

PHIHONG 2025

SUSTAINABILITY
REPORT

CONTENTS

INTRODUCTION

Message from the Management Team	1	Progress of the Sustainable Strategy	7
About this Report	3	Material Topic Identification and Management	12
Company Description	5		

ENVIRONMENTAL

1 Climate Resilience and Environmental Sustainability

1.1 Key Performance Indicator	20
1.2 Sustainable Environmental Management	21
1.3 Climate Strategy (TCFD & TNFD)	23
1.4 Energy and Greenhouse Gas Management	34
1.5 Water Stewardship, Waste Management	40

GOVERNANCE

3 Sustainable Governance and Value Operations

3.1 Key Performance Indicator	86
3.2 Corporate Governance	87
3.3 Operational Performance	94
3.4 Integrity Management and Compliance	97
3.5 Risk Control and Information Security Management	101
3.6 Sustainable Supply Chain Management	107

APPENDIX

Appendix 1 GRI Content Index Table	140
Appendix 2 SASB Industry Standards Mapping Table	145
Appendix 3 Climate-related Information Comparison Table (TWSE)	146
Appendix 4 Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies	150

SOCIAL

2 Happy Workplace and Social Care

2.1 Key Performance Indicator	45
2.2 Human Rights Risk Due Diligence	46
2.3 Employee Motivation and Retention	52
2.4 Talent Development and Empowerment	66
2.5 Occupational Health and Safety	73
2.6 Community Service and Engagement	80

INNOVATION

4 Low-carbon Design and Quality Commitment

4.1 Key Performance Indicator	121
4.2 Green R&D and Innovation	122
4.3 Low-Carbon Product Design	129
4.4 Transitioning to a Circular Economy	133
4.5 Product Quality and Safety	135

Appendix 5 Sustainability Disclosure Indicators - Electronic Components Industry	150
Appendix 6 United Nations Global Compact (UNGC) Alignment Table	151
Appendix 7 External Organizational Participation	152
Appendix 8 Third-Party Independent Assurance Opinion Statement	154





Message from the Management Team (GRI 2-22)

Message from the General Manager

To Stakeholders:

The world is currently in a crucial era of rapid restructuring. Geopolitical risks, supply chain restructuring, and extreme climate are continuously altering the industrial environment, presenting businesses with more severe challenges. Facing a highly uncertain market situation, Phihong firmly believes that "Sustainability is Competitiveness," and with stable operations and forward-looking planning, has officially launched the "Transformation 2.0" strategy.

Resilience and Transition in Adversity

In 2025, due to geopolitical and tariff factors, the demand in the electric vehicle charging pile market slowed down, resulting in full year revenue of NT\$9.796 billion, a decrease of 10.11% compared to the previous year. However, Phihong continues to drive product portfolio optimization and high added-value positioning, not only maintaining strong profitability but also actively entering high-growth areas such as AI server power supplies, low Earth orbit satellites, and high-power Energy systems. We firmly believe that the true value of a corporation lies in its continuous creation of long-term impact amid adversity. Through "Transformation 2.0," Phihong is transitioning from a leader in traditional power technology to an integrator of energy solutions.

Innovation Technology and Green Growth

Phihong continues to deepen Gallium Nitride (GaN) high-efficiency power technology, promoting high power density and low-carbon design, actively responding to global energy-saving and carbon reduction demands. In the domains of AI and emerging applications, we are actively positioning in the AI data center and low Earth orbit satellite power supply market. As product verification is gradually completed, related revenue is expected to show significant growth momentum by 2026. The subsidiary, Zerova, continues to drive energy transition with high-power charging equipment and smart energy management systems, gradually building a comprehensive energy value chain.

Sustainable Governance and a Thriving Future

In terms of sustainable governance, Phihong has been verified by SBTi for Carbon Reduction Targets and received a "B level" management rating in both CDP Climate Change and Water Security assessments. Simultaneously, it has adopted the TCFD and TNFD frameworks to strengthen climate and nature-related risk management. In addition, we have continuously received the EcoVadis Gold Award and the RBA VAP Silver Rating, and have been awarded the Happiness Enterprise Gold Award for six consecutive times, demonstrating our long-term commitment to responsible management and career development.

Looking ahead, Phihong will partner with Zerova and global value chain partners to continuously promote low-carbon transformation and sustainable innovation. Through a more resilient business model, we will steadily stride toward an inclusive and sustainable future.

Sustainability is not just a responsibility; it is the ability for a company to define its future competitiveness.

Group General Manager



Message from the Chief Sustainability Officer

Facing dramatic global changes in 2025, corporate sustainability is no longer just a responsibility; it pertains to the core capability of "survival and competitiveness."

The world is simultaneously facing multiple structural challenges: the intensification of climate change, accelerated supply chain restructuring, rapid increase in AI and energy demand, and significantly heightened geopolitical risks. Especially in the Middle East region, the expansion of conflicts not only impacts the energy market and global trade order but also increases the uncertainty for businesses in terms of energy safety and operational resilience. At the same time, the number and intensity of global conflicts reached a record high, displaying that the business operating environment has entered an "era of high volatility."

In this context, the connotation of sustainable development is rapidly evolving from being primarily focused on "carbon reduction and disclosure" to emphasizing both "resilience, risk management, and value creation." International trends also display that ESG is evolving towards a more substantive and performance-oriented development, requiring companies to respond to stakeholder expectations with data and achievements.

Phihong deeply understands that only by integrating sustainability into core strategies can a company maintain a competitive edge in a turbulent environment. Therefore, we continue to drive the three major pillars of sustainable transformation:

I. Climate Action Intensification: From Carbon Reduction to Low-Carbon Competitiveness

Following the international net-zero trend, we have passed verification for science-based carbon reduction targets under the SBTi framework, and systematically promoted carbon reduction management across Scope 1, 2, and 3. Through high-efficiency power products and energy-saving technologies, we assist customers in reducing their carbon footprint, turning Climate Action into a market opportunity.

II. Resilient supply chain: From prioritizing efficiency to coexisting with risk

Amid trends of geopolitical shifts and supply chain reorganization, we strengthen supply chain transparency and localization strategies to enhance operational stability, adopting responsible procurement and human rights management mechanisms to ensure the sustainability and resilience of the value chain.

