundary limitations This report discloses social and environmental management of Primax Group's suppliers.</p> <p>Management purpose and importance To coordinate with suppliers for the fulfillment of corporate social responsibilities. Corporate operations may give rise to environmental and social impacts, whether through a business' own activities or through collaboration with business partners. For this reason, it is important to implement 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>Responsible units ESG Office</p>	Short-term target	Achievement rate	Mid- and long-term target
	<ul style="list-style-type: none"> Respond to higher standards for supplier management principles, improve the supplier identification mechanism, and further classify different tiers of suppliers. Establish an ESG management communication platform and continue to evaluate supplier performance. Expand the scope of on-site audits and ESG risk assessment, from high-risk suppliers to critical suppliers. At least 95% of major supplier conducted risk assessment. Annual RBA related training covered no less than 90% of major suppliers Conduct on-site audits to 10-15 high-risk suppliers. 	<ul style="list-style-type: none"> ☹️ is expected to be implemented in 2022. ☹️ is expected to be implemented in 2022. ☹️ is expected to be implemented in 2022. ☹️ Primax Group completed risk assessment to 148 major suppliers (100% completed) ☹️ Primax Group completed social responsibility training sessions for 101 major suppliers, covering 93.5% of all suppliers. ☹️ Primax Group identified 17 high-risk suppliers and conducted on-site audits. 	<ol style="list-style-type: none"> Continue to conduct supplier social responsibility management and reduce the percentage of high-risk suppliers to less than 10% by 2025. It is expected to expand the risk assessment of critical suppliers (critical tier 1 and critical non-tier 1 suppliers) by 2025.
	Action plans	Performance management achievements	
	<ol style="list-style-type: none"> Create a green product management platform and raw material control at source. Have 100% of new suppliers sign the Supplier Commitment Statement. Conduct supplier self-assessment questionnaire and communicate the latest RBA COC through GPMS online system. Conduct on-site audit to high risk suppliers. Implement supplier social responsibility online training sessions for major suppliers. In 2021, we identified risks and evaluated a total of 85 suppliers for conflict minerals management and due diligence. 	<ol style="list-style-type: none"> CAV (Corrective action verification) audit was conducted to 6 suppliers that identified high-risk in 2020, all findings closed (partial conditionally closed). All Primax Group's 17 high-risk suppliers submitted their CAP for findings during the on-site audits and provided 30-, 60-, and 90-day improvement progress updates as required. It is expected that the sustainability assessment of high-risk suppliers will be completed by June 2022, and the specific implementation method will be formulated based on the pandemic prevention and control policy. CAV (Corrective action verification) audit was conducted to 13 suppliers that identified high-risk in 2021, all findings closed (partial conditionally closed) by 2022 June. 	
	<p>Note: ☺️ Target achieved ☹️ Target to be achieved ☹️ Target not achieved</p>		

Supplier overview

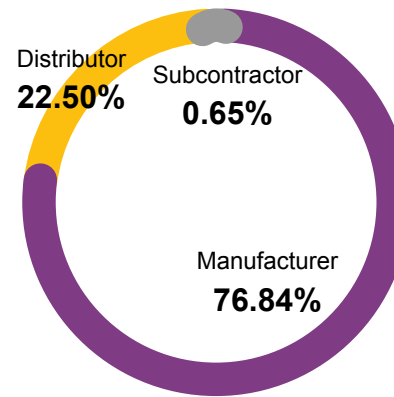
Primax Group manufactures an extensive range of products including four main categories: computer peripheral products like mouse and keyboard, mobile device components, business equipment, smart home and acoustic. There are three categories of supplier that are directly relevant to our production, including: 1,525 raw material manufacturers, 348 electronic components distributors, and 5 subcontractors for a total of 1,878. Regionally, 300 suppliers were located in Taiwan, 1,435 were from China (including Hong Kong), and 143 were from other countries. Total transactions with suppliers amounted to approximately NT\$54.050 billion in 2021.

Supplier Audit

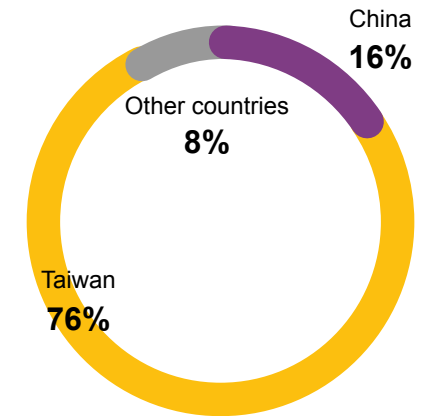
We build up suppliers' capabilities. A series of management processes has been developed to help suppliers make progress and comply with the Company's supplier management policies. All new Primax suppliers are required to pass QCDS+SER (Quality, Cost, Delivery, Service and SER) assessment before business. 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, 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. In addition, to make them aware of our requirements for social and environmental responsibility and follow the code of business ethics, it is mandatory for suppliers to make commitments to comply with intellectual properties, confidentiality, order placement, source of materials and relevant standards; In 2021, Primax Group had a total of 281 new suppliers, all of which comply with the supplier audit process.

Proportion of transaction amount by supplier category in 2021



Proportion of suppliers by region



- No use/purchase of conflict minerals**
- Guarantee not to use restricted substances**
- Comply with RBA Code of Conduct**

Conflict minerals management and due diligence

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

In addition, with the rapid growth of the electric vehicle industry, the scope of applications of rechargeable batteries is also expanding. Therefore, Primax Group has also required suppliers to disclose the use of cobalt ore since 2020. 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 2021, suppliers announced a total of 233 smelters, most of which smelted gold with 104. Followed by tin with 49, tantalum with 39, tungsten with 25, and cobalt with 16. The places of origin and distribution of all smelters are listed below and can be traced.

During the survey process, we refer to the list of 3TG qualified smelters formulated by the Responsible Minerals Initiative (RMI) and require suppliers to work with RMI-certificated smelters. Meanwhile, we regularly check the latest list of smelters to ensure that the materials uses can meet the latest requirements of the list. In 2021, of the smelters we worked with, 10 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. In 2021, we identified risks and evaluated a total of 85 suppliers for conflict minerals management and due diligence.

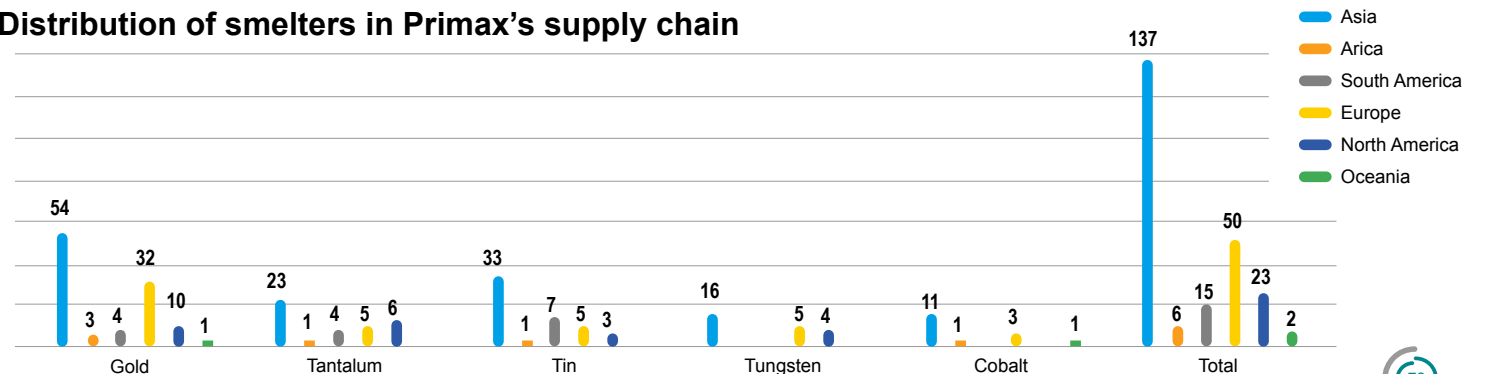


Responsible minerals policy

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 (such as CFSP certification or equivalent) from Conflict-Free certificated smelters, and allow certificated materials that originate from Democratic Republic of the Congo and nearby countries.
2. Perform due diligence investigation and risk management on suppliers according to OECD DDG.
3. Instruct suppliers to perform their own due diligence investigations and risk management according to OECD DDG.

Distribution of smelters in Primax's supply chain





RBA

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.

Supplier due diligence

We conduct regular on-site assessments and organize training courses on hazardous substances and GHG inventory to make sure that suppliers continue to meet our requirements. To enforce the terms of the statement, we conduct online and on-site assessment on suppliers' social/environmental responsibilities on a yearly basis to evaluate their CSR performance, identify risks and improvement opportunities. For suppliers that do not meet the requirements, we help them improve and reach the standard within the due date. Otherwise, they will be disqualified. Furthermore, we maintain regular contact with suppliers and conduct annual audits, irregular 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 process and regular internal reviews are being carried out to eliminate even the slightest chance of occurrence. Meanwhile, all potential and existing supply partners are being informed to comply with regulations and rules of RBA concerning prohibition of child labor.

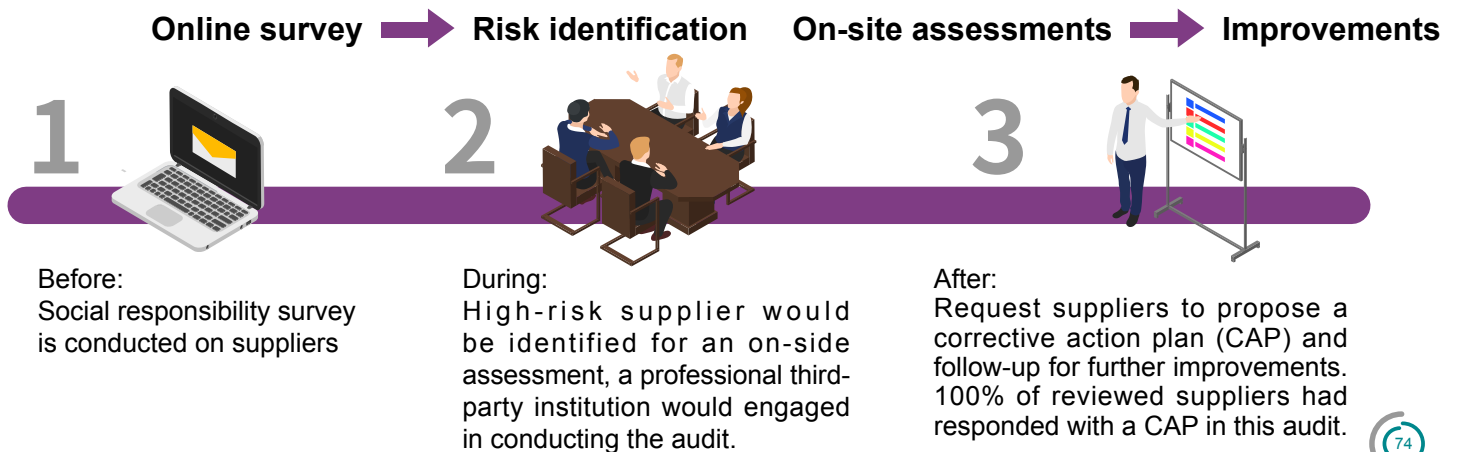
In terms of integrity commitment, Primax requires all its suppliers and their employees to maintain integrity in all trading and transaction activities, including but not limited to: procurement of materials, on-site service provider, outsourced production, transfer of equipment, treatment of obsolete/waste materials, transport & customs service provider, workforce dispatch, and subcontracting etc. 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 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		
Supplier risk assessment Selection criteria	During the reporting period, we followed the 80/20(excluding suppliers with no or small transaction volume), identified the supplier who account for 80% of annual transaction value and all the on-site service provider and worker agencies as major supplier, including 108 from Primax Electronics and 40 from Tymphany.	A total of 148 suppliers
Supplier risk assessment Self-assessment questionnaire design	The risk assessment, is designed in accordance with local regulations, RBA Code of Conduct, customer requirements, Primax's corporate social responsibility manual, and other requirements as deemed applicable considered. Questions mainly covers suppliers' basic profile, SER related certifications , specialized production processes, SER management system and policy , and implementation status of relevant systems.	The questionnaire includes five aspects of labor rights, health and safety, environmental protection, business ethics, and social responsibility management system
Supplier risk assessment Self-assessment questionnaire	In August 2021, the supplier self-assessment questionnaire was conducted through GPMS (online system), 100% of suppliers completed the questionnaire.	All suppliers responded to the questionnaire.

During		
Supplier risk analysis	Based on the self-assessment by suppliers, we identified the high-risk supplier on various aspects regarding: Labor human right (child labor, forced labor, inhumane treatment, etc.), EHS (process, environment, etc.), regionality, factory scale, business relationship, and SER-related certificates and audit performance, public informations etc.	Set annual key audit suppliers
Third-party notary On-site inspection	In 2021, Primax Group identified a total of 17 high-risk suppliers for on-site audits (13 for Primax and four for Tymphany). In order to monitor fulfillment of suppliers' social responsibilities and ensure the professionalism and objectivity of the audit, we have engaged third-party institutions to conduct the on side audit regard to labor human rights, health and safety, environmental protection, ethics, and management system.	Performed on-site inspection of 17 high-risk suppliers

After		
High-risk suppliers on-site inspection result	No child labor, forced labor, or violation against freedom of association was detected in any of our suppliers according to the annual on site audit. However, individual cases of excess working hours and Insufficient emergency equipments require corrective actions.	No material unconformity
Tracking subsequent improvements	100% of suppliers have proposed corrective action plans (CAP) in response to the verification findings; up to date, the CAP progress has been updated regularly (30 days, 60 days, 90 days) according to the actual improvement status. CAV (Corrective action verification) audit was conduted to 13suppliers that identified high-risk in 2021 , all findings closed (partial conditionally closed) by 2022 June.	CAP response rate: 100%

Supplier training

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 continues 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 conduct annual social responsibility training for suppliers. We communicated the RBA COC V7.0 standard to all suppliers through the GPMS system in March 2021 to request them to meet the latest requirements. In response to the anti-pandemic and control policy, we still adopted an online model for training in 2021, with the topic of fire safety (including fire safety standards and common fire safety issues). A total of 101 suppliers participated in the training and completed the after-training tests, covering 93.5 % of all suppliers. We will continue to promote social responsibilities in the future and devise suitable and effectivetrainings and communications that conform to suppliers' needs on social responsibilities.

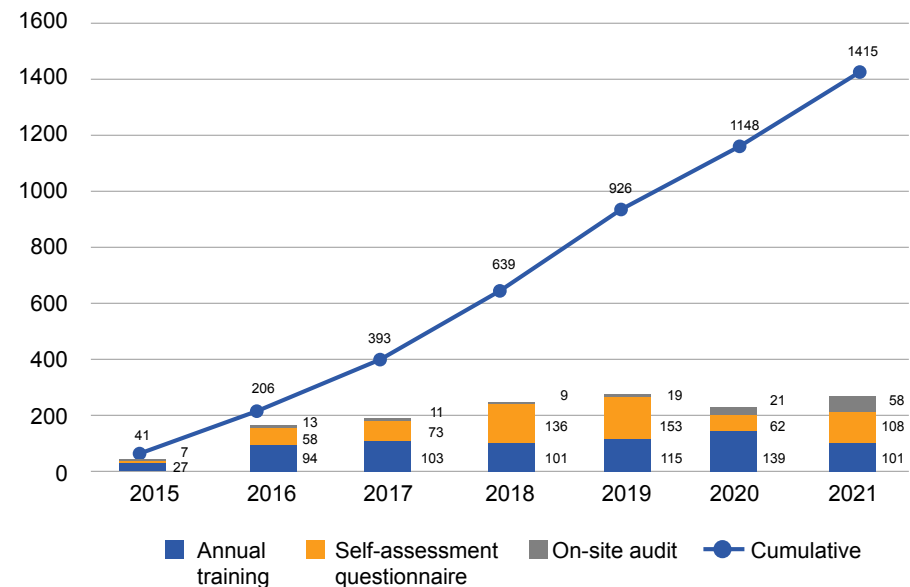
To sum up, as of 2021, a total 1,415 suppliers had been subject to social responsibilities survey, on-site audit, online training and communication events.

Collaboration with suppliers to make continuous progress

In 2022, we, in response to higher supplier management principles, will improve our supplier identification mechanism and further classify suppliers into, critical tier-1 suppliers, critical non tier-1 and high-risk suppliers. We will also build an ESG management and communication platform to further enhance our sustainability assessment of supplier performance. Meanwhile, we will extent on-site audits and sustainability assessments from high-risk suppliers to critical tier-1 suppliers. It is expected to expand the risk assessment of critical (critical tier 1 and critical non-tier 1 suppliers) suppliers to 100% by 2025.

We consider the social responsible on supply chain management as an important opportunity to improve the sustainable development performance. We are grateful to all our suppliers for working hard with Primax to establish a supply chain that is responsible to society and the environment. PRIMAX would continue to provide suppliers with more training resources, communications and assessment on sustainable development, and work with suppliers to make continuous improvement in social responsibilities.

