PEGATRON

2024

PEGATRON Sustainability Report

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About the Report

Since 2009, PEGATRON has issued a sustainability report every year, which includes the Group's performances in the areas of environment (E), society (S) and economy (G) for the previous year. The seventeenth annual sustainability report is issued in 2024, which continues to disclose information about PEGATRON Group's commitment to various sustainability issues, management policies, strategic goals and performance results in 2024. This report is issued in traditional Chinese, simplified Chinese and English, and disclosed on the official website for interested parties to view. The previous annual report was issued in August 2024, and no restatement of information was made to the previous version of the report.

The reporting period of this report is from January 1, 2024 to December 31, 2024, which is consistent with the reporting period of the Financial Report PEGATRON referred. The scope of this report covers PEGATRON Group (PEGATRON or the "Company"), which includes Headquarter (HQ) and Taiwan operation center in Taiwan, Central China operation center (Maintek, Cotek and Casetek in Suzhou), East China operation center (Protek in Shanghai), West China operation center (Digitek in Chongqing) in China, Mexico manufacturing center in America, Czech manufacturing center in Europe, Indonesia factory, Vietnam operation center, and India operation center. The abovementioned sites are important operating bases of the Company. However, the disclosure scope for human resources-related topics additionally covers all operational locations in Taiwan, while the disclosure scope for greenhouse gas emissions and energy management topics are further extended to include all customer service centers.

The disclosure scope in this report includes entities that account for more than 80% of consolidated revenues, and does not include other subsidiaries, excepts for the financial results of other subsidiaries due to the adoption of the IFRS consolidated financial statements. The information of some customer service sites has not been disclosed. The disclosed information has not been adjusted for the interests of minority shareholders and there is no merger, acquisition, or disposition of entities or parts of them.

This report was prepared by the Sustainability Working Team in accordance with the 2021 edition of the GRI Universal Standards issued by the Global Sustainability Standards Board (GSSB). In order to enhance the accuracy and transparency of the disclosed contents of the report, the President and CEO approved to entrust a third-party certification unit, DNV, which is independent and capable of making an objective and fair judgment on the organization's sustainability report, to conduct an external assurance in accordance with DNV VeriSustain™ and the GRI Universal Standards 2021. The statement of assurance is attached as an appendix to this report, and the financial data is based on the financial report certified by an accountant.

If you have any question, comment or suggestion regarding the content of this report, please contact

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Soaring High, Transforming the Future

President and CEO
Kuo-Yen Teng

President and CEO
Kuang-Chih Cheng

Letter from CEO

Looking back on 2024, we witnessed a gradual easing of global inflationary pressures. Major economies initiated interest rate cuts and propelled by rising demand in emerging technologies such as high-performance computing (HPC) and artificial intelligence (AI), leading that global trade showed signs of recovery. Nevertheless, persistent geopolitical conflicts continued to disrupt supply chain stability. Meanwhile, the slow pace of China's economic recovery dampened both consumer sentiment and investment momentum, leading to overall weakness in end-market demand. Following the conclusion of the U.S. presidential election brought additional uncertainty over future tariff policies, intensifying strain across global supply chains. In 2024, the global economy remained sluggish, and weakened end-market demand impacted certain product lines of Pegatron Group, resulting in a year-over-year decline in consolidated revenue. However, due to continued improvements in production efficiency and expanded capacity for some products, coupled with growth in non-operating income, the Group's core business performance remained resilient. In addition, key subsidiaries benefited from increased business demand and improved capacity utilization. As a result, the Group achieved year-over-year growth in consolidated net income after tax.

As a global corporate citizen, Pegatron continues to advance its ESG (Environmental, Social, and Governance) initiatives, actively aligning with the United Nations Sustainable Development Goals (SDGs) and addressing sustainability topics that matter to stakeholders. In response to the challenges of climate change and the global push for carbon reduction, Pegatron has established near-term carbon reduction and long-term net zero targets in alignment with the Science Based Targets initiative (SBTi) framework and scopes. In 2024, Pegatron received official approval of its targets from the SBTi. Pegatron also continues to lead its subsidiaries and supply chain partners in low-carbon transformation efforts through a "big leading small" approach. In 2024, Pegatron mobilized over 200 suppliers and nearly 1,000 participants to join a large-scale beach cleanup initiative, demonstrating its commitment to raising awareness and taking tangible action to protect marine ecosystems and preserve coastal environments.

In addition, we remain deeply engaged in community outreach by collaborating with various nonprofit organizations to support social welfare programs. These efforts span care for underprivileged groups, environmental conservation, and cultural promotion, reflecting Pegatron's commitment to fulfilling its corporate social responsibility from multiple dimensions. Thanks to Pegatron's comprehensive efforts in promoting corporate sustainability, Pegatron has been selected for inclusion in the FTSE4Good TIP Taiwan ESG Index for several consecutive years. In 2024, Pegatron also received Prime Status in the ISS ESG Corporate Rating. In addition, Pegatron achieved low-risk ratings from leading ESG evaluation agencies such as S&P CSA and Sustainalytics, affirming our strong performance in environmental, social, and governance practices. In the same year, Pegatron was named one of Business Weekly's Top 100 Carbon Competitiveness Companies, underscoring our firm commitment to addressing climate change, advancing low-carbon transformation, and achieving excellence in sustainable development.

Looking ahead, continued breakthroughs in AI are expected to drive strong demand across software, hardware, and infrastructure, which in turn is expected to stimulate both consumption and investment, supporting overall economic growth. We will continue to strengthen our core competitiveness and, amid the rapid evolution of AI technologies and applications, actively pursue new product and market opportunities. Through these concerted efforts, we aim to further enhance our overall operational performance and deliver fruitful results to be shared with our shareholders, customers, and employees alike.

President and CEO
Kuang-Chih Cheng, Kuo-Yen Teng

PEGATRON
Sustainable Development

Focus on stakeholder communication and respond to material topics.

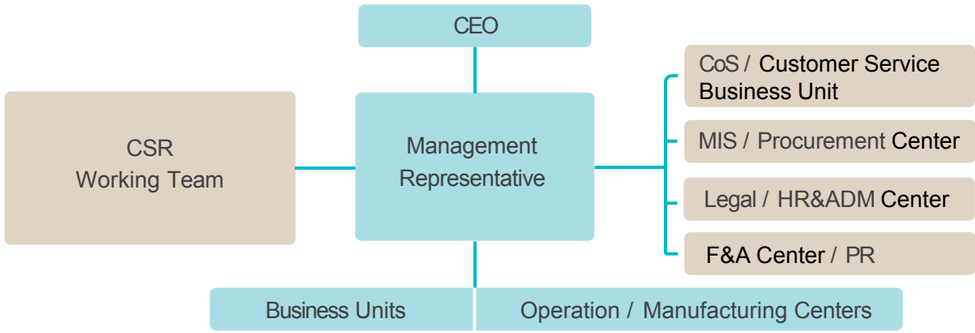
Social Responsibility Commitment

Be in line with social responsibility as an excellent corporate citizen.

Sustainable Governance

PEGATRON's sustainability activities are planned and managed by the PureCSR (PEGATRON Corporate Social Responsibility) Steering Committee, with the Board of Directors serving as the highest decision making body for material economic, environmental and social topics. The Board of Directors has authorized the president and CEO to serve as the head of the committee in accordance with the Code of Practice for Sustainable Development. Members of the Committee include the Chief of Staff (CoS), Corporate Quality and Sustainable Development Center, Human Resources & Administration Center, Procurement Center, Customer Service Business Unit, MIS, Finance and Accounting Center, Legal & IPR Center, representatives from each business unit, and representatives from each plant. Each committee member identifies stakeholders based on their respective responsibilities and responds to their concerns in their daily works. The PureCSR Steering Committee, on the other hand, is responsible for coordinating cross-departmental issues. The Committee reports the relevant implementation plans and performances to the President and CEO on a regular basis. After the plans and performances have been reviewed and approved by senior management, the issues, including the achievement of sustainability targets, the results of communication and responses to stakeholders and the results of the risk management policy and identification, will also be presented to the Board of Directors at least once a year. Members of the Board of Directors manage the Company's economic, environmental, and social impacts and decide on the measures to be taken in response jointly.

PureCSR Steering Committee



To effectively manage issues related to sustainable development, PEGATRON has established a Corporate Social Responsibility and Safety & Health Management System (PureCSR Management System) and announced the "Sustainable Development Code of Practice" after the approval by the Board of Directors in 2022. The scope of it includes PEGATRON itself and the overall operational activities of the Group. We promise to actively practice sustainable development while engaging in business operations to comply with international development trends. After considering the correlation between the development trend of domestic and international sustainability issues, the Company's core business and the impacts of the Company itself and the Group's overall operating activities on stakeholders, etc., the Company formulates sustainable development policies, systems and related management policies. And Corporate Quality and Sustainable Development Center plans the sustainable development direction.

The PureCSR Steering Committee is not only responsible for setting annual goals and objectives, but also conducts regular internal and external audits, corrects nonconformities, and reviews the effectiveness of implementation through management review meetings. In order to ensure that the results meet international standards and customer needs, we have actively introduced international standardized management systems, including environmental management system (ISO 14001), occupational health and safety management system (ISO 45001), quality and non-hazardous substance management system (ISO 9001 & IECQ QC 080000), greenhouse gas inventory (ISO 14064-1) and energy management system (ISO 50001), and publicly discloses the assurance status of third-party certified organizations on its official website.

PureCSR and Environmental, Health and Safety Policy

1. Abide by all environmental protection, labor, safety and health laws.
2. Conserve all natural resources, and actively prevent pollution.
3. Reduce environmental impact and safety risk.
4. Satisfy customer requirements and become an entirely green enterprise.
5. Enable company-wide promotion of corporate responsibility in a social environment.
6. Summon all employees to participate in the program and continuously improve it.

PEGATRON corporate social responsibility implements

1. Abide by environmental and labor laws, regulations and other international requirements to meet global environmental protection, labor rights and zero- hazard activity.
2. Educate entire staffs, making them aware to protect environment, respect the dignity of life, cherish natural resources, ensure safety and promote physical and mental health of everyone.
3. Achieve the goal of effective resource consumption through reusing and recycling of resources as well as supervise waste management to prevent from being reused or re-sold.
4. Enhance the monitoring and reducing of environmental pollutant and risk management. Meanwhile, improve the efficiency of resource utilization to reduce the impacts on the environment as well as disclose the environmental performance regularly.
5. Promote the independence and reliability of the self-management so as to optimize the quality of occupational hazard control, and reduce occupational risks to build a satisfied work environment.
6. Establish a management system for corporate social responsibility to improve the efficiency for environmental protection, ethics, labor rights, safety and health.
7. Implement greenhouse gas inventory and reduction program to practice greenhouse gas reduction to meet international trends in environmental protection and customers' requirements.
8. Implement energy and natural resource management to optimize the utilization rates on them in different stages of design, purchase and use to achieve the goal of continuous improvement, as well as promote the overall environmental performance.
9. Openly pledge the company's commitment in protecting the environment and labor rights and reducing occupational hazards as well as regularly disclose corporate social responsibility information to enhance the trust and communication with stakeholders.
10. Abide by ethics code of conduct, including business integrity, no improper advantage, not to bribe or take bribes, and to protect the personnel who raise any concerns or inform against illegal acts from being fear of retaliation.
11. Emphasize on equal opportunities as well as prohibit any kinds of harassment, discrimination or inhumane treatment, and establish two-way communication channels and the mechanism for employee consultation and participation to maintain good relationship between employees and employers.
12. Continually address the responsible minerals issues and exercise due diligence on the sources of responsible minerals to conduct responsible procurement.
13. Do our best to summon our suppliers to comply with related corporate social responsibility regulations and RBA(formerly the EICC) Code of Conduct to sustainably grow together with our suppliers.

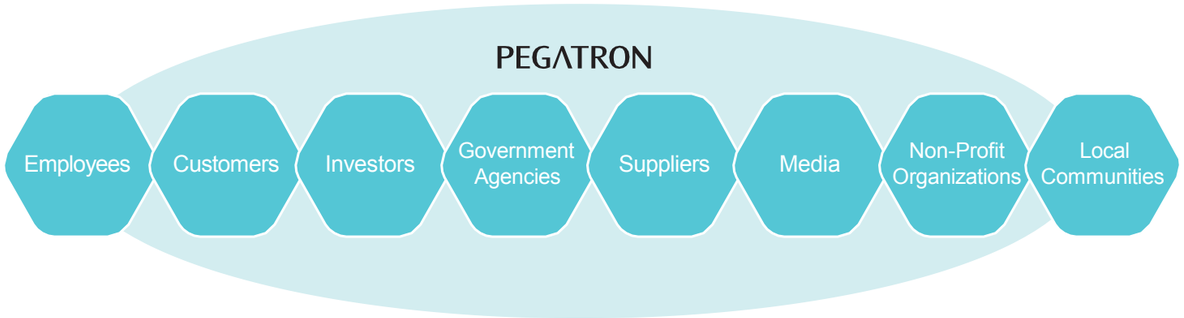
Stakeholder Communication

Actively build a bridge of communication and respond to the concerns of the eight stakeholders.

PEGATRON emphasizes the importance of communication and cooperation with different stakeholders. In addition to setting up a stakeholder communication area and an external communication box (Honest_Box@pegatroncorp.com) on the Company's official website, which is managed by a dedicated staff, the PureCSR Steering Committee, with reference to AA1000SES, identifies eight major stakeholders relevant to operations, including employees, customers, investors, government agencies, suppliers, media, non-profit organization (NPO), and local communities, in order to grasp the concerns of both internal and external stakeholders. And then through appropriate communication methods, understands the reasonable expectations and needs of stakeholders, and appropriately responds to important sustainable development issues they concerned.

Through the compilation and publication of the report, PEGATRON publicly discloses its sustainable development performance and actions, engaging in two-way communication with stakeholders to understand their needs and concerns, and review its internal sustainability management strategies.

List of Stakeholders

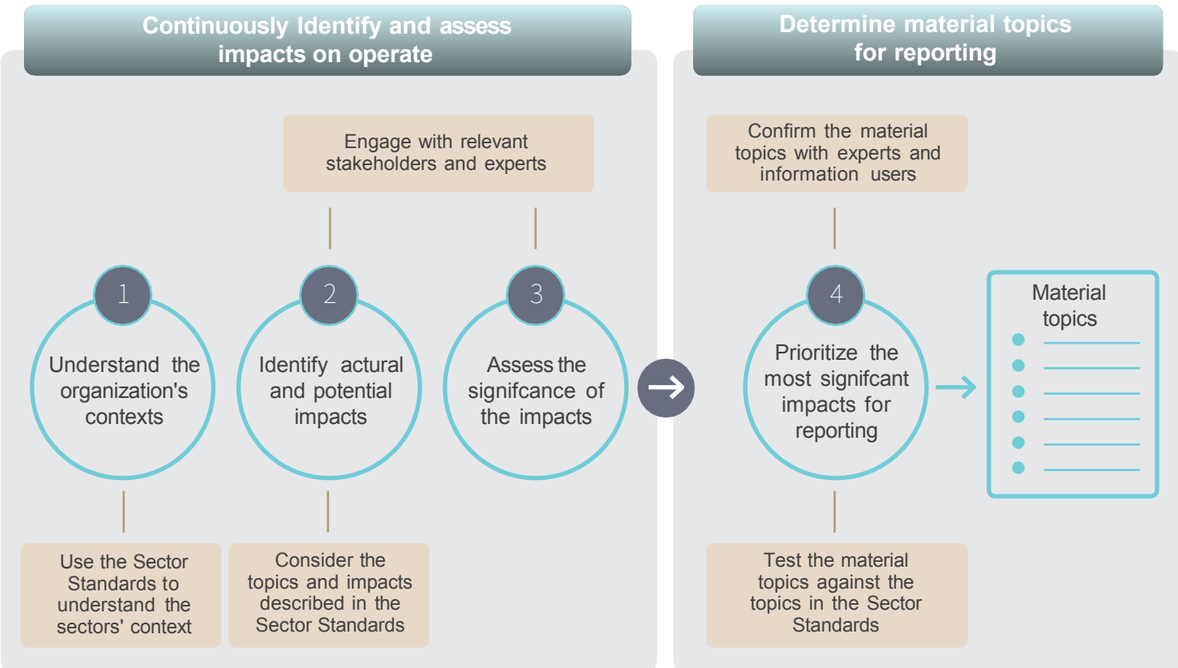


Material Topics and Communication Channels

Stakeholder	Material Topic	Communication Channel and Frequency
Employee	• Ethics and Integrity • Employment • Corporate Governance • Occupational Health and Safety	• Regular Meetings / Monthly • Internal Websites / Aperiodic • Internal Publications or Announcements / Aperiodic • Grievance Box / Aperiodic • Coffee Talks / Quarterly • Hotline / Aperiodic • Labor-Management Meetings / Quarterly
Customer	• Economic Performance • Environmental Compliance • Risk Management • Energy Management • Corporate Governance • Greenhouse Gas Emissions	• QBR / Aperiodic • Customer Audits / Aperiodic • Regular or Irregular Meetings / Aperiodic • RBA-Online / Aperiodic • Customers' Websites or Platforms / Aperiodic
Investor	• Employment • Economic Performance • Risk Management • Environmental Compliance • Waste Management	• Monthly Business Reports / Monthly • Shareholders' Meetings / Annual • Investor Conferences / Quarterly • Annual Reports / Annual • Market Observation Post System (MOPS) / Aperiodic
Government Agencies	• Risk Management • Environmental Compliance • Occupational Health and Safety • Corporate Governance • Greenhouse Gas Emissions	• Public Hearings on Policy / Aperiodic • Questionnaires and Interviews / Aperiodic • Projects and Initiatives / Aperiodic • Conferences / Aperiodic
Supplier	• Supplier Environmental Assessment • Ethics and Integrity • Supplier Social Assessment • Corporate Governance • Procurement Practices	• Supplier Conferences / Annual • Supplier Audits / Annual • Supplier Relationship Management Platform / Aperiodic • External Communication Mailbox / Aperiodic • RBA-Online & IPE / Aperiodic
Media	• Employment • Child Labor • Ethics and Integrity • Economic Performance • Market Presence • Anti-Corruption	• Press Conferences / Aperiodic • Press Releases / Aperiodic • External Communication Mailbox / Aperiodic
NPO	• Corporate Governance • Ethics and Integrity • Economic Performance • Environmental Compliance • Risk Management • Occupational Health and Safety • Greenhouse Gas Emissions • Waste Management	• Courses or Seminars / Aperiodic • Conferences / Aperiodic • External Communication Mailbox / Aperiodic
Local Community	• Ethics and Integrity • Economic Performance • Environmental Compliance	• External Communication Mailbox / Aperiodic

Material Topics Identification

5 major material topics are identified throughout the comprehensive consideration of the impacts on business operations and the concerns of stakeholders.



Step 1. Understand organizational context and identify actual and potential impacts.

In order to effectively understand the organizational context, PEGATRON has comprehensively considered the activities, business relationships, stakeholders, and sustainability of all entities over which on control ability, including global trends, industry characteristics, operational activities, product types, customer attributes, supply chain relationships, employee composition, external recommendations, and the countries and regions where business relationships take place, and then identified 20 sustainability issues based on the three categories of Environment, Society, and Governance.

PEGATRON identifies the actual and potential positive and negative impacts on products, services, investments, procurement, and workers of PEGATRON's business activities based on its own operating conditions, industry characteristics and the actual circumstances of other business relationships, and then summarizes them in the table below. Actual impacts are defined as impacts that have already occurred, while potential impacts are impacts that may occur but have not yet occurred. These impacts include positive or negative, short term or long term, intentional or unintentional, reversible or irreversible impacts.

Step 2. Evaluate the significance of the impacts.

To further assess the significance of each impact, PEGATRON has gone through a two-stage analysis process, incorporating both quantitative and qualitative analyses by integrating the recommendations from external stakeholder feedback and the results of the internal identification by Corporate Quality and Sustainable Development Center.

Category	Sustainability Topics	Positive Impact	Negative impact
Environment	Climate Change	Mitigating the Impacts of Climate Change through Energy Saving and Carbon Reduction	No action results in contribution of worsening climate change
	Energy management	Reducing Energy Consumption and Accelerating the Advancement of Energy Saving Technologies	Overuse of energy indirectly leads to energy shortage
	Greenhouse Gas Emissions	Mitigating the Global Greenhouse Effects and Leading to Supply Chain Transformation	Accelerating the extent of the greenhouse effect and stalling the low carbon transition
	Waste Management	Enhance the recycling capacity and efficiency of the transportation industry	Pollution and damages to the local environment
	Water Resources Management	Increasing water use efficiency and protecting water sources	Make water resources scarce or increase the level of risk
	Hazardous Substances Management	Promote the reduction of harmful substances and protect the environment and ecology	Inability to effectively control suppliers and environmental pollution
Social	Occupational Health and Safety	Ensuring Worker Safety and Promoting Health Awareness	Resulting in health hazards, injury or loss of lives of workers in the line of duty
	Talent Acquisition and Retention	Enhancing working conditions and creating a happy workplace	The worker is not properly remunerated or is unable to stay in the job for long.
	Human Capital and Development	Enhancement of employment conditions and stable development of talents	Human capital is not valued in the workplace
	Labor Rights	Protecting workers' rights and benefits at work	Overtime work or hazardous environments impacting employees' health
	Social Care	Investing resources in underprivileged, environmental protection, arts and cultural organizations	Outside resources are not available to organizations in need
	Diversity and Equality	Supporting diversity and creating an equal working environment	Unequal workplace environment or lack of complaint channels
Governance	Economic Performance	Revitalizing the industrial economy and expanding production capacity	Stagnation of industrial activity or the inability to promote technology
	Corporate Governance	Creating a transparent governance environment to protect investors' interests	Lack of proper governance may affect the Company's operational performance
	Risk Management	Reducing operational impacts due to potential risks	Financial impacts will affect investors' equity
	Supply Chain Management	Enhancement of trading conditions and goods supply quality in the supply chain	The occurrence of negative events that violate or impact on human rights
	Innovative R&D	Investing in technological innovation to drive industrial upgrading	Lack of technological innovation may result in lost orders
	Information Security	Protection of confidential information of customers and stakeholders	Lead to reveal of customer confidential or product information
	Customer Service	Enhance the quality of product production and after-sales service	Provision of inappropriate products or services may affect the reputation of customers
	Regulatory Compliance	Ensure that customer products comply with local regulatory requirements	Customers will lose money if production stops due to violation of the laws

In the first stage, PEGATRON used internal and external stakeholder questionnaires to identify the level of stakeholders' concern about the issues and the levels of economic, environmental and social impacts that PEGATRON may be impacted. After getting questionnaires form the eight stakeholders, the second stage of evaluation was based on the results, and then the Corporate Quality and Sustainable Development Center evaluated the possibility of positive and negative impacts of each issue, and multiplied the scores of the two stages to get the overall score of the issue, as detailed in the table below.

Issues with a combined positive and negative impact scores within top 5 are highly significant. A total of 5 issues met the criteria for significance this time, including greenhouse gas emissions, occupational health and safety, labor rights, information security, and regulatory compliance, which are all included in the list of significant sustainability issues.

Step 3. Prioritize the stories with the most significant impacts

Considering that each of the 5 material topics belongs to the categories of environment, society and governance, and the scores of positive and negative impacts are high and low respectively, and that they impact different stakeholders, the material topics are not prioritized. But rather, the policies, actions, and management approaches of each issue are disclosed respectively. The GRI standards and chapters related to material topics are shown in the table below.

In addition to reporting and responding to the material topics in the annual sustainability report, PEGATRON also use the report as a focus for communication and improvement in daily operations by adopting the concept of PDCA (Plan-Do-Check-Action) to set up management policies, and evaluating the effectiveness of the management policies on a regular basis. The Company's environmental, social and governance themes, as well as their impacts, risks and opportunities, are regularly reported to the Board of Directors on an annual basis. The report includes the results of the year's implementation as well as the results of stakeholder identification and communication, to facilitate the top management's involvement in the strategy development and effectively track of ESG issues, and to ensure that the report's disclosure has covered all material topics.

GRI standards and chapters related to material topics

Category	Material Topic	GRI Standards	Chapter
Governance	Regulatory Compliance	GRI 2-27	2.3.2 Statutory Compliance
	Information Security	GRI 418	2.4 Information Security
Environment	Greenhouse Gas Emissions	GRI 305	4.1.2 Greenhouse Gases
Social	Labor Rights	GRI 401	5.1 Employment Relationship
	Occupational Health and Safety	GRI 403	5.3 Occupational Safety and Health

Note : The material topics remain the same as the previous year.

Category	Sustainability Topics	Positive Impact			Negative impact		
		Severity	Likelihood	Score	Severity	Likelihood	Score
Environment	Climate Change	1.41	5.00	7.05	1.19	4.00	4.76
	Energy management	1.66	5.00	**8.30**	1.49	5.00	7.45
	Greenhouse Gas Emissions	1.70	5.00	**8.50**	1.72	5.00	**8.60**
	Waste Management	1.36	3.00	4.08	1.61	4.00	6.44
	Water Resources Management	1.15	2.00	2.30	1.01	3.00	3.03
	Hazardous Substances Management	1.12	2.00	2.24	1.38	4.00	5.52
Social	Occupational Health and Safety	1.75	5.00	**8.75**	1.90	5.00	**9.50**
	Talent Acquisition and Retention	1.58	3.00	4.74	1.49	3.00	4.47
	Human Capital and Development	1.33	3.00	3.99	1.11	3.00	3.33
	Labor Rights	1.51	5.00	**7.55**	1.74	5.00	8.70
	Social Care	1.17	2.00	2.34	0.97	2.00	1.94
	Diversity and Equality	1.06	2.00	2.12	1.19	2.00	2.38
Governance	Economic Performance	2.10	3.00	6.30	1.71	3.00	5.13
	Corporate Governance	2.01	3.00	6.03	1.98	4.00	7.92
	Risk Management	1.65	4.00	6.60	2.07	2.00	4.14
	Supply Chain Management	1.58	4.00	6.32	1.69	4.00	6.76
	Innovative R&D	1.97	3.00	5.91	1.32	2.00	2.64
	Information Security	1.57	5.00	**7.85**	1.94	5.00	**9.70**
	Customer Service	1.64	3.00	4.92	1.50	4.00	6.00
	Regulatory Compliance	1.88	5.00	**9.40**	2.19	5.00	**10.95**
Overall Average		1.56	3.60	5.76	1.56	3.70	5.97

Sustainable Development Goals (SDGs)

Growth, Equality, and Mutualism

The United Nations published Sustainable Development Goals (SDGs) in 2014, including 17 Goals and 169 Targets. As a corporate citizen and one of the essential roles on the global supply chain of the technology industry, PEGATRON proactively responds to the SDGs in 3 directions on sustainability, which are boosting the growth of the economy (Growth), maintaining the equality of society (Equality), and benefiting the environment towards mutualism (Mutualism) to fulfill the responsibility of corporate citizenship with actual acts.