III. Sustainable Governance Upgrade: From Compliance Disclosure to Decision Integration

We have implemented the TCFD and further aligned with the TNFD framework, incorporating climate and nature risks into the decision-making process. This strengthens the governance and risk management capabilities of the Board of Directors, continuously enhances the quality of information disclosures, and responds to international regulatory trends.

Looking to the future, sustainability will no longer be an added value but the essence of corporate value. Phihong will continue to uphold "technology-driven sustainability and sustainability creating value" as its core principles. In an uncertain world, we are establishing the foundation for Long-Term stable growth and collaborating with global stakeholders to stride toward a low-carbon and inclusive future.

From carbon reduction to transformation, sustainability is no longer a choice, but a necessary path for companies to reshape their value.

Chief Sustainability Officer

許云茹





About this Report

This report is the 16th consecutive Sustainability Report issued by Phihong Technology Co., Ltd. (hereinafter referred to as "Phihong," "we," or "the Company"), and it is available in both Chinese and English for readers to download from the Phihong ESG website. We adhere to the principles of honesty and transparency in our reporting, systematically disclosing the Company's commitments and concrete actions in various aspects of sustainable development. This includes stakeholder communication mechanisms, medium- and long-term strategies for sustainability topics, promotion methods, and performance achievements. We hope that through this report, we can continue deepening communication and trust with all partners who have been supporting Phihong, and stride together toward a future of resilience and sustainable value.

Reporting Boundary (GRI 2-2)

The reporting boundary centers on Phihong Technology Co., Ltd., encompassing its subsidiary Zerova Technologies, major global operating sites, and manufacturing bases, systematically disclosing the Group's ESG governance and performance. Financial Information is disclosed according to the scope of the consolidated financial statements, fully presenting the operational achievements of the parent and subsidiary companies. Non-financial indicators are defined by materiality and manageability boundaries, and the scope of included branches, factories, and investee businesses is disclosed to enhance transparency and comparability. For key entities with significant impact, this report discloses their material topics and management strategies, reinforcing the link between sustainable governance and operational decision-making. At the same time, incorporating the value chain perspective, upstream and downstream activities that have a substantial impact on stakeholders are included in the external boundaries to ensure comprehensive disclosure and alignment with international sustainability frameworks.

Phihong	Code
Phihong Technology Co., Ltd.	PHT
Phihong (Dongguan) Electronics Co., Ltd.	PHC
Dongguan Phitek Electronics Co., Ltd.	PHP
Phihong Vietnam Co., Ltd.	PHV
Zerova	Code
Zerova Technologies Taiwan Limited	ZTM
Zerova Technologies (Dongguan) Co., Ltd.	ZCM

Material Topic Information Collection Scope

Aspects / Material Topics	Boundaries	PHT	PHC	PHP	PHV	ZTM	ZCM
Environmental Sustainability	Climate Change Response	●	●	●	●	●	●
	Energy and Greenhouse Gas Management	●	●	●	●	●	●
	Waste Management	●	●	●	●	●	●
	R&D and Innovation	●	-	-	-	●	-
Social Inclusion	Employee Motivation and Retention	●	●	●	●	●	●
	Talent Cultivation and Development	●	●	●	●	●	●
	Occupational Health and Safety	●	●	●	●	●	●
Corporate Governance	Customer Relationship Management	●	●	●	●	●	●
	Business Performance	●	●	●	●	●	●
	Integrity Governance	●	●	●	●	●	●
	Information Security and Customer Privacy	●	●	●	●	●	●
	Supply Chain Management	●	●	●	●	●	●

● Complete Information ● Partial Information - Not Material, Excluded from the Information Collection Boundary

Internal Management (GRI 2-14)

The Chairman of the Sustainable Development Committee and the Group's General Manager serves as the issuer of this report. The Sustainability Development Office established a Sustainability Report Editorial Team to carry out the identification of material sustainability topics for 2025 and to compile the report. The completeness and accuracy of information and sustainability performance indicators from each department were initially reviewed by the respective department heads. Subsequently, the Sustainability Development Office coordinated the re-examination of data, content planning, and editorial revisions. The final compilation of the Sustainability Report, in cooperation with third-party external organizations for assurance or verification, is completed and publicly disclosed following approval by the Board of Directors.

Feedback Contact Point

To support environmental protection and promote paperless practices, this report is also published in electronic format on the Company's ESG website. We sincerely look forward to hearing and understanding your suggestions and thoughts regarding this report. If you have any inquiries or suggestions about the contents of this report, please feel free to contact us.

Phihong Sustainability Development Contact Unit: Sustainability Development Office

Address: No. 568, Fuxing 3rd Rd, Guishan Dist., Taoyuan City 333611, Taiwan, R.O.C.

Tel: +886-3-3277288 ext.1363

Email: ESG@phihong.com.tw

ESG Info: Please click or scan the QR code below to the linked website information.



Phihong



Phihong ESG



Phihong ESG Facebook Page

Reporting Period and Frequency (GRI 2-3)

The report is issued annually. The reporting period covered is from January 1, 2025 to December 31, 2025 (consistent with the financial reporting period). To ensure the completeness and comparability of disclosed performance data, certain information is presented retrospectively, covering periods prior to 2023.

- First Report: Issued in June 2009
- Previous Edition: Issued in August 2025
- Current Report: Issued in August 2026
- Next Edition: Scheduled for issuance in August 2027

Reporting Principles and External Assurance (GRI 2-4 、2-5)



Non-Financial Information

Standards Followed

- GRI Sustainability Reporting Standards (2021 Edition)
- ISO 26000 Guidance on Social Responsibility
- SASB Standards – Electrical & Electronic Equipment Industry Indicators
- TCFD Framework for Climate-Related Financial Disclosures
- CDP Climate Change and Water Security Disclosures
- United Nations Sustainable Development Goals (SDGs)
- Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

External Assurance

- AFNOR International Certification Co., Ltd. Verified this report in accordance with the GRI Standards, the SASB Sustainability Accounting Standards, the Task Force on Climate-related Financial Disclosure (TCFD) framework, and the AA1000AS (v3) Type 1 Moderate Assurance Level.