The cumulative number of suppliers covered



05 Friendly Workplace

- 5.1 Labor rights
- 5.2 Overview of employee
- 5.3 Talent recruitment and retention
- 5.4 Talent Attraction
- 5.5 Diverse communication and interaction
- 5.6 Talent training and development
- 5.7 Occupational health and safety



5 Friendly Workplace

Labor management

GRI material topic:

Employment and training and education

Corresponding ESG topic:

Employee diversity and inclusion and labor management

SDGs:



Topic boundary

Taipei Headquarters/Dongguan Primax/Chongqing Primax/Kunshan Primax/Dongguan Tymphany/Huizhou Tymphany/Dongcheng Tymphany/Suppliers

Boundary limitations

No disclosure is made on Primax Group's R&D Office and Logistics Center as their employee size did not meet the materiality requirements.

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. The key to Primax Group's success is that we treat employees as the most important capital. We strive to create a safe, respected, ethical, equal and diverse environment where employees may work with passion and grow over time. Building good work environment and improving corporate performance provide the foundation for corporate sustainability.

Responsible units

Human Resources Department

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.
- Respond to all issues raised by employees and communicate with them.
- Comply with Act of Gender Equality in Employment, RBA Code of Conduct, and relevant international conventions.

Achievement rate

- ☺ The percentage of employees working from home every Friday was 62%.
- ☺ As high as 50% of employees use P coins to participate in company activities.
- ☺ Employee salary and benefit expenses totaled NT\$8,789,667 thousand in 2021, representing approximately 12.27% of revenue.
- ☺ The average salary of non-managerial employees in 2021 was NT\$1.277 million, ranking 6th in the electronic components industry.
- ☺ Primax continued hosting the Primax Star event at its three production sites in China as a means to build a sense of honor and mission among employees.
- ☺ Continued to provide employees and their spouses with childbirth cash gifts and childcare subsidies.
- ☺ The improvement rate of issues raised by employees was 90.1%.
- ☺ Zero human rights violations in 2021.

Mid- and long-term target

- "Maximizing yield for shareholders and customers, and creating a joyful environment for employees to work in."
- Provide employees with a "D.E.I.B." work environment, featuring diversity, equality, tolerance, and respect.
- It is planned to increase the proportion of the Group's senior female leaders to 25% by 2024.

Action plans

- All employees at the Taipei Headquarters worked from home due to the pandemic from May 2021 to August 2021.
- Primax's Taipei Headquarters has provided a more flexible work model, allowing employees to WFH every Friday from September 2021.
- Anti-pandemic measures included paid vaccination leave, a medical team's administering of AZ vaccine to 100 people at the Company, and each person assigned with a box of five rapid test reagents.
- Designed the Company's reward currency P Coin to increase employees' participation in company activity and loyalty.
- Purchase a market salary report every year and analyze salaries to ensure the competitiveness of the Company's salary.
- In addition to offering childbirth cash for each birth given by employee or spouse, Primax also provides employees with childcare subsidies at NT\$7,000 per child (age 0-6) per year and sources childcare service from professional institutions. A sum of NT\$4,156,500 was paid between 2017 and 2021, benefiting a total of 604 employees.

Performance management achievements

- In 2021, the personal development plans of 15 senior managers have been completed with a retention rate of 100%.
- In 2021, Primax Taiwan was awarded the Best Companies to Work for in Asia 2021, and Primax in mainland China was awarded the HRTech China Human Resource Technology Enterprise Practice Award.
- The breastfeeding rooms at the Taipei Headquarters have continued to be certificated as excellent breastfeeding rooms; Dongguan Primax passed Non-state Owned Enterprise Union Service Enhancement Evaluation by Guangdong Federation of Trade Unions.
- Primax Group was 100% compliant with the Labor Standards Act in regards to the employees hired. No violation, complaint or major incident had occurred in 2021 in this regard.

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

5.1 Labor rights

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.

Employee policy

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 Rights Due Diligence

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. Primax Group found no discrimination or use of child labor, minor labor, and forced labor in 2021, and encountered no material complaint or occurrence relating to the above issues.



Primax's human rights management process



Human Rights Risk Mitigation and Remediation Measures

Human rights policy	Risk category	Management regulation	Risk assessment	Remediation measures
Non-discrimination	<ul style="list-style-type: none"> Different treatment due to gender, age, health, pregnancy, region, nationality, ethnicity, or religion No equal remuneration 		General risks	<ul style="list-style-type: none"> Committed to prohibiting any form of discrimination HR personnel receive relevant training Plan a work environment that is friendly to women, persons with disabilities, and foreigners in accordance with relevant government regulations Provide minimum salary in accordance with local government regulations
No child labor	<ul style="list-style-type: none"> Recruitment of child labor 	<ul style="list-style-type: none"> Anti-discrimination, anti-harassment, anti-abuse management regulations/workplace sexual harassment prevention regulations Salary and bonus regulations Recruitment and appointment regulations Child labor and underage labor management regulations 	General risks	<ul style="list-style-type: none"> Strictly comply with national laws and regulations, industry standards, client requirements, and other regulations prohibiting the use of child labor Adopt an identification device to validate the authenticity Set the HR system to calculate the age automatically. For any underage labor, the system will issue a warning automatically. The social insurance system will check the age first. For any person under the age of 16, we are not able to purchase insurance for them. Include relevant policies in orientation and annual training to ensure that all new recruits, existing managers and employees are familiar with the prohibitions in place.
No forced labor	<ul style="list-style-type: none"> Request for security deposits and identity documents Recruitment involuntary labor Employees not allowed to resign freely Sexual harassment or illegal harm 	<ul style="list-style-type: none"> Private employment agency management regulations Freedom of association and collective bargaining management regulations/Labor-management meeting regulations 	General risks	<ul style="list-style-type: none"> Prohibit any form of forced, bonded, indentured, or involuntary prison labor Prohibit slavery or trafficking of labor for exploitation Communicate with candidates during recruitment to confirm that all employees are voluntary Prohibit the seizure of employees' identity documents and the request for security deposits as a condition of employment Allow employees to report anonymously without fear of retaliation when discovering forced labor or sexual harassment
Respect employees' freedom of association	<ul style="list-style-type: none"> Restrict employees' legitimate rights to freely associate, organize groups, and bargain collectively 		General risks	<ul style="list-style-type: none"> Formulate freedom of association and collective bargaining management regulations/Labor-management meeting regulations without attempting to control the union' activities, labor-management meetings, or other club activities by any means Facilitate employee communication and grievances channels, regularly collect employee opinions, and respond appropriately

5.2 Overview of employee

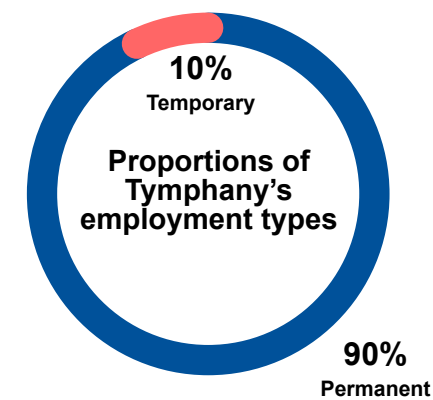
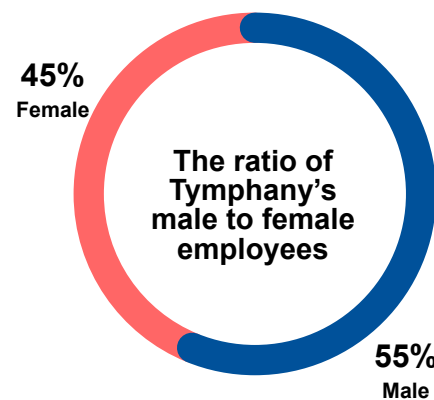
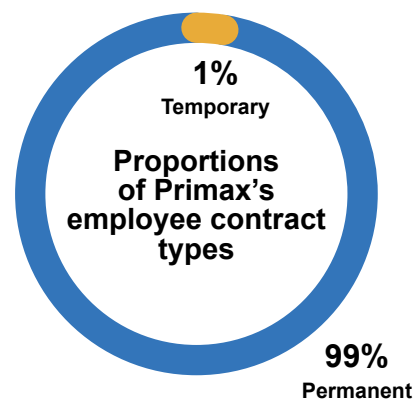
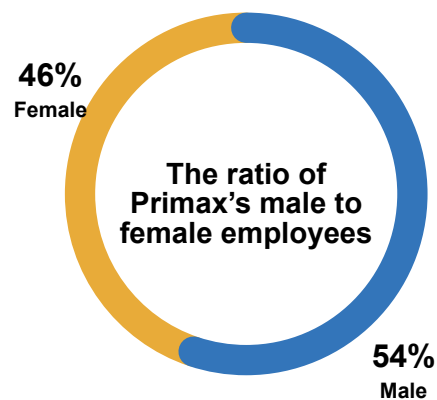
In 2021, Primax (including the Taipei Headquarters, Dongguan Primax, Chongqing Primax, and Kunshan Primax) has a total of 7,139 employees, of which 99% are full-time employees and 1% are temporary employees, while males account for 54% of all employees and females 46%. Subsidiary Tymphany (including Dongguan Tymphany, Huizhou Tymphany, and Dongcheng Tymphany) has a total of 3,567 employees, of which 90% are full-time employees and 10% are temporary employees, while males account for 28% of all employees and females 22%.

Primax Group employees by contract type - 2021

Contract type		Permanent						Temporary						Total
Location	Gender	Male			Female			Male			Female			
	Age	Below 30	30-50	Age 51 and above	Below 30	30-50	Age 51 and above	Below 30	30-50	Age 51 and above	Below 30	30-50	Age 51 and above	
Primax	Taiwan	26	543	87	17	164	38	9	1	5	12	4	4	910
	Mainland China	1,098	2,025	43	686	2,333	8	26	1	0	9	0	0	6,229
Tymphany	Mainland China	507	1,184	83	317	1,090	22	133	59	0	91	81	0	3,567
Total		1,631	3,752	213	1,020	3,587	68	168	61	5	112	85	4	10,706

Note:

- The above information is compiled based on records of the human resource system dated December 31, 2021. No assumption was applied.
- Temporary employees refer to those hired under fixed-period contracts, and consist mainly of administrative support staff.
- Primax China mainland includes Dongguan Primax, Chongqing Primax, and Kunshan Primax, while Tymphany China includes Huizhou Tymphany, Dongguan Tymphany, and Dongcheng Tymphany.

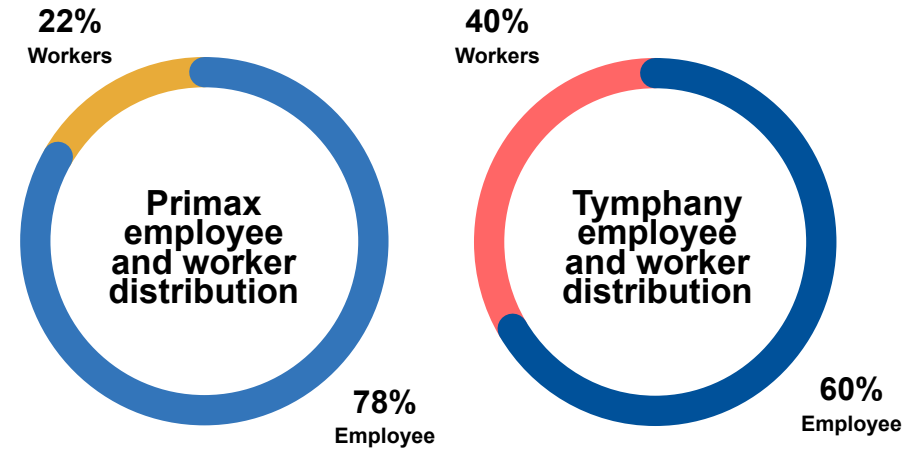


Primax Group’s workers primarily consisted of contract employees and suppliers' representatives, and the size may vary depending on production labor requirements at different times of the year. All temp worker agencies and contractors partnered with Primax Group have been instructed to comply strictly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

Primax Group employee/worker count and percentage - 2021

Office location	Job type	Employee count	Workers			Worker percentage
	Location		Male	Female	Total	
Primax	Taiwan	910	13	6	19	2.05%
	Mainland China	6,229	1,226	711	1,937	23.72%
Tymphany	Mainland China	3,567	1,573	813	2,386	66.89%
Total	10,706	2,812	1,530	4,342	40.56%	

- Note: 1. Percentage of workers at various operations = workers per operation / (total employees per operation + total workers per operation).
 2. Workers consist of contract employees and supplier representatives.
 3. The above information is compiled based on records of the human resource system dated December 31, 2021. No assumption was applied.
 4. Primax China mainland includes Dongguan Primax, Chongqing Primax, and Kunshan Primax, while Tymphany China includes Huizhou Tymphany, Dongguan Tymphany, and Dongcheng Tymphany.



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. Take the Taipei Headquarters as an example, there is a permanent coffee bar in the company, and two

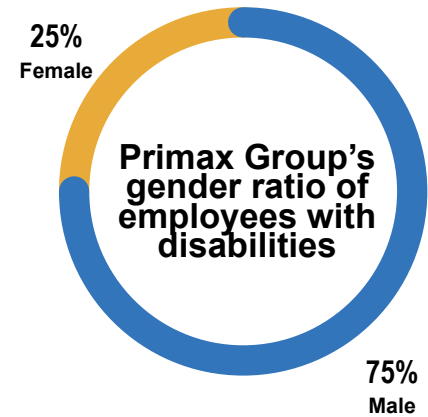
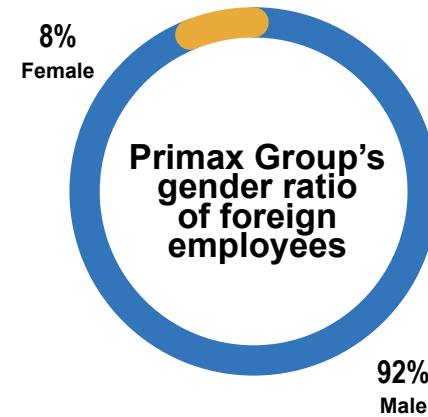
colleagues with disabilities are appointed to serve the colleagues. Through the redesign of the work process and the regular visits by the counselors, they can not only learn how to brew coffee but be given a sense of accomplishment at work.

In 2021, Primax Group hired 37 foreign workers and 181 people with disability. Although the Group did not employ people with disability to the minimum quota, the organization paid monthly compensations for the shortfall as required by law, and continues to search for people with disability 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 2021

Office location	Location	Below 30		30-50		Age 51 and above		Total	
		Male	Female	Male	Female	Male	Female	Persons	Percentage (%)
		Persons	Persons	Persons	Persons	Persons	Persons		
Primax	Taiwan	1	0	1	1	2	0	5	0.55%
	Mainland China	0	0	1	0	1	0	2	0.03%
Tymphany	Mainland China	0	1	18	1	9	1	30	0.84%
Total	1	1	20	2	12	1	37	0.35%	

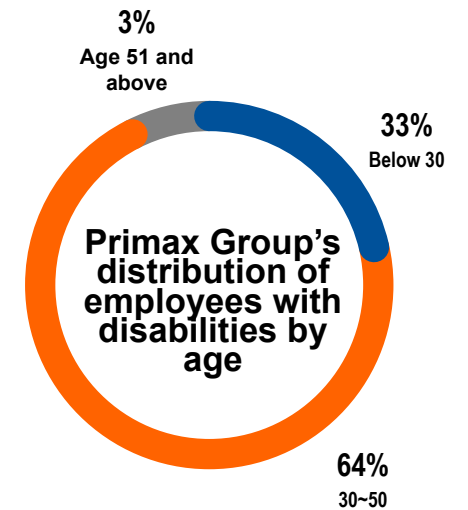
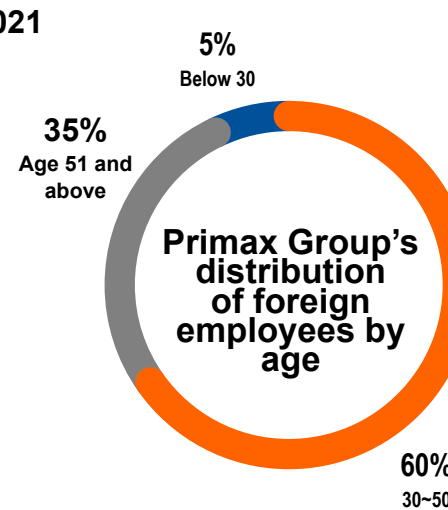
Note: 1. Ratio of male to female foreign employees in each region = number of foreign male (female) employees in each region in 2021 / total number of employees in each region in 2021.
 2. The above information is compiled based on records of the human resource system dated December 31, 2021. No assumption was applied.
 3. Primax China mainland includes Dongguan Primax, Chongqing Primax, and Kunshan Primax, while Tymphany China includes Huizhou Tymphany, Dongguan Tymphany, and Dongcheng Tymphany.