Boost the Growth of Economy (Growth)

PEGATRON continues to accumulate inner capacity in R&D and technology to develop new products for responding to the market trends and extending our businesses towards different fields. We focus on increasing revenue and creating local working opportunities to boom economic development and cultivate local talents.

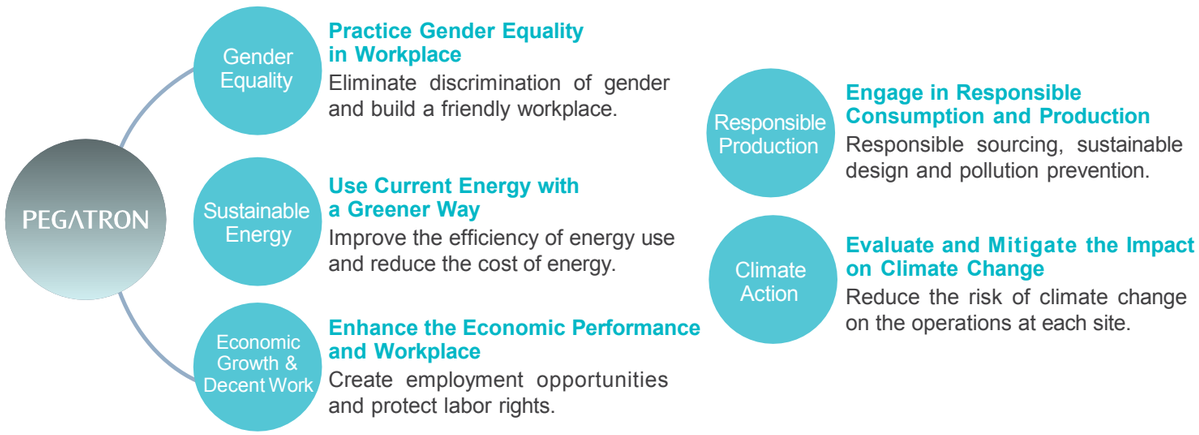
Maintain the Equality of Society (Equality)

PEGATRON supports gender equality in the workplace by taking practical actions. Every gender can have equal opportunity for employment, promotion, and development. For international labor rights, involuntary or forced labor is forbidden. We cooperate with our partners via constant communication to learn from others and promote labor rights jointly in the industry value chain.

Benefit the Environment towards Mutualism (Mutualism)

PEGATRON engages in economic development, meanwhile takes environmental protection into account. We respond to issues like climate change and scarcity of energy resources by improving energy utilization efficiency, environmentally friendly design and green production. We continue to reduce the negative impacts caused by our operations and activities towards the environment and optimize the utility efficiency of energy and resources through continuous improvement and innovative technology in our operations.

PEGATRON's Sustainable Development Goals



SDGs targets, actions, and performances of PEGATRON

UN SDGs		Actions and Indicators					
		Target			Action	Indicator	Performance
	Gender Equality	E	Equality of society (Equality)	Eliminate discrimination of gender and build a friendly workplace	Implement gender equality policy	Closure rate of gender equality relevant opinions	100%
					Promotion of maternity protection	Completion rate of maternity workplace practice	100%
	Affordable and Clean Energy	M	Benefiting the environment towards mutualism (Mutualism)	Improve the efficiency of energy use and reduce the cost of energy	Implement energy management and reduction projects	Number of ISO 50001 certificates in facilities	5
						Electricity usage per million NTD in revenue	1.7 GJ/ million NTD
	Decent Work and Economic Growth	G	Growth of economy (Growth)	Create employment opportunities	Elevate the economic performance	Revenue	Reached NTD 1125.3 billion
					Create opportunities for decent jobs	Number of Employees	56,938 persons
				Cultivate and retain the talents	Provide multiple training resources	Multiple training channels	refer to Employee Training chapter
		E	Equality of society (Equality)	Protect labor rights	Perform no child labor policy	Completion rate of Zero Child Labor Policy	100%
				Prevent involuntary labors	Perform voluntary employment policy	Closure rate of involuntary employment relevant grievance cases	No involuntary employment grievance cases
	Responsible Consumption and Production	M	Benefiting the environment towards mutualism (Mutualism)	Sustainable design	Implement hazardous substances management	Completion rate of HSF training	100%
				Contamination prevention	Promotion of waste recycling treatment	Ratio of waste recycling	91.92%
		E	Equality of society (Equality)	Responsible sourcing	Responsible minerals survey	Completion rate of responsible minerals survey	100%
				Sustainable supply chain	Conduct supply chain management	Completion rate of the supplier CSR audit	100%
						RBA Code of Conduct Acknowledgement Return Rate for New Suppliers	100%
	Climate Action	M	Benefiting the environment towards mutualism (Mutualism)	Reduce the risks of climate change on the operations to each site	Conduct greenhouse gas emissions reduction projects	GHG emissions per million NTD in revenue	0.14 tCO2e / million NTD

Corporate Governance

With integrity management as the cornerstone, PEGATRON continues to drive economic growth and master risk management.

Management of Material Topics

Material Topics

Regulatory Compliance, Information Security

Positive or negative impact

(1) Compliance with local government laws and regulations, and the establishment of information security management systems will help to ensure the goodwill of customers and the security of product information.

(2) In case of violation of laws, it will affect the stability of the production of the customer's products and may bring environmental or social impacts to the local community.

Management policies or measures

(1) The Legal Affairs & IRP Center informs relevant departments the latest regulatory developments and organizes educational trainings. And then each unit will update the regulatory information in accordance with the enforcement of the law, and at the same time, through the establishment of management procedures and regulatory compliance checks to ensure that no violation occurs.

(2) The Information Center formulates information security policies and systems, and organizes internal education and trainings on a regular basis.

Goals and Achievements

(1) No significant penalties for non-compliance with regulatory requirements in 2024

(2) ISO 27001 certification for critical sites

About PEGATRON

Leading future technological trends and seeking extraordinary excellence.

Company Profile

Founded in 2008, PEGATRON is a worldwide leader providing DMS (Design, Manufacturing and Service) services. PEGATRON offers assembly service to customers on a wild range of electronics products in computing, communication, and consumer electronics segments, including Notebook PCs, Desktop PCs, Motherboards (MB), Servers, Cable Modems, Set-Top Boxes, Smartphones, Game Consoles, Tablet PCs, Wearable Devices, Smart Home Devices, Automotive Electronics, etc. In addition to providing assembly service for brand customers, the Company also engages in the development, design, and manufacturing of peripherals and components of the products. Please refer to the Company's annual report for the information of products and services provided.

Since the abovementioned related devices require combination of core technologies such as computer computing, communication transmission, audio and video processing, and speech recognition, PEGATRON can provide integrated services for the needs of brand companies with solid research and development capabilities. In the stage of accelerated growth of the Internet of Things, 5G, and AI technologies, PEGATRON's core capabilities not only can be applied to the consumer electronics related products, but also be extended to various applications such as communication, the Internet of Vehicles, servers and smart manufacturing. In terms of operations, the global economic situation has been impacted by the uncertainty of tariffs and geopolitical conflicts, which has also affected regional manufacturing activities. In addition to appropriate resource allocation, PEGATRON has been continuously enhancing the overall competitiveness and profitability through streamlining the production cost and increasing automation level. At the same time, PEGATRON has also actively adjusted its global manufacturing layout to provide a variety of manufacturing base options based on the end market and customer needs, to reduce economic costs and the impacts of fluctuations in the supply chain.

PEGATRON owns operation and manufacturing locations globally, including Taiwan, China, Mexico, Czech, Indonesia, Vietnam, and India in 2024. Additionally, the newly established facility in Malaysia is also going to contribute capacity soon. With the global operation network, the Company hopes to provide timely support to customers and offers all value-added services as a one-stop shop for total solutions.

PEGATRON File

Company name	PEGATRON Corporation
Establishment	Founded on 1st, January 2008
Address of Headquarter	No. 76, Ligong St., Beitou District, Taipei City, Taiwan
Stock code	4938 (listed on Taiwan Stock Exchange from 2010)
Chairman of the Board	Tzu-Hsien Tung
Employee size (dispatched labor included)	About 56,938 employees worldwide in year 2024
Capital	NT$26.6 billion
Revenue	Reached NTD 1,125 billion in 2024
Main businesses	Computing, communication, and consumer electronics and automotives related products
Major customers	Renowned global information technology and communication brands

Our Vision

We work on the belief that technology has the potential to transform imaginations into opportunities and challenges into pleasures. With our mission of “navigating the future”, PEGATRON seeks to pursue the goal of becoming an industry-leading company that satisfies people throughout the world with its unique design innovations and the most sophisticated technology.

Business Concept

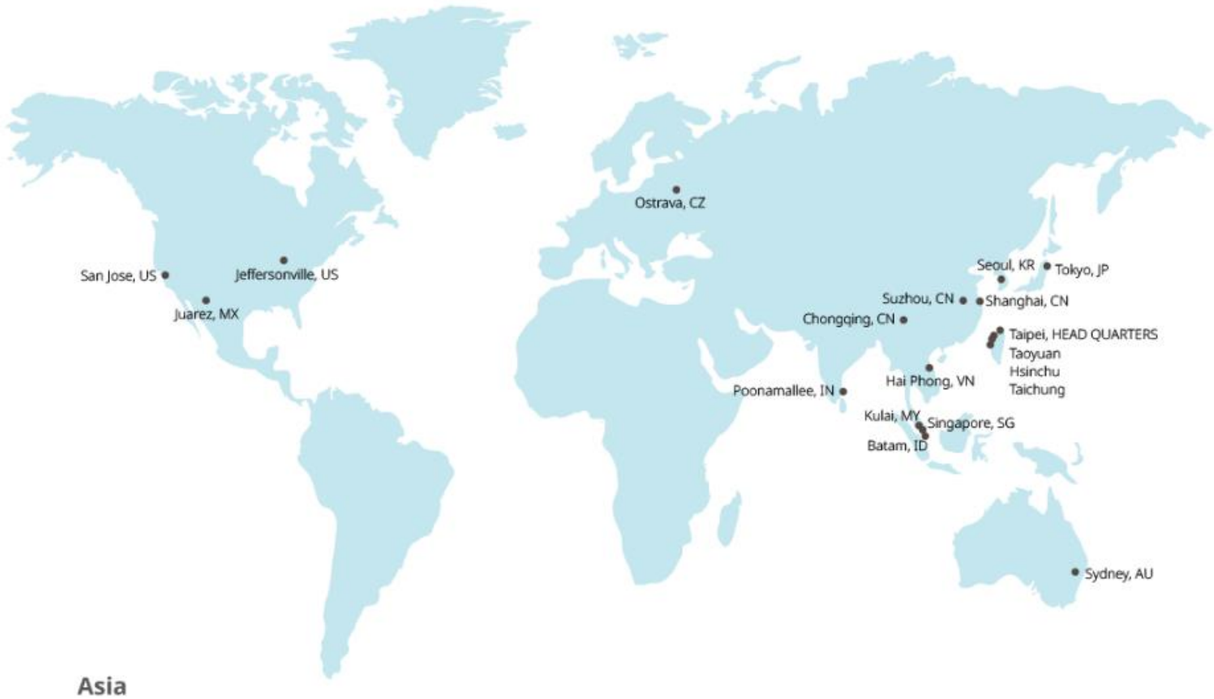
PEGATRON expects all our employees to work sincerely and joyfully that inspire the potential of each one of them. Through the tight relationship among teams with different functions, PEGATRON employees are able to create truly market-driven products based on maximizing the benefit of customers. Ultimately, our customers can experience better lives with design and innovation of PEGATRON.

Globalization Arrangement

Taiwan is in a significant position in the high technology industry around the world. Many famous brands rely on the innovation and flexible researching abilities of Taiwan's technology industry. Responding to the lower gross margin of OEM(Original Equipment Manufacturer), we actively think about how to overcome this challenge and move toward a new model called DMS (Design, Manufacturing and Service).

Our manufacturing facilities and service centers (including RD or customer service centers) locate worldwide include Asia, America, Australia, and Europe to provide the most efficient service to our customers. We setup these sites based on the strengths of the individual locations to provide fast and customized processes and solutions to our customers.

Operation Sites



Asia

Taipei • HQ	Business, Design & Service Center
Taoyuan	Manufacturing Center
Hsinchu	Design Center
Taichung	Design Center
Tokyo • Japan	Business & Service Center
Seoul • Korea	Business & Service Center
Shanghai • China	Design, Manufacturing & Service Center
Suzhou • China	Business, Design, Manufacturing & Service Center
Chongqing • China	Design, Manufacturing & Service Center
Poonamallee • India	Manufacturing Center
Hai Phong • Vietnam	Manufacturing & Service Center
Kulai • Malaysia	Manufacturing Center
Batam • Indonesia	Manufacturing Center
Singapore	Service Center
Sydney • Australia	Service Center

Europe / America

Jeffersonville • USA	Service Center
San Jose • USA	Business Center
Juarez • Mexico	Manufacturing Center
Ostrava • Czech Republic	Manufacturing & Service Center

Core Manufacturing

East China operation center (Protek in Shanghai), Central China operation center (Maintek, Cotek and Casetek in Suzhou), West China operation center (Digitek in Chongqing), Pegatron Czech manufacturing center, Pegatron Mexico operation center, and PT. Pegatron Technology Indonesia as well as newly established locations, Vietnam operation center and India operation center.

Vertical and Strategic Investment

Kinsus, ASRock, Azurewave, Lumens, Pegavision and Azuremoto.

Investment

(1) Deployment of DMS Core Business

Maintek Computer (Suzhou) Co., Ltd and Cotek Computer (Suzhou) Co., Ltd manufacture Notebook PC (NB), Desktop PC (DT), Motherboard (MB), Consumer Electronic(CE), and Networking Products, while Protek (Shanghai) Limited mainly manufactures handheld device. At the same time, Digitek Computer (Chongqing) Co., Ltd mainly manufactures Notebook PC. Besides, in response to the mid term and long term strategies, we have established factories in Indonesia, India, and Vietnam to manufacture communication and consumer electronic products. As a result of the free trade zone in North America and tax regulations by the European Union and to enhance customer service, Pegatron Mexico, S.A. DE C.V and Pegatron Czech s.r.o. ("PCZ") were established as the major manufacturing centers in America and Europe respectively.

(2) Deployment of Vertical and Strategic Investment

PEGATRON is actively investing in the related industries, hoping to provide customers with comprehensive one-stop shopping services through a complete vertically integrated layout.

Company name	Remark
ASRock incorporation	Manufacturing and sales of a leading brand "ASRock" in low to mid-end motherboards and industry computers.
Kinsus Interconnect Technology Corporation	Manufacturing and sales of BGA substrates and PCBs.
Azurewave technologies inc.	Major products including Wi-Fi modules, camera modules, TV cards, and LED products.
Lumens digital optics Inc.	Major products including special purpose projectors and light engines for large-screen monitors.
Pegavision Corporation	Production and retail of own brand contact lenses and an OEM supplier for local and overseas brands.
Azuremoto Technology Inc.	Azuremoto is fabless IC design company specializing in high-performance power semiconductor devices (MOSFET, IGBT, and Wide band gap).

Association

Responsible Business Alliance, RBA

We continue to participate in events to discuss industry sustainability topics and trends with our peers, and respond to various sustainability programs and initiatives, including responsible mining and environmental sustainability.

Taipei Computer Association, TCA

As a world-class industry association, the Taipei Computer Association (TCA) continues to act as the driving force of Taiwan's ICT industry, and with more than 4,000 members, we continue to work hard to create new industry peaks and create huge business opportunities for Taiwan.

Taiwan Climate Partnership

Together with the electronics and information technology industry, we will lead the supply chain to reduce carbon emissions through exchanges topics on climate change, energy saving and carbon reduction, and respond to the requirements of international brand customers with practical actions.

Award and Recognition

Sustainable Development

- A constituent of the FTSE4Good TIP Taiwan ESG Index in 2024
- 2024 Certified Nursing Room by the Health Bureau of Taipei City
- Top 21~35% of the best companies among the Corporate Governance Evaluation held by Taiwan Stock Exchange in year 2024
- Suzhou Labor Relations Harmonious Enterprise (Central China Operation Center)
- Suzhou New District (Huqiu District) Labor Relations Harmonious Enterprise (Central China Operation Center)
- Recognized as a 2024 Model Enterprise for Standardized Hazardous Waste Environmental Management by Chongqing

ARMO - Emotion Gaming Handle

2024

iF Design Award

Golden Pin Design Award, Product Design
Best Design of the Year

Introduction

ARMO Emotion-Sensing Game handle combines artificial intelligence and emotion detection technology, elevating game interaction to a new level. By sensing motion, heart rate, electrodermal activity, and temperature, Armo enables two-way interaction in games, adjusting game content based on the player's emotions. ARMO can be applied to enhance gaming experiences and home health monitoring, allowing for early prediction and prevention of emotional disorders to improve mental health.

Nexis - Next-Gen User Interface Design

2024

iF Design Award

Golden Pin Design Award,
Product Design Mark Winner

Introduction

Nexis - The innovative core of the next-generation electric vehicle cockpit, the "digital dashboard," serves as the foundation for dynamic displays, user interfaces (UI), and advanced control systems. It not only enhances the aesthetics of the vehicle but also revolutionizes the way drivers interact with their cars, integrating key driving information and entertainment into a coherent and intuitive system.

AR 4 Rider

2024

Golden Pin Design Award,
Product Design Mark Winner

Introduction

AR 4 Rider is a pair of AR (Augmented Reality) glasses designed specifically for cycling. Its streamlined side design is inspired by road racing tracks, and the contrasting frame colors make the glasses look lighter and more stylish. The ergonomic and weight-balanced design at the ends of the temples balances the weight of the optical engine at the front, making them more stable and comfortable to wear while riding.

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Corporate Governance

PEGATRON honors itself as a corporate citizen, follows legal requirements, and monitors the compliance by itself.

Board of Directors

A. Board of Directors

(1) Composition and Diversification

A Board of Directors shall be established in accordance with PEGATRON's Articles of Incorporation. The number of independent directors shall be no less than 1/5 of the total number of directors and shall not be less than 3. The term of directors shall be 3 years. The election shall adopt the candidate nomination system. The 6th session of Board of Directors is composed of 12 members, including 3 independent directors. 4 directors are also managerial officers and there is 1 female director in this session. Tenure of the session is from June 15, 2022 to June 14, 2025. The Independence of the Board is disclosed in PEGATRON's Annual Report. The Chairman of Board and President and co-CEO of the Company are not the same person. The 6th board of directors is composed of members with backgrounds in technology, finance, industry and academe, with areas of expertise covering computer telecommunications, electrical engineering, business management, biotechnology and medical care, media management and industrial economics and generally possesses the knowledge, skills and qualities necessary to perform their duties. The management objectives and achievement status of the Company's board diversity policy are as below:

Diversity / Name	Gender	Employee of PEGATRON	Age			Core Competencies							
			Below 40	Between 40-70	Above 70	Business Management	Technology	Finance	Commerce	Biotechnology and Medical Care	Communication Management	Industry Knowledge	Sustainable management
T.H. Tung	Male	v		v		v	v		v	v		v	v
Jason Cheng	Male	v		v		v	v		v			v	v
Ted Hsu	Male			v		v	v		v	v		v	v
H.T. Tung	Male	v		v		v	v		v			v	v
M.D. Kuo	Male				v	v	v		v	v		v	v
T.K. Yang	Male				v	v	v	v	v	v		v	v
S. Chi	Male				v	v		v	v			v	v
S.J. Liao	Male	v			v	v	v		v			v	v
E.L. Tung	Female		v			v					v	v	v
C. Lin	Male				v	v	v	v	v	v		v	v
C.P. Huang	Male			v		v	v		v			v	v
Michael Wang	Male				v	v	v		v	v		v	v

Management Goals of Diversity

Management Goals	Implementation Status
Less than half of the directors are in the management team of the Company.	Yes
The composition of the board of directors should have at least one member of different genders.	Yes
One-half or more of the independent directors should serve no more than three consecutive terms.	Yes

(2) Implementation and Training

A total of 7 meetings of the Board of Directors were held in 2024. The attendance rate of Board of Directors is 91.67%. The board of directors executes its functions and powers following relevant laws and regulations, formulates management rules, supervises the performance of the management team, and decides on major issues. With the principle of maximizing shareholders' rights and interests, the board fulfills its duty of loyalty as a good manager. Also, the board of director has two functional committees: Audit Committee and Compensation Committee. These committees have discussed issues in accordance with related regulations and submitted their resolutions to board of directors as reference. If a director or a juristic person that the director represents is an interested party related to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that item and shall recuse himself or herself from the discussion or the voting on the item and may not exercise voting rights as proxy for another director.

Board members enhanced their corporate governance knowledge by participating annual training courses. In 2024, corporate governance-related courses attended by the board members included:

- How the Board of Directors supervises the company's enterprise risk management and crisis response
- Corporate legal compliance, ethical governance, and practical Labor Standards Act knowledge for Directors

Board members have the capability to oversee corporate governance risks and opportunities as they have undertaken courses related to corporate governance topics.

(3) Evaluation

In 2019, the Company formulated the performance evaluation method of the board of directors. Performance evaluation is conducted annually through self-evaluation of directors themselves, the board of directors, and committees. Also, the Company shall conduct external evaluation at least once every three years according to previous method. 2024 evaluation results are reported to the board of directors in the first quarter of 2025. Evaluation results are disclosed in annual report.

In 2023, PEGATRON appointed Diwan & Company as external independent professional institution to execute performance evaluation of Board of Directors for the year 2022 (2022.01.01 - 2022.12.31). The external evaluation report was presented to the Board meeting on April 18th, 2023. Diwan & Company has evaluated the composition, quality of the decision making, participation in the operation, election and continuing education and internal control of the Board of Directors and functional committees. Diwan & Company is not a major interested party of PEGATRON and none of its experts is second-degree relative of the Company's directors. According to their report submitted on March 31st, 2023, the result of assessment is excellent. Please visit our website for more information of external evaluation.

(4) Compensation

In accordance with Article 26-1 of the Company's Articles of Incorporation, the remuneration to directors should not exceed 0.7% of the company's annual profit. Reasonable remuneration should be given while taking into consideration the overall operation and performance of the Company, each director's degree of participation and responsibilities in the operation of the company, and the performance evaluation results from the Board and functional committee. The Compensation Committee is composed of three independent directors. It does not include any stakeholder or compensation consultant. It holds regular evaluations concerning the reasonability of the compensation policies. Furthermore, remunerations to the management team are determined based on their responsibilities, performance, and the industry compensation level. Whereas variable bonuses comprehensively take into consideration the operating performance of the Company and an individual's performance, the performance of an individual is evaluated based on their profitability, growth and operational efficiency. Remuneration and dividend distribution of directors, supervisors, and managerial officers shall be proposed by the Compensation committee to Board of Directors for decision.

B. Audit Committee

PEGATRON's Audit Committee was established in 2013 and is composed of all independent directors. The Board has established the "Audit Committee Charter" for compliance under the law. The main function of the Audit Committee is to supervise fair expression of PEGATRON's financial reports, the hiring (and dismissal) independence and suitability of certificated public accountants, the effective implementation of the internal control system, compliance with relevant laws and regulations, and management of existing or potential risks. PEGATRON s Audit Committee shall convene at least once quarterly and invite certified public accountants, internal audit officers, and managers of finance to join. 6 meetings of the audit committee were held in 2024. The average attendance rate was 83.3%.

C. Compensation Committee

The PEGATRON Compensation Committee was established in 2011. The three members are composed of independent directors. According to the relevant laws and regulations, the Board of Directors has developed the "Compensation Committee Charter" for the Compensation Committee to follow. There is no remuneration consultant or external stakeholder involved in the remuneration negotiation process. The Compensation Committee's powers include planning and regularly reviewing the policies, systems, standards, and structures for the performance evaluation and remuneration of directors, supervisors, and managers, as well as regularly evaluating and determining the remuneration of directors and managers. The meeting of the Compensation Committee is held at least twice a year. 5 meetings of the Compensation Committee were held in 2024. The average attendance rate was 80%.

D. Shareholders Meeting

We have adopted electronic votes as one way that shareholders may exercise their voting rights in shareholders' meetings since 2012. By doing so, we ensure that shareholders can exercise their voting rights to participate in the company's major decisions and elections of directors and independent directors under the law. Total shares held by shareholders via electronic voting represented 83.50% of shares presented at PEGATRON at the 2024 annual shareholders' meeting. Agenda items are fully discussed by participating shareholders before proceeding with the vote. The numbers of votes in favor and against for each agenda item are listed in detail in the meeting minutes and disclosed on the Market Observation Post System.

Economic Performance

In 2024, the Company's consolidated revenue is NT$1,125.3 billion, a decrease of NT$131.4 billion compared to the previous year, an annual decline of 10.46%, with a gross profit margin of 4.10% and earnings per share of NT$6.34 after tax. Reviewing the Group's performance in 2024, revenue from computing segment increased year over year, buoyed by client launches of new products and growing demand for AI PCs. Automotive electronics also delivered solid growth, driven by higher customer shipment volumes and an expansion in product scale. However, overall consolidated revenue declined compared to the previous year due to weaker-than-expected performance in consumer electronics segment and certain communication segment, both of which were impacted by soft end-market demand. In 2024, communication segment continued to account for the largest share among the three major product segments, while the revenue contribution from consumer electronics segment declined compared to the previous year. For detailed operating results and the list of entities included in the consolidated financial statements, please refer to the Company's annual report. For total capitalization by debt and equity, please refer to the Company's official website.

The brief consolidated income statement of PEGATRON

Unit: TWD in million

	2022	2023	2024
Operating revenue	1,317,599	1,256,783	1,125,349
Cost of sales	1,260,316	1,210,677	1,079,316
Gross profit	57,283	46,106	46,033
Operating expenses	31,899	31,354	33,532
Operating Income	25,384	14,752	12,501
Non-operating income & expenses	2,814	9,555	14,724
Profit before tax	28,198	24,307	27,225
Tax expense	6,792	6,894	8,071
Profit	21,163	17,413	19,154
Other comprehensive income (loss)	13,784	505	11,631
Total comprehensive income	34,947	17,918	30,785
Profit attributable to owners of the parent company	15,096	15,713	16,877
Comprehensive income attributable to owners of parent company	28,516	16,252	28,159
Employee Salary and Bonuses	64,298	50,930	40,867
Cash dividend (dividend per share/TWD dollar)	4.0	4.0	4.5

Remark: Cash dividends are based on the earnings of the fiscal year.

Integrity Management

Integrity is the top priority to build a good business culture.

Code of Conduct

The concept of business ethics and corporate responsibility is much more important than before, which could earn reliability and respect from all kinds of consumers, partners, and the public. The Code of Business Ethics of PEGATRON can reflect our core values, and it is the basic discipline for us. To improve integrity management, relevant departments are assigned to establish the Corporate Ethical Management Policy and the prevention system against corruption. The implementation results and compliance of the policy are reported to the Board of Directors by designated personnel. The corporate Ethical Management Policy is stated in the internal and external documents. The Board of Directors and management team are fully committed to implementing such policy rigorously and thoroughly in internal management and external business dealings.