Financial Information

Standards Followed

- IFRSs approved and published by the Financial Supervisory Commission
- Regulations Governing the Preparation of Financial Reports by Securities Issuers

Verification Institution

- Deloitte Taiwan

Company Description

About Pihong (GRI 2-1、2-6)(SASB RT-EE-000.B)

Pihong Technology Co., Ltd. (Pihong) is headquartered in Hwa-Ya Technology Park, Taoyuan City, and is recognized as one of the world's leading power supply manufacturers. With over 50 years of experience in power technology, Pihong holds a key position in the international power supply industry chain. Pihong focuses on the research, development, and manufacturing of high-efficiency power supplies. Its product portfolio includes power adapters, battery chargers, Power over Ethernet (PoE) devices, and power conversion systems, widely applied across consumer electronics, industrial, medical, and telecommunications fields. This extends into diverse applications such as smart home solutions, AR/VR devices, gaming equipment, 5G communications, electric vehicles, and low-earth orbit (LEO) satellites, demonstrating cross-domain integration capabilities.

In response to the global energy transition trend, Pihong is actively expanding its presence in the electric vehicle charging market with independent R&D capabilities for AC/DC charging stations. The company established its subsidiary, Zerova Technologies, focusing on providing integrated charging and energy management solutions, gradually building an intelligent energy ecosystem.

Pihong centers its strategy on "energy generation, energy conservation, and energy storage," combining advanced electricity technology and intelligent system integration capabilities to continuously introduce high-efficiency, low-carbon power solutions, assisting customers in reducing energy consumption and carbon emissions. At the same time, through global operational deployment, Pihong strengthens supply chain resilience and deepens ESG governance, striving to become a vital partner in driving energy transition and sustainable development.



Mission

Guided by our commitment to environmental stewardship, we provide comprehensive electric energy solutions and strive to be a trusted enterprise that creates shared prosperity for customers, employees, shareholders, and businesses partners.



Vision

To become the world's leading power supply provider by upholding energy saving, eco-friendliness, innovation, and service as our core values.



Management Philosophy

Integrity: Foundation of the Company and the guiding principle behind all actions.
Innovation: Driving sustainable growth and building a competitive advantage on the global stage.
Challenge: Key driver that inspires us to pursue continuous improvement and excellence.



Chairman

Lin, Chung-Min



Group General Manager

Lin, Guan-Hong

Headquarters

**Taoyuan,
Taiwan**

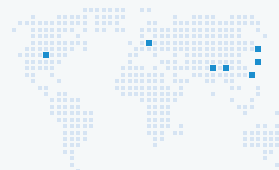


Established Since

**December 12,
1972**

Production Site

6



Paid-inCapital Amount

NT **\$3.752** billion



Listed on TWSE on
2001/09/17

Stock Code **2457**

Industry

**Electronic
Components**

2025 consolidated revenue
of the group is

NT **\$9.796** billion

2025 Employees
Worldwide

4,881 employees



Strategy Layout

With a global perspective, Phihong is deepening its strategic presence by establishing locations in multiple countries, integrating R&D, production, and service resources to build a high-efficiency and resilient supply system, providing customers with real-time localized solutions. Centered around Dongguan, China, and Haiphong, Vietnam as the core production bases, Phihong continues to enhance manufacturing flexibility to steadily respond to changes in the supply chain. In terms of technology and green transformation, Phihong has introduced Gallium Nitride (GaN) technology to improve power supply efficiency and promote Type-C and PD fast-charging applications, achieving an energy conversion efficiency of over 95%, setting the standard for high-efficiency energy saving. The subsidiary, Zerova, focuses on the electric vehicle charging sector and has launched the MCS ultra-high-power charging system to meet the fast-charging needs of commercial electric vehicles, strategically positioning itself in the low-carbon transportation market. Through global deployment, technology innovation, and green transformation, Phihong continues to strengthen its low-carbon competitiveness and drive sustainable growth.

Global Locations

Global Employees

Total **4,881**



US USA

Fremont, New York

Sales / R&D / FAE

(Phihong 39 / Zerova 43)



EU Netherlands

Amsterdam

Sales / FAE

(Zerova 22)



CN China

Jiangxi, Dongguan

Sales & Factory / R&D

(Phihong 1988 人 / Zerova 247)



HQ Taiwan

Taipei (HQ), Tainan

Sales / R&D / FAE

(Phihong 359 / Zerova 343)



JP Japan

Tokyo

Sales / FAE

(Phihong 3 / Zerova 43)



Office : Chuo City



Factory : Chiba

VT Vietnam

Hai Phong

Sales & Factory / R&D

(Phihong 1845)





Progress of the Sustainable Strategy

Phihong Sustainable Development Milestones

2009



2016



2021



2025



Laying the Foundation and Moving Forward

2009

- Established the Phihong Corporate Social Responsibility Management Committee.

2010

- Published the first 2009 CSR report (following GRI 3.1)
- Dongguan Plant conducted its first Greenhouse Gas Inventory (14064-1).



Diverse Deployment

2013

- Guidance Plan for Suppliers on Industry Sustainability and Compliance with International Environmental Standards

2015

- The Board of Directors approved the establishment measures for the [Corporate Sustainability Development Committee] and the renaming of the CSR Committee.
- The first CSR report (2014) third-party verification passed (SGS).
- Phihong has ventured into medical and high-end EV Charging Solutions power supply products.
- The CSR report was recognized with the Bronze Award in the Taiwan Sustainability Awards during its first participation.

2016

- First Alignment with the United Nations Sustainable Development Goals (SDGs)



Strategy Focus

2017

- The CSR report was recognized with the Silver Award in the Taiwan Sustainability Awards for two consecutive years.
- Incorporate ESG into corporate strategy, redefining Phihong's Vision and Mission.
- Inclusion of the Linkou Headquarters in greenhouse gas emissions monitoring and disclosure.