Distribution of persons with disabilities within Primax Group in 2021

Office location	Location	Below 30		30-50		Age 51 and above		Total	
		Male	Female	Male	Female	Male	Female	Persons	Percentage (%)
		Persons	Persons	Persons	Persons	Persons	Persons		
Primax	Taiwan	1	0	1	1	2	0	5	0.55%
	Mainland China	0	0	1	0	1	0	2	0.03%
Tymphany	Mainland China	0	1	18	1	9	1	30	0.84%
Total	1	1	20	2	12	1	37	0.35%	

Note: 1. Ratio of male to female employees with disabilities in each region = number of male (female) employees with disabilities in each region in 2021 / total number of employees in each region in 2021.
 2. The above information is compiled based on records of the human resource system dated December 31, 2021. No assumption was applied.
 3. Primax China mainland includes Dongguan Primax, Chongqing Primax, and Kunshan Primax, while Tymphany China includes Huizhou Tymphany, Dongguan Tymphany, and Dongcheng Tymphany.



5.3 Talent recruitment and retention

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.

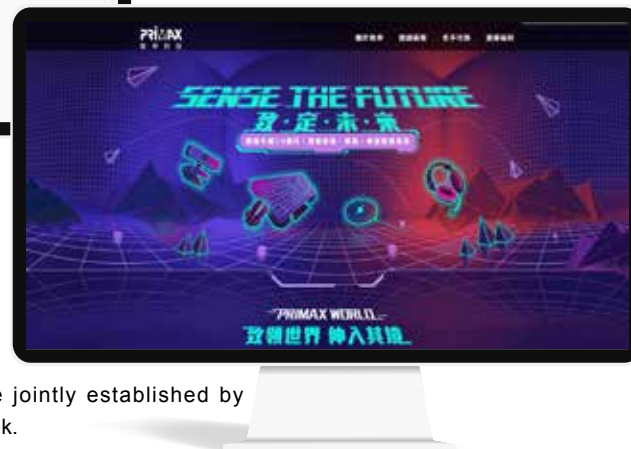
In terms of talent recruitment, we have worked closely with 104 Job Bank for three years. Both parties discuss the key recruitment points and marketing proposals or copies of the year every year, we have Primax's recruitment page in 104 to introduce the company's business, vacancies, and benefits with pictures and texts, to attract talents from all over the world to join Primax.

We also attach great importance to our internal talents as they are our core foundation for business development. In addition to the aforementioned IDP plan, we have built a digital talent bank for talent recruitment, job rotation, and

retention plans, which is one of Primax's major projects for the past two years. At the end of 2020, the Talent Bank system was officially launched. The talent bank is a useful tool for enterprises to build a team of talents. We have integrated the HCM system, performance management system, corporate process management platform, and an internal and external talent resume uploading function to strengthen the functions of the talent bank. Employees are, thus, able to easily maintain personal resumes on the system; supervisors can use visual dashboards to view a team's resumes, search for specific professionals, or compare talents. HR personnel can provide relevant analysis reports, such as popular keywords, positions, or talents, analyze the competitiveness of files, or store the data of external outstanding applicants in Primax's Talent Bank.



Homepage of Primax's Talent Bank



Recruitment webpage jointly established by Primax and 104 Job 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 **2,420** times in **2021**.



New Hiring percentage

Primax Group recruited 6,921 new employees (4,301 male and 2,620 female) in 2021, representing a new recruitment rate of 64.65%; new recruits of Primax Electronics totaled 4,520 (2,840 male and 1,716 female), representing a new recruitment rate of 63.31%, whereas new recruits of Tymphany totaled 2,401 (1,497 male and 904 female), representing a new recruitment rate of 67.31%.

New Hire		Below 30		30-50		Age 51 and above		Total	
		Male	Female	Male	Female	Male	Female	Persons	Percentage (%)
		Persons	Persons	Persons	Persons	Persons	Persons		
Primax	Taiwan	34	13	130	40	8	2	227	24.95%
	Mainland China	1,727	856	905	805	0	0	4,293	68.92%
Tymphany	Mainland China	704	361	776	543	17	0	2,401	67.31%

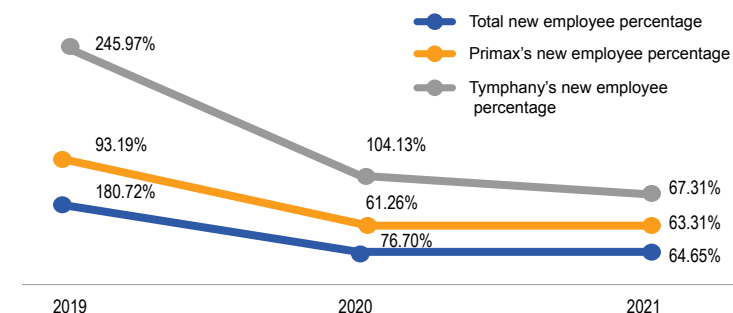
Turnover rate

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.

Primax Group had 8,061 employees (4,913 male and 3,502 female) resigned in 2021, representing an attrition rate of 75.29%; resignations at Primax Electronics totaled 5,009 (2,995 male and 2,014 female), representing a turnover rate of 70.16%, whereas resignations at Tymphany totaled 3,052 (1,918 male and 1,134 female), representing a turnover rate of 85.56%.

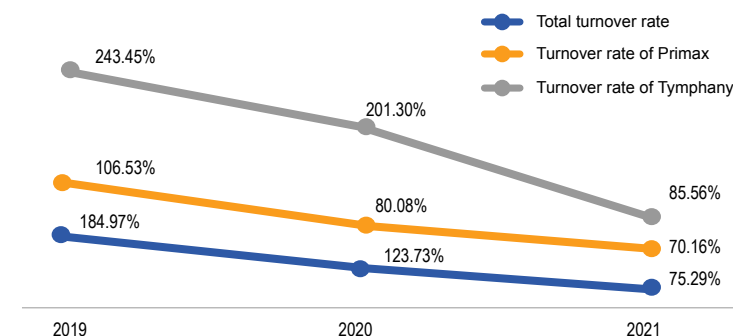
Employees resigned		Below 30		30-50		Age 51 and above		Total	
		Male	Female	Male	Female	Male	Female	Persons	Percentage (%)
		Persons	Persons	Persons	Persons	Persons	Persons		
Primax	Taiwan	13	5	85	30	12	4	149	16.37%
	Mainland China	1,823	987	1,059	988	3	0	4,860	78.02%
Tymphany	Mainland China	1113	516	796	613	9	5	3052	85.56%

New hiring percentage over the past three years



- Note: 1. Percentage of new recruits hired in each operating site = number of new recruits hired in each operating site in 2021/total employee count of the given site at the end of 2021.
 2. Departed employees include employees who had voluntarily or involuntarily dismissed or retired.
 3. Primax China mainland includes Dongguan Primax, Chongqing Primax, and Kunshan Primax, while Tymphany China includes Huizhou Tymphany, Dongguan Tymphany, and Dongcheng Tymphany.

Turnover rate over the past three years



- Note: 1. Employee turnover rate in each operating site = number of people who resigned in each operating site in 2021/total employee count of the given site at the end of 2021.
 2. Departed employees include employees who had voluntarily or involuntarily dismissed or retired.
 3. Primax China mainland includes Dongguan Primax, Chongqing Primax, and Kunshan Primax, while Tymphany China includes Huizhou Tymphany, Dongguan Tymphany, and Dongcheng Tymphany.

5.4 Talent Attraction

Collective bargaining agreements

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.

At present, Primax's Taipei Headquarters has not established a labor union or signed a collective bargaining agreement, but we allow employees to express their opinions through regular communication meetings, labor-management meetings, and Welfare Committee meetings, to effectively solve their problems. Dongguan Primax and Kunshan Primax have established labor unions. In 2021, the employees made 49 proposals through the unions and 43 cases were established for processing. The proposals included a series of issues, including employees' clothing, food, housing, and transportation, as well as work and company benefits; among them 39 proposals have been addressed with an achievement rate of 90.1%. The union members fully leveraged their functions to help employees communicate problems and effectively improved the problems through meetings.

Huizhou Tymphany and Dongcheng Tymphany set up their unions in 2018 and 2019, respectively. Around 2% of employees have joined the unions so far. Besides unions, employees may also raise opinions through the opinion mailbox. The HR department is responsible for checking the mailbox and replying queries on a regular basis. Dongguan Tymphany has yet to establish unions, but there are communication and grievance platforms available for employees to submit opinions. Refer to "Stakeholders' inquiries and complaints" (add a hyperlink) for Tymphany's grievance channels. A total of 155 grievances and improvement/optimization proposals concerning work hours, corporate activities, employee training, and employee welfare were raised by employees in 2021; all of which have been responded with improvement measures devised.

Primax Group's grievance channels

Labor-management communication channels	Taipei Headquarters	Production locations in China (including Tymphany)
(HR Business Partner) (HR Business Partner)	○	○
Regular communication conference (Communication Conference)	○	○
Employee grievance mailbox	○	○
Soft promotional measures	○	○
Welfare committee and labor-management meetings	○	○ Note: No such communication channel exists within Dongguan Tymphany, Huizhou Tymphany, and Dongcheng Tymphany.
Employee opinion surveys	○	○
Discussions with entry-level employees		○
Union		○ Note: Chongqing Primax and Dongguan Tymphany currently have no union available.

Reasonable Remuneration

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 (remuneration) at operating sites of Primax Group:

Salary/ compensation	Local minimum salary ratio Notes 1 and 2		Basic salary ratio Note 4			
	Entry-level employees Note 3		Non-managerial role Note 3		Managerial role Note 5	
Gender Operating site	Female	Male	Female	Male	Female	Male
Taipei Headquarters	1.3	1.3	1	1.1	1	1.1
Dongguan Primax	1.1	1.1	1	1.3	1	1.1
Chongqing Primax	1.0	1.0	1	1.2	1	1.2
Kunshan Primax	1.0	1.0	1	1.2	1	1.1
Dongguan Tymphony	1.1	1.1	1	1.1	1	1.1
Huizhou Tymphony	1.31	1.31	1	1.37	1	1.43
Dongcheng Tymphony	1.16	1.16	1	1.1	1	1.2

- Note: 1. Minimum salary by local government in 2021: NT\$2,400 (Taipei), RMB 2,280 (Kunshan), RMB 1,800 (Chongqing), RMB 1,900 (Dongguan), and RMB 1,720 (Huizhou).
 2. Percentage by gender: local minimum salary ratio = minimum salary of respective gender/local minimum salary of the respective site.
 3. Entry-level employee is defined as all non-managerial staff in Taiwan and all direct employees in China.
 4. Basic salary refers to recurring salary (excluding bonus).
 5. Non-managerial staff is defined by Primax Group as indirect employees who assume specialist roles, whereas managerial staff refers to all other indirect employees.
 6. Overall, male salary was higher than female. This was probably due to higher percentage of managerial roles undertaken by males, relative to females.

Primax's Taipei Headquarters has made additional disclosures of employees' salary information according to Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies."

Disclosure of employee compensation

Disclosures	2019	2020	2021
Number of full-time, non-managerial staff (persons)	820	817	846
Total salary of full-time, non-managerial staff (NTD thousands)	1,362,624	1,190,583	1,406,161
"Average" salary of full-time, non-managerial staff (NTD thousands)	1,662	1,457	1,662
"Median" salary of full-time, non-managerial staff (NTD thousands)	1,404	1,277	1,362

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:

Envy of the industry: group insurance with complete protection for the whole family

In Primax, group insurance not only covers employees themselves, but also extends to spouse and unlimited number of children. Insurance premiums are 100% paid by the Company. The policy covers life insurance, accident insurance, accidental injury medical insurance, hospital medical insurance, cancer medical insurance, and critical illness insurance. As for Chinese operations, employees are entitled to social insurance, which covers unemployment, work injury, retirement and healthcare. Premiums on social insurance and accident insurance are paid according to local regulations.

Flexible working hours and holidays to ensure happiness

Primax Taipei Headquarters 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. Besides, we provide a more flexible hybrid work model, to allow employees to WFH every Friday to respond to the pandemic. Primax employees are entitled to Primax Holiday, a leave system more generous than the typical unpaid leave, as well as illness leave, maternity leave, and parental leave mandated by law.

Benefit subsidies to take care of employees

Primax Group provides common benefits including festive bonus (Chinese New Year, Duanwu Festival and Mid-autumn Festival), birthday cash, and travel subsidies. At Taipei Headquarters, employees are entitled to additional benefits such as 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. Meanwhile, Chinese factories

provide wedding/funeral/childbirth subsidies, job allowance, and year-end bonus; Dongguan Primax offers medical subsidies, club subsidies, Chinese New Year meals, emergency aid fund, and birthday and Mid-autumn shopping credits, whereas Chongqing Site offers hospitalization subsidy. For subsidiary Tymphany, common employee benefits include meal/accommodation/club subsidies; in addition, Dongguan Tymphany offers wedding/funeral subsidies, Chinese New Year meals, emergency aid fund, job allowance, year-end bonus, and outpatient treatment subsidies, whereas Huizhou Tymphany offers job allowance, year-end bonus, and travel leaves. Furthermore, as a response to the pandemic, the company has set up temperature stations and assigned nursing staff at all plant sites, and makes sure that all expatriates are adequately supplied with protections and comfort food during quarantine to assure them and their families.



Warm and comfortable leisure facilities and space

There is a staff restaurant, a coffee shop, and smart vending machines at Primax's Taipei Headquarters. All plants in China provide dormitories and staff restaurants, while Dongguan Primax provides a recreation building. Tymphany offers dining facility and dormitory for its employees, and the kitchen would even prepare special meals on festive occasions and in peak production periods, giving employees as many as 12-14 selections to choose from while minimizing their waiting time. As for dormitory facilities, Dongguan Tymphany has 2 TV rooms, 2 table tennis sets, 2 table tennis tables, 2 convenience stores, 5 automatic vending machines, 1 beverage store, and 13 laundry machines available at each dormitory building to cater for employees' life after work, whereas Huizhou Tymphany also offers similar facilities to accommodate its employees.

Group gatherings

Apart from year-end banquets, Taipei Headquarters organizes events such as Family Day and Christmas Party to share its love, joy, prospect and vision with employees. Primax's plants in China organize annual large-scale events such as tug-of-war competition, karaoke competition, basketball tournament, and casual sports competition during the Chinese New Year period. Other events such as film-watching and festive celebrations are also organized from time to time; Tymphany organizes employee networking activities, including gatherings, family barbecues, music festivals, and the annual sports day. Recently, we organized online activities due to the pandemic, including online sports day, music festivals, Teachers' Day, and photography competition, allowing employees to communicate and interact with each other while physical and offline activities were suspended.

Group travel and diverse club 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, Taipei Headquarters offers 10 clubs, including muscle training, yoga, sculpt yoga, aerobic boxing, basketball, badminton, jogging, outdoor activities, horticulture, and coffee. There are six clubs at the Dongguan plant, namely football, badminton, biking, basketball, dance, and volunteer, which organize activities outside the plant in accordance with regulations. Due to the pandemic, all physical activities in the plant were suspended. The Welfare Committee organized a total of nine online activities according to the characteristics of different holidays in 2021, including online photography competition, dragon boat races on Dragon Boat Festival, and the Brainstorming Day on May 1, as well as the second Talent Show (Dongguan Primax). Subsidiary Tymphany offers 5 clubs including: basketball, soccer, dancing, badminton, and musical instruments. Employees may join any club as they prefer to develop hobbies at work.

Physical and psychological health measures

The Taipei Headquarters and Dongguan plants all have medical centers and medical staff stationed on site. Each department is equipped with a first aid kit to provide employees with the most immediate medical attention. The medical centers also provide medical consultation and disease prevention services. There is an Employee Assistance Program (EAP) hotline in place in Taipei to confirm that employees' medical, legal, and psychological issues have been resolved. Visually impaired masseurs are employed to provide massage services to relieve employees' common shoulder and neck pain caused by long-term office work. Chongqing Primax, Kunshan Primax, and Tymphany have established service agreements with nearby medical centers or



服務流程

- 諮詢管道
 - 週一至週五 09:00-19:00
 - ☎ 0809-031688
 - ✉ eap@newmind.com.tw
 - 📍 @newmind-eap
- 諮詢安排
 - 專線顧問－專任心理師討論困擾
 - 綜合專業諮詢顧問（每人5次/年）
- 諮詢方式
 - 電話會談・公司內面談
 - 與醫合作場地面談・Email
 - 網路視訊

服務時間以上限縮，如有員工因內線電話無法撥通請逕向各廠EAP專線諮詢

PRIMAX

LINE@

community hospitals to provide emergency medical assistance. At Tymphany, employees are entitled to complimentary health checkup and infirmary service. Shuttle bus service has been arranged to help employees reduce spending on commuting, with services doubled during peak hours to shorten waiting time.

Retirement plan in compliance with laws and regulations

Employee pensions are provided in accordance with the law (mainly old and new pension schemes in Taiwan), while social insurance is purchased according to regulations for the plants in mainland China.



In the era of the pandemic, when everything was still unclear, we put forward measures:

1. We fully subsidized global employees for vaccination and provided them with paid vaccine leave.
2. We appointed a medical team to vaccinate eligible employees at the headquarters.
3. All employees worked from home when the pandemic alert was at level 3.
4. We sent weekly Primax Care newsletter to teach employees how to cope with the pandemic.

Effectiveness: As high as 93% of employees received two doses of the vaccine; 76% received three doses.