From the management level to employees, we commit to abide by business ethics and confidentiality. We not only perform it internally, but also promote it to our supply chain. Before any business engagement, the Company checks the partner's legality and its records of ethical conduct. All long term suppliers are required to sign the Statement of Integrity, which stipulated the contractual liability for violation of ethical conduct, to build a good business environment together.

PEGATRON commits to conduct business ethics and sticks to the correct path of integrity. Any personnel should abide by the highest standard of probity. Any kind of corruption, blackmailing, extortion, or embezzling public funds is strictly prohibited. PEGATRON's Board of Directors approved "Ethical Corporate Management Best Practice Principles" and "Codes of Ethical Conduct" in November 2014. We stipulated the preventive measures of unethical conduct, penalties, and grievance procedure according to Business Ethics and Code of Conduct, and Business Gifts and Entertainment Policy. All employees shall follow these guiding principles of integrity, honesty, confidentiality, and respect. In addition, we also setup the Business Ethics advocacy website and hold trainings on integrity management annually to strengthen the ethics concepts of our employees.

For sustainable development, PEGATRON implements relevant actions internally, joins Responsible Business Alliance (RBA), and complies with the RBA Code of Conduct. We also formulate a "Business Ethics Code of Conduct" as an internal management procedure to request all employees obey. PEGATRON stipulates the disciplinary and appeal system for violations of the regulations on business integrity and has established a business ethics complaint mailbox. Audit Office handles all reported cases. For the potential conflict of interests, we set up measures to prevent conflict of interests and appropriate reporting channels for reflecting potential risks.

Internal Control

PEGATRON regularly conducts risk assessments related to Finance and operations for main operation sites, and the major risks identified are sales and procurement. We perform the control activities according to the results of risk assessments. For the higher risks of operational activities, we establish an effective accounting system and internal control system to review them at any time. Audit Office also develops the annual audit plans based on the results of risk assessments and escalates them to the Board of Directors with audit reports. We establish operational procedures for handling reported cases and protecting the whistleblowers. The contents of the reported cases are recorded in confidentiality to avoid unfair treatment or retaliation. In 2024, there has no case involving the disclosure of company trade secrets and other violations of work rules and codes of ethical conduct.

Regulatory compliance

Since its inception, PEGATRON commits to complying with relevant laws and regulations and continually follows every policy and law that could significantly impact its finance and business. Our Legal team notifies the relevant departments of the latest developments of regulations and assists our company in compliance with such laws and regulations. It not only reduces the direct business risks, but also avoids the indirect business reputation risks. After receiving the latest laws and regulations, relevant units will set the management procedures to ensure PEGATRON's compliance with such laws and regulations to reduce risks of violation. Our Legal team also handles related educations and trainings. We expect that our colleagues will follow the requirements and avoid behaviors that may lead to violation of law.

There is no significant non-compliance with economic, environmental or labor laws or regulations in 2024, and all business activities comply with antitrust and anti-corruption regulations. A major violation is defined as a violation resulting a fine exceeding NTD$1 million.

Information Security

Privacy and Intellectual property are highly valued and managed by information security control.

Information Security Policy

As an excellent partner in green design, manufacturing, and service for our customers, protect customers' privacy and intellectual property are regarded as prior duties in PEGATRON. To show our determination of information protection for the products, assets, and data of customers, the CEO has approved the "Confidentiality Policy" in 2010. Under the regulations of the policy and relevant processes, all information about the products and data of customers are confidential. All employees are responsible for not disclosing, not collecting, and not using the information for non-business scope. By protecting customers' assets and providing a complete information security environment, we earn their trust.

Information Security System

To meet customer requirements of information security, and protect customers' privacy and intellectual property, PEGATRON has established an enterprise level security information task force for governing the data to reduce the risk level and meet our customer needs. We rigorously review data, application, operation system, intranet, extranet, physical environment, procedures & policy, and entirely control when creating an account, requiring a password, applying and setting the access authority, applying an ID, limiting log in authority, recording audit records, and getting multiple authentications.

For construction and building protection of information assets, we control the security in all entrances strictly and implement the Disaster Recovery System. Also, we implement the structure of a High-Availability System to ensure information continuity. We use encryption system to protect and control the access authority for confidential and sensitive documents as well as adopt encryption and private communication protocol to ensure the confidentiality of important data.

Information Security Training

In addition to periodically backup, we implement remote backup mechanism to ensure the completeness of data preservation. To enhance the awareness of security for all relevant personnel, PEGATRON propagates information security and confidentiality periodically. Moreover, we perform customized training programs for different personnel according to their operations, including security operating concept introduction, standard operating procedure introduction, crime prevention, and law compliance with security policy. Besides, employees whose operations are related to confidential information need to sign confidentiality agreements and have the obligation of accepting information security audits.

To ensure the effectiveness of information security management system, HQ, Maintek operation center and Vietnam operation center have gotten ISO 27001 certificates and the information security management system is further implemented in the PEGATRON Group. The Company not only has external audits, but also regularly conducts internal audits annually to meet customers' requirements. Through continuous improvement and reduction of threats posed by information security incidents and impacts, PEGATRON did not have any incident related to infringement of customer privacy rights in 2024.

Risk Management

Identify the risks, then transform the risks into opportunities.

To reduce the potential economic, environmental, and social impacts, PEGATRON conducts risk assessments, including but not limited to introducing new products or adopting new business plans. PEGATRON identifies and controls risks in various aspects. The risk management policy was approved by the board of directors on 25 March 2021. The scope of risk management is determined under the principle of materiality. In addition to referring to the risk assessment results of environmental, social and corporate governance topics related to the company's operations, relevant laws and regulations are also considered. The risk management organizational structure consists of the board of directors as the top management unit and CEO as the chairman. There are PureCSR committee and a sustainable development working team under it. The PureCSR Committee holds regular meetings every year and invites members and working teams of each unit to assess and discuss potential risks and emerging risks on environment, social, and corporate governance topics. Risk identification is made by considering the frequency of occurrence, the degree of impact, and the degree of control. The results are reported to the Board of Directors at least once a year.

The identication and management of various risks are shown as below:

Corporate Governance

Risk of Getting Improper Advantages by Position or Company Internal Data Acquired

- Integrity policy and bribery prevention programs
- Regulated the default liability against the integrity principle in the contract
- Continuously promote the integrity policy and conduct the trainings
- Accounting system, internal control and auditing system

Environmental Protection

Risk of Products with Restricted Substances

- Technical standards for the forbiddance of hazardous substances
- Material Management e-platform
- Material approvals and testings
- Internal & External Audits

Emissions of Hazardous Substances

- Elimination of substances with high contamination during the design phase
- Reduction of the use of substances in manufacturing phase to reduce the wastes

Community Impact

Risk of Environmental Impact due to Activities of Manufacturing Sites

- Obtain the Environmental Permits
- Regular Monitoring of emissions to ensure the compliance
- Properly maintain the pollution control equipment

Risk of Community Development Impact due to Operations

- Public communication channels for stakeholders
- Activities and communications with local communities

Information Security

Risk of Data Leakage or being Infringed

- Account management, access by privilege, multiple authentications and audits
- Antivirus protection and encryption process

Risk of Interruption of Information Service

- Backup, remote backup and database recover

Production Security

Risk of Material Shortage

- Second sources are taken into account for all key components

Risk of Workforce Shortage

- Automatic production for the enhancement of eciency
- Allocation of manpower between manufacturing sites to raise the exibility of workforce

Labor Rights

Risk of Abusing Child labor

- Identity verication and facial recognition system
- Remediation of Child labor

Risk of Forced Labor

- The training of avoidance of forced labor for recruitment personnel and the managers
- Interview with new employees
- Anonymous grievance channels

Risk of Harassment or Abuse in Workplace

- The policy and procedure of grievance and investigation
- Protection of whistleblowers and the ones under investigation
- Policy of no retaliation

Responsible Procurement

Risk of Unethical Mineral Sourcing

- Due diligence survey
- Encourage the smelters in the supply chain to participate in RMAP (Responsible Minerals Assurance Process)

Risk of Non-conformance in Supply Chain

- Drive suppliers to commit to abide by the RBA Code of Conduct
- Pre-selection of new suppliers and annual CSR audits for high risk suppliers

Climate Change

Risk of Business Interruption due to Extreme Climates

- Emergency Response Plan
- Re-allocation plan of the available resources among sites to support our continuous manufacturing

Risk of Energy Shortage

- Practice the energy management measures
- Improve the facilities and optimize the processes to enhance production eciency
- Implement energy management system

Workplace Equality

Risk of Discrimination in Recruitment

- Anti-discrimination training for recruiters
- Grievance hotline directly to an objective department

Risk of Inequality in Employment on Cultivation, Development and Promotion

- Multiple learning resources
- Direct communication mechanism to management level
- Standardized appraisal index
- Multiple grievance or suggestion channels

Responsible Partnership

Manage suppliers with due diligence and empower green value chain.

Customer Service

Improve the process of service and accumulate core techniques to enhance satisfaction.

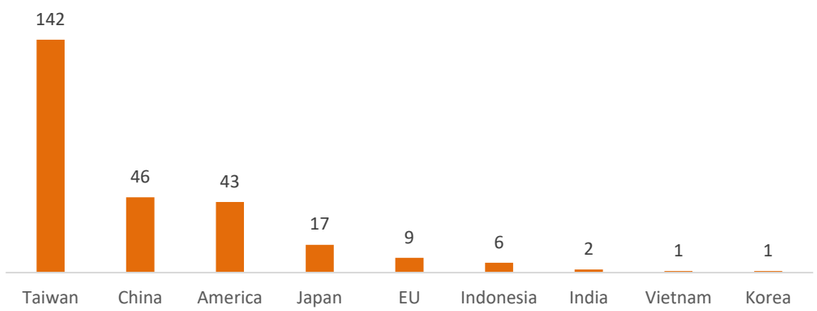
The business strategy of PEGATRON is to be an expert in design and manufacturing as well as to improve the service process for the global arrangement to meet customers' needs thoroughly. By providing customers with the best service, they can focus on brand and channel operations. "Navigate the Future" is PEGATRON Group's business philosophy. We navigate our customers to obtain business opportunities ahead of the market with our innovative technology and design for service. We provide new integrated service from designing and manufacturing to after sales service. With a complete service experience, we can quickly and efficiently fulfill our customers' expectations.

Our research and development teams wholeheartedly serve our customers from the first stage of product development. After the in-depth understanding of customer needs and expectations for new products, we begin with user's viewpoints and combine them with the aesthetics and innovations to develop new products. We completely state and explain to customers from different levels for positioning of products, special materials and style options, parts selection, product functions, appearances and packaging, production conditions, and even the challenges that we may face in the manufacturing processes or impacts on the environment. Meanwhile, we also pay attention to test flows. We not only pursue the most advanced testing technologies, but also invest in professional testing equipment. The only purpose is to design perfect products to maximize customers' interests and be in line with market expectations.

Innovative research and development

To increase product value and accumulate the core technology, PEGATRON commits to cultivating innovative talents and develops diversified product applications. We achieved the total number up to 267 global patents certified in 2024 to create the maximum value for PEGATRON's customers. Our R&D teams constantly engage in the development and improvement of green materials, including the management of hazardous substances, the research of recyclable and biodegradable materials, and product reliability analysis. We also classify the raw materials based on our research of metals, plastics, coatings, inks, and other raw materials, with the best cost efficiency for customers to develop the products that meet the environmental objectives. For building up a clean production process, we focus on meeting customers' green product specifications and carbon reduction as the core elements. The short-term goal is to lean the current processes, while the long-term goal is to simplify the processes and reduce the equipment used when developing the green materials. However, the ultimate goal is to find out a new clean production procedure. PEGATRON has a very prospective research ability on the ultimate goal to be non-toxic, pollution free, environmentally friendly, energy saving, and carbon reduction to achieve the responsibility of a corporate citizen.

Global Patents Certified in 2024



Product Management System

With customers' global layouts, our overseas customer service teams are located worldwide for meeting customers' needs. Therefore, we can provide the most immediate and convenient services, and offer the most comprehensive support to customers around the world with our well-established service sites in many countries. Furthermore, we provide our customers with customized service planning, immediate and effective technical support, experienced repair teams, professional supply chain management, friendly IT systems and worldwide service sites. Through real in time repair service, we can extend the product's life cycle and avoid products entering EOL early. It is not only lead to environmental positive benefits by reducing scrap products, but also obtaining valuable feedback during the repair process which could also contribute to enhancing future product design and improve customer satisfaction. To provide completed after-sale customer service, there is a total of nine customer service centers located worldwide, including North America, Europe, Taiwan, China, Japan, Korea, Singapore, and Australia, using ten management systems (listed below) to incorporate repair service effectively accompanied by the greatest enthusiasm with a superior commitment to let repaired products as good as expected to return to the embraces of the users.

No.	Managament System	Management Procedure
1	ERS	Integrate global repair data in a unique system to benefit for information analysis and report generation
2	SAP	Interact with ELM system, enhance the accuracy level of material storage and value management
3	ELM	Raise stock buy-sell transfer and turnaround rates among repair regions.
4	PLM	Provide Product No, BOM, life cycle, and ECN information effectively
5	PDPM	Global documentation management and provide systematic planning in electronic files preservation.
6	WMS	Manage FIFO and zero lag between physical goods and accounting in visualized approach.
7	Dashboard	Acquire and monitor global customer service centers' KPI Performances in time
8	KM	Build project knowledge accumulation channels and provide structured trainings.
9	PMI	Visualize project management flow and integrate phase goals and data needs.
10	SRM	Material procurement information including PO, supplier, logistics and component approval, etc.

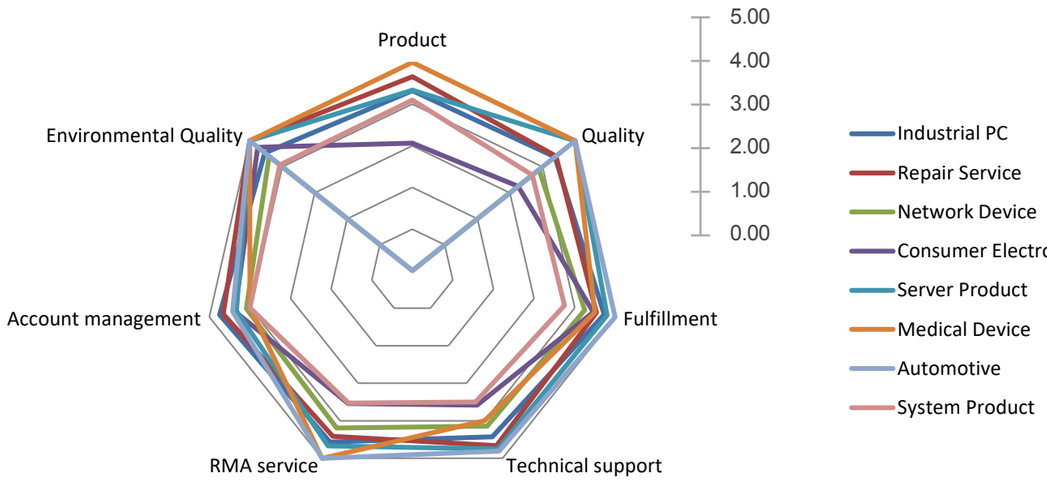
PEGATRON has a deep commitment and responsibility towards quality and service, and highly values customer feedback. Therefore, in addition to understanding customer needs and issues through direct interaction in daily operations and responding promptly, we also carefully listen to customer feedback and requirements through the Quarterly Business Review (QBR) process. Based on the areas for improvement pointed out by customers, we actively implement relevant internal measures and conduct professional trainings to thoroughly address these issues, aiming for 100% customer satisfaction.

Customer Satisfaction

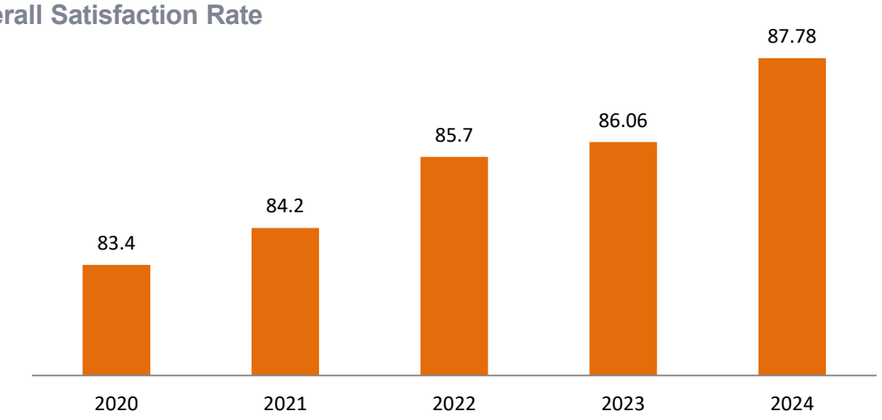
PEGATRON proactively utilizes customer satisfaction surveys, which include customers' overall evaluation of the company's products, services, quality, shipments, technical supports, business responses, non-hazardous material management, and operational performance, to understand the direction of the relevant business unit's operations and management improvements, and then reviews and analyzes the results of the surveys, to put forward specific corrective strategies and solutions for improvements, which has resulted in a year-on-year increase in customer satisfaction over the past five years.

Based on the statistical results of customer satisfaction surveys, the annual average customer satisfaction rate of PEGATRON in 2024 was 87.78%. We uphold the spirit of continuous improvement and launch various improvement projects for deficiencies. In 2024, the main type of customer complaints was manufacturing, and all issues were closed. When receiving a customer complaint, each related business group/unit and factory immediately convenes meetings to review and conducts the improvement measures as well as tracks the status of the improvements. At the same time, we request that customer complaints should be responded to as soon as possible. All the complaints were closed in 2024.

Our priority is to reach the highest satisfactions of customers and business partners. By implementing the management systems of corporate social responsibility (PureCSR) and quality with hazardous substance free (PureGMS), we continue to improve internal processes and build a good corporate image to meet customers' requirements. We even have a target to exceed customer expectations for better customer service management.



Overall Satisfaction Rate



Sustainable Supply Chain

Build a sustainable supply chain through communication, monitoring, cooperation and growth together with our partners.

About Supply Chain

As an enterprise of information, communication, and consumer electronics technology industry, PEGATRON provides the service on research, design, and manufacturing. Our supply chain consists of raw material suppliers, equipment suppliers, waste disposal vendors, material transportation vendors, service providers (such as security, food, cleaning), human resource agencies, and so on. The main raw material suppliers of PEGATRON are electronic components and mechanical parts suppliers. We design and assemble finished goods according to customer demands and deliver them to the designated territories for sale. More than 3,000 suppliers cooperated with PEGATRON in 2024, and most of them came from Taiwan, China, United States, Japan, and South Korea. There is no significant change in supply chain in 2024. Since the main production base is in Asia, 90% of our suppliers are in Asia. The types of our suppliers include manufacturers, authorized agents, and others. Their industry types focus on capital intensive and technology intensive. PEGATRON promotes local purchases continuously. By doing so, we reduce transportation costs, respond to carbon reduction efforts, and enhance local employment opportunities. We request suppliers to commit to environmental protection, occupational safety and health, and labor rights to fulfill our sustainable development.

PEGATRON plays an important role in the electronics supply chain. Therefore, the management of the supply chain is one of the key issues for us. According to the customer requirements, legal requirements, and international trends, we have written internal procedures to monitor the performance of suppliers, including advocacies, requirements, audits, and evaluations. Besides, we hold several training programs to introduce the concept and develop ability of sustainability into our entire electronics supply chain. In addition, we also manage our vertical integration affiliates and subsidiaries through the supply chain management process to enhance the sustainable development of the electronic supply chain.

Supplier Risk Assessment

To make sure that suppliers meet our requirements of quality, cost, delivery, service, technology, and corporate social responsibility, suppliers must participate in PEGATRON's QBR (Quarterly Business Review) regularly. Suppliers with outstanding performances would be the long-term partners and have the chance to become our annual excellent suppliers. Suppliers with bad performances will be regarded as unqualified suppliers. If the nonconformities are significant, PEGATRON will terminate the contractual relationships with them when necessary. At the same time, the Procurement Unit regularly reviews the financial statements and conducts the financial risk assessments of suppliers to ensure that they meet the low risk level of the standard.

SRM (Supplier Relationship Management) System is the platform that PEGATRON communicates with its suppliers. We announce and update the latest news or requirements on this system to inform all suppliers. The annual supplier conference information is also uploaded on SRM. Functions related to PureCSR provided by SRM system include:

- Hazardous Substance Management : Suppliers can upload documents include certificates of non-hazardous substances, composition tables or SDSs (safety data sheets), and third-party test reports.
- Responsible Minerals Survey System : We follow Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) to invite our suppliers to upload their reports to the SRM system.

- PureCSR Supplier Management : We announce CSR requirements and standards on the SRM system so that suppliers can download them to follow.
- PureGMS Supplier Management : Suppliers can regularly update their ISO certificates and reports based on related requirements (e.g., China Compulsory Certification Reports, Finished Product Inspection Reports).

Supply Chain Management

PEGATRON obeys its Supplier PureGMS Audit Management Procedure and Supplier PureCSR Audit Management Procedure to ensure the quality of components and achieve the purpose of mutual prosperity and assistance with suppliers as well as on-time delivery. Besides, we also issue the Supplier Consulting Standard. With this standard, we can help suppliers to set up product HSF system, quality systems, and process control standards to improve their product environment quality, delivery quality, and process capabilities. Meanwhile, we continually ask new suppliers to sign PEGATRON Supplier Responsible Business Alliance Code of Conduct Agreement and commit their operations will obey to PureCSR policy and requirements.

In the end of 2024, the ratio of the new suppliers that undersigned PEGATRON's Supplier Responsible Business Alliance Code of Conduct Agreement was 100%. Also, there were 151 evaluations of supplier environmental performance conducted in this year.

New Supplier Selection

We base on PEGATRON's requirements in internal procedures to assess new suppliers, verify the compliance on their HSF management system, quality management system & process capability. A new supplier shall be certified with one management system among ISO 9001, IATF 16949, or TL 9000. Besides to meet the requirements of quality and green product management system, a new supplier of PEGATRON should also meet its requirements of corporate social responsibility.

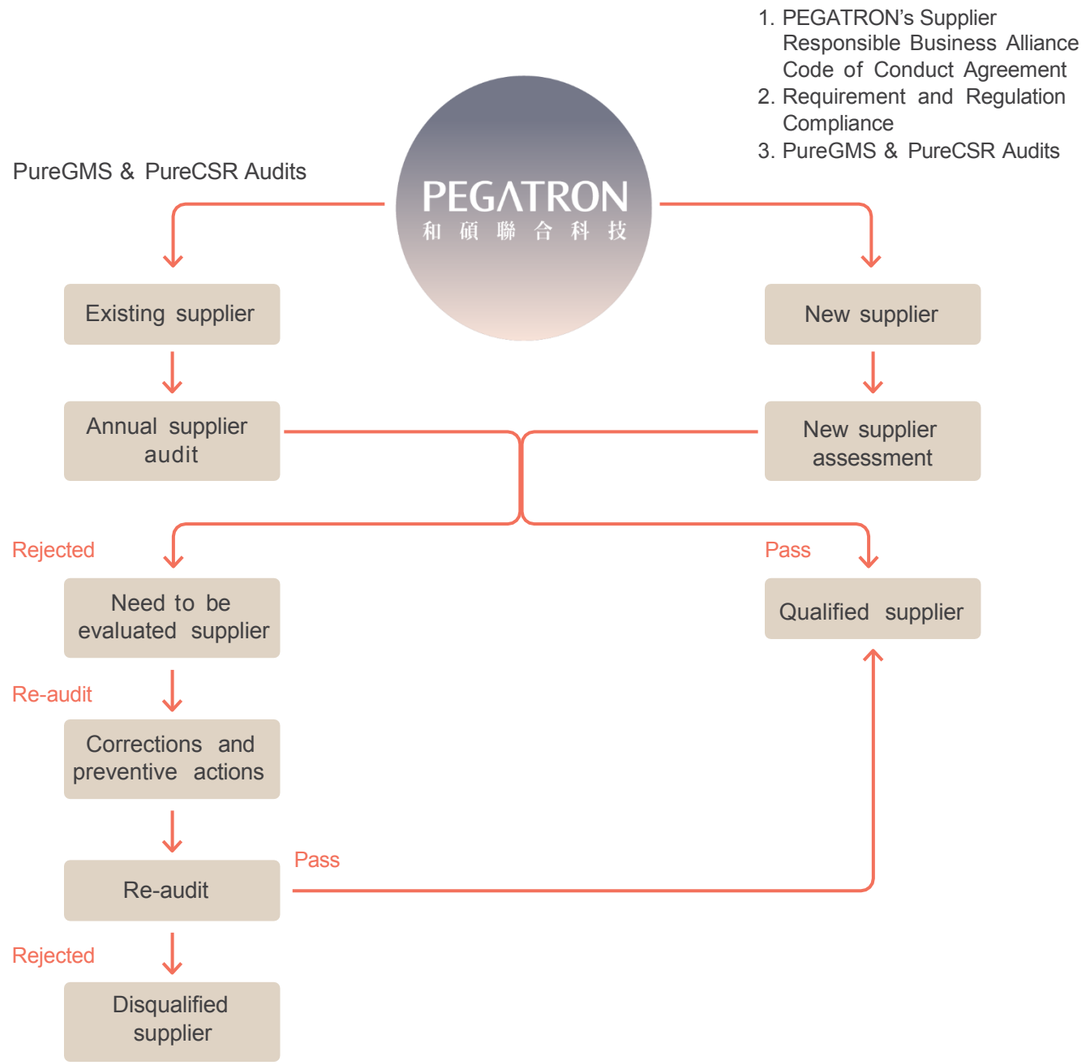
A new supplier is requested to sign PEGATRON's Supplier Responsible Business Alliance Code of Conduct Agreement and evaluate its compliance on governance, environmental protection and social aspects based on the violation records revealed in public. Furthermore, the contract between PEGATRON and the supplier also defines that supplier shall comply with all relevant laws and the RBA Code of Conduct. If there is any severe violation, the business relationship could be terminated by PEGATRON.

In 2024, there were 418 new suppliers involved in the PureCSR new supplier evaluation process. New suppliers are listed in the following annual supplier audit scope if the results were middle or high risks according to the answers of the new supplier questionnaires. For the consequence of the supplier evaluation process, 145 new suppliers have responded that they have 1SO 14001 and, or ISO 45001 certificates, and 18 new suppliers have submitted the RBA online SAQs or they have conducted RBA VAP or RBA non-VAP audits.