2018

- Received the Gold Award in the TCSA Taiwan Corporate Sustainability Award

2020

- The CSR performance received the EcoVadis Corporate Social Responsibility Achievement Silver Award.
- Commits to supporting the Science-Based Target initiative (SBTi) for carbon reduction.

2021

- Establish a Sustainable Development Office.
- The CSR report was renamed as the Sustainability Report.
- Introduce SASB (Sustainability Accounting Standards) and Task Force on Climate-related Financial Disclosures (TCFD)



Leading the Future

2022

- Launch the "ESG Sustainable Vision Initiative" plan.
- Phihong (Dongguan) introduced the RBA 7.0 VAP for the first time and obtained Silver Certification.
- Signed to support the Task Force on Climate-related Financial Disclosures (TCFD)
- The 0.9 MW solar power system installation at phases 1 and 2 of Phihong (Dongguan) has been completed and officially commissioned.
- The 50th Anniversary Sports Meet & Family Day was held for the first time.

2023

- The Reporting Boundary of the report includes Zerova Technologies Taiwan Limited.
- Phihong and Zerova respectively completed the establishment of the Chief Sustainability Officer.
- Dongguan Phitek Electronics implemented the UL 2799 Zero Waste to Landfill program and achieved the highest Platinum Level certification.

2024

- Verified by SBTi for Carbon Reduction Targets, committing to a 42% reduction in carbon emissions by 2030.
- Received the EcoVadis Gold Medal for global sustainable supply chain assessment and achieved a B Management Level in the CDP Climate Change Evaluation.
- Obtained ISO 50001 Energy Management, ISO 14067 Carbon Footprint Inventory, and ISO 27001 Information Security Management certification.

2025

- Introduce the TNFD framework, incorporating nature-related topics into the TCFD report.
- Phihong USA completed the installation of a solar power system, with an annual electricity generation of 370,000 kWh.
- Received the Gold Award in the TCSA Sustainability Report for Five Consecutive Years
- 6-time Consecutive Winner of the Happiness Enterprise Gold Award

Sustainability Performance and Honors



Annual Carbon Reduction of **31.79%** (Scope 1 + 2)

✓ Achievement of **SBTi** carbon reduction targets at **75.7%**



Consecutively achieved EcoVadis Sustainability

✓ Gold Rating, ranking among global **Top 5%**



UL 2799 Zero Waste to Landfill

✓ Consistently Awarded Highest Level: **Platinum**



Received **2025 CDP** "Climate Change" and "Water Security" assessments

✓ **Double B** (Management Level) Ratings



Compliant with International Social Responsibility Standards

✓ **SA8000 Certification**



6-Time Consecutive Winner

✓ **Happiness Enterprise Gold Award**



Awarded for 5 Consecutive Years in the **18th TCSA**

✓ **Corporate Sustainability Report Gold Award**



2025 **RBA VAP** Recognition

✓ **Continued Silver Level Status**



Awarded Customer's **2025**

✓ **Excellence Supplier Award**



ZeroVA Awarded in Berlin, Germany

✓ **2025 iF Design Award**



Practice of United Nations Sustainable Development Goals (SDGs)

Since the United Nations introduced the "Sustainable Development Goals (SDGs)," Phihong has actively embraced global sustainability initiatives. In alignment with the "Taiwan Sustainable Development Goals" announced by the government, we have comprehensively advanced relevant actions across the Company. Guided by the "SDGs Compass – The Guide for Business Action on the United Nations Sustainable Development Goals," which outlines 169 specific practice indicators, Phihong has thoroughly reviewed every aspect of its value chain operations related to its core business. We have integrated sustainability principles into our corporate social responsibility policies and operational strategies.

Building on the 17 core SDGs, Phihong has identified 14 goals that are most closely aligned with our substantial business activities, designating them as the annual focus areas for implementation efforts. This approach underscores our commitment to embedding sustainability into every aspect of our operations. We bring the spirit of the SDGs into our day-to-day processes by setting clear objectives and regularly tracking progress through the Sustainable Development Promotion Team to ensure tangible results.

Looking forward, Phihong will continue strengthening dialogue and collaboration with stakeholders, proactively aligning with international sustainability trends, and fulfilling our role as a responsible corporate citizen. We regard corporate social responsibility as an essential part of our operations, dedicated to striking a balance between economic growth, environmental stewardship, and social well-being. Through these efforts, we aim to create meaningful impact and contribute to addressing global sustainability challenges.