In the post-epidemic era, we put forth a hybrid work model for all employees:

1. We implemented WFH every Friday, and employees could adjust it by themselves if necessary.
2. We held remote work training sessions

Participant	Name of the Class	Session
Managerial role	How to Change the Management Mindset?	2
Specialist role	How to Report the Work Progress to Supervisors?	2
All employees	How to Achieve Work-life Balance in the Hybrid Work Model?	3

Effectiveness: As high as 70% of employees chose WFH one day per week, and 30% were still used to working at the Company.

Employees' productivity did not decrease due to the hybrid work model.

Parental benefits

Primax Electronics offers maternity and paternity leaves in compliance with local employment regulations as a means to encourage childbirth and give employees the adequate time to rest or keep their family members company before and after labor. By implementing a robust leave system, we hope to alleviate employees' burden in giving birth, and share their joy of welcoming new life. 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.

All Chinese operations of Primax Group have complied with the Employment Contract Law and offer maternity leave for pregnant women. In addition, Primax's Taipei Headquarters has set up nursery rooms that are certificated by Taipei City Department of Health, so that employees may cater for their parent role even at work. All Chinese operations of Primax Group have complied with the Employment Contract Law and offer maternity leave for pregnant women. In addition, Primax's Taipei Headquarters has set up nursery rooms that are certificated by Taipei City Department of Health, so that employees may cater for their parent role even at work. A total of 92 employees (76 male and 16 female) were eligible to apply for unpaid parental leave in 2021, and 6 of whom (3 male and 3 female) had actually taken up the leave. Meanwhile, 8 employees (3 male and 8 female) were due to be reinstated from parental leave; reinstatement rate was 38% and retention rate was 100%. Information regarding unpaid parental leave is as follows:

Year / gender / total	2019			2020			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No. of employees qualified for unpaid parental leave (A)	75	15	90	76	21	97	76	16	92
No. of employees applied for unpaid parental leave in the current year (B)	1	1	2	3	4	7	3	3	6
No. of employees due for reinstatement from unpaid parental leave in the current year (C)	1	2	3	2	2	4	3	5	8
No. of employees reinstated from unpaid parental leave in the current year (D)	1	1	2	0	2	2	1	2	3
No. of employees reinstated from unpaid parental leave in the previous year (E)	0	3	3	1	1	2	0	2	2
No. of people reinstated from unpaid parental leave in the previous year, and have worked for one year since (F)	0	2	2	0	1	1	0	2	2
Percentage of employees reinstated from unpaid parental leave in the current year (D/C)	100%	50%	67%	0%	100%	50%	33%	40%	38%
Unpaid parental leave retention rate in the current year (F/E)	N/A	67%	67%	0%	100%	50%	N/A	100%	100%

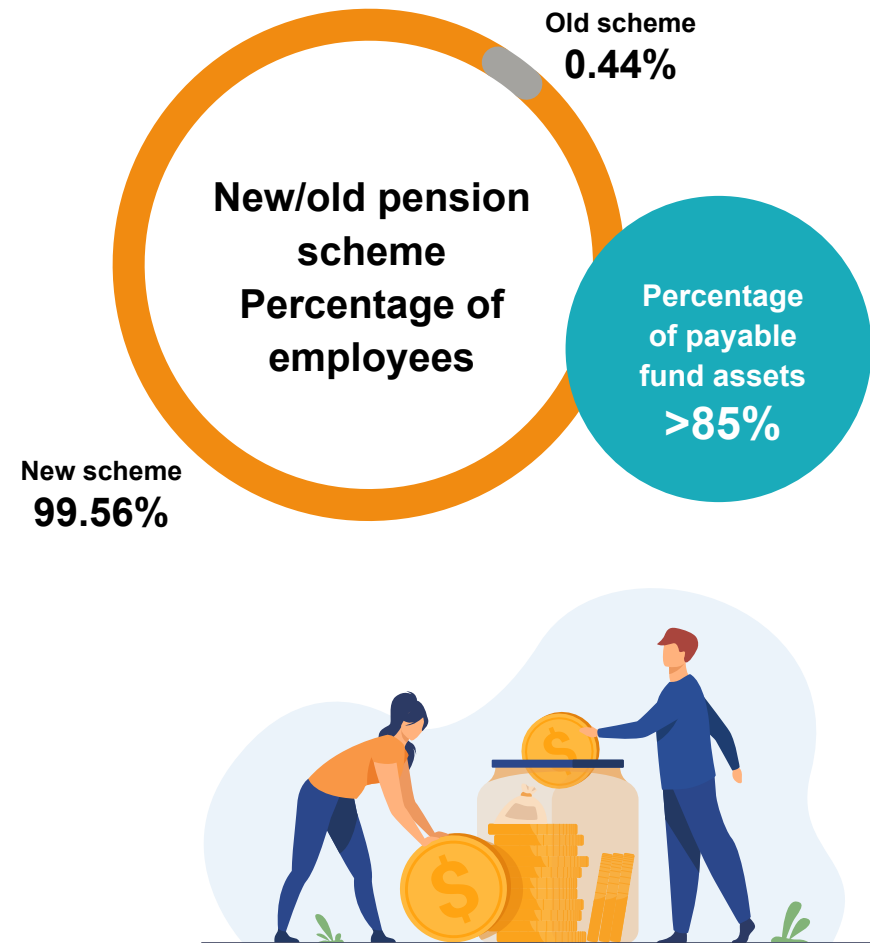
Note: The number of employees eligible to apply for unpaid parental leave was determined as the number of employees having received childbirth cash in the 3 years before the reporting period.

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 Taipei Headquarters are covered by 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 0.44% of employees were subject to the old scheme while 99.56% of employees were subject to the new scheme. Primax had maintained its pension fund assets at 72% 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. In 2021, Primax offered a gold coin to retirees, and Tymphany paid a month of salary to appreciate these senior employees' dedication to the Company for many years.



5.5 Diverse communication and interaction

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, podcast shows, questionnaire surveys, 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 addition to caring about employees' physical and psychological health and labor-management relations from time to time, Primax aims to arouse employees' attention to ESG issues and live an enriched life with a sense of mission for sustainability together with our employees.

Primax Care newsletters

The newsletter is first communication channel launched in June 2021. With the spread of the COVID-19 pandemic in Taiwan, Primax quickly provided the health education information to relieve employees' anxiety and stress and digital information on free stress testing and consulting services to relieve their anxiety about the pandemic under the brand of Primax Care. Meanwhile, we sent rapid test reagents to employees' homes with relevant health education information, so that they could have a test with peace of mind.



Since June, we sent a total of 12 email newsletters to promote various information to a total of about **9,600** people.

Podcast- No. 669 Ruiguang Road

In August 2021, the podcast show, No. 669 Ruiguang Road, under the Primax Care brand, was launched. Primax's headquarters sits at No. 669 Ruiguang Road. We hope that all employees and even the public will learn more about Primax through this show or understand the views of Primax's employees in different generations on topics of health, financial management, or leisure and entertainment through this platform. In 2021, we released two episodes on a trial basis to share the stories behind Primax's efforts in ESG as well as the P coin collection and interactive platform. We plan to release one episode per month from March 2022.



There were a total of **117** listeners (repeated listeners not included)

P coin collection and interactive platform

The P coin collection and interactive platform was jointly developed by Primax and Taiwan's local start-up company, RUNNii. It mainly aims to create new experiences through online and offline activities, such as game missions and reward mechanisms, to discuss more serious issues, including ESG. The P coins are the core of the reward mechanism. It is a virtual currency exclusive to Primax's employees. When a certain number of coins is collected, such coins can be exchanged for rewards, such as gift vouchers, meal vouchers, coffee, and movie tickets. Employees can collect P coins by participating in various activities, training courses, awareness-raising meetings, new recruit tasks, daily collection activity, or online missions on birthday. We hope that employees can experience Primax Care by collecting P coins, either at work or during leisure time, bringing more fun and motivation to them.



433 people have joined the platform. By the end of 2021, a total of **3,701** P coins have been issued.

Leaders' knowledge and skills competition

In mainland China, we adopt a strategy for adapting to local conditions and have HR personnel in each region to formulate diverse communication plans. In addition to routine communication channels, including employee forums, charity stations, birthday or welcome parties, and angel employee activities, Dongguan Primax, Chongqing Primax, and Kunshan Primax jointly held the first leaders' knowledge and skills competition. We aimed to motivate leaders in each region to engage in work more passionately, reinforce their management skills, and promote communication and learning among the leaders around the world through this competition.



A total of **171** leaders participated in the first round of the competition, with as high as **88%** leaders participating, and **15** awards were presented.

Establishment a digital communication and response platform

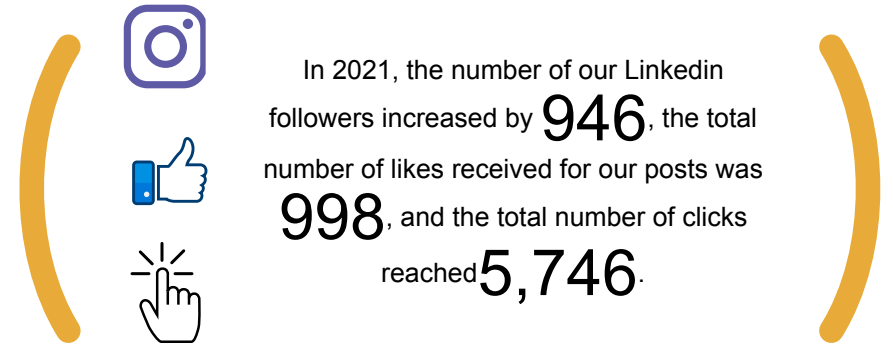
To respond to the social and technology development trend, Dongguan Primax took the lead in launching a mobile opinion platform at the end of 2021. The platform is integrated into WeChat, so employees can make suggestions or raise questions anytime and anywhere with their mobile phones. With the mobile opinion platform, the company can respond to employees' opinions and questions in a timely manner and collect their ideas and address their questions. It facilitates labor-management exchanges and improves employees' satisfaction, while allowing the company to continuously improve various management policies.



As of the end of February 2022, **95** cases had been collected, and the case closure rate was **100%**.

Social media and platform management

In respect of external communication, we excel at extending from internal communication activities to the external ones. For example, for the House of Dreams charity sales and the charity stations mentioned above, we worked with external entities to deepen the concept of social charity and demonstrate Primax's connection with society. In addition, LinkedIn is a very important external communication channel for Primax. We disclose our internal information on LinkedIn from time to time, so that employees, job applicants, and people at home and abroad who are interested in Primax can keep abreast of our award-winning information, event highlights, job application information, and company policies in the first place.



[Column]

A series of activities in ESG Month

A total of **680** people participated in the four series of activities. Second-hand goods donated and circulated reached **414kg**, reducing **853kg** of carbon emissions.



The time-lapse video of sorting the second-hand goods (please scan the QR code or click the [link](#))

Starting from mid-August, we held a two-month ESG Month activities entitled We are Global Citizen. With the P coin collection and interactive platform, we have held the ESG Online Book Fair, Corporate Sustainability Q&A, Seminar on Declutter and Donation of Second-hand Goods in Exchange for a Clean and Beautiful Home, and SDGs! Let's Do it! in the ESG Month.

· Seminar on Declutter and Donation of Second-hand Goods in Exchange for a Clean and Beautiful Home

Primax worked with Gift Circle and called on employees to donate second-hand items that had not been used for a long time and pack and send them to Gift Circle logistics center to reduce waste. A total of 115 responded to the call, and a total of 414kg of supplies (the weight of reused items) were circulated, equivalent to reducing carbon emissions by 853kg or the annual carbon dioxide amount absorbed by 71 trees. (Each tree can absorb about 12kg of carbon dioxide every year as mentioned on the website of the Environmental Quality Protection Foundation).

· SDGs! Let's Do it!

The SDGs Response Mission is the largest online plus offline activity in the ESG Month. We motivated employees to participate as global citizens and think about what action plans could help individuals, enterprises, and even the entire society to achieve the SDGs goals. The entire activity integrated physical and virtual interaction models. We also held departmental group points competitions and individual competitions, and provided bonus rewards for employees' participation rate to motivate them to complete various action plans. Meanwhile, SDGs response was the activity with the highest participation rate in the ESG Month, with 58 people in the first activity increasing to 274 people, a growth rate of 372.4%.



Group photo after donated second-hand goods were sorted by volunteers



SDGs! Let's Do it! event wall for check-in



[Column]

A series of activities in Thanksgiving Month

A total of at least

1,364 people participated and raised **NT\$81,925.**



Angels were sending gifts in the Thank You Month (please scan the QR code or click the [link](#))

Arousing employees' attention to ESG and maintaining positive labor-management relations are major missions of the Primax Care brand. In December 2021, we held a series of Thank You Month activities, including Thank You Happy Hour, House of Dreams charity sales, and Send Cards to Say Thank You. It was hoped that employees could feel warm in the cold weather at the end of the year and thank each other for the efforts made during the year.

· Thank You Happy Hour

We sent a special popcorn invitation letter to all employees in advance. On the day of the event, we even prepared exquisite afternoon tea, while screening an animation produced by the HR IMC team to present Primax's efforts in 2021 to the participants and thank each employee's hard work. On the day of the event, the restaurant on B1 was flooded by people, and the meals for 600 people were taken within 30 minutes. People's response was very enthusiastic.

· Send Cards to Say Thank You

The last activity in the Thanksgiving Month was Send Cards to Say Thank You. We encouraged employees to express their gratitude to their good partners. They only needed to fill in an online form and enter the person they wanted to thank and what they wanted to say, Primax's HR team would deliver a special card and the exquisite drip coffee and dessert package their colleagues like a Santa. We also integrated AR technology into the card. When employees scanned the QR Code on the card, an animation, Primax's logo, and the questionnaire feedback button would pop up. We adopted AR technology to extend the card from the physical to the virtual world for participants to experience different interactive methods. As high as 87% of employees participated, with a total of 652 participants, and 1,548 cards were sent out.



Popcorn Happy Hour invitation letters became a hot topic



AR card and small gift sent out in the Thank You Month



[Column]

Primax Taipei Headquarters won the Best Companies to Work for in Asia 2021

Best Companies to Work for in Asia 2021 is a selection program sponsored by HR Asia. It aims to praise companies in Asian countries for their excellent human resources measures and systems, employee engagement, and the development of corporate culture. More than 500 companies across Asia participated in this evaluation. In addition to being recognized by the awards, the award-winning companies can enhance their brands to attract top talents.

After the Company applied for this award, we randomly sent out relevant evaluation questionnaires to our employees. The content of the questionnaire covered the three aspects and nine topics below:

1. Corporate core elements: Overall organization and leadership, culture and ethics, as well as proactive attitude)
2. Employees: Emotional engagement, motivation, behavior, and advocacy
3. Team: Teamwork, feelings about the workplace, and group dynamic

Primax has participated in this selection since 2021. In addition to enhancing the corporate image through external recognition, we can understand employees' recognition of and satisfaction with the Company in the above-mentioned aspects through the selection team's professional questionnaire design and analysis as a reference for us to formulate relevant strategies and action plans for the following year.

In 2021, Primax's Taipei Headquarters received an average score of more than 4 points (out of 5 points) in the three aspects of the questionnaire, and most of the items were higher than the industry average, so we were honored to win Best Companies to Work for in Asia, indicating that Primax provides a friendly workplace with complete systems and a pragmatic corporate culture to take care of employees. Please refer to HR Asia's [introduction page](#) for the details of the award. 📄



5.6 Talent training and development

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 learning and 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. In practice, the executive management would outline operational goals and have each manager engage in two-way communication with their employees at the beginning of year, mid-year and year-end to discuss the following:

Annual goal setting



Using the Balanced ScoreCard (BSC), managers discuss with their subordinates to list out at least 5 goals/responsibilities for the coming cycle. They also establish quantifiable measurements, assign weight by priority, and use them in performance evaluation accordingly.

Core skills



Managers will identify at least three skills at the beginning of the year and assign weight based on importance. At the end of year, employees are evaluated on how they have developed the listed skills.

Career Development /Assessment



Managers will identify at least three skills at the beginning of the year and assign weight based on importance. At the end of year, employees are evaluated on how they have developed the listed skills.

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.