Annual Supplier Audit

Paper evaluations of existing suppliers are carried out every year according to internal procedure, and high risk suppliers are identified to conduct electronic audits or onsite audits to ensure that suppliers can meet PEGATRON's PureGMS and PureCSR requirements. In addition, PEGATRON requires suppliers to submit their improvement reports within the deadlines. Those who have not completed them will be listed as unqualified suppliers.

Supplier Management Process



Even though PEGATRON does not control the work and workplace of suppliers, we still use the influence of our organization and business relationship to ensure the human and environmental rights of the workers who are related to PEGATRON's business. Every year, PEGATRON selects suppliers to be audited based on the results of supplier risk assessments and formulates audit plans based on factors such as the importance, regionality, and risks of the audit objects. The auditing items include management system, labor rights, health and safety, business ethics, product responsibility, greenhouse gases, etc., to ensure that suppliers meet PEGATRON's corporate social responsibility requirements.

In 2024, we screened out major suppliers and suppliers that need to pay attention to, and a total of 56 suppliers were included in the online audit program, 61 suppliers were included in the onsite audit program, and 1 supplier was included in the RBA VAP or closure audit program. A total of 118 suppliers completed the audits and the total completion rate of the audits was 100%. All suppliers that underwent the onsite audits have passed the audits and improved their processes.

Note: Major suppliers are defined as direct suppliers that account for 80% of the procurement expenditure. The suppliers that need to be concerned are those suppliers whose annual supplier evaluation results are high risk.

Supply Chain Promotion

We hold supplier conferences annually to advocate PureGMS & PureCSR policies, hazardous substance free requirements, and supplier management requirements. For 2024 we use both on-site and remote online methods to hold supplier conferences. There were 528 suppliers joined the conference. The main topics of conference were Global Carbon Reduction Regulations, PEGATRON Carbon Reduction Requirement, RBA Code of Conduct, Supply Chain Audit Requirements as well as China Suppliers IPE-GCA, PRTR & Carbon Data Report. Through the Supplier Conference, we delivered the concept of sustainable development to suppliers and have two-way communications with them.

Responsible Minerals

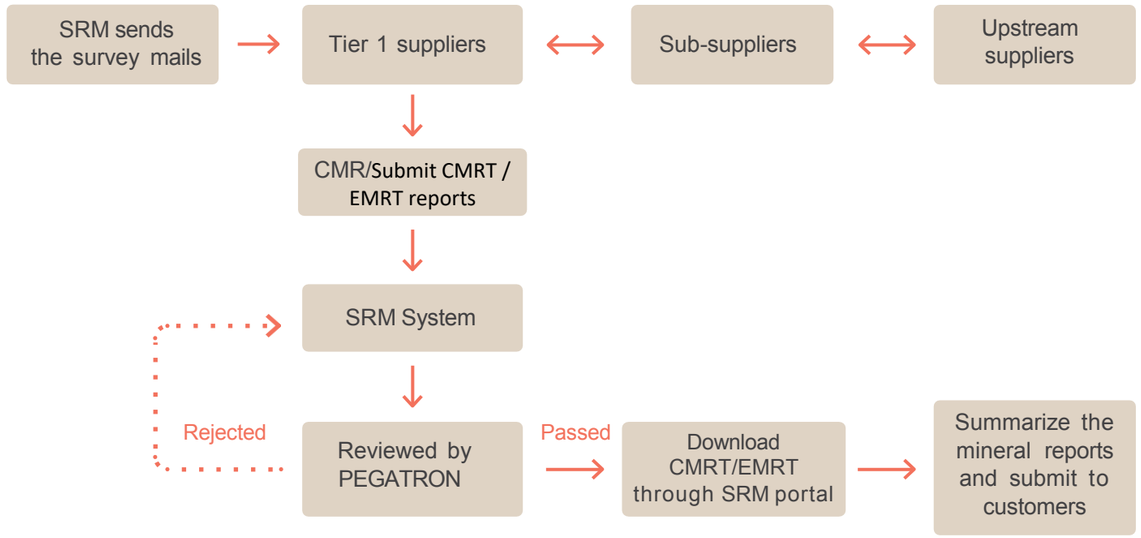
Control the source of minerals and promote the awareness of human rights.

The mining industry in Conflict Affected and High-Risk Areas (CAHRAs), including but not limited to the Democratic Republic of the Congo (DRC) and adjoining countries, is controlled by certain non-governmental organizations or non-governmental military groups. The groups may cause serious social and environmental issues in the region, including armed conflict, theft, extortion, illegal child labor, women captivity and deforestation. To reduce the violation of human rights, PEGATRON has performed due diligence surveys for the sources of metals to prevent the above events from occurring.

As a corporate citizen and Responsible Business Alliance (RBA) member, PEGATRON discloses its Conflict Minerals Statement on the company's website and establishes an internal procedure to conduct the risk management of the supply chain. We have launched the responsible minerals investigation project from 2012 and extended it to the cobalt due diligence investigation project from 2018 according to Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance. We follow Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) founded by Responsible Minerals Initiative (RMI) to establish PEGATRON's SRM Responsible Minerals Survey System. Also, we invite our suppliers to disclose the smelters' information related to their products and upload the reports to the system.

Since PEGATRON respects human rights and keeps concerning about this issue, we continue to share our Conflict Minerals Policy and invite our suppliers to conduct due diligence investigations for the materials of their products.

Responsible Minerals Investigation Process



Therefore, we ensure the metal sources of Tantalum (Ta), Tin (Sn), Tungsten (W), Gold (Au) and Cobalt (Co) are not derived from conflict regions of Conflict Affected and High-Risk Areas (CAHRAs). By doing this, our suppliers and we endeavor to fulfill the responsibility of a corporate citizen. We do risk assessments and encourage our suppliers to ask noncompliant smelters or refineries in their supply chains to join the Responsible Minerals Assurance Process (RMAP) audit.

In the recent years, the conflict minerals survey completion rate has grown from 92% in 2016, to 100% in 2024. PEGATRON identified 1,668 suppliers which may use conflict minerals or cobalt minerals in 2024 and invited them to join the responsible minerals survey. 988 suppliers indicated their products and/or manufacturing processes contained these 4 conflict minerals that had been provided to PEGATRON. Reports show that Tin (Sn) has the highest proportion at 95.3%, followed by gold (Au) at 76.8%, Tungsten (W) at 38.5% and Tantalum (Ta) at 30.5%. In addition, to screen out components that may contain cobalt minerals, the investigation of cobalt minerals expanded from 2018, PEGATRON included all possible materials in the investigations, and the completion rate reached 100%. Component investigations for containing cobalt minerals will be continued in 2025.

In recent years, PEGATRON cooperates with customers actively to achieve a 100% conflict free sourcing goal to meet customers' requests and puts efforts into processing the cobalt survey. In the future, we will be stricter in conflict minerals and cobalt mineral surveys, and ask suppliers to disclose the smelters' information completely and honestly. Furthermore, we will continue to advocate the conflict minerals and cobalt mineral related requirements in the supplier conferences to reach our purpose that we do not directly or indirectly benefit the armed conflict groups.

Sustainable Environment

Practicing environmental protection and mitigating climate impacts.

Management of Material Topics

Material Topics

Energy Management, Greenhouse Gas Emissions

Positive or negative impact

(1) The development of climate change adaptation policies or energy saving and carbon reduction pathways will help customers and the supply chain to meet the carbon reduction requirements, which will in turn lead to cost reductions.
(2) Failure to plan and implement management measures early or optimize performance may result in greater climate impacts or higher costs.

Management policies or measures

(1) Corporate Quality and Sustainable Development Center plans the Group's energy conservation and carbon reduction strategies and evaluates the potential risks and opportunities of climate change.
(2) Implementing management measures and tracking the progress of goal achievement by each plant, and communicating the results of implementation by business units and stakeholders.
(3) Set renewable energy and energy saving goals to "achieve a 25% reduction in electricity consumption per unit of revenue by 2030 compared to 2021 and ensure 50% renewable energy usage by 2030".
(4) Set carbon reduction goals to “achieve an absolute reduction of 42% in greenhouse gas emissions in Scope 1 and Scope 2 by 2030 from a 2021 base year, and achieve an absolute reduction of 42% in greenhouse gas emissions in Scope 3 by 2030 from a 2021 base year, and achieve net zero emissions by 2050.

Goals and Achievements

(1) In 2024, a total of 31 energy saving projects were implemented, reducing electricity usage by 23,488 Mwh.
(2) In 2024, Scope 1 and 2 carbon emissions were reduced by 129,984 tons (46%) compared to 2023, and by 351,553 tons (69%) compared to 2021 (the baseline year).

Climate Change

Keep adapting and try reducing the impacts on business operations to the minimum.

Climate Change Adaptation Policy

With the increasing evolution of social type, the focus of environmental protection is no longer limited to traditional pollution prevention and control. With rapid industrialization and massive consumption of energy resources, global resource scarcity and climate change cannot be ignored. As a sustainable corporate, PEGATRON responsibly faces global issues including climate change, environmental protection, and global warming. We issue several procedures and obey them to minimize the use of resources, perform greenhouse gas inventory and energy conservation management to reduce the consumption of resources and greenhouse gas emissions. To reach above purposes, we disclose our concepts for environmental protection and greenhouse gas emissions reduction in our PureCSR policy.

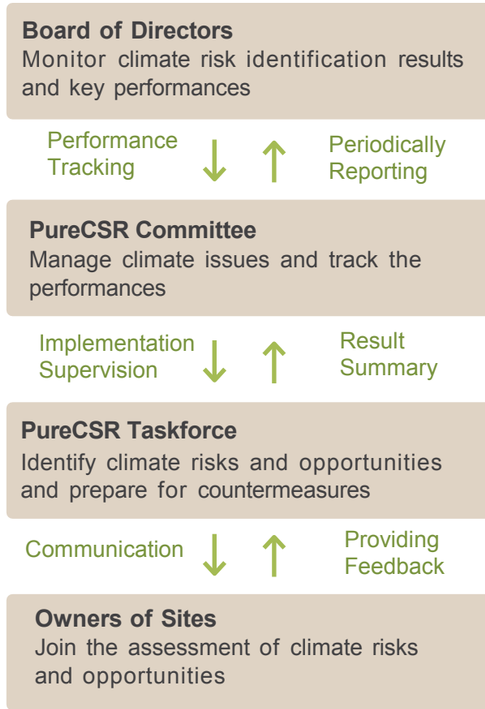
As mentioned in our PureCSR policy, we value natural resources preservation, environmental protection and pollution prevention, the greenhouse gas inventory plan is also listed in our PureCSR policy strategies. We also announce our greenhouse gas inventory and verification project in the PureCSR principles, in response to carbon reduction requirements from our stakeholders. An international environmental management system, ISO 14001, is also in place and PEGATRON is certified by third parties.

PEGATRON provides solutions to global warming through eco-friendly design and clean manufacturing. We make great efforts on reducing greenhouse gas emissions in product manufacturing, delivery, and disposal processes, and implement energy saving actions in our daily operations. In addition to the direct disclosure of treasuring the natural resources in our PureCSR policy, we have established a long-term energy conservation and carbon reduction goal to show our determination to achieve carbon reduction.

Task Force on Climate-Related Financial Disclosures, TCFD

Climate Governance Structure

To address climate risks and potential opportunities, PEGATRON follows the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify climate change risks and opportunities, and accordingly promotes the Group's climate change management and responses, as well as sets targets and goals. PEGATRON's Board of Directors is the highest governance unit to oversee the identification of climate change risks and opportunities, and tracks key performance results. Climate change policy promotion and risk and opportunity identification are led by the PureCSR Committee, which consists of unit directors and reports to the Board of Directors at least once a year on the results of climate change and other types of risk identification and response measures. The PureCSR Executive Team is responsible for coordinating the participation of the relevant departments in each plant at the risk and opportunity assessment, and reporting to the PureCSR Committee on countermeasures and implementation performances.



Climate Risk and Opportunity Identification Process

1. **Collection of Climate Issues** → Collect global short, medium and long term climate related issues with reference to TCFD, CDP questionnaires, and international research reports.
2. **Risk and Opportunity Identification** → Each plant and department uses the questionnaires to identify the risks and opportunities of climate change, and the headquarter will evaluate the financial impacts.
3. **Preparation of countermeasures** → Risks and opportunities are mapped according to the likelihood of occurrences and the degrees of impacts, and countermeasures are formulated for major projects.
4. **Tracking Key Indicators** Progress in achieving climate objectives are summarized by management in the general risk execution results and reported to the Board of Directors for monitoring.

Climate Change Adaptive Strategies

PEGATRON uses authoritative reports published by international organizations as scenarios for assessing climate impacts, including the SSP 1-1.9 and SSP 5-8.5 scenarios announced by the Sixth Scientific Assessment Report of the United Nations Intergovernmental Panel on Climate Change (IPCC), the APS and NZE scenarios proposed by the International Energy Agency (IEA), the 1.5°C scenario required by the Scientific Basis for Targeting Initiative (SBTi), and also incorporates the planning of Taiwan's 2050 net-zero emission pathway(NZE) into the assessment.

Parameter assumption was additionally used to estimate the price of renewable energy in Taiwan using the EU ETS price from the State and Trends of Carbon Pricing report published by the World Bank and 2024 Feed-in Tariffs (FIT) rates for renewable energy announced by Energy Administration, Ministry of Economic Affairs of Taiwan, and the global average temperature change was estimated by using the Surface temperature anomaly database of World Data. In addition, we used World Data's Surface temperature anomaly database to assess the global average annual temperature change, the Climate Change Estimation Information and Adaptation Knowledge Platform (TCCIP) developed by National Science and Technology Council of Taiwan to assess the value of climate change in Taiwan, and the Coastal Risk Screening Tool introduced by the U.S. Climate Center to analyze the extents to which the global plants are affected by the impacts of sea level rise or flooding. The extents of the impacts of sea level rise or flooding on global plants are analyzed through the Coastal Risk Screening Tool launched by the US Climate Center.

Climate Change Risk Management

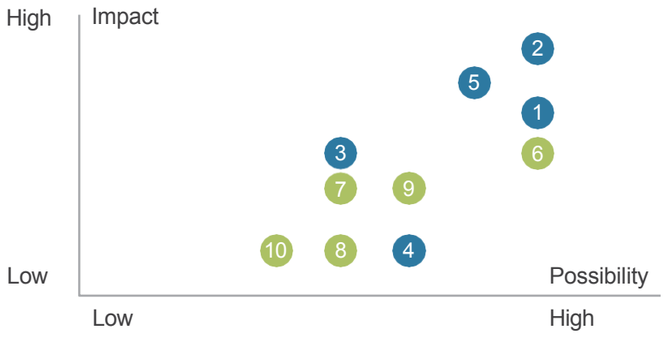
PPEGATRON has referred to TCFD, CDP, and international research reports to inventory the climate change risk and opportunity database, and categorized Transition Risks into policy, market, and technology based on risk elements, and distinguish risks into long-term and immediate risks based on the expected time of occurrence of the issue. 15 issues are included in 2024, and senior executives will identify short-term (1-3 years), medium-term (3-5 years), and long-term (5-10 years) risks and opportunities, and then compiled the identification results to draw a matrix of climate change risks and opportunities based on the likelihoods of occurrence and the degrees of impacts. (After compiling the identification results, a climate change risk and opportunity matrix was drawn based on the likelihoods of occurrence and the degrees of impacts, presenting the high, medium, or low risk level for each issue, which serves as a basis for the management to evaluate when developing risk management strategies. After evaluating the financial impacts of each issue, we formulate countermeasures for each issue to grasp the risks and mitigate the potential threats at an early stage.

According to the climate risk assessment for 2024, the short-term risk is the requirement of carbon inventory and the demand for carbon reduction from customers, the medium-term risk is the transformation of management mode, and the long-term risk is the increase of global average temperature. PEGATRON has carried out carbon inventory and verification in accordance with regulatory requirements, as well as implementing energy saving programs in accordance with customer requirements, and actively planning for the purchase of renewable energy in order to meet the demand for carbon reduction at each of our plant. PEGATRON will also continue to pay attention to the global climate change trend to minimize the impacts of natural disasters on production and operations.

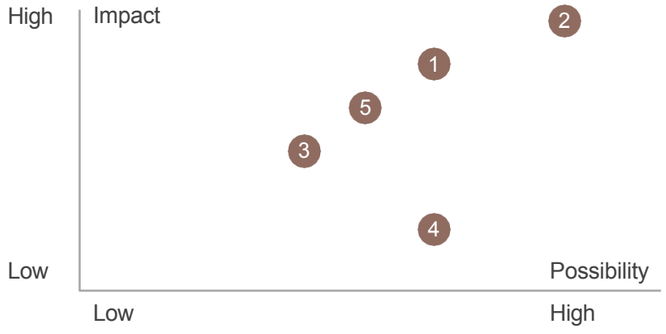
PEGATRON aims to minimize the financial impacts of climate risks and maximize the economic benefits of climate opportunities by formulating response measures for climate change transition risks, physical risks and opportunities, including the formulation of emergency response plans, critical equipment contingency plans and infrastructure damage contingency plans to reduce the physical impacts of natural disasters and maintain stable shipments.

Climatic Conditions		Timeline	Parameter Assumptions	Analyze the results
Transition Risks	IEA APS	2022~2030	The APS scenario is based on the assumption that global carbon emissions in 2030 will be close to 2020 levels if all currently legislated carbon reduction policies are met.	Even if PEGATRON's annual carbon emissions and revenue grow year-on-year, PEGATRON's carbon reduction target exceeds the government regulation's carbon reduction standard in the APS scenario, and therefore will save the fees required by Taiwan government in 2030.
	SBTi 1.5℃	2022~2030	4.2% annual reduction in carbon emissions in scope 1 and 2 and Taiwan Renewable Energy Feed-In Tariff Prices: NT$2.1~7.4/kWh	In line with international trends and in response to stakeholder expectations, PEGATRON has announced that it has joined SBTi in 2022 and set target to reduce carbon emissions by 4.2% per year in 2024. It is expected that in 2030, PEGATRON will invest more than NT$100 million to purchase renewable energy and expand its green power portfolio.
	IEA NZE	2022~2050	Zero Net Emissions by 2050	Although more than 85% of PEGATRON's carbon emissions come from purchased electricity, to achieve net-zero emissions will require consideration of reduction options for other sources of emissions, which will increase the investment budgets for other carbon reduction projects in the long term.
Physical Risks	SSP 1-1.9	2081~2100	Global Mean Annual Temperature Change +1.0 ~ +1.8 ˚C	1. Temperature Rise: The global average temperature has risen by 1.04°C between 1850 and 2017. If the temperature in the countries where Pegatron facilities are located increase, leading to an increase in energy usage at the facilities. 2. Sea Level Rise: Some sites at lower elevations or near the ocean may be subjected to long term sea level rise or annual flooding, and the frequency and intensity of large floods will be increased with climate change. 3. Drought: Since the main type of water used by PEGATRON is domestic water, lack of water resources may cause operations to come to a standstill. If the plant is in a city where hydroelectricity is the main source of electricity, production may not be possible. 4. Heavy Rainfall: The extent of the impact of an increase in the intensity of a single day's rainfall will vary depending on the urban flood control and drainage system of the area in which the plant is located, and new plants and poorly drained areas will require the purchase of additional flood control equipment and the development of contingency plans. 5. Typhoon: While the frequency of typhoons in Taiwan has decreased over the long term, the proportion of severe typhoons has increased dramatically, causing potential problems such as disruptions in the transportation of materials and products, or interruptions in production.
			Global sea level rise 0.28 ~ 0.55 meters	
			Taiwan's largest number of consecutive days without rainfall increased by about 0.4% in a single year.	
			Taiwan's largest single-day rainstorm intensity increased by about 15.3 percent	
	SSP 5-8.5	2081~2100	Global Mean Annual Temperature Change +3.3 ~ +5.7 ˚C	
			Global sea level rise 0.63 ~ 1.01 meters	
			Taiwan's largest number of consecutive days without rainfall increased by about 12.4%.	
			Taiwan's largest single day's rainstorm intensity increased by 41.3%.	
			Taiwan's typhoon ratio has increased by 50%.	

Climate Risk Matrix



Climate Opportunity Matrix



Transformation Risk

1. Regulatory: Regulatory Carbon Inventory Requirements
2. Market: Customer Demand for Carbon Reduction
3. Market: Low Carbon Product Demand
4. Market: Supply Chain Disruption
5. Technology: Management Model Transformation

Physical Risk

6. Long-term: Average Temperature Increase
7. Long-term: Sea Level Rise
8. Long-term: Drought
9. Immediate: Rainstorm
10. Immediate: Typhoon

Opportunities

1. Research and development of low carbon products
2. Layout of low carbon energy
3. Material recycling
4. Strengthening supply chain resilience
5. Promoting low carbon transformation

Financial Impacts of Climate Risks and Measures to Address Them

Climate Risks		Financial Impact	Response Measures
Transformation Risks	Regulatory Carbon Inventory Requirements	Increase in internal staff costs and external verification costs	In 2024, the Group has completed greenhouse gas inventory and verification at 20 plants, and has planned the greenhouse gas inventory and verification schedule of subsidiaries to comply with the regulatory requirements of the competent authorities.
	Customer Demand for Carbon Reduction	Increase in Renewable Energy and Certificate Purchase Costs	In 2024, self-built renewable energy generation installations accounted for a total generation of 26,745 Mwh, and an additional 268,679 Mwh of renewable energy and renewable energy certificates were procured.
	Low Carbon Product Demand	Increase in R&D and administrative personnel costs	In accordance with customer needs, we assist customers in obtaining international environmental labels such as EPEAT and Energy Star, which accounted for 49% of the total number of environmental labels for our computer products in 2024, and cooperate with customers in the research and development of low energy consumption electronic products to reduce the carbon emissions of the product lifecycle.
	Supply Chain Disruption	The decrease in operating revenue due to the reduction in production capacity	To prevent production disruptions caused by bottlenecks in the procurement of raw materials, thereby affecting product deliveries, an external supply disruption contingency plan is in place to maintain multiple potential suppliers, or the production line can be realigned by the production control team.
	Management Model Transformation	Increase in purchase cost of additional energy saving equipment	In 2024, a total of 31 energy saving projects were implemented, reduced electricity usage by 23,488 Mwh. Through regular energy saving meetings, management can track whether the energy saving performance of each plant meets the Group's energy saving and carbon reduction goals.
Physical Risks	Average Temperature Increase	Increase in purchase cost of additional energy saving equipment	Improvement of air-conditioning operation through replacement of energy saving air compressors, installation of energy saving water pumps, and introduction of free-cooling air-conditioning recovery technology. Even when the temperature rises, energy usage can still be controlled.
	Sea Level Rise	Increase in operating costs due to plant relocation or purchase of additional flood control equipment	To analyze the impacts of sea level rise and annual flooding on global sites under simulated scenarios of 1.5˚C and 2˚C temperature rise, and to assess the operational risk of low elevation sites as one of the factors to be evaluated in selecting sites for future expansion.
	Drought	Decrease in operating income due to lower production volume	Signed contracts with water supply companies to provide water resources by water trucks in case of water shortage to avoid production line stoppage. In addition, we have set up a procedure for responding to utility supply disruptions. If the disaster is not serious and does not affect the shipment, then the production management will adjust the production plan. If the delivery date is affected, the production management will notify the sales department and communicate with the customer in time to get the customer's agreement to postpone the delivery.
	Rainstorm	Increase in operating costs due to equipment losses	Pay close attention to disaster information, inspect and repair drainage facilities related equipment and emergency rescue tools, and take flood prevention measures for equipment. If water enters the electrical facilities, immediately cut off the power supply to prevent damage to the equipment and injuries caused by leakage, and notify professional companies for support as appropriate.
	Typhoon	Decrease in operating income due to lower production volume	Pay attention to the latest information and government notices to immediately issue internal announcements and prepare rescue tools, as well as to formulate preventive measures for areas with potential safety hazards in the plant to protect personnel and equipment. After the disaster, we will hold a summary meeting to formulate a recovery plan based on the extent of the damage.

Financial Implications of Climate Opportunities and Measures to be Taken

Climate Opportunity		Financial Impact	Measures to be taken
Opportunities	Research and development of low carbon products	Increase in orders leads to increase in operating income	In response to market demand, we develop high energy efficiency products with low carbon emissions and assist our customers in increasing the proportion of products with environmentally friendly labels.
	Layout of low carbon energy	Reduce operating costs by purchasing at lower prices	Advanced the construction of solar power installations and plan the procurement strategy of obtaining renewable energy and renewable energy certificates for each plant.
	Material recycling	Reduce operating costs by selling or recycling materials	Recycling of metal or recyclable plastic materials and reuse of eco-friendly packaging materials and wood packaging materials.
	Strengthening supply chain resilience	Ensuring supply chain resilience to reduce variable costs	PEGATRON has made obtaining ISO 14001 environmental management system certification as one of the annual supplier audit items and explained PEGATRON Group's CSR requirements in the supplier conference.
	Promoting low carbon transformation	Reduce energy consumption and therefore lower operating costs	In 2024, 31 energy saving projects were implemented to reduce electricity use by 23,488 Mwh, and the company will continue to organize stair-climbing activities by delivering fruits to employees to raise their awareness of carbon reduction.

Indicators and Objectives

PEGATRON Group focuses on responding to significant and urgent climate risks, with energy saving and carbon reduction at the top of the list. Therefore, PEGATRON Group has set energy saving and carbon reduction targets for 2030 and disclosed the progress of achieving the targets over the years, which serves as a basis for the Board of Directors to monitor the performance, and for stakeholders to review the implementation results of the targets over the years.

Indicator	Objective	Annual implementation result
Carbon footprint	PEGATRON commits absolute reduction of 42% in greenhouse gas emissions in Scope 1 and Scope 2 by 2030 compared to 2021, and absolute reduction of 25% in greenhouse gas emissions in Scope 3 by 2030 compared to 2021, and net zero emissions by 2050.	1. Scope 1 and 2 annual carbon emissions were 154,576 tCO2e. The carbon emissions were reduced by 351,553 tons (69%) compared to 2021 (the baseline year). 2 Scope 3 annual carbon emissions were 6,721,870 tCO2e. The carbon emissions were reduced by 13,949,858 tons (67%) compared to 2021 (the baseline year).
Electricity consumption	25% reduction in electricity consumption per unit of revenue by 2030 compared to 2021	1. Implemented 31 energy saving projects, reducing electricity usage by 23,488 Mwh. 2. Electricity consumption per unit of revenue is 1.7GJ/million NTD, decreased in 23% compared to 2021 (the baseline year).
Renewable energy	50% renewable energy usage by 2030	1. The Company's total solar power generation capacity reached 26,745 Mwh. 2. A total of 268,679 Mwh of renewable energy and renewable energy certificates were procured.

Carbon Reduction and Energy Saving Target

In response to the United Nations Paris Agreement and the net-zero carbon reduction targets of various countries, PEGATRON has signed and announced its participation in the Science-Based Targets Initiative (SBTi) in February 2022, with the expectation that the Company's carbon reduction targets will be updated on a rolling basis in line with the global climate science, so that PEGATRON will align with the international goal of "controlling the global temperature rise to be less than 2°C compared to the pre-industrial level, and striving to limit the rise to within 1.5°C". PEGATRON has committed to set five energy-saving and carbon-reduction goals in 2024.