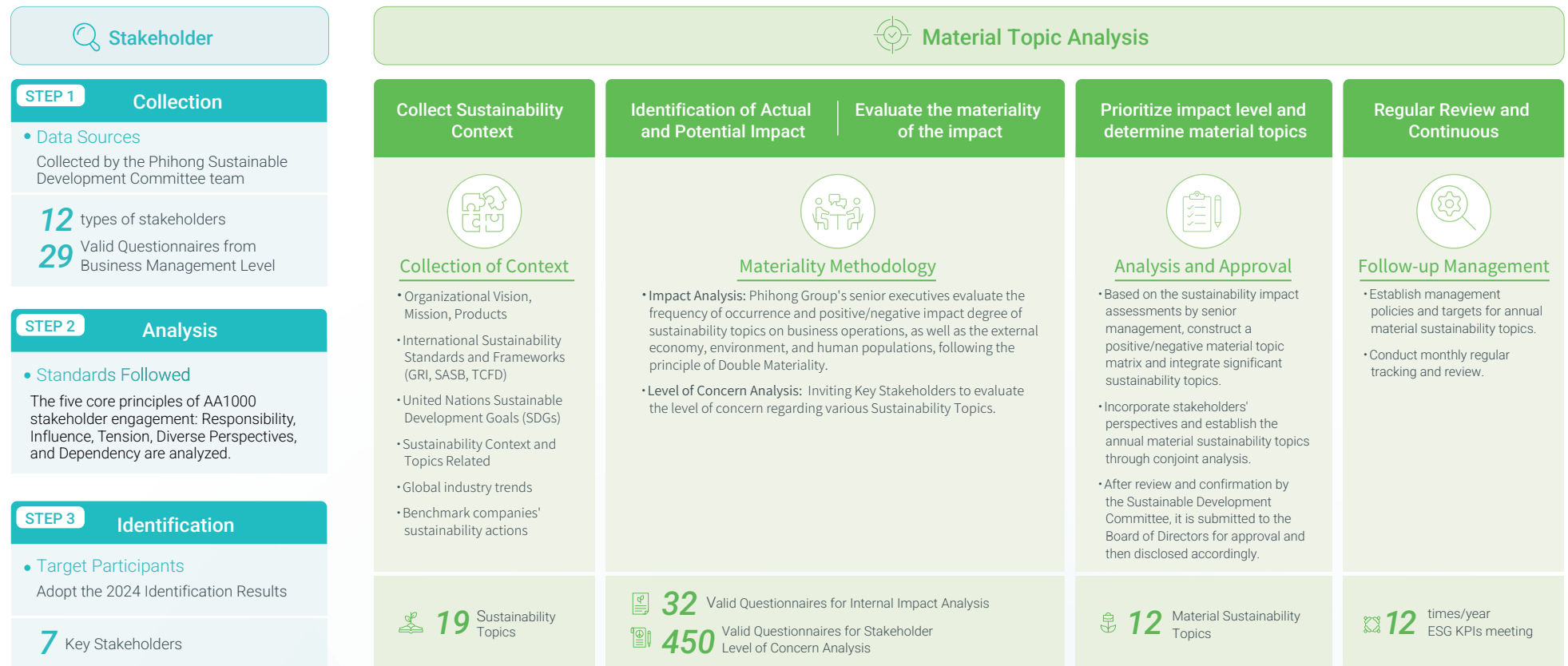


Primary SDG Goal	Relevant SDG Target	Phihong's Target	Phihong's Alignment with the SDGs	Corresponding Section
No Poverty	1.5: Strengthen the resilience of the poor and those in vulnerable situations to recover from disasters, and reduce their exposure to the frequency and severity of climate-related extreme events and other disasters.	Uphold the principle of "friendly neighborhood and care for the vulnerable," and continue to support and care for disadvantaged groups.	- In its second year, the Phihong Charity Train has organized a total of 8 social welfare series events. - The "Hundred Dollar Club" scholarship assistance program continued into its 11th anniversary, with cumulative donations exceeding NT\$2.75 million.	2.6 Community Service and Engagement
Zero Hunger	2.1: End hunger, and ensure that all people, especially the poor and those in vulnerable situations (including infants), have access to safe, nutritious, and sufficient food all year round.	Uphold the principle of "friendly neighborhood and care for the vulnerable," and continue to support and care for disadvantaged groups.	- Phihong provides regular monthly donations and nutritional supplements to the private Muhsiang Children's Home in Dayuan, Taoyuan, and the Guishan Elementary School Little League team. - Global charitable initiatives include simultaneous mountain clean-up activities and care for the underprivileged at the Dongguan and Vietnam sites.	2.6 Community Service and Engagement
Good Health and Well-being	3.8: Achieve universal health coverage, including financial risk protection and access to quality essential healthcare services.	Promote a healthy workplace and create a safe and health-conscious work environment for employees.	- In accordance with the Regulations Governing Labor Health Protection, Phihong assigns full-time nurses and arranges on-site doctors to offer medical consultation and health promotion programs for employees. - Phihong provides free annual health checkups for all employees, in addition to the statutory requirements.	2.5 Occupational Health and Safety
Quality Education	4.4: Enhance corporate management capabilities, including technical and vocational skills; 4.5: Ensure equal access to all levels of education and vocational training for vulnerable groups, including people with disabilities, Indigenous Peoples, and disadvantaged children.	Provide employees with opportunities for learning and development by establishing a comprehensive education and training system aligned with corporate strategies, organizational structure, and long-term vision.	- Phihong strengthens management capabilities through supervisory training, functional professional courses, and general education in language and health. - A wide range of self-development resources is available, emphasizing both professional growth and personal well-being, including mental and physical health.	2.4 Talent Development and Empowerment
Gender Equality	5.5: Ensure full participation of women in political, economic, and public decision-making, and provide equal opportunities for leadership at all levels.	Promote the representation of women in management by integrating gender equality and women's empowerment into policies, training programs, and internal campaigns.	- Phihong's talent development policy prioritizes the right individuals to suitable roles based on ability, with a focus on managerial competencies regardless of gender. - In 2025, nearly a hundred female managers at or above section chief level accounted for 28.82% of all managers, marking four consecutive years of growth.	2.3 Employee Motivation and Retention
Clean Water and Sanitation	6.4: Increase water-use efficiency across all sectors, and ensure sustainable freshwater supply and recovery to address water scarcity.	Improve water-saving performance by enhancing water facilities and implementing conservation strategies.	The Taiwan plant has introduced a rainwater harvesting system, while Phihong (Dongguan) upgraded its infrastructure to separate rainwater and wastewater, thereby enhancing water use efficiency.	1.5 Water Stewardship, Waste Management
Affordable and Clean Energy	7.2: Substantially increase the global share of renewable energy; Target 7.3: Improve energy efficiency.	Strengthen energy management through regional power monitoring systems and reduce energy consumption through continuous efficiency improvements.	- ZeroVA, along with Phihong (Dongguan) and Phihong (Vietnam), installed solar power systems for on-site generation and consumption of renewable energy. - The ISO 50001 Energy Management System has been implemented, and replaced high-energy-consuming equipment replaced. Multiple energy-saving measures were introduced at both factory and office areas.	1.4 Energy and Greenhouse Gas Management
Decent Work and Economic Growth	8.5: Achieve full and productive employment with equal pay for equal work regardless of gender. 8.7: Enforce a zero-tolerance policy on child labor. 8.8: Ensure a safe and healthy working environment for all employees.	Implement equal pay policies regardless of gender in line with the RBA Code of Conduct; prohibit child labor; and ensure workplace health and safety through clear internal policies.	Phihong complies with the RBA Code of Conduct by prohibiting child labor and ensuring equal pay for equal work regardless of gender. The company has also established an Occupational Health and Safety Committee under its Environmental, Health and Safety Policy and implemented the ISO 45001 management system.	2.2 Human Rights Due Diligence 2.5 Occupational Health and Safety