- **Work target and capacity target setting. Time: beginning of year**

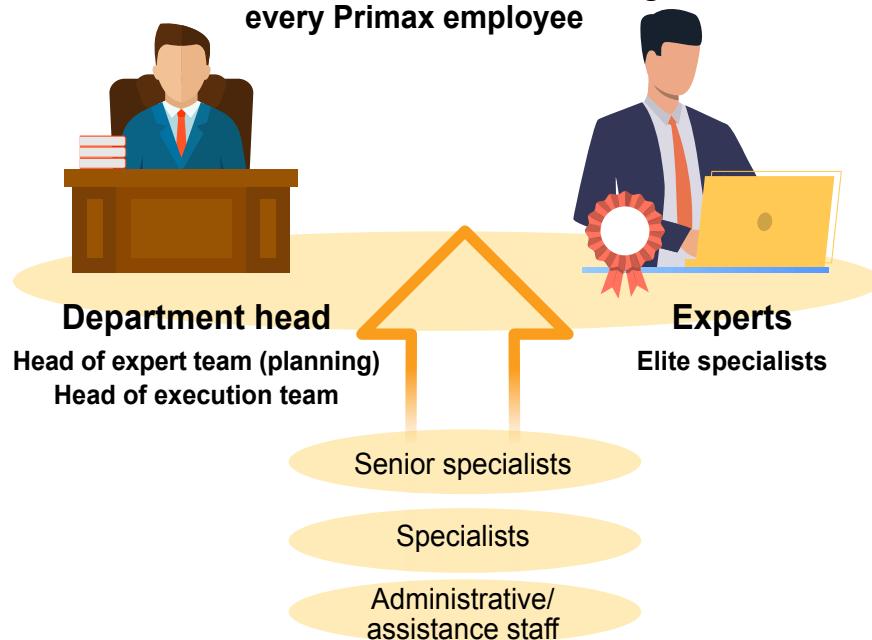


In 2021, **100%** of full-time employees participated in performance evaluation

Flexible career development

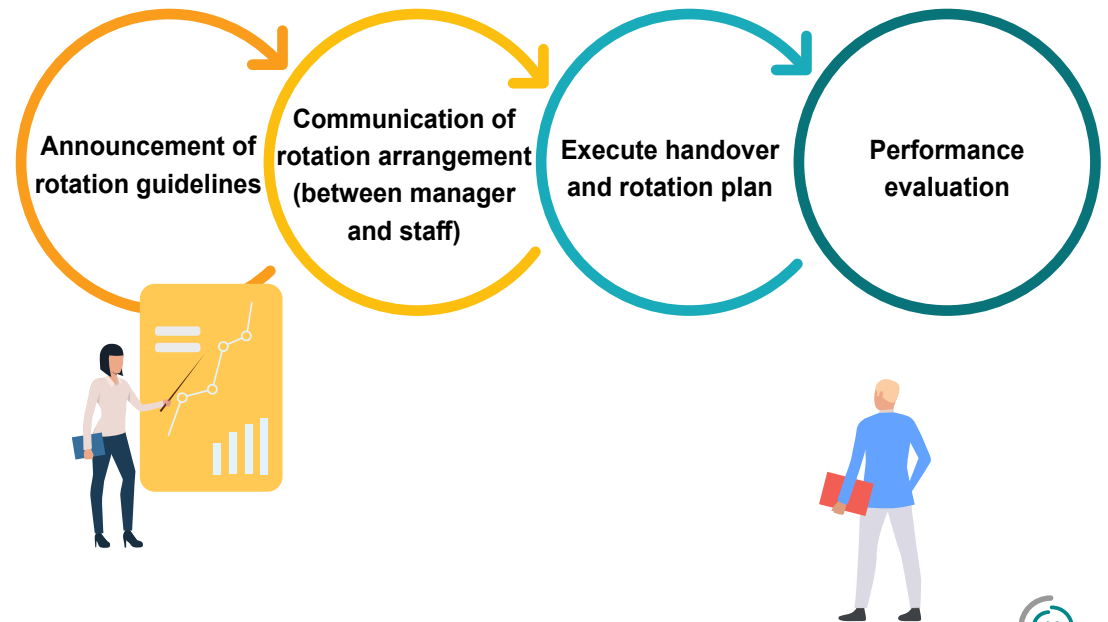
Employees may choose to be converted into managerial role or continue their specialist role depending on personal preference, skills and career goals. Whichever way they choose, there are plenty opportunities for them to advance and grow. The dual career system gives every employee the opportunity to grow their specialties and satisfy their career expectations. Whether it is a managerial role or a specialist role, every Primax employee can find their moment to shine within the organization. Primax Group also has "Internal Rotation Policy" in place to systematically nurture diverse talents needed by the organization. For employees, the rotation system provides them with the opportunity to explore areas of interest, and develop skills and visions needed to advance in their careers.

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



Rotation Program

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

There is no glass ceiling for career development due to race, gender, or age. We have formulated two plans, namely: 1. Talent development indicators for female leadership; 2. Individual development plan (IDP) for all employees.

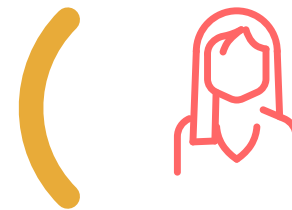
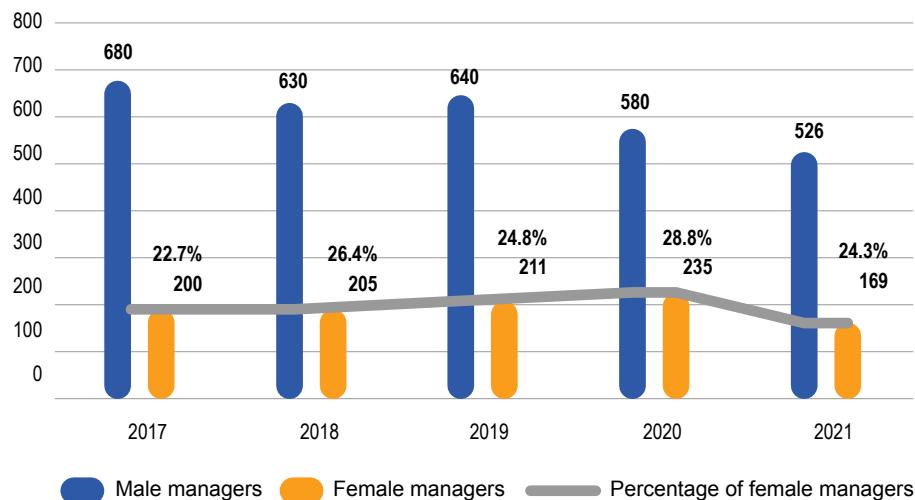
1. Talent development indicators for female leadership

- The Group is committed to increasing the percentage of top-level female leaders, and it is estimated that the percentage of such leaders will reach 25% by 2024.
- Top-level managers consciously train and promote young and promising female talents at various managerial levels.
- To achieve the corporate sustainable development goal, the Group is committed to achieving gender equality and eliminating barriers to a sustainable work environment.

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

We have defined 2021 as the first year of talent development, and optimizing each employee's development plan is the Group's shared goal. 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 the first year, IDPs for 15 top-level managers were completed (retention rate: 100%), and IDPs for 100 talents will be completed in the second year (KPI: retention rate reaching 95%). We expect to reach the target of IDPs for all employees by 2025.

Percentage of Primax Group's female managers between 2017 and 2021



Set the goal of increasing the percentage of top-level female leaders: It is estimated that the percentage of such leaders will reach **25%** by 2024.



In 2021, the personal development plans of **15** senior managers have been completed with a retention rate of **100%**.

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



Specialist training

This type of training focuses on professional skills needed to serve customers, for which we have made available a broad range of courses from R&D, quality control, engineering, manufacturing, business, procurement, consultative relationship management, to supplier management.



Managerial talent training

Courses have been planned to help employees develop the leadership and strategic thinking needed to accomplish managerial roles of all levels, and to provide strong link between upper and lower management.



General skills training

These courses are intended to bring diversity and value into employees' career. Apart from language courses, the Company also provides general knowledge training to inspire employees' potentials in other areas, and make learning a more meaningful activity.

terminated due to adjustment of business portfolio or job duties, we would ask them if they require assistance with subsequent employment, and refer them to head hunters or employment agencies/websites if needed.

Employee career training system

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



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

Training category	Training courses	Course description
Company courses	On-job training	Generally refers to training received while performing work activities. On-job training exists in various forms such as meeting participation, project (task) involvement, and job rotation.
	Internal training	Available in three main categories (management talent, specialist, and general skills training), the courses offered cover anything from orientation, management skills, technical skills, quality assurance, general knowledge to English etc.
External training	External professional training	Employees are fully subsidized for training courses organized by external institutions. These subsidies are provided as an encouragement to continual improvement of professional skills, or development of secondary skills depending on employees' career potentials.
	Overseas training	Employees who exhibit exceptional performance and potentials may be chosen to participate in short-term overseas training or conference as an opportunity to broaden their global vision.
Self-directed learning	Self-directed education	Employees are encouraged to study knowledge and skills at their own time, and may even apply for flexible work hours to enroll in educational programs. Furthermore, as a way to encourage reading, the B1 area has been converted into a library, offering thousands of titles that can be borrowed and exchanged freely. Points collection and book vouchers have even been introduced to encourage use of the library and to enrich the library's collections. The Company also makes book recommendations from time to time and offers book subsidies to help employees develop good reading habits.
Online courses	Online learning and knowledge platform	A Learning Management System has been implemented to provide forum and blog services that employees may utilize to exchange and discuss knowledge. This system is commonly referred to as "e-Learner." The system offers courses that can be studied online, such as general knowledge, basic professional knowledge, and English language.

Employee education and training

Primax Group values employees' career development, and all employees are entitled to receive training. In 2021, employees of the Group completed 232,939 hours of training in total, averaging 21.76 hours per employee. Total training expenses amounted to approximately NT\$7,073 thousand.

Overview of employee education and training at Primax Group's operating sites in 2021

Office location	Primax Taiwan				Primax China				Tymphany China			
	Managerial role		Specialist role		Managerial role		Specialist role		Managerial role		Specialist role	
Title	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Training hours												
Employee size	215	54	456	185	204	85	2971	2969	197	72	1769	1529
Total training hours	2336	640	5509	1924	2,143	838	132,800	49,551	3,335	1,283	19,718	12,862
Average training hours	10.8	11.9	12.1	10.4	10.50	9.86	44.70	16.69	16.93	17.82	11.15	8.41

Hours of group-wide human rights training - 2021
An increase of **89,916** hours compared with the previous year

Average training hours per employee in the Group in 2021
An increase of **9.4** hours compared with the previous year

5.7 Occupational health and safety

Safe and healthy workplace management

GRI material topic:

Occupational Health and Safety

Corresponding ESG topic:

Chemical safety

SDGs:



Topic boundary

Taipei Headquarters/Dongguan Primax/Chongqing Primax/Kunshan Primax/Dongguan Tymphany/Huizhou Tymphany/Dongcheng Tymphany/Suppliers/Contractors

Boundary limitations

With respect to Occupational Health and Safety, the report discloses occupational safety systems and performance of various sites within Primax Group, as well as the actions they took to reduce occupational hazard and promote health, supported by data such as injury rate and work-related death. Primax Electronics works with thousands of supply partners, which is why it is impossible to obtain comprehensive occupational safety information on all partners. Primax Group audits and inspects tier 1 suppliers annually on various issues including occupational safety management. Any defects exhibited by suppliers are tracked for improvement within a given time.

Management purpose and importance

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

Responsible units

Human Resources Department and Central Plant Affairs Division

Short-term target	Achievement rate	Mid- and long-term target
<ul style="list-style-type: none"> · Zero occupational illness. · Bring the number of serious occupational accident fewer than 1. · Cut Primax's occupational accident by 10% compared with the base year. · Occupational accident control in Dongguan plant: Disabling injury severity rate < 7.5. 	<ul style="list-style-type: none"> ☺ Zero occupational illness in the Primax Group in 2021. ☺ Zero serious occupational accident and death in the Primax Group in 2021. ☺ Eight occupational accidents in Primax, 20% less than the base year. ☺ The severity of disabling injuries in Primax's three plants in 2021 was 16.53. 	<ul style="list-style-type: none"> · Work with suppliers, contractors, and outsourced businesses to promote health and safety at work. · Pay attention to employees' physical and psychological health and create a healthy workplace.
<h4>Action plans</h4> <ul style="list-style-type: none"> · Adopt ISO 45001 - Occupational Health and Safety Management System. · Primax Taipei Headquarters, all Mainland plants, and Tymphany have Occupational Health and Safety management units in place to execute the Occupational Health and Safety system. These special units also conduct hazard identification, risk assessment, and make ongoing improvements each year. · All business locations hold Occupational Health and Safety committee meetings on a regular basis. There is also a safety team that patrols the plant site, organizes health checkups, Occupational Health and Safety training, and carries out safety and health practices on a regular basis. 	<h4>Performance management achievements</h4> <ul style="list-style-type: none"> · Primax's Taipei Headquarters, Primax's three plants and Tymphany's three plants have all implemented ISO 45001 and passed third-party verification regularly. · No workers not employed by Primax Group suffered work injury in 2021. · Zero local confirmed cases at Primax's Taipei Headquarters; the COVID-19 vaccination coverage reached 96% in 2021. · Primax Group held occupational safety-related training for a total participant count of 6,149, and incurred total training expenses of NT\$433,355. · Number of participation in emergency response drills totaled 22,400 across Primax Group. 	

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

Occupational health and safety management

Since the International Organization for Standardization released the world's first consistent international standard for occupational safety and health management system (ISO 45001: 2018) in 2018, to keep up with the world's safety and health management trends, ensure compliance, and respond to clients' emphasis on occupational health and safety issues, Primax's three plants in China and Tymphony's three plants have implemented ISO 45001 - Occupational Health and Safety Management System and appointed a third-party verification entity (SGS) to conduct external verification and obtained a certificate, whereas the Taipei Headquarters also implemented relevant procedures to demonstrate the Company's emphasis on occupational health and safety management through action.

Primax's Occupational Health and Safety management system applies to all employees of the company and covers the Taipei Headquarters building as well as all workplaces where Primax employees are stationed. 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.

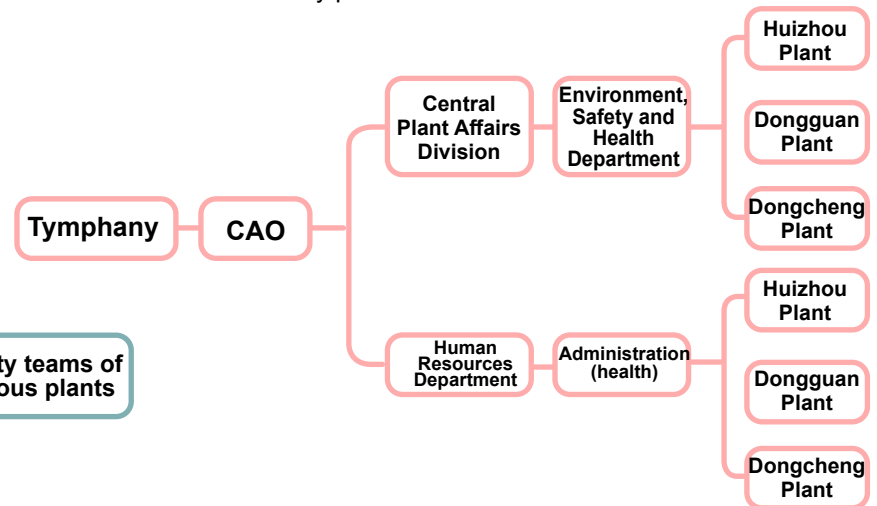
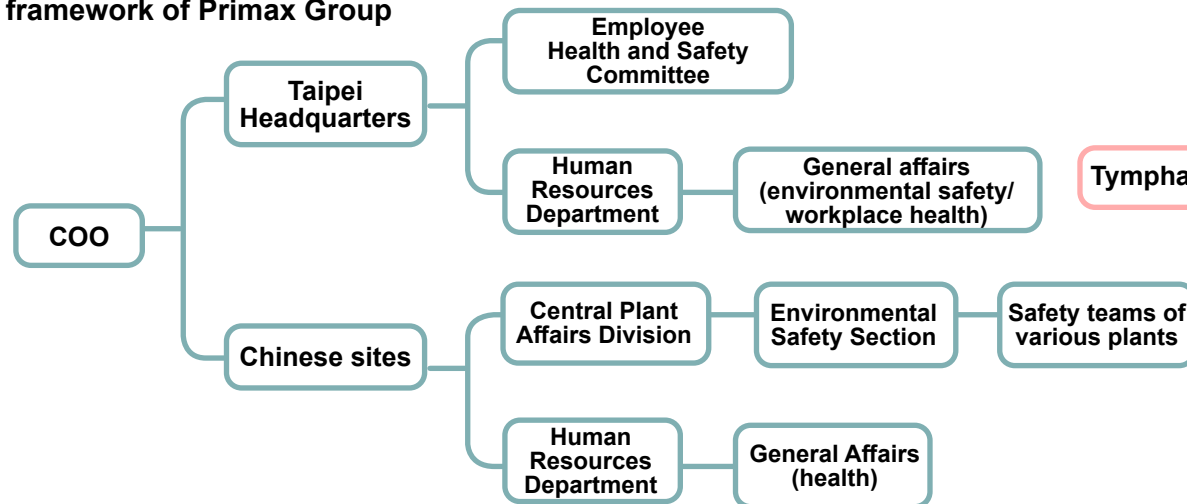
The members of the audit team at each plant, according to the annual plan, audit the main department in charge of the occupational safety and health management system. The scope of verification covers the entire plant, including internal employees, contractors' workers (with contracts signed with each plant, or workers engaging in the temporary construction, repair, or maintenance work at the Company (excluding the Taipei Headquarters).