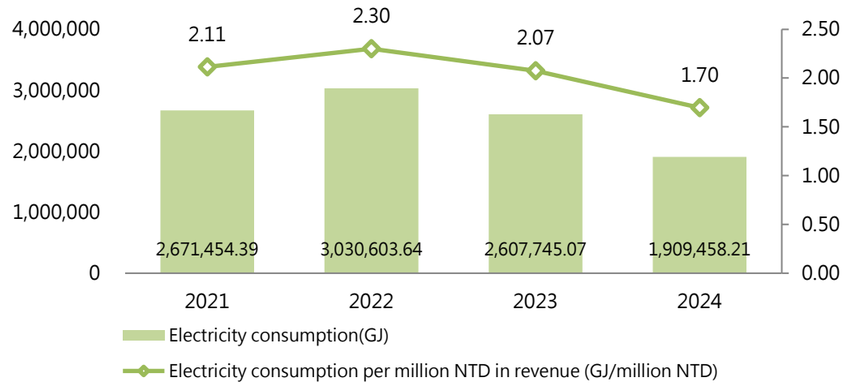
1. Reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year.
2. Reduce absolute scope 3 GHG emissions 25% by 2030 from a 2021 base year.
3. 25% reduction in electricity consumption per unit of revenue by 2030 compared to 2021.
4. Achieving a target of 50% renewable energy usage by 2030.
5. Reach Net Zero by 2050.

Energy Management

Energy Usage

Electricity is a major source of greenhouse gas emissions for PEGATRON. In addition to striving to achieve high productivity with low energy consumption in the production processes, the Group has also implemented various energy saving measures in its daily operations, including the control of unproductive significant electricity consumption such as the management of power supply, lighting and air-conditioning systems, in order to enhance the overall efficiency of electricity usage.

Annual Electricity Intensity



	Taiwan	China	Mexico	Czech	Indonesia	Vietnam	India	Other Regions
Total Electricity Consumption (GJ)	164,270	1,213,227	112,731	6,843	88,945	145,059	165,276	13,108
Total Renewable Energy Generation (GJ)	74	87,974	533	0	0	7,700	0	0
Total Renewable Energy Procurement (GJ)	0	258,828	0	0	0	0	0	0

In addition to electricity, other energy types are included within the organizational boundary:

Category	Annual consumption	Energy use (GJ)	Percentage	Energy intensity (GJ/million dollars)
Purchased Power-Nonrenewable Energy	503,660,397 (kwh)	1,554,350	53.39%	1.38
Purchased Power-Renewable Energy	71,896,580 (kwh)	258,828	8.89%	0.23
Self-produced renewable energy	26,744,663 (kwh)	96,281	3.31%	0.09
Natural gas	3,063,768 (m3)	102,595	3.52%	0.09
Diesel	102,685 (L)	3,206	0.11%	0.00
Diesel fuel	230,802 (L)	8,269	0.28%	0.01
Vapor	33,703,140 (kg)	887,876	30.50%	0.79
Total		**2,911,404**	**100%**	**2.59**

Energy Saving Measures

A. Implementing ISO 50001 energy management system

In order to enhance energy management efficiency and implement energy conservation policies, Protek, Pegaglobe, Maintek, Digitek and the Czech Manufacturing Center have implemented an energy management system and been verified to continuously monitor energy usage and implement energy saving measures, which will be rolled out to the rest of plants.

B. Replacing energy saving equipment and introducing energy saving measures

In 2024, a total of 31 energy saving projects have been implemented, resulted in a total energy saving of 23,488MWh and a reduction of carbon emissions of 11,315 tons of CO2e pared to the previous year. The method for calculating electricity savings involves comparing the power consumption before and after equipment optimization, assuming that the production model and electricity usage conditions at the plant remain unchanged. The resulting difference is then multiplied by the national electricity emission factor of the plant's location to estimate the corresponding carbon reduction.

	Energy Saving Measure	Energy saving (kwh)	Energy saving (GJ)	Carbon reduction (tons CO2e)
Equipment replacement	• Replace the chiller main unit • Replace the motor of the air conditioner box to improve energy saving • Replace the precision air conditioner with a split air conditioner • Replace with low-wattage LED lights • Introduce energy-saving booster devices • Replace the cold dryer • Replace the vacuum pump • Introduce heat recovery devices • Replace the engine • Introduce solar panels • Replace the induction lights in the public area and machine room	14,992,568	53,973.24	7,161.07
Optimize management methods	• Increase the air conditioning temperature by 1˚C to improve energy saving • Shut down the air conditioning box, local exhaust equipment, and vacuum pump during non-production periods • Adjust the operation of local exhaust equipment and air compressor during non-production periods • Adjust the operation of the air conditioning chiller • Power off the equipment when it is not used for a long time • Close the main valve of the workshop when there is no production • Improve the process and reduce the investment in nitrogen generators • Energy saving of transformers • Energy saving of fan frequency conversion • Energy saving of latitude and longitude time controller • Energy saving of induction lamps • Turn off the lighting during office breaks • The first and second phase pipelines of the air compressor system are connected	4,750,062.21	17,042.79	2,655.16

C. Evaluate the efficiency of the facilities or equipment

Collaborate with external parties to evaluate the operational efficiency of equipment, analyze energy consumption hotspots as the basis for energy saving improvements, and develop energy saving efficiency calculation methodologies to track energy savings and estimated payback periods for input costs.

D. Set up renewable energy generation device

Solar power systems are installed on the rooftops of various plants, generating 26,745 MWh of renewable energy in 2024, accounting for 5.04% of the Group's total electricity consumption.

	Power Generation (kwh)	Electricity Generation (GJ)	Reduction of carbon emissions (tons CO2e)
2022	8,931,172	32,152	5,091
2023	8,823,199	31,764	4,911
2024	26,744,663	96,281	14,539

Remarks: The emission factors used in the calculation of carbon emissions reduction vary depending on the power plants. Carbon emission factors for electricity in Taiwan and China were selected respectively.

E. Purchase renewable energy and renewable energy certificate

The total amount of renewable energy and renewable energy certificates procured is 268,679 MWh, accounting for 50.66% of the Group's total electricity consumption. In the future, we will evaluate the possibility of introducing renewable energy at each of our plants as one of our key strategies to reduce carbon emissions.

Greenhouse Gas Emissions

Greenhouse Gas Inventory

PEGATRON conducts greenhouse gas inventory according to the Greenhouse Gas Protocol, ISO 14064-1:2018 Standard and internal Management Procedure. The calculation of various greenhouse gas emissions is mainly quantified by the emission coefficient method. If there is any special need or other consideration, other reasonable calculation methods such as direct measurement method or mass balance method are used. The Global Warming Potential (GWP) values are based on the IPCC 6th Assessment Report (AR6). As the operational control approach is widely adopted across the industry for greenhouse gas inventories, it has been used for the quantification of GHG.

Since 2009, PEGATRON has introduced a greenhouse gas inventory plan and set a ten-year energy saving and carbon reduction target, which has achieved in 2020. Starting from 2024, according to the new version of the greenhouse gas reduction target, the base year is adjusted from 2009 to 2021.

The greenhouse gas inventory results of PEGATRON are verified by an external verification body, and the verification statement is disclosed on the official website. The external verification of 2024 greenhouse gas emissions is conducted in June 2025. Scope 1 and 2 greenhouse gas emissions in 2024 totaled 154,576tCO2e. The electricity usage was the primary source of emissions, accounting for 85.2% of the total emissions. The main reason for the reduction of the total emission is due to the increase in the use of renewable energy.

- Reporting Scope: Taiwan, China, Mexico, Czech, Indonesia, Vietnam, India, and customer service centers
- Inventory Scope: Scope 1, Scope 2 and Scope 3
- Greenhouse Gas Type: CO2、CH4、N2O、HFCs、PFCs、SF6、NF3

Greenhouse Gas Emissions (Unit: tons CO2e, by market base)

(Unit: tons CO2e)

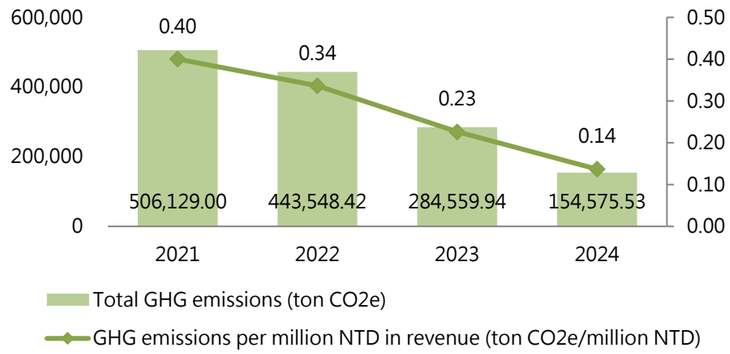
	2022	2023	2024
Scope 1	34,386.21	33,097.7	10,291.78
Scope 2	407,215.65	251,462.24	144,283.75
Total carbon emissions	**443,538.42**	**284,559.94**	**154,575.53**

Scope 3

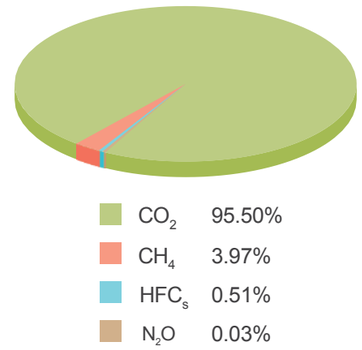
Category	2024
1a. Purchases goods and services (production-related)	2,429,354
1b. Purchases goods and services(non-production-related)	72,219
2. Capital goods	94,846
3. Fuel- and energy-related activities	106,237
4. Upstream transportation and distribution	1,085,506
5. Waste generated in operations	844
6. Business travel	7,728
7. Employee commuting	13,180
8. Upstream leased assets	-

Category	2024
9. Downstream transportation and distribution	2,103,942
10. Processing of sold products	469
11. Use of sold products	799,672
12. End-of-life treatment of sold products	101
13. Downstream leased assets	5,611
14. Franchises	-
15. Investments	2,160
Total carbon emissions	**6,721,870**

Annual GHG Emissions



Greenhouse Gas Emissions Ratio



Carbon Reduction Policy

Our commitment to long term energy saving and carbon reduction was announced by our Chairman, T.H. Tung to show our determination and hoped to have contribution to greenhouse gas reduction through our group's efforts. To implement the greenhouse gas management in PEGATRON Group, headquarter and main production sites setup the "greenhouse gas inventory committee" to execute the inventory management plan and identify significant emission sources as well as draft the reduction targets and plans for reducing the environmental impacts from business, production, activities, and services. Through the management process, we take our responsibility for environmental protection.

PEGATRON has committed to develop eco-friendly design since its inception. In response to the impacts of global climate change, we continue to improve the energy efficiency of products and develop the easy dismantling, easy recovery and energy saving design for the specific products according to customer requirements. Meanwhile, we establish the internal environmental technology standards for manufacturing green products and transform the risks of climate change into business opportunities. Besides, we strive to reduce the greenhouse gas emissions at the design and manufacturing stages. To reach our goal, we use measures of improving the energy efficiency of products and optimizing energy consumption and cost during transportation.

Carbon Disclosure Project, CDP

PEGATRON has been actively participating in the CDP since 2011, responding to the questionnaires about its GHG emissions and its strategy for addressing climate-related risks, investments and opportunities, and received a grade A- in the CDP Supplier Participation Rating in 2024, a significant improvement compared to the CDP Supplier Participation Rating of C in 2023, which shows that PEGATRON is working more closely with its customers on carbon related issues. This year, PEGATRON has expanded the scope of carbon emissions calculation in Scope 3 and will promote the Supply Chain Carbon Reduction Program, and continue to participate in various international initiatives, to demonstrate PEGATRON's commitment to carbon reduction and climate change issues.

Year	Climate Change	Water Security	Supplier Engagement Rating
2024	C	B-	A-
2023	B	C	C-
2022	B-	C	B-

Environmental Protection

The earth gives us everything we need. Now is the time to protect it.

A sustainable environment is a long term goal of PEGATRON Group. For products, we merge green and environmentally friendly concepts into our product design. For daily operations, we comply with international and local regulations to reduce the impacts on the environment. This philosophy is disclosed in our PureCSR policy and implemented in our daily environmental management. Beyond this, we consider the natural ecosystem when building the landscape of each site.

The company sets up the grievance mailbox and a special line for external stakeholders to provide suggestions or make appeals. We also set internal communication channels for employees to use. Each site has a dedicate unit to deal with environmental complaints and is responsible for the implementation of environmental protection, including regular assessments of compliance with local regulations, regulates management procedures, and commissions with third parties for testing to reduce environmental pollution and impacts of the organization's activities. There was no significant violation of environmental laws and regulations in 2024. (Significant violation is defined as being fined for over 1 million NTD.)

Water Management

Water Usage

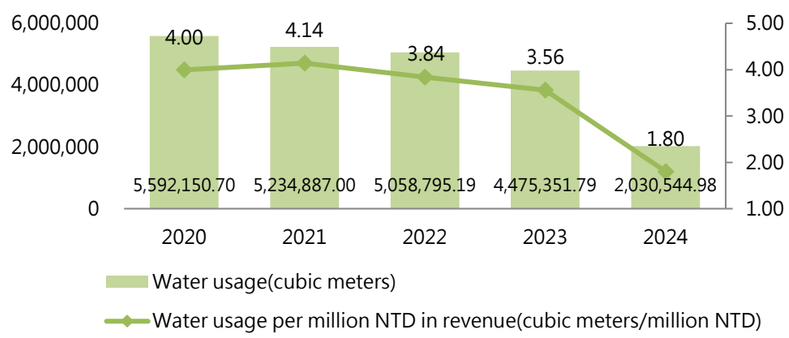
The major kind of wastewater of PEGATRON at each site is domestic wastewater. To ensure the water quality meets related wastewater protection regulations, we issued the "Water Control Management Procedure" to ensure the wastewater quality complies with local regulatory requirements. The periodic monitoring of wastewater quality continues to be conducted by third parties. The monitoring items are identified by environmental impact assessment reports or local legal requirements. All monitoring results in 2024 complied with requirements and the wastewater were discharged to the sanitary sewer systems.

Total Water Consumption by Region

(unit: cubic meters)

	Taiwan	China	Mexico	Czech	Indonesia	Vietnam	India
Total water withdrawn	274,686.27	1,351,315.00	52,793.00	5,606.00	116,942.71	162,756.00	66,446.00

Annual Water Consumption



Water Saving Policy

To enhance the efficiency of water usage, we adopt prevention control techniques of water consumption and water conservation is part of the resource saving program as well. The improvement of water recycling efficiency is our target. We periodically review water conservation performance for continuous improvement. Currently, the main source of water for each site is tap water. We actively promote water conservation activities, and each site has developed and implemented control measures for water conservation. For example, we adopted the water saving design in faucets and adjusted the flushing devices according to the facility production schedule in East China Operation Center. We not only continue our water saving strategies but also keep introducing automation techniques which lead to worker reduction as well as reduce our water usage. Water resource management and water pollution prevention should start with water saving. Each site of PEGATRON has set up and implemented several control measures for water saving and explored possible ways of water recycling in each kind of water usage in the facility.

Water Saving Measures

Office

1. Install water saving devices in faucets.
2. Water saving training programs through activities.
3. Publish posts and slogans about water conservation.
4. Labels on water use devices for information of repair notice.
5. Induction faucets and ushing devices for urinal bowls.
6. Choose water and energy saving devices.

Factory

1. Optimal design of water consumption in chillers.
2. Introduce the condensed water recycling system for chillers and enhance the eciency of water curtain pumps.
3. Individual water meter for water use.
4. Water run-o warning devices for water pools and water tanks.
5. Arrangement of irrigation process.

PEGATRON has approved and committed to the following corporate water conservation goal in 2024:

PEGATRON's production processes are mainly based on assembly, there is no need for large amount of process water. The most water used is for domestic use. Currently, the main source of water used for each site is tap water, which does not cause obvious environmental impact on the ecological environment. Nevertheless, in response to the challenges raised by global climate change, PEGATRON still actively promotes related water conservation activities to enhance the efficiency of water usage, setting an annual water intensity (water usage per million NTD in revenue) reduction target of 1% each year and continuing to track and disclose its water-saving performance annually.

Water Risk Assessment

The water resource is not a significant environmental aspect for PEGATRON Group. PEGATRON main water usages are domestic water and partially comes from factory equipment operations. Our production type is mainly for product assembly with low water usage requirement. However, water shortage caused by climate change and the large variation of rainfall distribution are global issues. We use the Aqueduct Water Resource Risk Assessment Tool developed by the World Resources Institute (WRI) to analyze the water resources and water shortage risks of various locations worldwide. This tool measures the degree of over utilization of water resource in each region by identifying water risk pressure. No matter how much water resource have been used, the water stress index can inform us the sustainability of the local economy and the risk of water supply shortage.

Our principle for water resource management adopts two measures. First, we devote ourselves to reduce the use of water and improve internally on how we handle wastewater. Secondly, we pay attention to promote the water saving concept into our supply chain. PEGATRON devotes to improve the efficiency of water usage and reduce the negative impacts on the environment. We initiate green value and implement corporate social responsibility through taking actions for a sustainable cycle and the concept of coexistence for economic growth and environmental protection. To reduce waste from the original, we focus on equipment maintenance and improvement, and the concept propagation of water resource treasuring at each site.

Response to Water-Related Impacts

To effectively manage water-related risks and ensure uninterrupted operations, the Central China Operation Center maintains regular and open communication with the local water utility company. Through this proactive coordination mechanism, the factory receives advance notice of any planned water supply restrictions or interruptions, allowing sufficient time for water storage or production adjustments. These preparations help ensure that production activities can continue smoothly for half a day to a full day. This collaborative approach enhances the facility's ability to effectively manage potential disruptions in water availability.

PEGATRON water stress index

Water Stress Index is from Aqueduct Tools: https://www.wri.org/aqueduct

Water Stress Index
Extremely-high (>80%)

Juarez, Mexico

Water Stress Index
Low-Medium(10-20%)

Shanghai, China

Water Stress Index
Medium-High (20-40%)

Ostrava, Czech

Water Stress Index
High (40-80%)

Suzhou, China

Water Stress Index
Extremely-high (>80%)

Tamilnadu, India

Water Stress Index
Low (<10%)

Chongqing, China

Water Stress Index
Medium-High (20-40%)

Batam, Indonesia

Water Stress Index
Low (<10%)

Taoyuan, Taiwan

Water Stress Index
Low-Medium (10-20%)

Haiphong, Vietnam

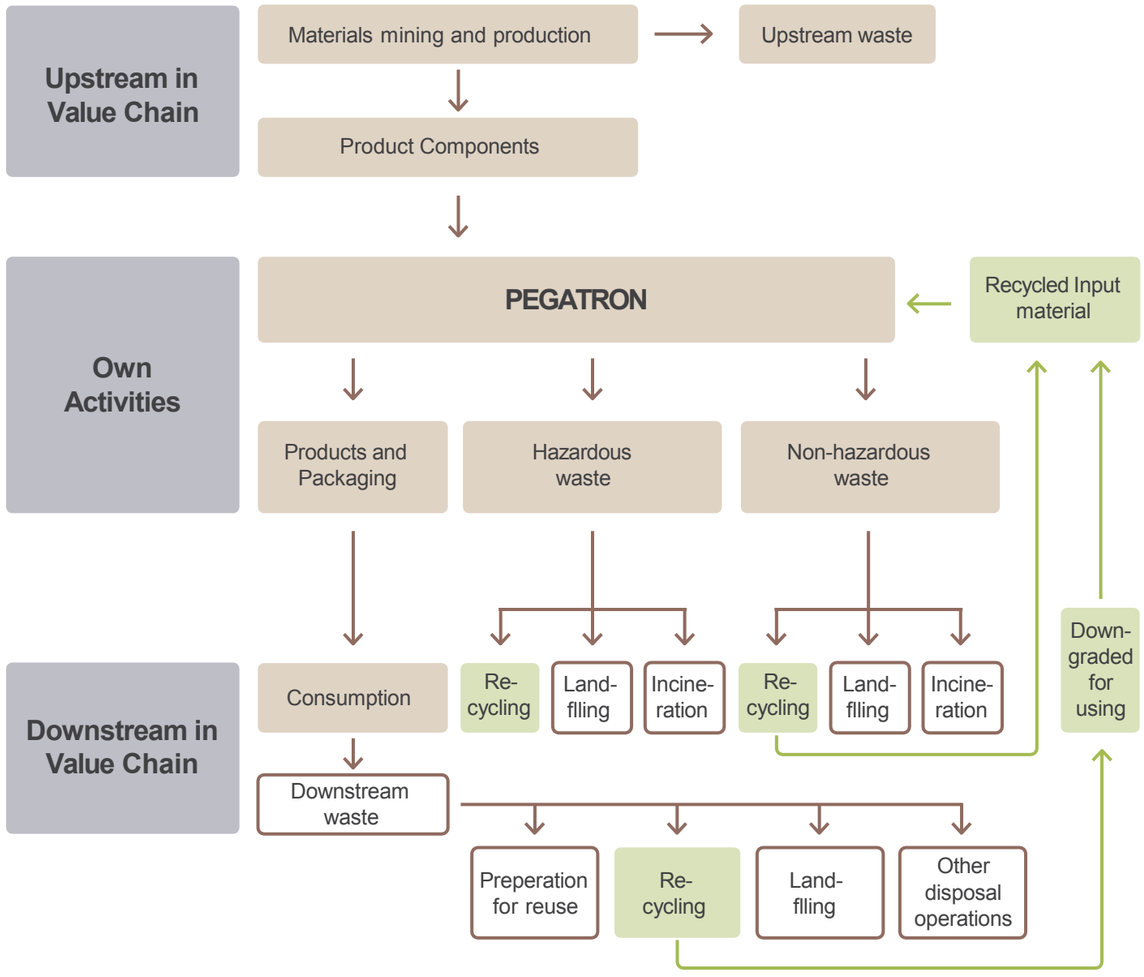
Water Stress Index
Low (<10%)

Taipei, Taiwan

Waste Management

Waste Management

To ensure that all hazardous waste is handled legally and effectively, each operational and manufacturing site follows the Company's internal waste management procedures to oversee the vendor selection and bidding process for waste disposal service providers. All vendors are reviewed for legal compliance under principles of openness, fairness, and impartiality. Prior to contracting with any new waste disposal vendor, PEGATRON conducts an evaluation of the vendor's qualifications and treatment capabilities. Vendors are also required to sign a declaration form for waste management. Each year, vendors eligible to participate in the next year's bidding process are selected from among those authorized by local authorities to handle hazardous electronic and electrical waste. In accordance with standard procedures, only waste transportation and disposal vendors with official permits issued by competent authorities are engaged to carry out off-site removal and delivery. Designated personnel monitor the waste disposal process, manage transport information, and conduct regular audits of service providers and weighbridge records to ensure compliance with applicable standards. For e-waste disposal vendors, internal audits are conducted at least once every two years by the responsible management unit to ensure the vendor's legal compliance and operational competence. Through these comprehensive vendor management procedures, the Company mitigates the risk of environmental impact caused by improper waste disposal. Additionally, the Company undergoes annual external audits under the ISO 14001 Environmental Management System to ensure the effectiveness of its waste management practices.



Waste Generation in 2024

Hazardous Waste Generation

(Unit: tons)

		Taiwan	China	Mexico	Czech	Indonesia	Vietnam	India
Disposal transfer	Reuse	-	-	-	0.20	-	-	-
	Recycle	-	366.87	471.38	-	125.10	43.66	-
	Recovery	-	6.84	-	-	-	-	-
Direct disposal	Compost	-	-	-	-	-	-	-
	Incinerate	4.95	274.52	37.87	0.27	32.92	-	2.23
	Landfill	-	-	-	-	9.20	-	-
	Onsite storage	-	-	-	-	-	-	-
	Other	64.12	37.72	-	-	2.12	18.78	-
Total waste generation		1,498.74						

Non-hazardous Waste Generation

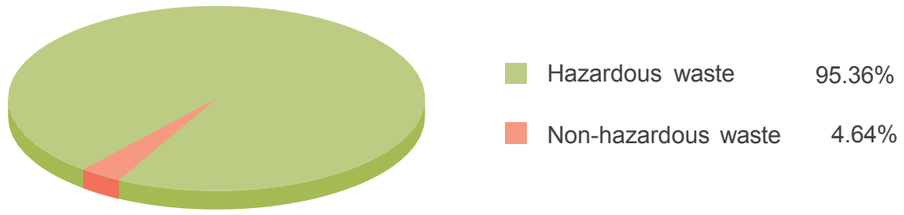
(Unit: Metric Tons)

		Taiwan	China	Mexico	Czech	Indonesia	Vietnam	India
Disposal transfer	Reuse	-	-	-	14.76	-	-	-
	Recycle	1,307.65	17,038.90	1,289.22	82.57	3,558.29	1,921.69	3,229.15
	Recovery	240.10	-	-	-	-	-	-
Direct disposal	Compost	-	-	-	-	-	-	-
	Incinerate	453.00	994.40	-	-	-	353.51	-
	Landfill	-	-	319.57	6.72	-	-	-
	Onsite storage	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-
Total waste generation		30.809.54						

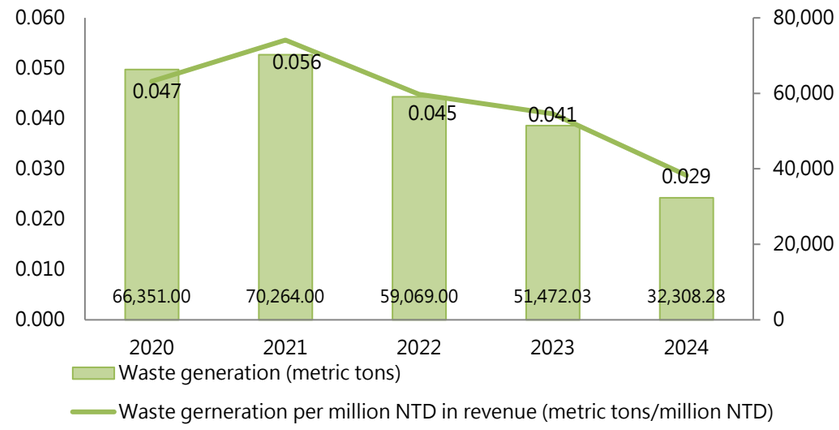
Note 1: "Reuse" means inspection, cleaning, or repair operations through which products or components destined to become waste are reused for the same purpose for which they were originally intended; "Recycling" means replacing materials purchased or obtained from internal or external sources; and "Reclaiming" means taking a product or component that has become waste and subjecting it to a reprocessing process in order to create a new material.