Primary SDG Goal	Relevant SDG Target	Phihong's Target	Phihong's Alignment with the SDGs	Corresponding Section
 Industry, Innovation and Infrastructure	9.1: Build quality, safe, sustainable, and resilient infrastructure to support economic development and human well-being, ensuring affordable and equitable access for all. 9.4: Upgrade infrastructure and transform industrial and commercial operations to be sustainable, improving energy efficiency and adopting clean, environmentally friendly technologies and processes.	Commit to the development of high-power charging products to increase charging efficiency and shorten charging time; achieve strong performance in areas such as smart living, medical electronics, gaming, 5G, and industrial control.	- Phihong has built fast charging stations to support a more EV-friendly environment, helping reduce range anxiety and saving drivers' charging time. - Through a new high-efficiency conversion technology platform, we achieve product miniaturization by enhancing conversion efficiency and reducing heat generated by components, such as in ultra-high-power GaN chargers.	4.2 Green R&D and Innovation 4.3 Low-Carbon Product Design
 Reduced Inequalities	10.3: Ensure equal opportunities and reduce inequality by eliminating discriminatory laws, policies, and practices, and promoting appropriate legislation, policies, and actions.	Support the "United Nations Universal Declaration of Human Rights," "United Nations Guiding Principles on Business and Human Rights," and the "RBA Code of Conduct" through policy alignment and internal commitment.	- Phihong's Global Human Rights Policy aligns with the RBA Code of Conduct and has been verified by a third party. - In 2025, ZEROVA completed its first Human Rights Due Diligence report.	2.2 Human Rights Due Diligence
 Sustainable Cities and Communities	11.6: Reduce the negative environmental impact of urban areas by focusing on air quality, urban management, and waste management.	Incorporate waste management into daily operations to effectively reduce waste volume and minimize environmental impacts.	- Phihong complies with the environmental laws and regulations at all operating sites and enforces effective waste management practices. Scrap materials are reused, and waste is disposed of responsibly. - Product carbon footprint assessments are conducted in accordance with Product Category Rules (PCR), laying the foundation for carbon management practices.	1.4 Energy and Greenhouse Gas Management 4.3 Low-Carbon Product Design
 Responsible Consumption and Production	12.6: Incorporate sustainability information into the company's regular reporting cycle.	Promote environmental, social, and corporate governance (ESG) topics by integrating sustainability into business operations and regularly disclosing progress in the ESG report.	The Phihong Sustainability Report was prepared in accordance with the GRI 2021 Universal Standards and SASB Standards, incorporating disclosures on climate- and nature-related risks and opportunities (TCFD/TNFD).	About this Report Progress of the Sustainable Strategy Material Topic Identification and Management
 Climate Action	13.3: Enhance education, awareness, and institutional capacity to reduce and adapt to climate change risks, mitigate impacts, and establish early warning systems.	Disclose climate-related risks and opportunities in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework.	- Phihong discloses climate- and nature-related risks and opportunities (TCFD/TNFD) information. - Promotes the development of low carbon products to support green industry growth; - Commits to achieving an annual carbon reduction target of 4.7% as part of the SBTi initiative.	4.4 Transitioning to a Circular Economy 1.3 Climate Strategy (TCFD & TNFD)
 Peace, Justice, and Strong Institutions	16.5: Significantly reduce all forms of corruption and bribery. 16.7: Ensure decision-making at all levels is inclusive, participatory, representative, and responsive to public needs.	Uphold the "Code of Business Ethics and Conduct" by implementing anti-corruption and anti-bribery policies, maintaining harmonious labor-management relations, and respecting employees' freedom of association.	- Implement the "Code of Business Ethics and Conduct" by implementing anti-corruption and anti-bribery policies; in 2025, Phihong had no incidents of corruption or bribery. - Quarterly labor-management meetings are held to ensure effective communication on employee welfare and labor rights through reports and proposals.	3.4 Integrity Management and Compliance 2.3 Employee Motivation and Retention

Material Topic Identification and Management

2025 Year Material Topic Analysis Process (GRI 3-1)



✓ Pihong defines 'Material Topics' as key issues that are of high concern to stakeholders, have a substantial impact on the company's operations, and for which quantifiable long-term targets can be established.

Stakeholder Identification and Communication

Stakeholder Engagement (GRI 2-29)

Stakeholder Engagement is the cornerstone of Phihong's sustainability strategy. Through diverse communication channels, we deepen interactions with various stakeholders to accurately grasp core demands and identify material topics. This process not only serves as a key basis for risk management and operational planning but also acts as a core driver to ensure the company's steady advancement towards sustainable development. In 2025, Phihong rigorously adhered to GRI 3: Material Topic Standards to establish the boundaries and scope of sustainability information disclosures, using them as a benchmark for setting long-term sustainability targets.

Engagement Mechanism and Governance Implementation (GRI 2-16)

Phihong follows the five core principles of AA1000 SES stakeholder engagement (Responsibility, Influence, Tension, Diverse Perspectives, and Dependency) to establish a comprehensive communication mechanism. We are committed to listening, understanding, and actively responding to stakeholders' needs. Through ongoing dialogue, we create mutual value and trust. To strengthen governance, the Sustainability Office regularly tracks the implementation performance of material topics and reports on progress and level of concern survey results to the Board of Directors at least once a year. The communication effectiveness for 2025 has been successfully reported. In the identification of stakeholders, Phihong continues to use the 2024 identification logic, focusing on seven core stakeholders from 12 categories: Shareholders and Investors, Customers, Employees, Suppliers (including contractors), Community, Government Agencies, and Non-Profit Organizations. We will continue to optimize the communication platform to ensure that key opinions can be effectively transformed into a driving force for the improvement of company operations.