Occupational Health and Safety unit

Primax considers safe and healthy workplace to be one of its basic obligations to employees, which is why we place great emphasis on workplace health and safety. For the health and safety of employees, Taipei Headquarters, all Chinese production sites and subsidiary - Tymphony all have Occupational Health and Safety units set up to receive employees' feedbacks on existing or potential problems that they are likely to encounter in the workplace. Improvements or precautions can then be taken to enhance the safety and comfort of the work environment. The committee at Taipei Headquarters has a total of 10 members, of which 5 (half) are employee representatives, whose presence helps supervise, recommend, and plan occupational health and safety-related issues. Other 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.

As for operations in China, Occupational Health and Safety committees are available to oversee related issues. Occupational Health and Safety committees convene regular CSR meetings once a month to discuss issues concerning safety, environment, health, energy conservation and waste reduction. Primax's Chinese operations have 94 safety personnel in total, including full-time and part-time committee members who specialize in safety management and safety officers in various business departments. Meanwhile, the three plant sites of Tymphony have 45 of the abovementioned safety personnel.

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 verified for hazard identification and risk assessment.

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. When devising new control measures or changing existing control measures, the Company would try to mitigate risks using the following methods, in the order presented: elimination, substitution, engineering control, warning sign or administrative control, and personal protective gear. Hazard identification, risk assessment, and approval and execution of control measures are scrutinized during internal audit to ensure that procedures and improvements are duly carried out.

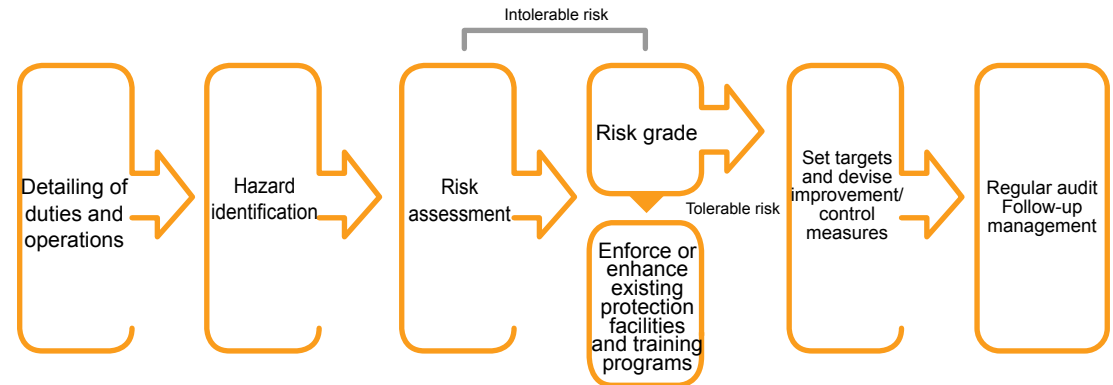
Incident reporting and investigation procedures

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.

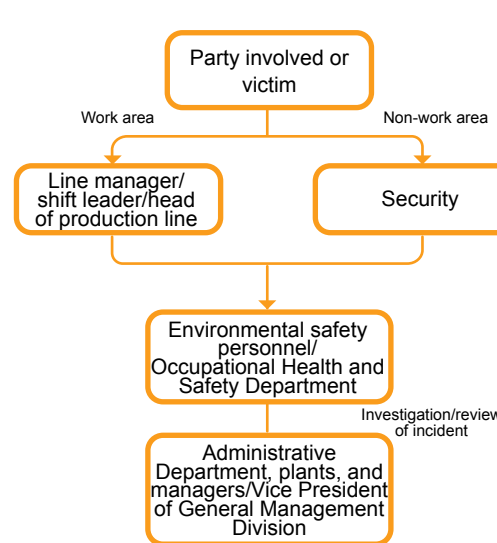
Should any life-threatening emergency arise in relation to the works performed, workers are allowed to cease work activities or take appropriate response measures and evacuate from the workplace. The Company may not reduce workers' wage or benefits, or terminate employment or contract with workers, for 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.

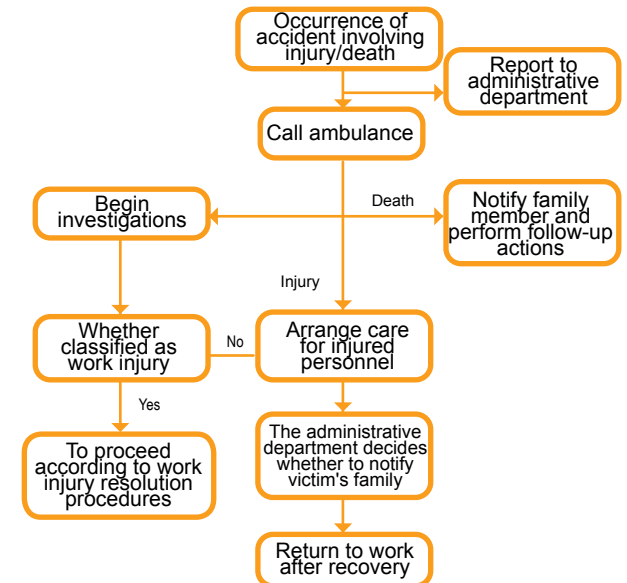
Primax Group Hazard Identification, Risk Assessment, and Control Approval Flow Chart



Reporting procedures for work injuries and close calls



Emergency response procedures for injuries and deaths



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 verified. The number of participants and training expenses for occupational safety training in Primax Group in 2021 are as follows:

Plant	Primax	Tymphany	Total
No. of participants	1,077	5,072	6,149
Training expenses (NTD)	235,400	197,955	433,355

Note: Primax includes Taipei Headquarter, Dongguan Primax, Chongqing Primax, and Kunshan Primax; Tymphany includes Dongguan Tymphany, Huizhou Tymphany, and Dongcheng Tymphany

To enhance employees' responses in the event of emergency, Taipei Headquarters organizes drills on situations such as fire disaster and evacuation on a regular basis, whereas production sites 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 escape, as well as key points concerning property recovery and first aid. Number of participants in drills, such as evacuation, chemical leakage, food poisoning, and elevator trapping in the Primax Group in 2021 is as follows:

Plant	Primax	Tymphany	Total
No. of participants	14,468	7,932	22,400

Note: Primax includes Taipei Headquarter, Dongguan Primax, Chongqing Primax, and Kunshan Primax; Tymphany includes Dongguan Tymphany, Huizhou Tymphany, and Dongcheng Tymphany

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.



Dongguan Tymphany's first aid training



Dongcheng Tymphany's fire safety, environmental protection, energy efficiency awareness-raising training



Dongguan Primax's environmental safety and health risk identification and awareness-raising seminar



Chongqing Primax's occupational disease prevention training



Huizhou Tymphany's fire and anti-terrorism exercises



Dongguan Primax's fire exercises during the day



Huizhou Tymphany's chemical leakage prevention exercises



Chongqing Primax's elevator operating training exercises

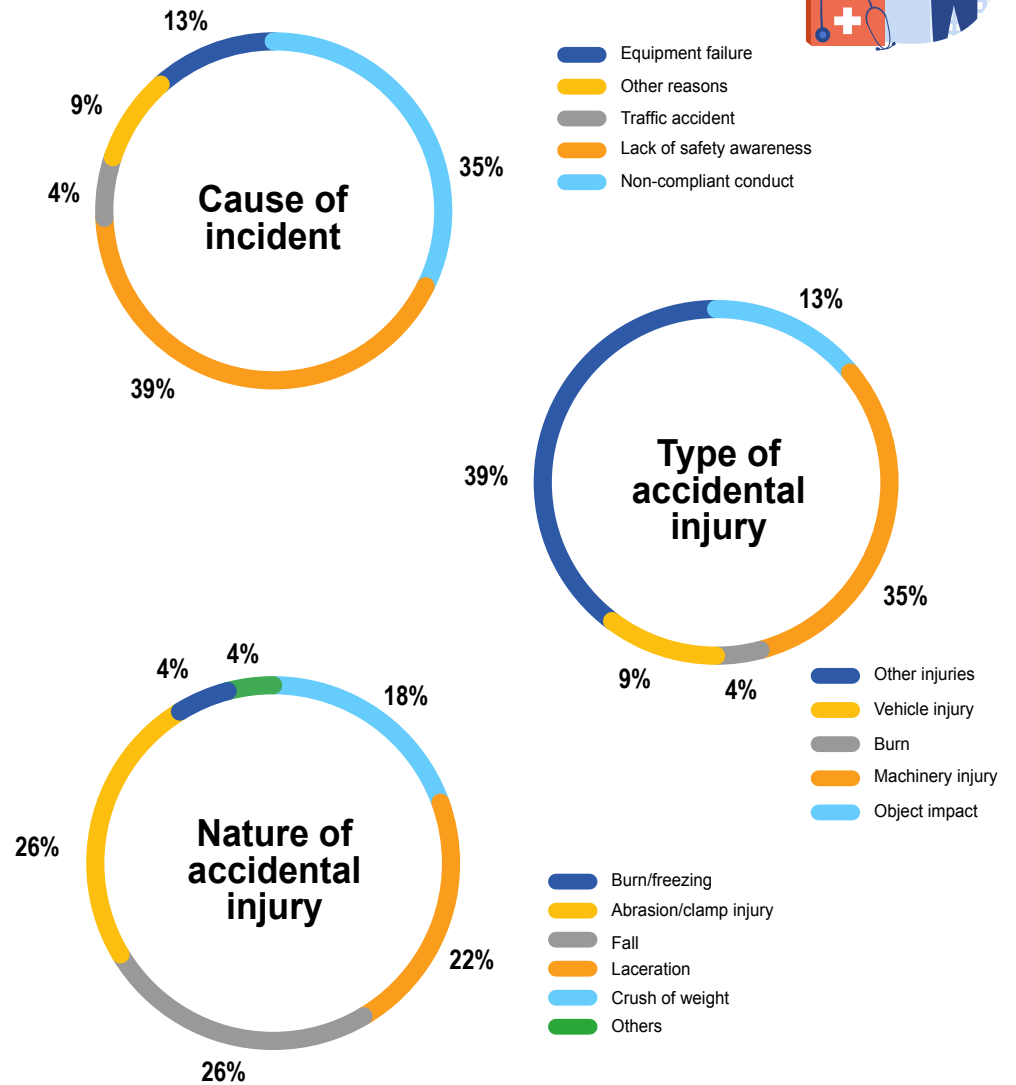
Contractor Safety Management

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 2021.

Occupational injuries

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

Apart from monitoring workplace safety and health through statistics, Primax Group also analyzes the cause, type and nature of injuries occurred so that the Company may develop precise and feasible ways to improve. The following is a breakdown of occupational injuries occurred within Primax Group.



Primax Group has enforced its occupational health and safety policies and standard procedures to such a point that the organization only experienced minor, isolated incidents during the reporting period, and encountered no major work-related accident or incident of death. The following is a breakdown of occupational injuries encountered by Primax Group's employees and non-employed workers.

Item	Calculations		Taipei Headquarters	Dongguan Primax	Chongqing Primax	Kunshan Primax	Dongguan Tymphany	Huizhou Tymphan	Dongcheng Tymphany
Total work hours	Female	Employee	476,088	3,593,568	2,023,872	466,128	1,352,000	1,262,000	588,000
		Workers	11,952	639,432	727,080	49,800	338,000	982,000	306,000
	Male	Employee	1,336,632	4,878,408	908,352	537,840	1,904,000	1,776,000	252,000
		Workers	25,896	1,268,904	1,009,944	163,344	382,000	2,352,000	412,000
	Total	Employee	1,812,720	8,471,976	2,932,224	1,003,968	3,256,000	3,038,000	840,000
		Workers	37,848	1,908,336	1,737,024	213,144	720,000	3,334,000	718,000
Percentage of documented occupational injuries	Female	Employee	0.00	0.28	0.49	0.00	0.00	2.38	1.70
		Workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Male	Employee	1.50	0.41	2.20	3.72	2.10	2.25	3.97
		Workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	Employee	1.10	0.35	1.02	1.99	1.23	2.30	2.38
		Workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00

- Note:
- Total work hours in the above chart were estimated (employee count * 8 hours * work days).
 - Percentage of deaths by occupational injury = fatalities caused by occupational injury/work hours * 1,000,000: none had occurred within the Group in 2020.
 - Percentage of severe occupational injuries = No. of severe occupational injuries net of fatalities/work hours * 1,000,000: none had occurred within the Group in 2020.
 - A severe occupational injury refers to one that results in disability or renders a worker unable to recover to the pre-injury state of health in six month's time.
 - Percentage of documented occupational injuries = No. of documented occupational injuries (including fatalities and severe occupational injuries)/work hours * 1,000,000: Primax's Chinese plants reported 10 work injuries while Tymphany reported 13 work injuries in 2021; all of which were ordinary work injuries.
 - Number of documented occupational injuries was taken from the internal work injuries data sheet.
 - No death, severe work injury, or documented injury had occurred to Primax Group's non-employed workers in 2020.

Health 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. The Taipei Headquarters organizes general health checks with more comprehensive coverage than what the laws require. Employees who have been identified as a high-risk group will be closely monitored by nurses and given complimentary re-checks six months later. These efforts are intended to enable early discovery and treatment of life-threatening diseases. Meanwhile, Primax's 3 Chinese plants and Tymphany all provide 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 examination that cover potential skin, liver, kidney, lymphatic, and thyroid diseases. Employees will be referred to physicians for any abnormal discovery, re-evaluated for suitability of current job position, and have health conditions followed up on a continuous basis. No occupational illness had occurred within Primax Group in 2021.

Employee health promotion

The world has been impacted by the COVID-19 pandemic, and employees' work models and lifestyles have undergone tremendous changes since 2020. To cope with this impact, Primax cooperated with the government's anti-pandemic regulations and formed an anti-pandemic team and an anti-pandemic implementation committee, formulated a business continuity plan and an exercises plan, developed countermeasures, and adjusted the response mechanism depending on the pandemic situation in advance to ensure employees' health and safety and the Company's continuous operation.

In 2021, **83%** of employees at the Taipei Headquarter received health check-up.

Note: It was counted with 750 non-top-level managerial employees.

Employee health and safety measures during the pandemic

organizations	Human Resources Department, Central Plant Affairs Division, environment, safety, and health unit, representatives of various business departments, and information technology unit.
Access management	<ol style="list-style-type: none"> Employees and visitors were required to have their temperature taken when entering the plants and buildings. Visitors needed to fill in health records, travel history, and employees' health status needed to be checked regularly. The Taipei Headquarters distributed reagents for rapid testing depending on the pandemic situation, and the production sites in China arranged nucleic acid testing. Personnel on business trips and expatriates returning to Taiwan needed to WFH for 14 days in addition to the 14-day quarantine period mandated by law before they could enter the building only with a negative result in the rapid test.
Health care and promotion	<ol style="list-style-type: none"> We organized online sports day and health seminars. We sent supplies to employees during their quarantine period and regularly followed up on their health. We provided anti-pandemic kits for personnel returning from business trips (protective suits, face shields, masks, disinfecting supplies, and anti-pandemic procedures and guidelines for business trips in different countries) The Taipei Headquarters provided e-coupons for delivery platforms during the period when all employees WFH at level 3 alert. The Taipei Headquarters subsidized the influenza vaccines and appointed a medical team to administer COVID-19 vaccines at the Company, to save employees' time in making appointments and queuing and expand the vaccination coverage. Employees could take official leave on the day of vaccination and might apply for vaccination leave if they still felt unwell the following day.

Primax's Taipei Headquarters subsidized **84** people for influenza vaccine administration, and **76%** of employees received three doses of COVID-19 vaccine.

Each employee of Primax's Taipei Headquarters received **10** Roche rapid test reagents, and we purchased **8,450** in total.

Due to the pandemic, our physical health promotion activities were suspended. When the pandemic escalated, we needed to pay more attention to employees' psychological health when they were isolated and WFH. Therefore, we arranged online leisure and care activities at each operating site, and our EAP seminars and new employee care courses were not suspended due to the pandemic. The hotline was called 190 times whereas a total of 3 seminars and 7 care courses were organized in 2021.

Online employee leisure and health promotion activities

In addition to the EAP that was not interrupted by the pandemic, we organized various online employee leisure and health promotion activities through online sports apps and a WeChat business account. In April, when the pandemic situation was still stable, the Taipei Headquarters participated in the Tech Cup Charity Road Race hosted by the Taipei NeiHu Technology Park Development Association, and more than 100 employees and their families participated. In addition to fully subsidizing the employees' registration fee, we set up a hospitality tent to provide water and supplies to our participating employees, so that employees could feel the Company's care for them during the event. Meanwhile, we worked with the online sports app, Walkii, to hold the activities of 10,000 steps per day and healthy meal plates. Through games, point collection, and the daily healthy lunch shared to the news feed, we encouraged employees to maintain healthy exercise and eating habits when physical activities were suspended.

To maintain the diversity of employee benefit activities in the plants in China, when the physical activities were suspended, the Welfare Committee collected employees' opinions and held nine online activities based on the characteristics of different holidays in 2021, including an online photography competition, dragon boat races on Dragon Boat Festival, and the Brainstorming Day on May 1, with more than 2,000 participants per activity. The second Talent Show (Dongguan Primax) was held with many participants. It was well-received, so that they could achieve work-life balance during the pandemic period.