Note 2: The data of each site were collected from waste removal suppliers and then compiled by the Occupational Health and Safety or Environmental & Safety Departments to form the values for each plant.

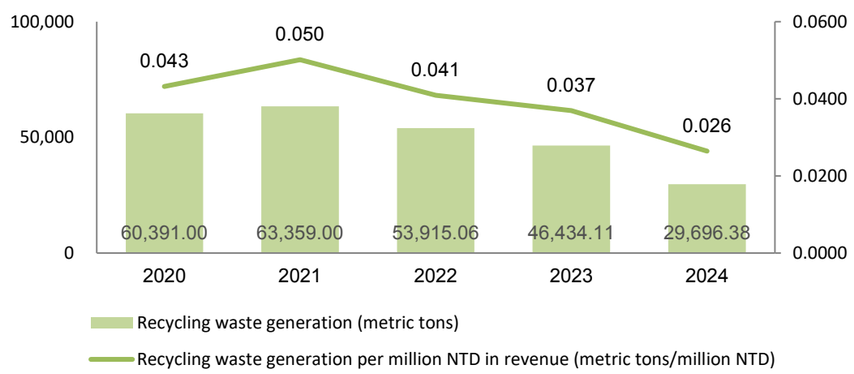
Waste Generation Type



Total Waste Generation



Generation of recycling waste



Waste Reduction Policy

The challenge of waste handling is one of the major environmental aspects in PEGATRON Group. As a professional DMS company, we follow our internal procedures to control the wastes produced at each stage. Almost all wastes are treated through recycling ways. However, unrecycled domestic waste will be incinerated. To achieve the goal of circular economy, Protek has promoted a zero waste to landfill project, which included compliance management, verification, and audit to ensure all wastes are dealt with appropriate disposal instead of direct landfill disposal. Protek has achieved “100% diversion, with 9% thermal processing with energy recovery”, which was verified by a third-party based on UL 2799 environmental claim validation process for zero waste classifications in November 2016. We will continue to devote ourselves to resource recycling treatment in the future.

The principle of waste management in PEGATRON is to minimize the importation of raw materials. In addition to source reduction, we pay attention to the use of recycled packing materials to improve the re-utilization rate. Furthermore, we have set up a waste management unit at each site that is responsible for the daily operations and waste statistics, and helps other units to implement waste reduction and recycling. Factories in Taiwan have launched a plastic reduction program. Disposable tableware is no longer provided in our restaurants since 2019. In addition, the Welfare Committee has given each employee a set of environmentally friendly meal boxes with a bag, which can be used in our restaurants and daily dining outs. We hope to achieve the goal of waste reduction by decreasing the use of plastic bags and disposable meal boxes. PEGATRON's waste classification includes hazardous waste, general waste, and recycling waste. The total of general and recycling waste is non-hazardous waste.

Green Product

We enable the products you buy to participate in the green revolution through environmentally friendly design.

Sustainable Design

As a professional DMS, PEGATRON designs innovative and high-end technology electronics with the concept of economic, society, and environmental sustainability. For the issues of global warming and limited natural resources, we focus on the safety and health impacts for users during our product life cycles and devote to the enhancement of product energy efficiency. To reduce the impacts on the environment and lower or eliminate the negative effects on health and safety in design and manufacturing phases, we control the usage of hazardous chemicals and use recyclable materials according to international environmental protection regulations and customer requirements.

“PEGATRON continually focuses on product safety, regulatory compliance and pursues improved product quality through innovation, efficient manufacturing, eco-friendly design, on-time delivery, reliable services, lean processes, and comprehensive training to earn customer satisfaction” is our PureGMS policy. Our product quality management activities are based on ISO 9001 Quality Management System. Our IECQ QC 080000 management system is developed to ensure all our products are under control to avoid hazardous substances used or products contained from the stage of customers’ requests to product delivery. Meanwhile, we establish GP (Green Product) management system and get certifications of TL 9000, IATF 16949, and ISO 13485 to meet specific customer requirements.

PEGATRON is keen to pursue product quality and continuous improvement and perseveres in promoting product yield by using lean production approaches, and introducing automatic production devices to reduce defects caused by negligence throughout the manufacturing process. Meanwhile, PEGATRON uses SFIS (Shop Floor Integrated System) system and is supported by big data to analyze its first pass yield rates, lot reject rates, loss rates, etc. Therefore, the production yields and the usage rates of material increase.

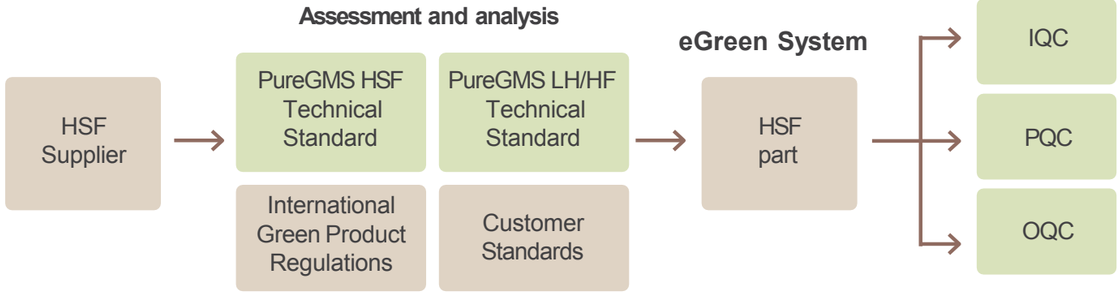
PEGATRON tracks and summarizes international environmental regulations, including hazardous substances, green marks, and environmental labels. Relevant units report the regulatory compliance and related measures in the regularly Steering Committee (SC) meetings. The latest environmental regulations are also communicated internally through the monitoring platform for regulations. PEGATRON has no case of noncompliance led to fines with regulations concerning the health and safety impacts or information labeling by products and services in 2024.

PureGMS, Green Product Management System

Hazardous Substance Management

PEGATRON has professional experience in the integration of design with production and service. In addition to green supply chain reinforcement, we also provide customers with creative energy saving and hazardous substance free (HSF) product design concepts to facilitate the introduction of green products. We meet customers' green requirements and legal requirements during the design and material selection phases. The banned substances include serious environment impact substances which are restricted to be used according to EU RoHS or REACH. In addition, we further control the use of more than 50 chemical substances on ozone depletion substances and radioactive materials. The restriction of hazardous substances contained in batteries and packing materials by legislation and customer requirements also have been introduced into PEGATRON's HSF management system. To align with customers' green product requirements, we parse customers' requirements and current international green product regulations. Moreover, we integrate the requirements into our HSF management system gradually to realize the sustainable development of green products.

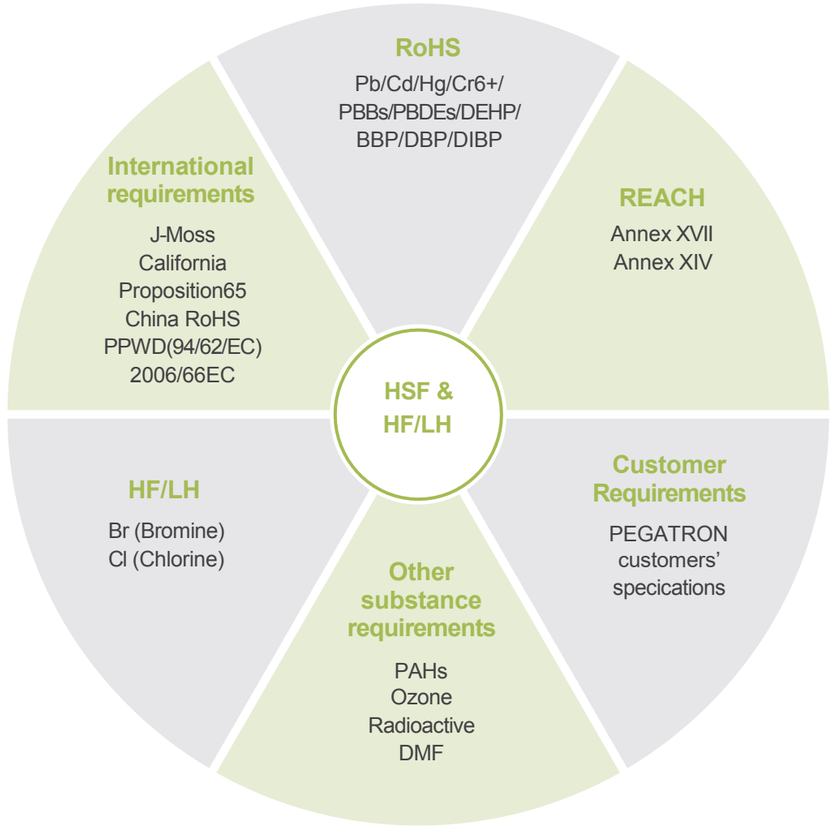
Hazardous Substance Management Process



Hazardous Substance Control

To meet the international environmental regulations and customer requirements, PEGATRON has issued PureGMS HSF Technical Standard and PureGMS Low Halogen/Halogen-Free Technical Standard. We tailor customers' green product specifications upon requests and include them in our component approval process. All components need to follow PEGATRON's or Customer's requirements of green product specifications in the design phase to reduce the hazardous substances of the products effectively in the early stage of product life cycle. To make sure that all products can meet the global regulations and customer requirements of hazardous substances, it needs to be divided into multiple phases to control the use of hazardous substances. To assess the safety and health impacts of product life cycles for employees and users, we conduct regular internal and external audits of the IECQ QC 080000 hazardous substance free management system every year to ensure the implementation and progress towards continuous improvement.

Hazardous Substance Control Category



Hazardous Substance Reduction Training

PEGATRON considers the trend of global environmental regulations is gradually stricter for hazardous substances management. Therefore, to improve human health and safety, and reduce the impacts on the environment, PEGATRON not only sets up the hazardous substance reduction program for all components yearly, but also monitors global environmental regulations periodically to comply with the international environmental regulations in time. In addition, PEGATRON conducts a regular search for the green regulations in response to the ever-changing requirements of the international green regulations and the adjustment or responses to the impactful regulations are reported in the monthly PureGMS Steering Committee meetings.

Besides, to enhance the competency of all employees on the HSF management system, our employees need to attend HSF Basic, Intermediate, or Advanced training courses based on different levels of works. The materials of HSF refresher training courses are reviewed every year in accordance with the international green product regulations and standards which were updated in the past year. All employees shall participate in the refresher training courses in the current year.

The targets for the completion rate of HSF related training courses are achieved every year. It helps us to understand the changes of new international regulations on green products and implement the HSF management system effectively. Generally speaking, PEGATRON always catches the trend of international regulations in time and cooperates with customers to identify the environmental requirements to ensure compliance. By the end of 2024, the completion rates of all HSF courses are 100%.

HSF Online Courses

HSF Beginner level	HSF Intermediate level	HSF Advanced level
• Introduction to International Environmental Laws and Regulations • SPT-00001 Controlled substances • Introduction to PureGMS	• Green Parts Flag Coding Principle Explanation • Introduction to SPT Technical Standards • Introduction to GCT Form Process • HSF Organizational Adaptation Functions and Knowledge Building	• Introduction to HSF Parts Approval • eGreen Platform Introduction

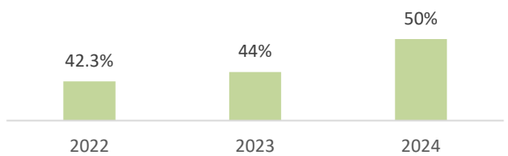
Remarks: GCT stands for Green Spec Comparison Table

Low Carbon Production

Environmental Labeling

All products designed and manufactured by PEGATRON are complied with customer requirements, international regulations, and related regulations in sales territories, and verified accordingly. The environmental information is marked on the product based on the demand. The concept of green consumption began popular after the environmental protection campaigns in European and American countries in the 1970s, and environmental labels were born accordingly. Through the rule of environmental labeling, the trend aims to awake consumers to choose products with recyclable, low pollution and resource saving to improve environmental quality. In recent years, the trend of environmental labeling in various countries has gradually expanded the scope to social responsibility. This trend shows that in addition to pay attention to the three R requirements of the product side, the company also needs to fulfill its social responsibility. PEGATRON is in line with the world trend and hopes to be more competitive. From the design to the manufacturing, including waste reduction, recycling, and other related requirements, PEGATRON continues to work hard to meet the trend to fulfill its social responsibility. Also, we actively cooperate with the green marketing needs of customers' products and strive to achieve customers' goals. In the future, we will continue to meet the legal requirements and customers' green product requirements as well as fulfill the obligations of corporate citizenship.

Proportion of ECO Labels for Computer Products



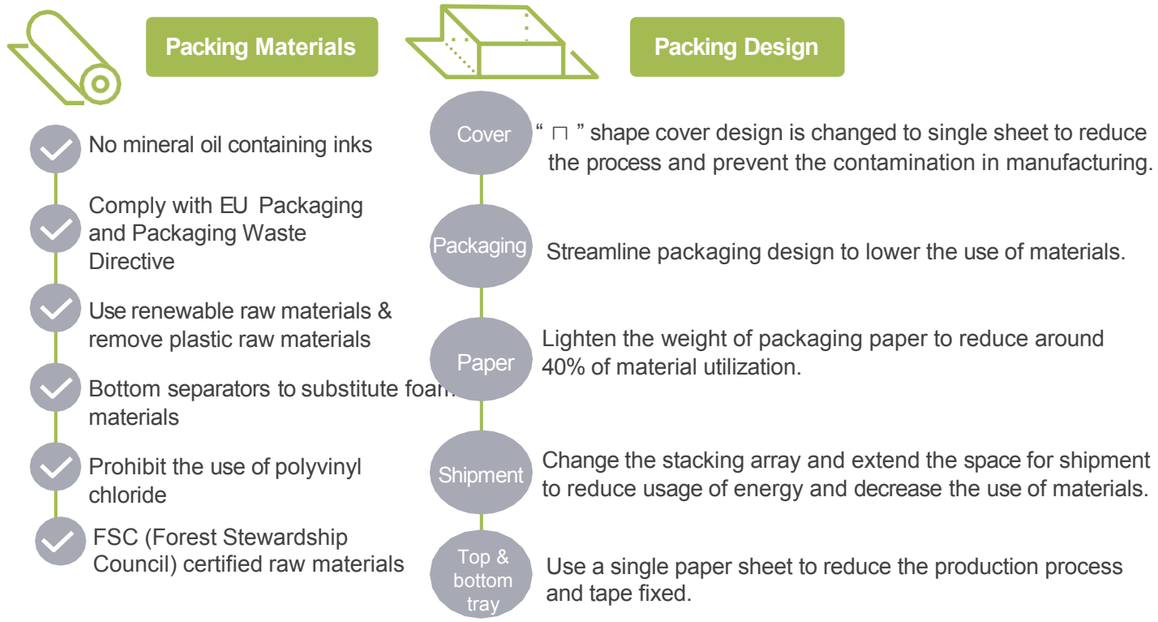
Note: Computer products refer to PEGATRON products such as boards, laptops, industrial computers, tablets, desktops, minicomputers, etc., and environmental labels include EPEAT, EU Eco Label, China SEPA, TCO, and Eco Mark.

The focus of our research and development of electronics products is to save energy. From the beginning of development, we consider the energy related requirements of different nations in the design phase. To enhance energy consumption efficiency, we meet current energy usage requirements, anticipate customers' needs, and set targets according to the newest internal energy efficiency trend. To ensure the electronic products we manufacture meet the requirements of energy efficiency, PEGATRON has established a qualified energy efficiency laboratory (Supervised Manufacturer's Test Lab programs; SMTL) at corporate headquarter in Taipei in October 2011. The laboratory was certified by UL(Underwriters Laboratories Inc), an organization recognized by the U.S. Environmental Protection Agency. In 2015, the laboratory was further approved and qualified by the U.S. California Energy Commission as a Test Laboratory and Third-Party Certifier.

Green Packaging

We include resource conservation, reusability, and recyclability in our packing design assessments. Meanwhile, we also consider minimizing the environmental impacts of packing materials and manufacturing processes, as well as the final disposal of no longer needed packing materials during package design.

Eco-Friendly Considerations: We take the green concept into account when designing the package and using the raw packing materials.



Product Safety Regulation

To ensure users' property safety, many countries have set safety and electromagnetic compatibility specifications as well as testing standards for various products to protect the rights of customers and end users. PEGATRON establishes internal verification procedures according to the national standards and regulatory requirements through the standardized process. Our RD conducts overall assessments and testing for products accordingly. In addition, we also follow related safety and EMC specifications and requirements at the manufacturing stage. PEGATRON has no violation case or penalty by the government due to product safety related issues in 2024.

International regulations regarding product safety are reviewed in the regular management review meetings. If there is any update, we will instantly notify relevant personnel to ensure regulatory compliance. We provide regular trainings for relevant personnel, including safety operating standard introduction, safety inspection introduction, plastic material selection guidelines, and materials and parts safety requirements. Therefore, employees have the necessary skills when performing product safety activities.

To protect the health and safety of users' lives and safeguard end users' interests, PEGATRON performs internal safety audits to verify the effectiveness of the quality system. According to the internal regulations, we also develop the abnormal handling process of product safety. When it is found that the safety regulations have not been met in the process of purchasing, manufacturing, or inspection, we will identify, isolate, and dispose of the products, and notify the relevant units. After that, relevant units should retest the repaired or reworked products.

Green Transportation and Business Travel

To save energy and increase the efficiency of traffic / transport usage and business travel, we continue to promote green transportation and business communication.

Green transportation includes:

- Lower the weight of products and packing materials to reduce the fuel consumption. When selecting suppliers, the locations of the suppliers are taken into account to improve the transportation eciency.
- To meet environmental protection and carbon reduction policy, marine transportation is considered rst so as to reduce carbon emissions. Direct ights are preferred for air transportation to reduce trac time and distance.
- Centralized transportation to reduce the times of transportation.
- For overseas transportation, we cooperate with the shipping companies which are willing to reduce the vessel speeds. For ground transportation, transportation by trucks are replaced by railway system which is more environmental friendly.
- From 2020, the International Maritime Organization has set a limit of 0.50% m/m on the sulfur content of the fuel used on ocean shipments. Our transportation companies comply with regulation to reduce sulfur oxide emissions.

Green commuting and business communication include:

- Daily commuting: In Taiwan, more than half of employees commuting by public transportation to the factories and corporate headquarters. Our company also provides shuttle buses between dierent working places.
- Using video / voice / communication software meetings as substitutes for face-to-face meetings have always been actively promoted by PEGATRON.

Social Welfare

Create a happy workplace and promote the common welfare of the community.

Management of Material Topics

Material Topics

labor rights, Occupational health and safety

Positive or negative impact

(1) A working environment that is better than the regulatory requirements will enable employees to work with peace of mind during the production process and increase productivity.
(2) Failure to properly manage human rights issues may result in workers' health and quality of life being compromised due to overtime or hazardous conditions.

Management policies or measures

(1) Promote the working conditions in the offices and factories by the environmental safety departments in accordance with ISO 14001, ISO 45001 and local government regulations.
(2) Regular audits by internal units and external organizations to ensure proper implementation of policies and reduce potential risks.

Goals and Achievements

(1) The monthly average turnover rate is reduced.
(2) Work-related death rate is 0.

Labor Relations

Respect International Human Rights and Cultivate Local Talents.

PEGATRON Group's philosophy is based on a work-life balance of "Bring Joy at Work, Enjoy Happiness in Life". We expect that employees will treat their work with a pragmatic attitude, stimulate their potential through different work challenges, and constantly surpass themselves to pursuit more outstanding performances. When all team members work together to achieve excellence, all employees can enjoy a "Happy Life", which is PEGATRON Group's ultimate goal. To promote the protection of human rights and prevent human rights violations, PEGATRON complies with the labor laws and the internationally recognized fundamental labor rights to protect employees' lawful rights and interests. Moreover, we also develop the policies and procedures to protect the fundamental human rights of employees.

Employee Profile

As of December 31, 2024, PEGATRON's global workforce totally was approximately 56,938, a decrease of 41,264 compared to the previous year due to industry trends and production cycles, while the number of full-time workers in Taiwan who are not in supervisory positions in 2024 is 7,374, an increase of 883 compared to the number of previous year. Workers who are not employees but controlled by the organization are mainly cleaning personnel, security guards, dispatched employees, interns and contractors who perform regular maintenance on equipment. Because the personnel and time for entering the sites are not fixed, the information on the total number of these kinds of workers is not available. Thus, the information on this item is omitted from the disclosure.

The ratio for hiring local residents to be managers

(unit: %)

	Taiwan	China	Mexico	Czech	Indonesia	Vietnam	India
Percentage of local-hired managers	98.7%	83.9%	49.5%	90.0%	11.1%	15.4%	79.7%

Remark 1: The proportion of local residents employed as management (%) = the total number of local residents in the management / the total number of local senior management
Remark 2: The management are the employees who have the management responsibilities.
Remark 3: The local people are the employees who are born or have the legal rights to reside indefinitely in a local country, but the scope of the Czech extends to European Union (EU).

Manpower structure

(unit: number of people)

Location	Total	Gender		Age			Permanent				Temporary				Non-guaranteed hours	
							Full-Time		Part-Time		Full-Time		Part-Time			
		Male	Female	Under 30 yrs.	31-50 yrs.	Over 51 yrs.	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Taiwan	7,330	4,749	2,581	1,287	5,168	875	4,418	2,018	6	3	325	560	0	0	0	0
China	19,171	12,927	6,244	11,040	7,949	182	2,972	2,225	0	0	9,955	4,019	0	0	0	0
Mexico	3,227	1,796	1,431	1,869	1,219	139	1,796	1,431	0	0	-	-	0	0	0	0
Czech	472	249	223	187	244	41	175	99	3	13	67	79	4	32	0	0
Indonesia	6,302	1,993	4,309	5,773	528	1	479	710	0	0	1,514	3,599	0	0	0	0
Vietnam	5,681	3,239	2,442	3,969	1,712	0	3,969	1,712	0	0	0	0	0	0	0	0
India	14,755	4,390	10,365	14,006	749	0	1,797	586	0	0	3,681	8,691	0	0	0	0

We not only focus on the global market, but also focus on local development. PEGATRON continues to employ local staffs as management at each of our major operating locations to implement the concept of localization of talents. We have also strengthened the employment of physically and mentally challenged employees to provide employment opportunities and jobs for the underprivileged. At the same time, PEGATRON actively adjusts the hiring measures in line with the government policy to do its part in the localization of employment.

PEGATRON respects equal rights and anti-discrimination of each candidate's gender, religion, race, national origin or political party. When we recruit a new employee, our primary consideration is the candidate's skills and abilities to do the job. Our recruitment policy is specified clearly to ensure the fairness of recruitments, employments, developments, performance appraisals and rewards for both applicants and employees. The company provides the same working condition under consistent management. For the management of internal employees, the work category (including operator, assistant engineer/administrator, senior engineer/administrator, deputy section manager/specialist, section manager and manager, etc.) is corresponding to the required capabilities and performances as the basis. There is no unfair treatment because of gender, age, region, religion, nationality, or political party. Under the spirit of performance appraisal and promotion system, staffs with the same abilities have the same opportunities for promotion.

Labor Rights

In order to clearly define the rights and obligations of both employers and employees, to improve the management system, and to encourage both employers and employees to work together for the development of the Group, PEGATRON has established the organization's human rights policies in accordance with the RBA Code of Conduct and local labor laws and regulations, as well as the international labor rights regulations, such as those of the International Labor Organization (ILO), United Nations Global Compact, and United Nations Guiding Principles on Business and Human Right. The safety and health policy is published after approval by the President and CEO. The contents of the policy are publicly disclosed on the "Commitment and Policy" page of the official website. The various implementation programs and due diligence investigations are carried out through the PureCSR management system to ensure that the rights and interests of employees are respected. The following are the guidelines for the implementation of labor rights.

【Prohibition of child labor and Protect young workers】

The appointment and recruitment processes of PEGATRON are in accordance with local regulations and comply with the requirements of RBA Code of Conduct. We set the minimum age requirement, develop the identification system and control measures to ensure that the employment of child labors is strictly prohibited at each site. We also develop the" Child Labor Remediation Procedure" to respond and commit the measures taken when hiring a child labor carelessly. For young workers under the age of 18, we promise not to let them be responsible for the works which may endanger their health or safety, and provide the appropriate support and trainings. The compliance rate of Zero Child Labor Policy is 100% by 2024.

【Prohibition of discrimination and Provide fair remuneration】

PEGATRON prohibits any form of harassment and unlawful discrimination. We prohibit any discrimination in employment because of race, color, age, gender, sexual orientation, ethnicity, gender identity and expression, disability, pregnancy, religion, political affiliation, union membership, veteran status, genetic information and marital status while employee hiring and working. Meanwhile, we prohibit forcing workers or potential workers to accept discriminatory health checkups or physical examinations. We follow the principle of pay equity and regularly review the market information to setup competitive pay levels. Our payment is no different because of gender, race, religion, and class. In addition, our salaries and benefits comply with local regulations and industry standards. The deductions of wages due to disciplinary purposes are prohibited.

【Prohibition of forced labors and Freedom of choice of occupation】

PEGATRON signs labor contracts with employees following the laws, and the contracts state that employment relationship is established based on mutual consent. PEGATRON has no forced labor. In addition to being against illegal human trafficking and slavery, we also have a prohibition of forced or compulsory labor. Control measures for agencies are carried out and compliance with local regulations is included in the contracts signed with the agencies. PEGATRON complies with the requirements of the RBA Code of Conduct. We have no unreasonable restriction for labors to move freely in and out of the workplaces. Employees have the right to leave or terminate the employment relationship of their free wills.

【Prohibition of inhuman treatment and to keep communication channels open】

PEGATRON prohibits any tangible or intangible sexual harassment, violence, abuse, corporal punishment, mental or physical oppression, and other kinds of discrimination in the workplace. In addition to the clear rules and policies (e.g. Work Rules, Regulations for Prevention, Correction, Complaint and Punishment of Harassment and Abuse at Workplace), we also setup an email mailbox and a hotline for reporting sexual harassment/violence. There is a strictly confidential rule in place to protect the whistleblowers. PEGATRON will not retaliate against any employee who claims a complaint. All changing terms of employment have been duly notified according to regulatory requirements. The information is also provided immediately through EIP websites, emails, TVs, or bulletins, etc.

【Respect for freedom of association and protection of labor rights】

To comply with local regulations, we respect that each employee has the right to participate in unions, collective bargaining and peaceful assemblies. Simultaneously, we also respect the right to non-participation. The percentage of employees who have signed a group agreement is 85.9%. Employees who have not signed a group agreement also enjoy the labor rights and protection of general employees. We take the interests of both sides into account and protect the rights of employees through an open and equitable consultative mechanism. Related notice period and consultant issues also regulated in related procedures. If the company has any major operational change that may affect employees, they will be informed in advance based on labor regulations in Taiwan. The employees and their representatives at overseas sites will be informed at least four weeks before the change come into effect. Besides, there is no union organized in Taiwan, the labor and management meeting held quarterly to ensure the interests of employees. Rules for labor and management meeting are also set and posted on the company's website for colleagues to review. Most overseas sites have employee representative meetings or unions to effectively promote the relationship between laborers and management as well as ensure the rights for exercising freedom of association and collective bargaining. West China Operation Center has established the employee's representative meeting and it is held in November each year according to the management procedure. Before the meeting, employee representatives will collect issues.