Key Stakeholders	Relevance to Phihong	Communication Channels and Frequency	Topics of Concern*	2025 Discussion Effectiveness
 Shareholders and Investors	Phihong is committed to protecting the rights and interests of investors and shareholders, implementing sound corporate governance, maintaining continuous communication with investors, and strengthen information transparency.	- Shareholders' Meeting: Annually - Annual and quarterly financial reports: Annually (Quarterly) - Financial report: Quarterly - Investor conference: Irregular - Sustainability Report: Annually	Financial Performance and Profitability / Dividend Policy - Information Security and Customer Privacy - Integrity Management and Regulatory Compliance Corporate Governance and Integrity Management Innovation and Technology R&D	✔ Convened the annual shareholders' meeting once ✔ Held two investor conferences ✔ Regularly published financial and corporate governance information
 Customers	Phihong prioritizes customer needs, listens closely to customer feedback, and is dedicated to consistently delivering higher-quality services are essential to enhance customer value.	- Customer satisfaction surveys: Once per year - Customer service hotline: Ongoing - Customer audit: Once per year - ESG disclosure (such as CDP and EcoVadis): Once per year - Self-Assessment Questionnaire (SAQ) and on-site audit: Irregular	Financial Performance R&D and Innovation - Procurement Practices Management - Hazardous Substance Management Information Security and Customer Privacy	✔ Customer satisfaction: Phihong 87.4%, ZeroVA 83.5%, reaching record highs and surpassing industry averages.

Note: The bold text refers to the annual material topics.

Key Stakeholders	Relevance to Phihong	Communication Channels and Frequency	Topics of Concern*	2025 Discussion Effectiveness
Employee	Employees are Phihong's most important partners in sustainable development. The Company is committed to creating a diverse, equitable, and healthy work environment to foster mutual growth and development with all employees.	• Labor / Management Meetings: Quarterly • Employee Satisfaction and Opinion Survey: Every 2 years • Employee Welfare Committee meetings: Semi-annually • Employee grievance section: Ongoing • Continuous Improvement (CI) promotion platform: Ongoing	• Talent Attraction and Retention • Financial Performance and Profitability • Employee Rights, Diversity, and Equality • Talent Learning and Development • Occupational Health and Safety	✓ Held quarterly labor-management meetings and Employee Welfare Committee meetings. ✓ Conducted annual performance appraisal, employee promotions and salary adjustments.
Suppliers	Phihong collaborates with supply chain partners to deliver high-quality materials and services, aiming to establish sustainable partnerships and jointly advance corporate sustainability.	• New supplier reviews, audits, and interviews: Irregular • Quarterly Business Reviews (QBR) or quality meetings: Irregular • Supplier conferences: Irregular • Self-Assessment Questionnaire (SAQ) and on-site audit: At least four times per year • Supplier reporting / complaint mailbox: Ongoing	• Information Security and Customer Privacy • Supply Chain Management • Integrity Management and Regulatory Compliance • Procurement Practices Management • Financial Performance and Profitability	✓ The signing rate of the Supplier Code of Conduct by new suppliers has reached 100%. ✓ The Integrity Commitment Letter signing rate among core suppliers reached 90%. ✓ Conducted 28 new supplier reviews (QSA) with a 75% completion rate; Conducted 101 existing supplier reviews (QPA)
Community	Phihong actively participates in community and park initiatives, engages in dialogue and responsiveness, and supports vulnerable groups to promote social inclusion and fulfill the Company's responsibilities as a sustainable corporate citizen.	• Company official website: Ongoing • Routine meetings of the park management center: Quarterly • ESG survey questionnaires: Annually • Grievance mailbox: Ongoing	• Wastewater Discharge and Waste Management • Occupational Health and Safety • Hazardous Substance Management • Financial Performance • R&D and Innovation	✓ The environmental monitoring rate for effluents discharge has reached 100%, in full compliance with regulatory requirements. ✓ Continued donations and environmental cleaning activities at orphanages; provided nutritional support and donations to the Guishan Elementary School Little League Team; contributed to the Hundred Dollar Club charity, with cumulative donations exceeding NT\$2.75 million.
Government Agencies	Phihong adheres to all relevant regulations and actively cooperates with government policies. Through transparent, two-way communication, the Company builds trust, support, and collaboration with regulatory authorities.	• Annual report: Annually • Workshops / Seminars: Irregular • Financial report: Quarterly • Public Information Observatory: Irregular • Sustainability Report: Annually	• Corporate Governance and Integrity Management • Integrity Management and Regulatory Compliance • Investor Protection • Climate-related Financial Disclosures (TCFD)	✓ Regularly disclosed operational information on the Public Information Observatory. ✓ In the 12th Corporate Governance Evaluation, ranking was within the 21%-35% tier. ✓ Prepared the Sustainability Report in accordance with the GRI, TCFD, and SASB standards.
Non-Profit Organizations	Phihong collaborates with non-profit organizations to integrate resources, establish long-term sustainable partnerships, and engage more deeply with issues related to environmental carbon reduction and social development.	• Company official website: Ongoing • Press release: Irregular • Social media: Irregular	• Climate-related Financial Disclosures (TCFD) • Energy and Greenhouse Gas Management • Financial Performance and Profitability • Integrity Management and Regulatory Compliance • R&D and Innovation	✓ Responded to the CDP Carbon Disclosure Project and received double B management levels in the climate change and water stewardship questionnaires. ✓ Followed and disclosed information in alignment with SASB and TCFD (TNFD) guidance. ✓ Received the Gold Award in the TCSA Taiwan Corporate Sustainability Award.