Healthy meal plate news feed



Point collection for 10,000 steps per day



Brainstorming Day on May 1



Online dragon boat races on Dragon Boat Festival

06 Social Participation and charity



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 only 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.

Zheng-Zhi Education Foundation x KIST for Taoyuan Elementary School x Primax Electronics

In 2017, Primax signed a sponsorship contract with Zheng-Zhi Education Foundation. The foundation's mission of "caring for the disadvantaged and saving the country with a science-based approach" and our vision of helping children develop the knowledge, skills and character needed to realize their dreams have facilitated the collaboration between both parties. With Primax's steady support of NT\$ 2million per year and NT\$10 million in five years, the foundation launched the KIST program at Taoyuan Elementary School in Taitung. During the implementation of the KIST program, we found that the influence of the community, schools, and families on children are closely related to each other. Therefore, after the implementation of the program for two years, we evaluated the social return on investment (SROI) in the KIST program and Taoyuan community. After a series of meticulous evaluations, we found that the SROI in the KIST program was 2.12, that is for every NT\$1 invested in the KIST program, the social return was NT\$2.12.

Taoyuan Elementary School and Taoyuan community

During the implementation of the KIST program, we found that the influence of the community, schools, and families on children are closely related to each other. In addition to regular sponsorship, we purchase a large number of pineapples in Taoyuan, carry out group purchases from Bulaku, and invite students of Taoyuan Elementary School to corporate visits in an attempt to connect employees to the local community. In 2021, Taoyuan Elementary School canceled a visit to Primax due to the pandemic, and the graduation ceremony was held online. Primax prepared a handmade doll with a handwritten card by the members of the volunteer club for each graduate to allow the interaction between Primax's employees and the children of Taoyuan Elementary School to continue despite the pandemic.



Primax gave handmade dolls as graduation gifts.



Video of graduation blessings (please scan the QR code or click the [link](#))

SROI in the KIST program of Taoyuan Elementary School was

1:2.12

13 graduates of Taoyuan Elementary School all received the handmade dolls as a graduation gift from Primax in 2021

Kids' Bookhouse and Zhiben

Due to geographical and transportation constraints in Taiwan, many schools in Taitung have outdated equipment and high teacher turnover, and children, without family support, need to enhance their basic academic abilities and motivation to learn. In as early as 2016, we began to pay attention to education issues in Taitung and contacted the local Kids' Bookhouse, which offered after-school remedial classes and placement services, arranged for the late founder, Mr. Chen, Chun-Lang, to give a speech at Primax, and invited it to set up a stall for charity sales on Family Day, while our volunteers assisted with the farming of the local quinoa field and we regularly subsidized the charity road run organized by the bookhouse. Although we do not provide regular sponsorship but in a case-by-case manner, Primax's employees still have a special feeling for the Kids' Bookhouse through the continuous interaction every year.

In 2021, we officially signed a sponsorship contract with the Kids' Bookhouse to assist the bookstore with the development of businesses in the community, including agriculture, construction classes, baking, and hand-brewed coffee, in the amount of NT\$8.5 million over five years. As such, the community can form a positive cycle to take care of itself and create local employment opportunities, allowing parents to work in the local community and helping young people to develop work skills



Group photo with the founder



Volunteers assisted with the farming

Regular sponsorships and encouragement to employees to participate

Primax Pearl Classes

Primax has regularly sponsored local governments and schools for scholarships since it was established. In the early years, Dongguan Primax's Ye Jianying Commemorative Education Incentive has been continued for 25 years and did not officially end until 2019. We had provided scholarships and teaching rewards to the Shijie Town Government since 2010 to reward outstanding teachers and students with excellent academic performance in Shijie Town till 2021. In addition to scholarships, we work with the Xinhua Compassion Education Foundation to lift children out of poverty through high-quality education. The Xinhua Foundation's Hope for Pearl Project is mainly to help disadvantaged students with excellent character and academic performance to successfully complete their high school studies by providing them with tuition and living expenses for the three years in high school. In addition to financial sponsorship for the establishment of the Pearl Program, we arrange many activities for employees to interact with and students in the Pearl Program. We hope that employees will be able to be aware of, recognize, and participate in our activities. We regularly raise funds from employees through the business WeChat account and send push notifications. With such efforts, the results of the Pearl Program have had a significant positive influence on disadvantaged students and Primax's employees.

- As of December 2021, the Company has raised **NT\$1.35 million** for the second Primax Pearl Program.
- The percentage of students in the first Pearl Program admitted to colleges was as high as **97%**.
- **100%** of the respondents who participated in the Pearl Program influence assessment questionnaire all believed that they were influenced positively (1817 copies of questionnaires were received)



Regular sponsorship

The Taipei Headquarters began to work with charity partners who were committed to flipping education by signing contracts and donated funds on a regular basis in 2016. With a stable source of funding, these partners can focus more on their projects and cases they serve without worrying about funding. The following is the list of charity partners Primax sponsored between 2016 and 2021, in a total amount of NT\$33,600,000.

With the same model adopted for the Pearl Classes, in addition to the financial sponsorship, Primax and charity partners also organized various exchange

Charity partner sponsored	Amount	Cumulative number of years of sponsorship	Area covered	Service
Junyi Academy	\$10,000,000	5	Across Taiwan	Implemented and promoted Junyi Academy's education platform
House of Dreams	\$10,000,000	5	Wanhua and Yilan	Provided remedial classes and character education for disadvantaged teenagers
Zheng-Zhi Education Foundation	\$10,000,000	5	Taitung	KIST program launched at Taitung Taoyuan Elementary School
Rong Wu Foundation	\$2,600,000	4	Kinmen	Implemented an education program to develop seven habits at Kinmen Jinsha Elementary School
Kids' Bookhouse Foundation	\$1,000,000	1	Taitung	Sponsored the remedial classes for disadvantaged teenagers and the industry development in the local community
Total sponsorship as of 2021	33,600,000 元			

activities between the disadvantaged students and employees, including visits to the KIST Program at Taoyuan Elementary School, Junyi Academy's science program parent-child camp, visit to Kinmen Jinsha Elementary School on Leadership Day, Kids' Bookhouse volunteer vacation, and e-Sport Career Camp of House of Dreams. Primax and House of Dreams have worked together for a long time. We have organized the annual Christmas shoe box gift fundraising and charity sale event for the third time in 2021. Each employee only needed to provide a shoe box gift a child wanted, and the Company would donate NT\$100 as a reward, and employees could use the such a reward to buy items at the charity sale held by House of Dreams at Primax. Through such an activity, employees can further understand the services provided by House of Dreams, which can promote the charity products made by children, to assist disadvantaged children in Wanhua and increase the funds raised, a win-win outcome for each other.



Christmas shoe box gift fundraising and charity sale



Video of House of Dreams expressing appreciation toward Primax (please scan the QR code or click the [link](#))

In 2021, the sponsorship provided by the Taipei Headquarters amounted to

NT\$7 million

A total of **112** people participated in the 2021 shoe box gift fundraising event held by House of Dreams, and a total of **NT\$81,925** was raised.

Employee salary donation platform of Taipei Headquarters

Primax's people-oriented corporate culture prompts employees to share and help people. Whenever there is a significant or serious incident around the world or in Taiwan with a need for assistance from all walks of life, Primax launches an employee fundraising event in the first place, and employees also respond positively to raise the required fund in a short period of time. In such a loving atmosphere, we begin to think about how to enable employees who are busy with work and family and still want to contribute to society to respond to charity events in the shortest time. In June 2021, the Taipei Headquarters launched the Employee salary donation platform internally. Employees can make small donations in the amount of NT\$500 or 1000 from their salary on a regular basis through this platform. Once registered on this platform, employees can automatically sponsor our charity partners every month. In the event of special circumstances, they can respond to fundraising projects on this platform in a short time.

A total of **NT\$143,000** was raised for the Wanhua District Epidemic Emergency Relief Fundraising Project by House of Dreams in 2021.

To graphic designer, highlight the key points
The Love Response Platform was used by 154 persons, and the total amount of donation reached **NT\$294,000** as of December 31, 2021 from its launch.



Volunteer service

Dongguan 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. Therefore, Dongguan Primax established a Dongguan volunteer service team in 2017 and established a start-rating reward mechanism for volunteers in 2018.

The start-rating volunteer certification is divided into one to five stars, and the cumulative volunteering hours include 30, 40, 50, 60, and 70 hours. Those who have cumulative volunteer service hours of more than 30 hours a year can receive the corresponding charity medal and charity bonus, and those certificated volunteers will be commend publicly at a large event held by the company, to increase award-winning volunteers' sense of honor and also promote the start-rating volunteer mechanism, thereby motivate more people to join. In 2021, when the COVID-19 pandemic was slightly under control, Dongguan Primax's volunteer service continued and won awards certification for its outstanding volunteer service team and volunteer services. The volunteer team has received such recognition every year since it was established.

In 2021, the Dongguan volunteer service team carried out **15** volunteer activities, with a total of **83** participants.

In 2021, a total of **6** volunteers met the criteria for star-rated volunteers and were commended in public.



Taipei volunteers and Hongdao Senior Citizen's Welfare Foundation

The Taipei Headquarters established a volunteer club in 2016. Different from Dongguan Primax's starting-rating incentive method, Taipei Headquarters provides three days of paid volunteer leave, to allow employees to participate in volunteer activities without worrying whether it is a weekend or a weekday. Due to the social issues of declining birthrates and an aging population in Taiwan, the average age of Primax's employees in Taipei is just in the young- and middle-aged period 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 and hold regular caring activities every year to direct employees' attention to the issue of elderly care.

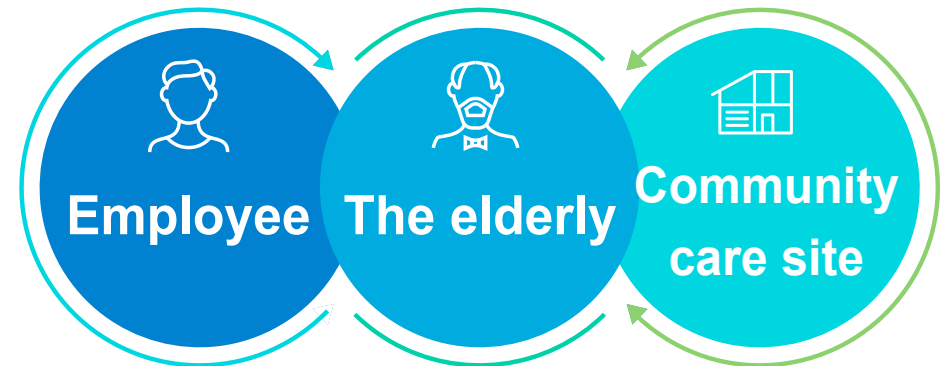
There are two methods of partnerships between Primax and Hongdao. The first is to assist the elderly who live alone in going to the supermarket to buy supplies before Lunar New Year, which allows them with limited mobility to access the outside world. The second is to jointly organize travel and networking activities for employees' senior parents and the elderly served, to improve the motivation of the elderly in the Nangang community and employees' senior parents to step out of home, while helping employees' parents to understand and be more willing to accept the services at the care site when receiving the services.

Taipei Headquarters provides **3** days of paid volunteer leave

The Taipei volunteer club only carried out one year-end shopping event due to the pandemic in 2021, but its love did not end there. Instead, it raised funds and sorted the donated supplies in the Company and sent them to the care site in Nangang. It also made handmade dolls with handwritten cards as gifts to graduates from Taitung Taoyuan Elementary School. This replaced the physical activities and reduced the risk of the pandemic posed to the elderly and children.

In 2021, **40** employees in Taipei participated in volunteering activities for **150** hours, equivalent to a salary expense of about **NT\$128,241**.

Note: Converted to hourly wage (based on the publicly disclosed "average salary of full-time non-managerial employees")*total volunteer hours



- Serve as a volunteer to enhance a sense of identity with the Company
- Bond with parents through activities
- Learn about benefits and services for the elderly to have more ideas for retirement life
- Hold diverse and interesting activities to motivate the elderly to regularly participate in care site's activities
- Interact with corporate volunteers, to delay the occurrence of dementia with stimulation from different groups of people
- Enable employees' parents to have more understanding of the care site's services and be willing to accept the site's services
- Increase service scope and parties served
- Reduce the burden of expenses on the care site
- Have more sufficient volunteers
- Promote services provided by the care site



Warm home visits by Dongguan Primax's volunteer service team



Video of Taipei volunteer club's year-end shopping with the elderly from Hongdao (scan the QR code or click the [link](#))

07

Appendices

7.1 List of Primax's Management Systems

7.2 GRI content index

7.3 Comparative Table with SASB Standards

7.4 Independent Third Party Verification Statement

7.5 TCFD Performance Statement



7.1 List of Primax's Management Systems

Name of system Plant	Environmental					Social				Governance		
	ISO14064-1 Greenhouse Gas Inventory	ISO 14001 Environmental Management System	ISO 50001 Energy Management System	ISO 14046 Water footprint standards for organization life cycle	IECQ QC 080000 Hazardous Substance Process Management System	RBA VAP Responsible Business Alliance	ISO 45001 Occupational health and safety management system	Authorized Economic Operator (AEO)	C-TPAT Customs-Trade Partnership Against Terrorism	ISO 27001 IT security Management System	ISO 9001 Quality Management System	IATF 16949 Automotive Quality Management System
Taipei Headquarters	•		• 2022/12/15	• 2023/3/29	• 2022/5/8		○			• 2022/2/11	• 2022/4/23	
Dongguan Primax	•	• 2022/12/18	• 2022/11/11	• 2023/3/29	• 2022/5/8	•	• 2022/12/18	• (No validity period)	• 2023/8/2	• 2022/2/11	• 2022/4/23	• 2022/9/18
Chongqing Primax	•	• 2022/12/18	• 2022/11/19	• 2023/3/29	• 2022/5/8	•	• 2022/12/18	• (No validity period)	• 2022/3/7	• 2022/2/11	• 2022/4/23	
Kunshan Primax	•	• 2022/12/18	• 2022/11/12	• 2023/3/29	• 2022/5/8		• 2022/12/18				• 2022/4/23	
Primax Electronics (Thailand)	•	• 2023/5/28			• 2022/5/8		• 2023/5/28				• 2022/4/23	
Dongguan Tymphony	•	• 2023/01/13	• 2022/12/18	• 2023/03/29	• 2022/07/31		• 2023/01/13			• 2024/9/5	• 2024/09/07	• 2022/8/5
Huizhou Tymphony	•	• 2024/05/18	• 2022/11/24	• 2023/03/29	• 2022/09/12		• 2024/5/18			• 2024/9/5	• 2024/08/06	• 2022/8/5
Dongcheng Tymphony	•	• 2023/02/01	• 2022/11/28	• 2023/03/29	○		• 2023/6/07			•2024/9/5	• 2023/03/23	

Note:

1. "•" Indicates coverage of third-party inspection/verification, and that validity of the certificate covers the year of report (see the above table for details).
2. "○" Indicates that the management system was adopted internally and had yet to be inspected/verified by third party.