【Establishment of working time control mechanism to protect labor rights and interests】

In accordance with applicable laws, regulations and the RBA code of conduct, overtime work is arranged by department supervisors based on operational needs, with prior consent from employees and with full assurance that their rights to rest and meal breaks are fully respected. All sites have established overtime alert mechanisms and automatic notification systems to manage employees' working hours. In addition, customized management reports based on different working hour requirements are provided to departments and factories as references for workforce planning. A working hour inquiry system is also set up, enabling designated personnel in each business unit to access employee working hour data and arrange overtime in a reasonable and compliant manner.

【Ensure that the staff dormitory environment clean and safe】

Central China Operation Center: We provide employees the community type accommodations, surrounded by all-inclusive living facilities such as food courts, supermarkets, salons, health centers, banks, libraries and gyms, to enrich their lives.

East China Operation Center: The employee dormitory offers a free gym, a shared kitchen, 24-hour self-service vending machines, smart lockers for convenient package pick-up and delivery, and is conveniently located near a night market.

West China Operation Center: Accommodations of 1, 2, 4, and 8 people rooms for the employees are provided, and we cooperate with the property management company to ensure employees' accommodations are clean.

Labor Communication

Our employees are encouraged to provide their suggestions and opinions through various channels that have been setup for them. We believe the company's culture and work atmosphere can be improved by hearing the voices of our employees. Communication channels are setup for our employees to express their opinions. PEGATRON considers its staffs to be precious assets. To let them have productive contributions, PEGATRON pays attention to the work-life balance of its employees. We provide timely cares and helps for employees while enhancing our company's productivity and reducing employees' turnover rate.

To provide our employees with a better understanding of the company's operating status and directions, our CEO holds face-to-face regular meeting every year. CEO dating meetings help our employees to have a more in-depth understanding of the company's decision making processes.

In 2024, the total number of employee communication is 13,065. The case closing rates of grievance cases related to gender equality, involuntary labor, and the overall settlement rates are all 100%.

Employee Communication Channel

Type	Communication Channel
High level Communication	Meeting with CEO, Meeting with Factory Director and General Manager, etc.
Interview Meeting	Meeting with Factory Director, Employee and Management Meeting, Line Representative Quarterly Meeting, Meeting with Factory Teacher, Employee Interview, etc.
Service Center	Employee Service Center, Consulting Service Center for New Employees, HR Service Center, etc.
Online Platform	i-PEGA Box, HappyHelpCenter, Employee Communication Consulting Platform, Hi-Sister Workshop, WeChat Online Service Platform, etc.
Communication Email	Suggestion Box, Sexual Harassment/Violence Complaint Mailbox, Business Ethics Complaint Mailbox, etc.
Hotline	Sexual Harassment/Violence Complaint Hotline (Ext 33395), 17885 Hotline, Medical Hotline, etc.

Talent Development

Recruit talents and pay attention to talent development.

Talent is the key issue for an enterprise's continuous development. Cooperation between employees and the company is the solid basis for our future development. We believe that where there have excellent talents, the company will become an excellent corporation. Respect for human nature and the cultivation of talents are our core values. In addition to the establishment of an innovative and diverse corporate culture, we also pay attention to employees' benefits and health cares. We are eager to balance loads of employees' high performance working with their happy living.

Retention and Recruitment

We provide colleagues with a safe and comfortable working environment, along with many training courses and diverse career development opportunities. Competitiveness is shown in our staff structure, morale, and vitality. Staff stability is also an important indicator of the company's efforts. PEGATRON promotes employee retention rate by providing employees with career development and self-growth opportunities, work-life balance, and improving management capabilities, just as the business philosophy of "Bring Joy at Work, Enjoy Happiness in Life.".

We value the contributions of our diverse employees and keep attracting global talents to join us by providing a good working environment and development opportunities. We also have industry-academic cooperation and internship programs to recruit good talents. We provide employment opportunities for local labors and disabilities to attract diverse talents and achieve corporate social responsibility.

PEGATRON provides professional testing tools and complete interview trainings for supervisors with recruitment needs. By doing so, supervisors can ensure the fairness and effectiveness of recruitment and the quality of talents when recruiting. In addition to professionalism, the candidate's ability, value, attitude, and ability to blend in with PEGATRON's culture are also important indicators. We have the principles in place for selecting the best talents for the tasks and we expect our employees to fully demonstrate their talents in their works at the workplace.

The wages we paid to workers comply with the relevant remuneration laws, including minimum wages, overtime, and statutory benefits, etc. We review and adjust the salaries by the reference of economic indicators and industry wage level every year. For an employee's resignation and retirement, we implement in accordance with local and regional legal regulations. Also, we continue to cooperate with the local government projects of unemployed training programs to promote their continued employability. The average annual salary of all non-managers was NTD 1.452 million in 2024, an increase of NT$106,000 compared to the previous year. The median annual compensation of all non-managers is NTD 1.235 million in 2024, increase of NT$101,000 compared to the previous year.

East China, Central China, and West China operation centers develop competitive salary standards based on the minimum wage levels announced by the local governments, wage guidance, and the level of industry wages. We also raise the salary by a certain proportion for the existing employees to increase their incomes. In addition to the basic wages and overtime pays, we setup additional bonuses or allowances to let the salaries of our employees far exceed the local minimum salary standards to ensure that the salary level meets the company's competitive development needs.

Monthly average new employee rate

(unit: %)

	Gender		Age		
	Male	Female	Under 30 yrs.	31-50 yrs.	Over 51 yrs.
Taiwan	0.8%	0.9%	2.5%	0.4%	0.8%
China	34.2%	22.7%	41.3%	15.1%	0.1%
Mexico	9.6%	10.6%	11.4%	8.6%	4.1%
Czech	1.9%	2.1%	2.0%	1.9%	2.5%
Indonesia	3.4%	3.3%	3.4%	1.7%	0.0%
Vietnam	13.3%	9.4%	13.5%	7.9%	0.0%
India	11.8%	1.0%	3.5%	18.3%	0.0%

Remark 1: New employee rate (%) = monthly average number of new employees/(sum of number of all employees in beginning of the month and the end of the month/24)

Monthly average turnover rate

(unit: %)

	Gender		Age		
	Male	Female	Under 30 yrs.	31-50 yrs.	Over 51 yrs.
Taiwan	1.1%	1.5%	2.0%	1.0%	1.4%
China	31.2%	21.4%	37.3%	14.6%	1.5%
Mexico	4.3%	4.9%	4.9%	4.4%	2.5%
Czech	3.0%	3.4%	3.0%	3.1%	5.0%
Indonesia	1.8%	2.1%	2.1%	1.4%	0.0%
Vietnam	8.8%	6.4%	8.4%	6.5%	0.0%
India	11.1%	0.9%	3.6%	9.2%	0.0%

Remark 1: Turnover rate (%) = monthly average number of employee leaving/(sum of number of all employees in beginning of the month and the end of the month/24)

The internal assessment system covers all employees worldwide, and we announced a clear appraisal rule and assessment process. The work incentives and disincentives are internally disclosed, and we communicate the execution process with all employees. All employees (except new employees who onboard less than 3 months) have twice performance assessments per year to give feedback on their performances. Annual employee development plans are set according to assessment results. While assisting employees' growth and development through performance management, the principle for employee retention of PEGATRON is to respect, cultivate and value our employees. We provide complete training programs and job rotation plans according to employees' IDP (Individual development plan) analysis results combined with their own career goals. In addition, we have personal development projects for employees to help them to find their potential abilities and perform better.

Training

PEGATRON emphasizes career planning and talent development by encouraging employees to attend internal and external training programs. Internal training programs include courses for core competency and professional competency development to enhance employees' capabilities. We also assign employees to attend external training programs, including seminars or conferences organized by external parties which provide excellent and professional training opportunities. For employees who change their jobs or roles, the company will provide general, management, and professional trainings to reduce their insufficiencies, we also assign mentors to help them to adapt to the working environments in short periods.

Resources of Learning	Description
New employee orientation	Corporate introduction, corporate culture, corporate rules, introduction of PureCSR, and introduction of PureGMS. To help new employees to be familiar with the environment and internal procedures quickly, each new employee may have one mentor.
Occupational Safety and Health Course	Provide different training courses for colleagues with general or special operations according to the requirements of laws and regulations.
Core competency training	We plan training programs for employees at each level based on their competencies, such us communication, problem solving, presentation skill training, etc.
Management training	We plan management trainings such as new section manager orientation and new department manager training, based on the roles and responsibilities of supervisors. The topics include performance review, recruitment interview, leadership, communication, problem solving and business strategy.
Professional competency training	Each unit plans professional competency training programs based on the needs of professional knowledge and skills.
Internal lecturer training	To hand down the internal knowledge, "train the trainer" training programs are held every year and both e-Learning and classroom training instructors are included.
General lecturer training	Art, living, and management lectures are included.
IDP	The development plan for next year will be determined jointly by an employee and his/her direct supervisor based on the discussion result between them. The employee can conduct several development ways, including training, reading, and participation in a project to realize the plan. The supervisor will then have feedback to the employee.
Pega e-Library	The platform offers employees over one thousand books to borrow and read.

To support the management philosophy of PEGATRON Group, which is "Bring Joy at Work, Enjoy Happiness in Life", we expect all employees to work pragmatically and inspire the potential of each other by working through various challenges. Since "talent" is one of the determining factors for working competition, we emphasize on talent education to encourage our employees to achieve more excellent performances. We continuously invest resources in cultivating talents and training programs for employees to enhance their core and professional abilities. An environment is built for all employees to develop their core and professional abilities, and helps them to achieve job satisfaction while working. We hope all employees can balance their lives, work, and happiness.

Continually improve employees' abilities to let all employees toward work-life balance

Professional Training	Competency Training	Self-Development	On-Job Training
• Special Skill Training for new employees • Department/Cross Department Professional Training • External Training • Overseas Training (eg: conference, exhibition, course, etc.)	• New Employee Orientation • New Manager Orientation • Management Skill Training • Core Competency Training • Talent Development Program for Senior Manager • General and Management Lecture	• Business English Online Program • Culture and Arts Lecture • PEGATRON's Association • Pega e-Library	• Job Rotation • Work Following • Project Drill • Mentor • Deputy Program
Improve professional knowledge and skills through trainings or exercises planned by managers or Learning & Development Department.	With systematical learning map, employees can prepare for their future careers, develop and stimulate their management talents and potential.	Encourage proactive and autonomous learning development as well as individuals' interests.	The Individual development plans with managers' assistances will help employees improve and enhance their job skills.

We emphasize on the training and development of employees. Employees can access their IDP (Individual Development Plan) learning resources through a series of learning pathways, including learning from model staffs, reading, and participation in various training courses, such as orientation training, core competency training, management training, professional training, new director training, internal lecturer training, all kinds of seminars and external training programs. During the whole process, supervisors and the employees will jointly develop the plans, then supervisors will give feedback to employees to let them have better performances at their works. The annual training plan has been set to include all employees. Our employees also can learn through the online learning system "e-Learning" regardless of the limitation of time and place.

IDP (Individual Development Plan) participation rate

(unit: %)

	Total participation rate	Type	
		General Employee	Supervisor
Taiwan	80%	84%	67%
China	79%	82%	74%

Remark 1: Participation rate (%) = No. of IDP Participators / No. of employees should participate IDP
Remark 2: Managers including Frontline Supervisors, Middle and Senior Managers, and Business Directors.
Remark 3: Mexico, Czech, Indonesia, Vietnam and India sites did not implement IDP program.

Average Training Hours

(Unit: hour)

	Employee		Supervisor	
	Male	Female	Male	Female
Taiwan	26.9	22.6	27.5	29.4
China	19.0	17.0	4.9	5.3
Mexico	4.6	6.1	7.5	2.2
Czech	13.5	13.8	21.4	16.0
Indonesia	2.0	2.0	4.8	4.8
Vietnam	9.5	9.5	3.0	3.0
India	1	1	1	1

Remark 1: Average Training Hours = Total Hours of Trainings / Total Number of Employees Participated in Trainings
Remark 2: Supervisor included frontline supervisor, middle and senior manager, and business director

Employee Benefits

Long-term Incentives

Respect and development of human nature is our most important corporate culture for pursuing sustainable development environment. Meanwhile, PEGATRON respects the characteristics of all employees and continues to recruit outstanding talents for shaping a better corporate culture and enhancing competitiveness. Adhering to our business philosophy of "Bring Joy at Work, Enjoy Happiness in Life.", we hope all our employees will work with a pragmatic attitude and stimulate personal potential through various challenges to pursue better performances. PEGATRON praises the outstanding employees publicly every year to affirm their contribution to the company and enhance their morale. The recognition also helps to commend the performances which conform to our corporate culture and inspires others to follow.

In addition, we commend each team and colleagues for their outstanding performance in different fields, so that the company can move steadily towards its business goals. At the same time, we also encourage all colleagues to continuously improve their professional capabilities and efficiency, to enjoy the fun and value of work. To thank employees for their long-term service contributions to the company, long-term employees will be publicly recognized every year.

Welfare Policy

"Bring Joy at Work, Enjoy Happiness in Life." is PEGATRON's philosophy to employees. We endeavor to show our care to all employees. We hope our employees can focus more on family during spare time and have the right of Unpaid Parental Leave for Raising Children, and Retirement Program. The welfare measures of PEGATRON include benefits provided by the company and by the welfare committee. Every benefit is disclosed through the announcement, company website, or email so that employees are aware of the benefits and ways of application. We provide labor, health, and group insurance and hold cultural lectures regularly in Taiwan. Our leave and attendance rules abide local regulations as a baseline with possible leniency.

The welfare committee provides scholarships for employees' children every year to encourage them to study hard. Our welfare committee also provides different welfares for options such as travel, medical care, recreation and benefits. The Year-End party, family days, arts & culture activities, and team sports are all for employees' choices. We hope our employees can focus more on lives and families during spare time. A more favorable consumer channel is provided to colleagues by our welfare committee and its special shops cover 11 types include dining, sports, learning, leisure, arts, home, education, etc., to offer employee discounts when spending in these specific stores.

Employee Benefit Program

Location	Item
Taiwan	Birthday gift money, festival bonuses, meal allowance, recreational gift voucher, reunion day, family day, summertime entertainment voucher, subsidies for club activities, group insurance and annual physical examination.
China	Social security (including pension, medical care, work injury, maternity, unemployment), provident fund, welfare leave (marriage leave, pregnancy checkup leave, maternity leave, nursing leave, bereavement leave, abortion leave, breastfeeding leave, parental leave, childcare leave, annual leave), wedding gift, childbirth gift, funeral gift, birthday gift money, emergency aid, meal subsidy, retired staff consolation activities, blind dating activities, parent-child carnivals, Hi-Sister Psychological counseling, social activities.
Mexico	Savings fund, meal allowance, medical insurance (ADM), parental leave
Czech	Pension insurance, meal allowance, transportation allowance, attendance bonus
Indonesia	Government labor health insurance (life insurance, medical insurance, disability insurance, pension), retirement pay, annual welfare benefit, overtime meal, middle and night shift allowance, term contract compensation, severance pay
Vietnam	Social insurance, medical insurance, unemployment insurance, women's leave, maternity leave, year-end bonus, labor union benefits, childcare allowance, transportation subsidy, housing subsidy, annual health checkups
India	Health insurance, maternity leave, meal and transportation allowance, social insurance (ESI、EPFO), welfare funds

Retired employees of PEGATRON are entitled to pensions in accordance with the laws. Take employees in Taiwan as an example, for those who choose the new pension fund system, PEGATRON allocates 6% of employees' monthly salaries as pensions based on the "Labor Pension Act for New System" and puts the pensions in personal retirement accounts established by the Bureau of Labor Insurance. Employees can make voluntary contributions from 0% to 6% for their pensions, and the voluntary contribution will be fully deducted from their annual personal consolidated income tax. For those who choose the old pension fund system, PEGATRON allocates 2% of employees' monthly salaries as pensions based on "Labor Standards Law for Old System " and puts the pensions in old pension fund system accounts in the Trust Department of Taiwan Bank to meet the retirement needs of relevant employees. Please refer to PEGATRON's Annual Report for detailed information.

Occupational Health & Safety

Identify the Safety & Health Hazards, Control the Risks, and Build a Healthy Working Culture.

In addition to establish communication channels, we also pay attention to employee health care and workplace safety. We meet the requirements of local regulations for regular physical examinations and hold health seminars, and we also create health promotion programs suitable for them according to the different needs of colleagues in various places. Furthermore, we have implemented several management procedures and operational control measures to eliminate work-related incidents. We also establish the preparedness and response plans in response to different risk levels and scenarios to strengthen occupational health and safety management in working environments.

Occupational Safety

PEGATRON pays attention to the risk assessment and management of its overall operations. We periodically perform CSR related risk identifications, evaluations, controls, and reviews, and defined them in the standards of procurement management and management of changes (MOC) in our PureCSR procedures. In addition, each site obeys its local authority's requirements to perform work environmental monitoring and occupational exposure assessments to ensure occupational health and safety of all employees and the quality of the working environment. For the communication of risks, in addition to regularly holding management committee meetings, reviewing meetings and collecting feedback from employees' suggestion boxes, risk identification and control are also focus on trainings, propagandas and daily communications.

PEGATRON has established an appropriate occupational health and safety management system in accordance with ISO 45001:2018 occupational health and safety management standard, which has been verified by third-party impartial organizations, and all employees are covered by this management system, with a ratio of 100%. Through daily inspection and audit, we continue to ensure a safe and healthy working environment for our employees. We also provide CSR education and trainings in accordance with our internal procedures and regulations, including OHS (Occupational Health and Safety) related education and training, CSR audit education and training, and CSR management system introduction, including physical and online courses, which include an overview of OHS related regulations, automatic inspection before, during and after operations. The contents of these courses include an overview of laws and regulations related to occupational health and safety, automatic inspection before, during, and after operations, standard operating procedures, emergency response, firefighting and first aid, and the use and handling of hazardous chemicals. PEGATRON's environmental, safety and health management organization regards the headquarter as the information integration center to consolidate related information and reports. Each operation center and factory follow the PureCSR policy and have a dedicated OHS management unit and a PureCSR Committee, which regularly conducts deliberations, coordination, and recommendations on OHS related business within each business unit at steering committee meetings and submits them to the general manager of each operation center, manufacturing center, or factory.

Each site has setup annual ESH (Environmental, Safety and Occupational Health) objectives & targets and various types of management procedures. The PureCSR & ESH Committee meetings are regularly convened with employee representatives to communicate and consult on internal PureCSR and ESH performances. Each site complies with the local regulatory requirements and works out in conformity with international trends, customer requirements, and PureCSR policy towards continuous improvement.

Proportion of labor representatives

(unit: %)

	Taiwan	China	Mexico	Czech	Indonesia	Vietnam	India
Proportion	55%	36%	11%	50%	93%	33%	86%

* The proportion of labor representatives (%) = Number of worker representatives in PureCSR & ESH committees / Number of members in PureCSR & ESH committees*100 %

Occupational Hazards

To prevent occupational hazards and to protect the safety and health of employees, PEGATRON has set up a dedicated unit in each operation center, manufacturing center and factory to be responsible for the overall planning and operation of environmental, safety and health. In addition to the implementation of local laws and regulations, PEGATRON has formulated an incident notification management method in accordance with the requirements of the ISO 45001:2018 management system. When occupational hazards or accidents occur, we will notify the occupational safety and health unit or the inspection organization according to the type of the incident and the time of its occurrence, and carry out the investigation and analysis of the real cause of the incident and take the corrective actions through the accident investigation and analysis report or the HEE accident/incident investigation and analysis report. We will conduct appropriate corrective and preventive measures and submit it to the occupational safety unit, administrative unit, and plant's committee members to prevent the recurrence of similar incident. At the same time, we will strengthen trainings and propaganda to enhance the emergency response capability of related personnel to minimize injuries and losses. In the future, we will continue to implement various management measures to build a safe and healthy working environment.

We control the chemicals from the beginning. Safety data sheets (SDS) shall be available before the formal use of chemicals. Through the risk assessments, high risk jobs can be identified. The occupational hazard notification cards and lists of personal protective equipment and instructions for use are formulated to enhance employees' awareness of safety and hygiene. The annual medical checkups continue to be provided for the employees whose jobs are related to occupational hazardous factors according to legal requirements, including pre-employment, in employment, and post-employment medical checkups. The reports of these medical checkups are managed systematically. Once any abnormal condition is discovered, immediate actions will be taken to ensure the health status of employees.

Occupational safety and health management measures

Type	Measurement Description
Work Safety	1. Hierarchical control - According to the Group's Risk and Opportunity Assessment Management Procedure, the risk assessment of the hazard factors is carried out every two years. We base on the types of operations to identify safety and health hazards, perform the levels of control and assess them to reduce the potential health and safety hazard risks that workers may encounter, or select alternative processes or materials through appropriate designs as well as perform annual assessments to identify risks and opportunities and make sure the compliance of regulations. 2. Engineering Control Measures: To provide employees a safe, healthy and environmentally friendly working environment, PEGATRON has installed ventilation and exhaust equipment at each factory and regularly arranges inspections according to local laws and regulations of the factory to ensure employees are safe at work. 3. Regular equipment maintenance plan: To ensure the effectiveness of facilities and equipment, according to separate measures for facilities and equipment, PEGATRON establishes preventive or predictive maintenance and inspection plans, and carry out regular equipment maintenance plans complying with local laws and regulations. At the same time, we perform weekly inspection, monthly maintenance, quarterly maintenance and annual maintenance, etc. 4. Operational Safety Proposal Mechanism: To strengthen operational safety awareness across all employees, PEGATRON provides regular EHS (Environment, Health, and Safety) training to enhance the ability to identify potential risks. When safety hazards are identified in the workplace, employees are expected to promptly report them to on-stie management for immediate correction and risk control, thereby continuously improving workplace safety.
Health Protection	To protect employee's health, PEGATRON obeys to regulations to conduct several measurements as below: 1. Periodically environmental test 2. Regular occupational disease checkup 3. Setup Clinic and provide doctor diagnose service
Measures for preventing disabling injuries	1. Personal protection plan - PEGATRON regulates specific works (such as soldering, chemical operations, noise and dust), providing employees with protective equipment regularly based on the type of protection and distribution schedule according to PEGATRON Protective Equipment Management Guidelines. 2. Slips or trips: reorganize traffic routes, place warning signs, or paint warning lines. 3. Robotic arm operation injuries: install safety devices and designate no-entry zones. 4. Human body strain: provide anti-fatigue mats and rotate personnel to avoid continuous repetitive tasks. 5. Falling objects: assess the risk of falling objects in the area and issue appropriate personal protective equipment.
Contingency Practice	PEGATRON conducts fire evacuation drills every year, and establishes emergency response plans for earthquakes, typhoons, floods, confined spaces, chemical leakage, etc., and regularly hold fire extinguisher operation trainings.

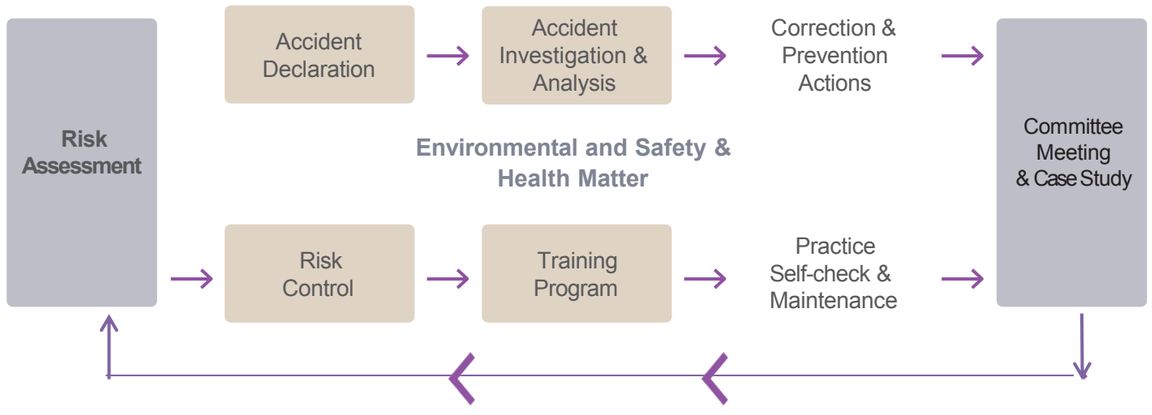
Occupational Hazard List

	Gender	Disabling injury frequency rate (FR)	Disabling injury Severity rate (SR)	Absence rate (AR)	Occupational disease rate (ODR)	Work-related Fatality
Taiwan	Male	0.88	26	1.43	0.00	0
	Female	1.65	66	2.81	0.00	0
China	Male	1.22	25	2.18	0.01	0
	Female	0.66	16	2.70	0.00	0
Mexico	Male	2.11	59	0.06	0.04	0
	Female	3.01	34	0.03	0.00	0
Czech	Male	2.14	13	4.35	0.00	0
	Female	4.10	78	4.35	0.00	0
Indonesia	Male	1.87	9	0.08	0.00	0
	Female	1.07	3	0.02	0.00	0
Vietnam	Male	0.00	0	3.44	0.00	0
	Female	0.00	0	4.32	0.00	0
India	Male	0.00	0	1.78	0.00	0
	Female	0.00	0	2.15	0.00	0

Remark 1: Disabling injury frequency rate (FR) = number of disabled people / total working hours*1,000,000
Remark 2: Disabling injury severity rate (SR) = number of working days lost / total working hours* 1,000,000
Remark 3: Absence rate for work-related injury (AR) = number of days absent / total working days* 100
Remark 4: Occupational disease rate(ODR) = number of people with occupational diseases /total working hours* 200,000
Remark 5: Minor injuries are not included in this table

Emergency Response

Sustainable development is the main target of business operations in PEGATRON Group. To ensure continuous operation, we have implemented corresponding emergency response procedures at each major production sites according to related regulations. And we setup emergency response plans and teams. At the same time, the functions of each group in the teams have been defined. We have minimized potential damages and impacts by setting up a response mechanism and plans as well as periodical drills to enhance the abilities of emergency response team members.



PEGATRON has setup emergency response plans and established the emergency notification mechanism at each site to reduce the risks of fire, typhoon, flood, earthquake, chemical leakage and liquid gas leakage. We improve the abilities of our emergency response teams and enhance the awareness of all employees through periodical training programs and drills. For example, the training of first aid personnel and Automated External Defibrillator (AED) at Headquarter has been strengthened and the procedure has been established to improve the capabilities of relevant responsible personnel on first aid. The emergency response plans of the Central China Operation Center include the fire escape plan, special machinery and equipment contingency plan, chemical leakage contingency plan, confined space rescue plan and food poisoning contingency plan. East China Operation Center also establishes several contingency plans and cooperates with the local government's response mechanism.