7.2 GRI content index

GRI 102: General disclosures 2016

Category/topic	GRI Standards Disclosures		Corresponding chapter	Page	Undisclosed information and reasons
1. Organizational profile					
Core	102-1	Name of the organization	About the report	5	
			0.3 Company overview	11	
Core	102-2	Activities, brands, products, and services	0.3 Company overview	11	
Core	102-3	Location of headquarters	0.3 Company overview	11	
Core	102-4	Office location	0.3 Company overview	11	
Core	102-5	Ownership and legal form	0.3 Company overview	11	
Core	102-6	Markets served	0.3 Company overview	11	
Core	102-7	Scale of the organization	0.3 Company overview 2.4 Economic performance	11 36	
Core	102-8	Information on employees and other workers	5.2 Overview of manpower	81	
Core	102-9	Supply chain	4.2 Sustainable supply chain management	71	
Core	102-10	Significant changes to the organization and its supply chain	0.3 Company overview	11	No material change
Core	102-11	Precautionary Principle or approach	2.6 Risk management	41	
Core	102-12	External initiatives	About the report 3.2 Energy management 7.1 List of Primax's Management Systems	5 55 117	
Core	102-13	Membership of associations	3.2 Energy management	55	The associations in which the Company participates include BCSD Taiwan and CWS as a general member.
2. Strategy					
Core	102-14	Statement from senior decision-maker	Message from the Chairman	7	
Comprehensive	102-15	Key impacts, risks, and opportunities	2.6 Risk management	41	
3. Ethics and integrity					
Core	102-16	Values, principles, standards, and norms of behavior	2.3 Ethics and integrity	34	
4. Governance					
Core	102-18	Governance structure	2.1 Governance framework	30	
Comprehensive	102-19	Delegating authority	1.1 Sustainability promotion framework	16	
Comprehensive	102-20	Executive-level responsibility for economic, environmental, and social topics	1.1 Sustainability promotion framework	16	



Category/topic	GRI Standards Disclosures		Corresponding chapter	Page	Undisclosed information and reasons
Comprehensive	102-21	Consulting stakeholders on economic, environmental, and social topics	1.1 Sustainability promotion framework	16	
Comprehensive	102-22	Composition of the highest governance body and its committees	2.1 Governance framework	30	
Comprehensive	102-23	Chair of the highest governance body	2.1 Governance framework	30	
Comprehensive	102-24	Nominating and selecting the highest governance body	2.1 Governance framework	30	
Comprehensive	102-25	Conflicts of interest	2.5 Ethics and integrity	39	
Comprehensive	102-26	Role of highest governance body in setting purpose, values, and strategy	1.1 Sustainability promotion framework	16	
Comprehensive	102-27	Collective knowledge of highest governance body	2.2 Operations of governance	32	
Comprehensive	102-28	Evaluating the highest governance body's performance	2.2 Operations of governance	32	
Comprehensive	102-36	Process for determining remuneration	2.2 Operations of governance	32	
Core	102-13	Membership of associations	3.2 Energy management	55	The associations in which the Company participates include BCSD Taiwan and CWS as a general member.
5. Governance					
Core	102-40	List of stakeholder groups	1.3 Stakeholders and material topics	18	
Core	102-41	Collective bargaining agreements	5.4 Rights and protection	86	
Core	102-42	Identifying and selecting stakeholders	1.3 Stakeholders and material topics	18	
Core	102-43	Approach to stakeholder engagement	1.3 Stakeholders and material topics 5.5 Diverse communication and interaction	18 92	
Core	102-44	Key topics and concerns raised	1.3 Stakeholders and material topics	18	
6. Reporting practice					
Core	102-45	Entities included in the consolidated financial statements	0.3 Company overview	11	
Core	102-46	Defining report content and topic Boundaries	0.0 About this Report 1.3 Stakeholders and material topics	5 18	
Core	102-47	List of material topics	1.3 Stakeholders and material topics	18	
Core	102-48	Restatements of information	0.0 About this Report	5	
Core	102-49	Changes in reporting	1.3 Stakeholders and material topics	18	
Core	102-50	Reporting period	0.0 About this Report	5	
Core	102-51	Date of most recent report	0.0 About this Report	5	
Core	102-52	Reporting cycle	0.0 About this Report	5	
Core	102-53	Contact point for questions regarding the report	0.0 About this Report	5	
Core	102-54	Claims of reporting in accordance with the GRI Standards	0.0 About this Report	5	
Core	102-55	GRI content index	7.2 GRI content index	118	
Core	102-56	External Assurance	0.0 About this Report	5	



GRI Topic-specific disclosures: Material topics ** is a material ESG issue after the consolidation of Primax

Category/topic	GRI Standards Disclosures		Corresponding chapter	Page	Undisclosed information and reasons
GRI 201 Economic performance 2016	102-1	Name of the organization	0.0 About this Report 0.3 Company overview	5 11	
	103-1	Explanation of the material topic and its Boundary	Management of operational development management approach	36	
	103-2	The management approach and its components	Management of operational development management approach	36	
	103-3	Evaluation of the management approach	Management of operational development management approach	36	
	201-1	Direct economic value generated and distributed	2.4 Operating performance	36	
	201-4	Financial assistance received from government	2.4 Operating performance	36	
**Climate change adaptation	103-1	Explanation of the material topic and its Boundary	Climate change adaptation management approach	49	
	103-2	The management approach and its components	Climate change adaptation management approach	49	
	103-3	Evaluation of the management approach	Climate change adaptation management approach	49	
	201-2	Explanation of the material topic and its Boundary	3.1 Climate change management	51	
	302-4	The management approach and its components	3.2 Energy management	55	
	305-5	Reduction of GHG emissions	3.3 Greenhouse gas management	57	
**Risk management	201-2	Financial implications and other risks and opportunities due to climate change	2.6 Risk management Climate change adaptation management approach	49	
*Innovation and R&D	103-1	Explanation of the material topic and its Boundary	Management of operational development management approach	36	
	103-2	The management approach and its components	Management of operational development management approach	36	
	103-3	Evaluation of the management approach	Management of operational development management approach	36	
**Corporate governance	103-1	Explanation of the material topic and its Boundary	Corporate governance management approach	29	
	103-2	The management approach and its components	Corporate governance management approach	29	
	103-3	Evaluation of the management approach	Corporate governance management approach	29	
**Labor management	103-1	Explanation of the material topic and its Boundary	Management approach to labor management	78	
	103-2	The management approach and its components	Management approach to labor management	78	
	103-3	Evaluation of the management approach	Management approach to labor management	78	
	201-3	Defined benefit plan obligations and other retirement plans	5.4 Rights and protection	92	
	401-1	New employee hires and employee turnover	5.3 Talent recruitment and retention	86	
	401-2	Benefits provided to full-time employees (excluding temporary and part-time employees)	5.4 Rights and protection	92	



GRI Topic-specific disclosures: Material topics

Category/topic	GRI Standards		Corresponding chapter	Page	Undisclosed information and reasons
Disclosures	401-3	Parental leave	5.4 Rights and protection	92	
	404-1	Average hours of training per year per employee	5.6 Talent development and cultivation	97	
	404-2	Programs for upgrading employee skills and transition assistance programs	5.6 Talent development and cultivation	97	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.6 Talent development and cultivation	97	
**Compliance	103-1	Explanation of the material topic and its Boundary	Corporate governance management approach	29	
	103-2	The management approach and its components	Corporate governance management approach	29	
	103-3	Evaluation of the management approach	Corporate governance management approach	29	
	205-3	Confirmed incidents of corruption and actions taken	2.3 Ethics and integrity	34	
	307-1	Non-compliance with environmental laws and regulations	Corporate governance management approach 3.2 Energy management	29 55	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Corporate governance management approach 4.1 Product health and safety management	29 66	
	417-2	Incidents of non-compliance concerning product and service information and labeling	Corporate governance management approach	29	
	417-3	Incidents of non-compliance concerning marketing communications	Corporate governance management approach	29	
	419-1	Non-compliance with laws and regulations in the social and economic area	Corporate governance management approach	29	
Privacy and IT security	103-1	Explanation of the material topic and its Boundary	Privacy and IT security management approach	44	
	103-2	The management approach and its components	Privacy and IT security management approach	44	
	103-3	Evaluation of the management approach	Privacy and IT security management approach	44	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.7 Privacy and IT security management	44	
GRI 416 Customer health and safety 2016	103-1	Explanation of the material topic and its Boundary	Green product health and safety management approach	66	
	103-2	The management approach and its components	Green product health and safety management approach	66	
	103-3	Evaluation of the management approach	Green product health and safety management approach	66	
	416-1	Assessment of the health and safety impacts of product and service categories	4.1 Green product health and safety management	66	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.1 Green product health and safety management	66	



GRI Topic-specific disclosure: Voluntary disclosure

200 - Economic Standards				
GRI 202: Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.4 Rights and protection	86
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	6 Contribution to Society	110
300 - Environmental Standards				
GRI 301: Materials 2016	301-1	Materials used by weight or volume	4.1 Green product health and safety management	66
GRI 302: Energy 2016	302-1	Energy consumption within the organization	3.2 Energy management	55
	302-3	Energy intensity	3.2 Energy management	55
GRI 303: Water and wastewater 2018	303-2	Management of water discharge-related impacts	3.4 Water resource management	60
	303-3	Water withdrawal	3.4 Water resource management	60
	303-4	Water discharge	3.4 Water resource management	60
	303-5	Water consumption	3.4 Water resource management	60
GRI 305: Emissions 2016	305-1	Direct (Scope 1) Greenhouse Gas Emissions	3.3 Greenhouse gas reduction	57
	305-2	Energy indirect (Scope 2) Greenhouse Gas Emissions	3.3 Greenhouse gas reduction	57
	305-3	Other indirect (Scope 3) Greenhouse Gas Emissions	3.3 Greenhouse gas reduction	57
	305-4	GHG emissions intensity	3.3 Greenhouse gas reduction	57
	305-6	Emissions of ozone-depleting substances (ODS)	3.5 Pollution prevention and management	62
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	3.5 Pollution prevention and management	62
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	3.5 Pollution prevention and management	62
	306-3	Waste generated	3.5 Pollution prevention and management	62
	306-4	Waste diverted from disposal	3.5 Pollution prevention and management	62
	306-5	Waste directed to disposal	3.5 Pollution prevention and management	62



- Disclosures mandated by the FSC

400 - Social Standards				
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.3 Talent recruitment and retention	84
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	2.1 Governance framework 5.2 Overview of manpower	30 81
	405-2	Ratio of basic salary and remuneration of women to men	5.4 Rights and protection	86
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	5.1 Workers' human rights	79
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	5.1 Workers' human rights	79
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1 Workers' human rights	79

- Disclosures mandated by the FSC

Disclosures		Corresponding chapter/description	Page
(I)	No. of full-time non-managerial employees, mean and median salary of full-time non-managerial employee, and differences from the previous year.	5.4 Rights and protection	86
(II)	Company's governance over climate-related risks and opportunities, actual and potential climate impacts, identification/assessment/management of climate risk, and indicators/targets used for assessment and management of climate issues.	2.6 Risk management	41
		3.1 Climate change management	51
		7.5 TCFD Performance Statement	127


7.3 Comparative Table with SASB Standards

Topic	Indicator No.	Disclosure indicator	Nature	Unit	Report content or description
Product safety	230a.1	Description of approach to identifying and addressing data security risks	Qualitative	n/a	Please refer to 2.6 Privacy and IT security
Employee diversity and inclusion	330a.1	% of gender and racial/ethnic group representation for (1) executive management, (2) technical personnel, and (3) all other employees ²	Qualitative	%	<p>Employees of Primax Group as a percentage of all employees by job category and gender is as follows:</p> <ol style="list-style-type: none"> 1. Female managers account for 2% of all employees 2. Male managers account for 6% of all employees 3. Female professionals account for 43% of all employees 4. Male professionals account for 49% of all employees <p>Employees of Primax Group as a percentage of all employees by nationality is as follows</p>
Product life	230a.1	Description of approach to identifying and addressing data security risks	Qualitative	n/a	Please refer to 2.6 Privacy and IT security
cycle management	410a.1	Percentage ³ of products by revenue that contain IEC 62474 declarable substances	Qualitative	%	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.
	410a.2	Percentage of eligible products, by revenue ⁴ , meeting the requirements for EPEAT registration or equivalent	Qualitative	%	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.
	410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Qualitative	%	Primax Group's products are B2B, and ENERGY STAR® registration is executed by our clients. If they have a need for application, we will provide the information required for registration; 100% of Primax Group's power supplies for audio products have earned the Energy Star label.



Topic	Indicator No.	Disclosure indicator	Nature	Unit	Report content or description
	410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Qualitative	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.
Supply chain management	410a.4	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)	Qualitative	%	a. 13/1878=0.69% b. 13/13=100% Note 1: Tier 1 suppliers are 1,878 in number, i.e. all suppliers, disclosed in the 2021 ESG report. Note 2: In 2021, a total of 13 material suppliers were identified as high-risk ones through the social and environmental responsibility risk assessment and all underwent on-site audits.
	430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances, and (b) other non-conformances	Qualitative	rate	(1) 13/13=100% (2)a. 2/11=18% b. 0/2=0% Note 1 : Non-conformance rate & corrective action rate for non-conformances were calculated based on the number of suppliers. Note 2: All 13 audited suppliers had non-conformances in the 2021 preliminary audit. Note 3: Corrective action rate for priority non-conformances: 11 out of the 13 suppliers in the preliminary audit were marked as priority, and the secondary audit results in 2022 showed that two of them have addressed the non-conformances. Note 4: Corrective action rate for other non-conformances: 2 out of the 13 suppliers in the preliminary audit were marked as major, and the secondary audit results in 2022 showed that none of them have addressed the non-conformances.
Material procurement	440a.1	Description of the management of risks associated with the use of critical materials	Qualitative	n/a	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.

7.4 Independent Third Party Verification Statement



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE PRIMAX ELECTRONICS LTD.'S SUSTAINABILITY REPORT FOR 2021

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 Sustainability Report for 2021 (hereinafter referred to as the SR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification from 02 April 2022 to 04 May 2022. 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 SR Report of 2021 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, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

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

Assurance Standard Options and Level of Assurance

A. SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)

B. AA1000ASv3 Type 1 High Level (AA1000AP Evaluation only)

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

- GRI Standards (Cont)
- AA1000 Accountability Principles (2018)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) at a high level of scrutiny, and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan, documentation and record review and validation with external bodies and/or stakeholders where relevant. In response to COVID-19 pandemic situation the assurance process was conducted via Teams and on-site visit.

LIMITATIONS AND MITIGATION
Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB related disclosures have 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 sustainability report assurance. SGS affirms our independence from PRIMAX, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

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

FINDINGS AND CONCLUSIONS

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 fully stated, and has been prepared, in all material respects, in accordance with the reporting criteria.

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

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
PRIMAX has demonstrated a 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, CSR 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 the report which respond to the material issues and to its stakeholders in a timely and transparent manner.

Impact
PRIMAX has demonstrated a process to identify and fairly assess reported 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 topics 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 SR Report of 2021, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 100-40 to GRI 100-47, are correctly located in content index and report. For future reporting, it is recommended to have more descriptions of Primax's mechanisms, result and related adjustment for evaluating the effectiveness of the management approach for each material topic, and how efforts were given to mitigate the impacts. It is encouraged to set a mid-long term specific quantitative goals and targets for each material topic which related to Primax's sustainable business strategies in future reporting.

Signed:
For and on behalf of SGS Taiwan Ltd.

David Huang
Senior Director
Taipei, Taiwan
25 May, 2022
www.sgs.com

7.5 TCFD Performance Statement



TCFD Performance Assessment Statement

The process and procedures of
Primax Electronics Ltd.
No. 666, Ruyi Kuang Road, Neihu,
Taipei, Taiwan, R.O.C.

have been assessed from 07 Jan 2022 to 26 Jan 2022 and demonstrated the implementation status against the

Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (29 June 2017)

The organization has incorporated climate-related governance organization. The actual and potential impacts of climate-related risks and opportunities have been considered and identified over the relevant short-, medium-, and long-term time horizons. The resilience of the organization's strategy with taking into consideration with different climate-related scenarios, including 1.5°C scenario. The embeddedness of organization's climate-related risk management process has been adequately integrated as well as integrated into organization's overall risk management. The scope 1 and scope 2 greenhouse gas (GHG) emissions inventory has been conducted and verified annually. The metrics and target set yet to be used by the organization to manage climate-related risks and opportunities and performance against targets.

For the following activities
Governance, Strategy, Risk Management, Metrics and Targets
And cover the following operational locations:
Headquarter of Primax Electronics Ltd.
Primax meets SGS TCFD performance assessment at management level of "Pioneer"

Authorized by




David Huang
Senior Director
Issue Date: 10 February 2022
Valid Date: 09 February 2023

SGS Taiwan Ltd.
No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,
New Taipei City 24903, Taiwan
T (02) 22993279 F (02) 2299453 www.sgs.com



Page 1 of 2

Disclaimer
The findings described herein demonstrated a level of performance against the Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (29 June 2017) and are only valid at the time of the assessment and only as stated above. This document is not intended to be used for verification purposes or regulatory or contractual use and does not release the Client from compliance with any relevant internal national or regional laws and regulations related to TCFD. SGS Services are governed by and subject to the General Conditions of Contract and Terms & Conditions.



NATURE AND SCOPE OF THE ASSESSMENT

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Primax Electronics Ltd. (hereinafter referred to as Primax) to conduct an independent performance assessment of the Task Force on Climate-related Financial Disclosures, (hereinafter referred to as TCFD).

The information in the Primax's TCFD disclosure framework and its presentation are the responsibility of the management of Primax. SGS has not been involved in the preparation of any of the material included in Primax's TCFD disclosure framework.

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

The SGS protocols are based upon the Fundamental Principles for Effective Disclosure contained within the TCFD and SGS Management System Manual and Global System procedures.

The performance assessment comprised a combination of pre-assessment research, interviews with relevant employees, superintendents, ESG office members and the senior management in Primax's Headquarter, documentation and record review and validation with external bodies and/or stakeholders where relevant.

SCOPE OF PERFORMANCE ASSESSMENT AND DISCLOSURE CRITERIA

The scope of the performance assessment included evaluation of quality, reliability of TCFD disclosure and performance information as detailed below and evaluation of adherence to the four core elements for the management process as well as seven principle for effective disclosures for the information to be disclosed.

PERFORMANCE ASSESSMENT METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees via Cisco Webex™, documentation and record review and validation with external bodies and/or stakeholders where relevant.

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 sustainability report assurance. SGS affirms our independence from Primax, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assessment team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, SRA, EMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the TCFD performance assessment service providers.

ASSESSMENT OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the management process and information demonstrated by Primax within the TCFD performance assessment has evaluated is reasonable, reliable and provides a sufficient and balanced representation of Primax climate related risks and opportunities management activities and meets SGS TCFD performance assessment at management level of "Pioneer".

Page 2 of 2

Disclaimer
The findings described herein demonstrated a level of performance against the Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (29 June 2017) and are only valid at the time of the assessment and only as stated above. This document is not intended to be used for verification purposes or regulatory or contractual use and does not release the Client from compliance with any relevant internal national or regional laws and regulations related to TCFD. SGS Services are governed by and subject to the General Conditions of Contract and Terms & Conditions.