Results of evacuation drills and emergency training programs

(unit: times)

Region	Taiwan	China	Mexico	Czech	Indonesia	Vietnam	India
Times of evacuation drills	21	68	7	1	16	4	5
Times of emergency response training	24	257	211	1	2	22	12

Contractor Management

PEGATRON not only ensure its own compliance with occupational safety requirements, but also applies the same high standards to the management of contractors operating within its facilities. The qualifications of the contractors shall be reviewed to ensure they can meet the requirements of PEGATRON's contractor management procedure. The environment, safety and occupational health risks, rules and regulations will be communicated to the contractors before they work in our facilities. Besides, the contractors shall sign the safety agreements while they sign the contracts with us. The content of the agreements includes the procedures regarding the impacts of environmental, safety and occupational health risks. ESH professionals periodically perform environmental, safety, and occupational health training programs for contractors. The agenda of the training programs include basic knowledge on ESH, working environment, hazard notification, etc.

In addition to control the access authorizations of contractors via an identification system, the construction permit application system is in place to manage all dangerous construction works. The high risk works shall be overseen by qualified personnel at all times, and ESH professionals will also perform the inspections to see if the working scene can meet our ESH requirements. The work permits shall be approved before they do the specific works, including fire, working at heights, hanging operation or working in a confined space. ESH unit will confirm that the workplace meets the safe construction conditions, including personnel qualifications, environmental safety, etc. The work can only start after ESH's approval.

Health Promotion Activity

The health care programs for employees in PEGATRON are given based on the practical needs of employees and the features of each site. We provide 4 dimensions of projects, including health management, health promotion, occupational hygiene and employee psychological counseling, to integrate work and life for promoting employees' health and elevating their lives quality. To improve the working environment proactively, PEGATRON has established a cross-functional team for providing analysis of work loadings and then giving appropriate health instructions for employees with major abnormalities in cardiovascular disease. We can promote the health culture and make the strategy of occupational disease prevention be practically implemented in the company, and enhance health in the working place through above program.

For the employees' health management, each operation and manufacturing center has setup the infirmary to provide outpatient services by professional physicians. Also, several health checkups are conducted as regulated. The results of the health checkups are classified into different levels for follow up actions according to local laws. We have promoted many health related activities, including weight management, stair climbing activity, massage & stress relief program, influenza vaccine injection, and health lecture courses. Furthermore, the nursing room has been built at every operation and manufacturing center, which can provide employees to use when needed to promote maternity protection. For pregnant employees of different stages, including pre-pregnant, pregnant, and post-pregnant, we provide various health promotion measures for them to protect their bodies and mental health.

Take the facilities at Headquarter for example, we have setup a health care room with professional doctors. According to the health care system, employees can use health insurance cards to see doctors. We encourage breastfeeding and setup a comfortable nursing room for female employees to feed breast milk in the workplace. We also have massage rooms to provide staffs relief from stress. The health website is built as a platform to promote healthy activities and provide employees related online information.

PEGATRON implements multiple health promotion activities at various factories, including employee psychological consultation line, psychological consultation room, counselor mechanism, suggestion box, and regular employee interview. Senior professional psychologists and clinical psychologists provide personalized assistance such as psychological counseling, personality analysis, career planning, etc., to promote employees' mental health and enhance their sense of belonging.

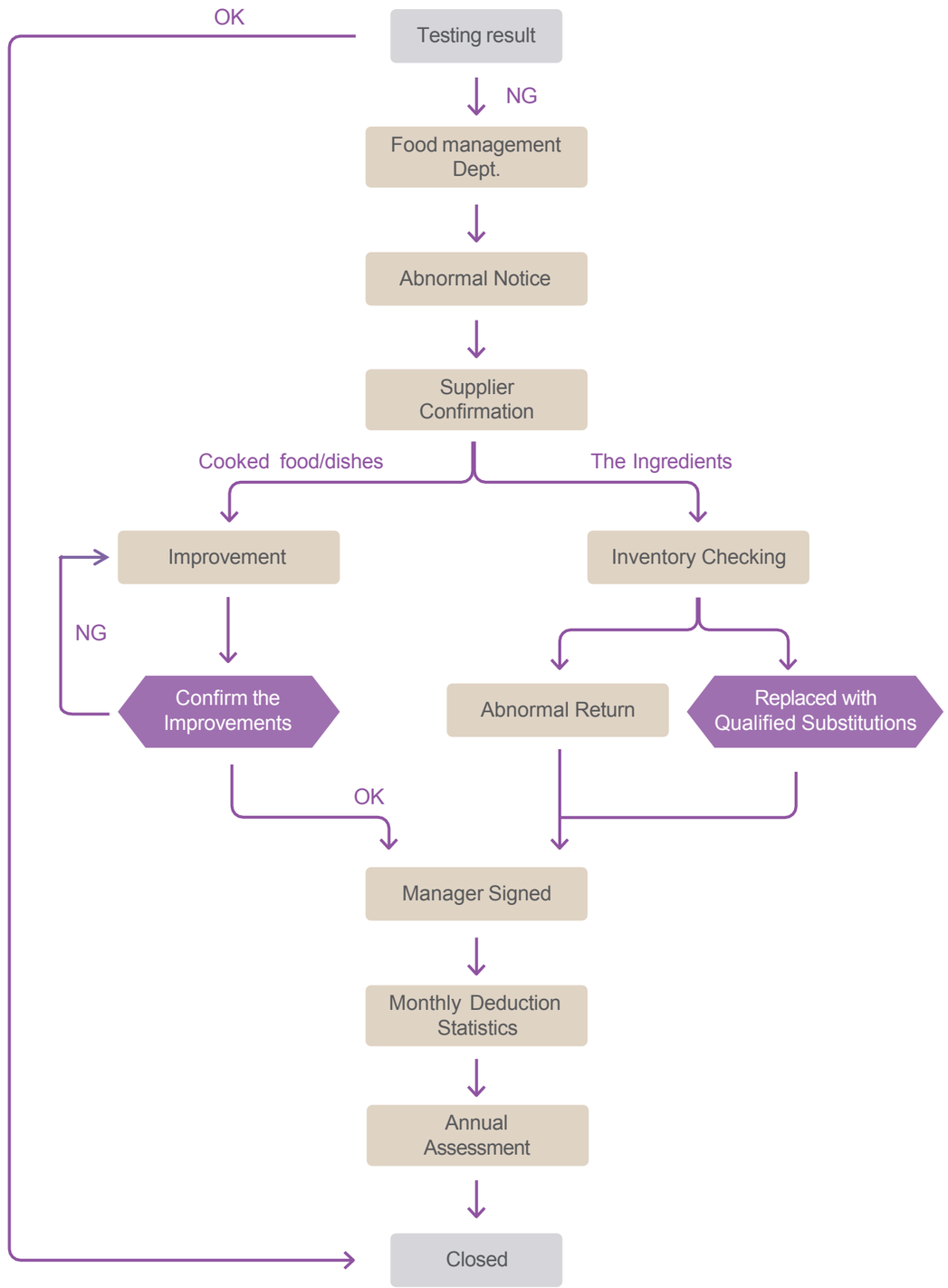
Health promotion activities attendance

Region	Activity	Number of events	Number of participants
Taiwan	Annual Physical Exam, Healthy Living by Stair Climbing Fun, Influenza Vaccine Injection, Massage & Stress Relief Program	20	26,762
China	Health Talks, Women's Health Talks, Blood Donation Program, First Aid Training, Mom's Classroom, Safety Competition, Stress Relief Programs	27	2,428
Mexico	Talks on Health Issues, Children's Cancer Parade, Flu and COVID 19 Vaccination, Early Detection of Diabetes and High Blood Pressure Programs, etc.	5	3,096
Czech	Globulin Testing, Provide Vitamin Nutritional Products	6	2,136
Indonesia	Health Talks	3	150
Vietnam	Physical Exam, Nutrition Seminar for Pregnant Women	5	4,830
India	Health Screening, Vision Screening, Women's Health Programs, Blood Donation Programs	2	180

Food Safety

Food safety events are endlessly in recent years. To ensure meal safety for employees, food testing laboratories (FTL) have been setup in Central China and East China Operation Centers, respectively. In Central China Operation Center, FTL has been established since 2008 and hired the persons who are certified by national laborers and the social security departments to manage the testing of food, tableware, drinking water and ingredient. The FTL has biochemical incubators, a high pressure steam sterilizer, a multifunctional food safety detector, and so on. There are 49 food testing items currently. We will increase to test high risk items and promote the food safety management system to other sites continuously in the future. Each plant will also follow ISO/IEC17025 to manage laboratory operations and strive for better services so that employees can eat healthily and be relieved for eating.

Food testing results process



Social Engagement

We are not only committed to technological innovation, but also to the cultivation of culture and participation in caring activities.

PEGATRON actively participates in public events, sponsors many kinds of organizations, and commits to care for the weak and poor. We continue to pay attention to the reading and digital difference problem of children in remote area of the eastern countryside in Taiwan, so that we provide necessary materials and devices for them. PEGATRON was involved in cultural development, art events, and sports events in recent years. Also, we sponsored activities in music, drama, dancing, literary creation, academic seminar, and health promotion activities to fulfill our corporate social responsibility commitment.

Charity donation for remote villages

The Happiness Masters Club of Pegatron HQ continues to organize activities such as ecological conservation, cultural seminars, and charitable donation events. These efforts encourage employees to embody compassion in everyday life and uphold the value of “loving others as oneself.”

In 2024, the club established an internal collection point for the “Old Shoes Save Lives” initiative, calling on employees to donate used shoes and A4-sized second-hand bags twice a year. A total of 16 burlap bags were collected over the year, containing approximately 100 pairs of shoes and dozens of bags. These donations were sent to underserved rural communities, promoting resource reuse and improving living conditions.

Support for Czech Flood Victims

In September 2024, the Czech Republic was severely affected by devastating floods, resulting in extensive damage to households, schools, healthcare institutions, and business facilities. The Czech Manufacturing Center of the company responded by partnering with the local non-governmental organization Clovek v tísni (“People in Need”), providing a total of CZK 70,000 in relief support. This included CZK 30,000 worth of cleaning and hygiene supplies, along,l with a CZK 40,000 cash donation to an official and transparent relief fund.

Supporting Arts and Culture Promotion

Long-term support is provided to various arts and cultural organizations, including the Paper Windmill Theatre, the National Culture and Arts Foundation, and the Taiwan Literature Development Foundation. Since 2015, the Chishang Autumn Harvest Arts Festival has been sponsored for ten consecutive years, with a contribution of NT$3 million in 2024, attracting approximately 7,500 participants.

Efforts to promote literature and the arts in eastern Taiwan continued in 2024 through sponsorship of the Yang Mu Literary Lecture Series at National Dong Hwa University, which hosted more than 20 literary lectures and seminars. Funding was also allocated to the Bulareyaung Dance Company for touring expenses, supporting a total of 39 domestic and international performances, cultural exchanges, and workshops, with approximately 28,000 participants.

Community Engagement

Be grateful for the support of the local community and take the initiative to give resources back to the community.

All PEGATRON factories benefit from local community support. To listen to local voices and share factory resources with local villages, PEGATRON has long involved in local public welfare activities. In 2024, 46 social activities were hosted, participating by more than 10,000 employees.

Beach Cleanup and Sustainable Supply Chain Engagement

Pegatron HQ demonstrated its commitment to social responsibility through concrete actions by organizing a large-scale beach cleanup event on October 19, 2024, at Shalun Beach in Tamsui District, New Taipei City, in collaboration with over 200 suppliers. Nearly 1,000 participants joined the effort to clean the coastline, successfully removing approximately 591 kilograms of marine debris, including plastic bottle caps, PET bottles, straws, food containers, and fishing nets. The event aimed to raise public awareness of marine sustainability issues and environmental protection. This initiative not only strengthened communication and connections with supply chain partners, but also exemplified the integration of ESG principles into supply chain management.

Charity Run and Support for Hospitalized Children

The Czech Manufacturing Center of the company continued its commitment to community engagement by participating in the 2nd annual charity run organized by the Wings for Children Foundation in 2024. This initiative aimed to raise funds and bring hope to children hospitalized at the Ostrava University Hospital. A total of 18 employees registered and participated in the charity run. Beyond financial support, The Czech Manufacturing Center of the company also collaborated with the hospital to donate a selection of board games, helping to ease the emotional burden of young patients during their hospital stay.

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	403-4 Worker participation, consultation, and communication on occupational health and safety			
	403-5 Worker training on occupational health and safety			
	403-6 Promotion of worker health			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			
	403-8 Workers covered by an occupational health and safety management system			

Selected Topics

GRI Standards	Disclosure	Chapter	Page number	Omission
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	4.2.1 Water Management	33	
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts 306-2 Waste generated	4.2.2 Waste Management	35	
GRI 302: Energy 2016	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization 302-3 Energy intensity 302-4 Reduction of energy consumption	4.1.1 Energy Management	31	

SASB Standards

Activity Metrics

Activity Metric	Code	PEGATRON Performance	Chapter	Page number
Number of manufacturing facilities	TC-ES-000.A	12 facilities	2.1.2 Globalization Arrangement	13
Area of manufacturing facilities	TC-ES-000.B	2,148,824 m^2	2.1.2 Globalization Arrangement	13
Number of employees	TC-ES-000.C	56,938 employees	5.1.1 Employee Profile	41

Industry: Electronic Manufacturing Services & Original Design Manufacturing

Topic	Accounting Metric	Code	PEGATRON Performance	Chapter	Page number
Water Management	(1) Total water withdrawn (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	TC-ES-140a.1	(1) Total water withdrawn was 2,030,544 tons, of which 52.74% came from areas with high water pressure (2) Total water consumed was 2,030,544 tons, of which 52.74% % came from areas with high water pressure Note: The logic of total water consumption estimation is that if it cannot be confirmed whether the water intake and discharge are in the same watershed, then according to the definition of SASB TC-ES-140a.1, the water consumption adopts the conservative principle, and the water intake is equal to the water consumption. If it can be confirmed that the water intake and discharge are in the same basin, then water consumption = water intake - water discharge.	4.2.1 Water Management	33
Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	TC-ES-150a.1	The amount of hazardous waste generated was 1,498.74 tons, and the amount of hazardous waste recycled was 1,014.05 tons, representing a recovery rate of 67.66%.	4.2.2 Waste Management	35
Labor Practices	(1) Number of work stoppages (2) Total days idle	TC-ES-310a.1	(1) There was no case of work stoppage. (2) The number of days the plant was idle due to strikes or work stoppages was 0 days	5.1 Labor Relations	41

Topic	Accounting Metric	Code	PEGATRON Performance	Chapter	Page number
Labor Conditions	Total recordable incident rate (TRIR) for (a) direct employees and (b) contract employees	TC-ES-320a.1	(1) The incident rate (TRIR) for full-time staff is 0.27. (2) The incident rate (TRIR) for contract staff is omitted due to incomplete information.	5.3.1 Occupational Safety	46
	Near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees		(1) The NMFR for full-time staff is 0.0809. (2) The NMFR for contract staff is omitted due to incomplete information.	5.3.1 Occupational Safety	46
	Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	TC-ES-320a.2	(1) The percentage of PEGATRON's factories that have completed RBA VAP audits is 17%, of which 0% are categorized as high-risk. (2) The percentage of key suppliers' factories that have completed RBA VAP audits is 27%, of which 12% are categorized as high-risk. *Note: In TC-ES-320a.2, "key suppliers" are defined as direct suppliers accounting for 80% of procurement spending and suppliers with high risk annual supplier evaluation results, and "high risk" is defined as those with priority nonconformities in the VAP audits.	1.1.1 Sustainable Governance 3.2.2 Supply Chain Management	6 25
	Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent for (a) priority non-conformances and (b) other non-conformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	TC-ES-320a.3	(1) PEGATRON's RBA VAP audits have found 0% of priority non-compliance and 100% of other non-compliance. (2) Key suppliers' RBA VAP audits have found 0% of priority non-compliance and 100% of other non-compliance.	1.1.1 Sustainable Governance 3.2.2 Supply Chain Management	6 25
	Associated corrective action rate for (a) priority non-conformances and (b) other non-conformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities		(1) The percentage of PEGATRON's factories that have implemented RBA VAP corrective measures is 50%. (2) The percentage of factories of key suppliers that have implemented RBA VAP corrective measures is 100%.	1.1.1 Sustainable Governance 3.2.2 Supply Chain Management	6 25
Product Lifecycle Management	Weight of end-of-life products and e-waste recovered, percentage recycled	TC-ES-410a.1	(1) If the product is discarded by the consumer, it is not included in the scope of control of PEGATRON, and the recycling weight and recycling rate are not counted. (2) The total recycled weight of waste is 29,696 tons, with a recovery rate of 91.92%. The recycling ratio of electronic waste category is not disclosed this year because collection method is still being established.	4.2.2 Waste Management	35
Material Sourcing	Description of the management of risks associated with the use of critical materials	TC-ES-440a.1	PEGATRON defines critical materials as conflict minerals. Since 2012, the Company has fully implemented responsible mineral investigations, conducting risk assessment management based on data obtained after investigations. We encourage suppliers to promote participation in the Responsible Minerals Assurance Process (RMAP) for smelters or refiners not listed on the RMI compliant list. In 2024, a total of 1,668 suppliers conducted responsible mineral investigations.	3.3 Responsible Minerals	26

Sustainability Disclosure Index-Computer and Peripheral Equipment Industry

No.	Indicator	PEGATRON Performance
1	Total energy consumption, percentage of outsourced electricity, and renewable energy utilization rate	Total energy consumption: 2,911,404 (GJ) Percentage of purchased electricity: 53.4% Proportion of renewable energy in total energy use: 12.2% Proportion of renewable energy in total electricity consumption: 55.7%
2	Total water withdrawn and consumed	Total water withdrawal is 2,030.54 thousand cubic meters. Total water consumption is 2,030.54 housand cubic meters. Note: The logic of estimating the total water consumption is that if it cannot be confirmed whether the water intake and discharge are in the same watershed, then according to the definition of SASB TC-ES-140a.1, the water consumption is based on the conservative principle, and the amount of water intake is equal to the amount of water consumption. If it can be confirmed that the water intake and discharge are in the same basin, then water consumption = water intake - water discharge.
3	Weight of hazardous waste and recovered rate	Weight of hazardous waste: 1,498.74 tons Percentage recovered: 91.92%
4	Explain the types of occupational accidents, the number of people injured, and the rate of injuries	Types of occupational accidents: Cuts; Pinching or rolling; Falls, slips, and trips; Commuting accidents The number of people: 16; 32; 29; 28 The total recordable incident rate (TRIR) for full-time staff is 0.27 The near miss frequency rate (NMFR) for full-time staff is 0.0809.
5	Disclosure of product lifecycle management: Weight of end-of-life products and e-waste and percentage of recycling	Weight of total waste: 29,696 tons Recycling rate: 91.92% Among them, the recycling ratio of electronic waste categories will not be disclosed this year because the data collection method is still being established.
6	Description of Risk Management Related to the Use of Critical Materials	PEGATRON defines critical materials as conflict minerals. Since 2012, the Company has fully implemented responsible mineral investigations, conducting risk assessment management based on data obtained after investigations. We encourage suppliers to promote participation in the Responsible Minerals Assurance Process (RMAP) for smelters or refiners not listed on the RMI compliant list. In 2024, a total of 1,668 suppliers conducted responsible mineral investigations.
7	Monetary damages due to legal action related to anti-competitive conduct regulations	NT$0
8	Production volume of major products by product category	Annual production of 3C electronic products was 401 thousand pieces.

Greenhouse gas inventory and verification status of the parent company and subsidiaries

In accordance with the "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE/TPEx Listed Companies" in Taiwan, PEGATRON discloses the greenhouse gas inventory and verification status of the parent company and its subsidiaries based on the consolidation scope of the financial statements.

Greenhouse gas inventory of the parent company and consolidated subsidiaries

Scope 1 and Scope 2 (unit: tons CO2e/market-based)

	Scope 1	Scope 2	Verification body
Parent company	1,428.95	21,619.21	DNV
Consolidated subsidiaries	33,728.76	476,358.27	
Total carbon emissions	35,157.71	497,977.48	

TCFD Recommended Disclosures

Recommended Disclosures		Page No.
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	28
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	28
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	29
	b. Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	30
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	29
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	28
	b. Describe the organization's processes for managing climate-related risks.	28
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	28
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	29
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	30
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	30

United Nations Global Compact

Category	Principle	Chapter
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	5.1 Labor Relationship
	Businesses should make sure that they are not complicit in human rights abuses.	5.1 Labor Relationship
Labor	Businesses should uphold the freedom of association and the elective recognition of the right to collective bargaining.	5.1 Labor Relationship
	Businesses should uphold the elimination of all forms of forced and compulsory labor.	5.1 Labor Relationship
	Businesses should uphold the elective abolition of child labor.	5.1 Labor Relationship
	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	5.1 Labor Relationship
Environment	Businesses should support a precautionary approach to environmental challenges.	4.3 Green Product
	Businesses should undertake initiatives to promote greater environmental responsibility.	CH4. Sustainable Environment
	Businesses should encourage the development and diffusion of environmentally friendly technologies.	4.3 Green Product
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	2.3 Integrity Management

UN Sustainable Development Goals (SDGs)

SDGs Goals	PEGATRON Sustainable Development Goals			Chapter
	PEGA GEM		Goal	
5 GENDER EQUALITY	E	Maintain the Equality of Society (Equality)	Realize Gender Equality in Workplace.	5.1 Labor Relationship
7 AFFORDABLE AND CLEAN ENERGY	M	Benet the Environment towards Mutualism (Mutualism)	Use Current Energy with a Greener Way	4.1 Climate Change
8 DECENT WORK AND ECONOMIC GROWTH	G	Boost the Growth of Economy (Growth)	Elevate the Economic Performance and Workplace.	2.2 Corporate Governance 5.1 Labor Relationship
	E	Maintain the Equality of Society (Equality)		
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	M	Benefit the Environment towards Mutualism (Mutualism)	Engage in Responsible Consumption and Production.	3.2 Sustainable Supply Chain 3.3 Responsible Minerals 4.2 Environmental Protection 4.3 Green Product
	E	Maintain the Equality of Society (Equality)		
13 CLIMATE ACTION	M	Benefit the Environment towards Mutualism(Mutualism)	Evaluate and Mitigate the Impact on Climate Change.	4.1 Climate Change

Note: Please refer to the "Sustainable Development Goals" chapter for the action plans and performance indicators for each goal.

Assurance Statement

DNV

WHEN TRUST MATTERS

Independent Limited Assurance Statement

DNV Business Assurance Co., Ltd. ("DNV", "we" or "us") was engaged by PEGATRON Corporation ("PEGATRON" or "the Company") to conduct a limited assurance engagement over Selected Information presented in PEGATRON 's 2024 Sustainability Report and 2024 GRI Index (together, "the Report"), covering the reporting year ended 31 December 2024. The stakeholders of PEGATRON are the intended users of this statement.

Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.
This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Statement, in particular the inherent limitations explained overleaf.

Selected information

The scope and boundary of our work are restricted to the key performance indicators included within the Report (the "Selected Information") prepared with reference to "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies." Greenhouse gas (GHG) emission assurance is excluded from the scope of work since relevant verification had been done under the jurisdiction of an official mechanism governed by the competent authority. In this assurance, we relied on the verification statement issued also by DNV (C763292-2024-AG-TWN-DNV, July 2025) as an approved verification body under that mechanism, without performing substantial or additional verification.

We understand that the reported financial data and information are based on the data from the Company's Annual Report and Accounts, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts is not within the scope of our work.

The selected performance indicators can be found on the GRI Index:

- GRI 302-1 Energy consumption within the organization; GRI 302-3 Energy intensity; GRI 302-4 Reduction of energy consumption;
- GRI 303-1 Interactions with water as a shared resource;
- GRI 305-1 Direct (Scope 1) GHG emissions; GRI 305-2 Energy indirect (Scope 2) GHG emissions; GRI 305-4 GHG emissions intensity; GRI 305-5 Reduction of GHG emissions;
- GRI 306-2 Management of significant waste-related impacts;
- GRI 401-1 New employee hires and employee turnover; GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees;
- GRI 403-1 Occupational health and safety management system; GRI 403-2 Hazard identification, risk assessment, and incident investigation; GRI 403-3 Occupational health services; GRI 403-4 Worker participation, consultation, and communication on occupational health and safety; GRI 403-5 Worker training on occupational health and safety; GRI 403-6 Promotion of worker health; GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships; GRI 403-8 Workers covered by an occupational health and safety management system;
- GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.

DNV

WHEN TRUST MATTERS

Our observations and areas for improvement will be raised in a separate report to PEGATRON's management. Selected observations are provided below. These observations do not affect our conclusion set out below:

- The Company has developed processes and protocols to oversee operational and sustainability performance information. This provides greater assurance for the reliability and quality of the data at the group level. However, opportunities exist to enhance communication between business premises and to continuously clarify and harmonize data collection protocols to improve data quality and information management effectiveness.

Standard and level of assurance

We performed a limited data-only assurance engagement using the international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 – "Assurance Engagements other than Audits and Reviews of Historical Financial Information" (revised) issued by the International Auditing and Assurance Standards Board.

To ensure consistency in our assurance process, we conducted our work in accordance with DNV's assurance methodology, VeriSustain, applying only the pertinent sections of the protocol relevant to the specific purpose of the activity.

This methodology ensures compliance with ethical requirements and mandates planning and execution of the assurance engagement to obtain the desired level of assurance.

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Our competence, independence and quality control

DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Inherent limitations

All assurance engagements are subject to inherent limitations, as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different but acceptable measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by PEGATRON have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Statement.

DNV

WHEN TRUST MATTERS

Basis of our conclusion

We are required to plan and perform our engagement in order to assess the risk of material misstatement in the Selected Information. Our procedures included, but were not restricted to:

- Conducting interviews with PEGATRON's management to gain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- On-site and virtual visits to PEGATRON to evaluate processes and systems for preparing site-level data;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing the specified data aggregated at the company level and statements presented in the Report;
- Reviewing that the evidence, measurements and their scope provided to us by PEGATRON is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reading the Report and the narratives accompanying the Selected Information.

Responsibilities of the management of PEGATRON and DNV

The management of PEGATRON has sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on the established Criteria; and
- Contents and statements contained within the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance on whether the Selected Information has been prepared in accordance with the Criteria and to report to PEGATRON in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

DNV Business Assurance Co., Ltd.

C. K. Wong
Management Representative

Taipei
8 August 2025

This statement has been translated into English solely for the convenience of international readers. The official version of this assurance statement is the signed Chinese version; in case of any discrepancy in interpretation between this document and the Chinese version of the statement, the Chinese statement shall prevail.