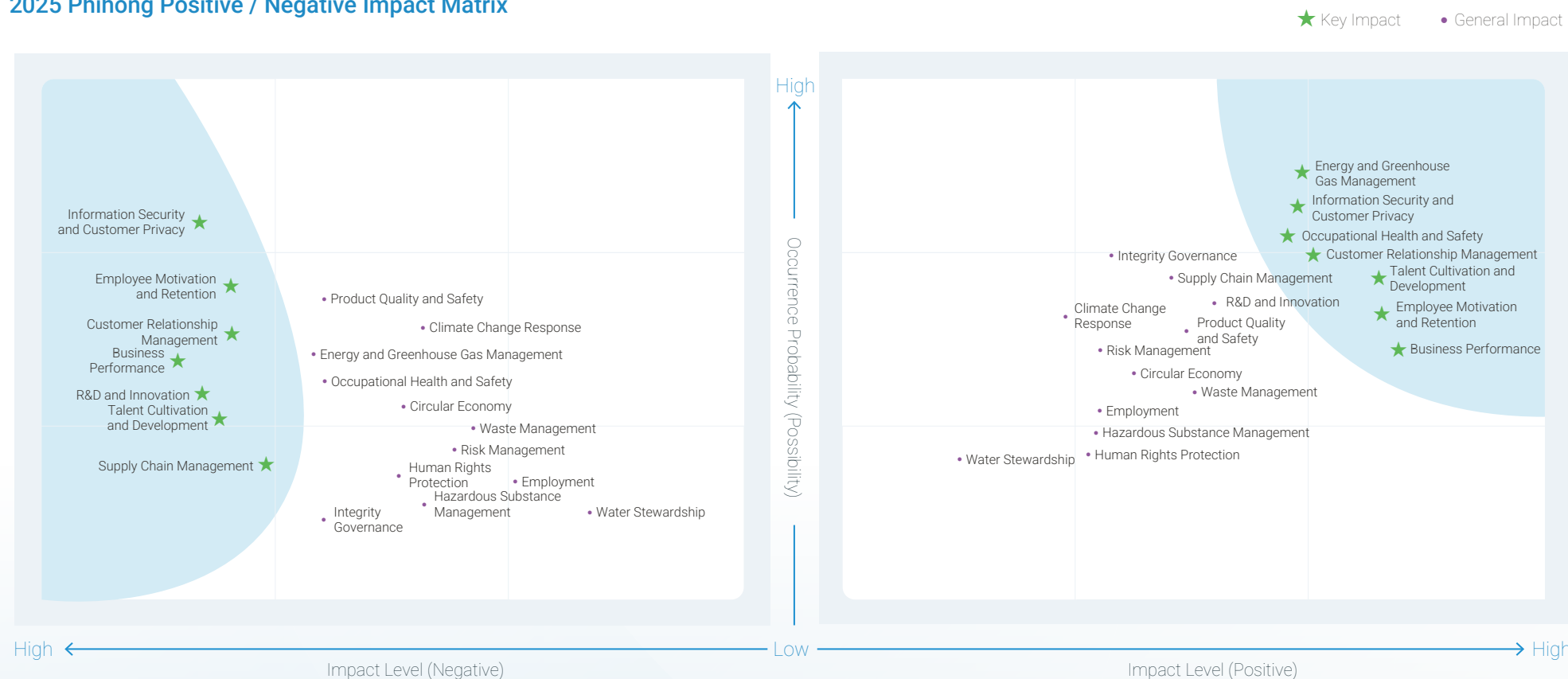
Note: The bold text refers to the annual material topics.

Material Topic Identification

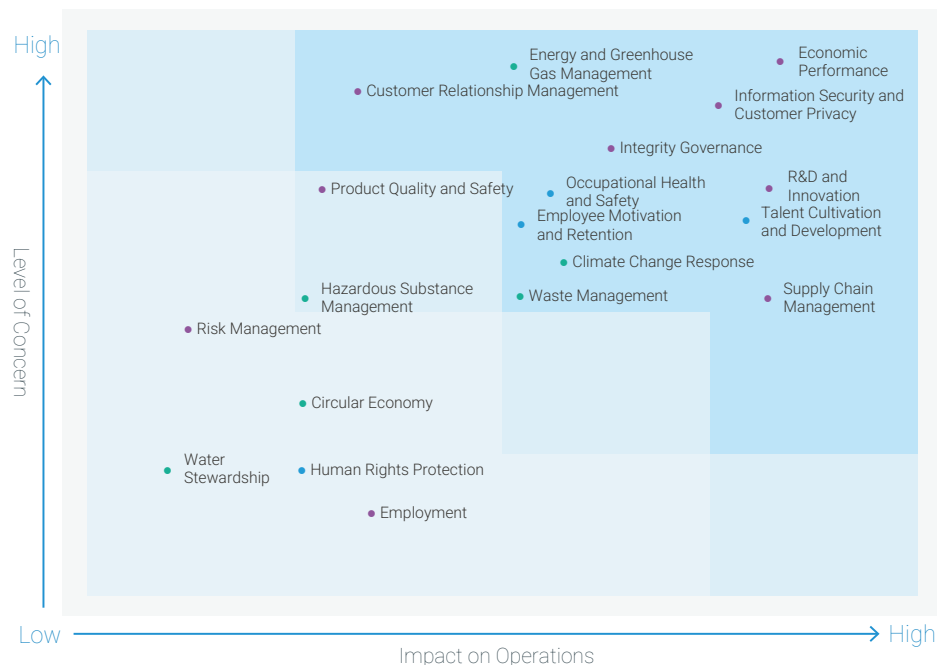
Material Topic Identification Process and Results (GRI 3-2)

Phihong actively aligns with international indicators by referencing International Sustainability Standards and Frameworks (SASB, TCFD, CDP) and the United Nations Sustainable Development Goals (SDGs). Combining industry trends and the outcomes of stakeholder communications, Phihong has refined 19 core sustainability topics. To accurately define development priorities, we follow the GRI 3 Material Topic standards, with the senior executive team leading the Double Materiality assessment. Comprehensively evaluate the positive and negative impact level and occurrence probability of each topic on the economy, environment, human rights, and business operations. Through cross-analysis using the "Material Topic Matrix" and integrating stakeholder focus areas, the management approach is ultimately reviewed by the Sustainable Development Committee and submitted to the Board of Directors for approval and implementation.

2025 Phihong Positive / Negative Impact Matrix



Level of Concern and Degree of Impact Analysis



List of material topics for 2025

Prioritization	Aspect	Name of Material Topic	Matrix analysis basis and core importance
1	G	Information Security and Customer Privacy	Dual impacts (both positive and negative) are considered key impacts, with the level of concern from stakeholders and impact on operations being extremely high.
2	E	Energy and Greenhouse Gas Management	The key item with a positive impact and extremely high occurrence probability is the primary topic in the environmental aspect.
3	G	Business Performance	Located on the far right of the two large matrices, it is crucial for the sustainable survival of the enterprise, with the highest Impact Level.
4	S	Customer Relationship Management	The key item with a positive impact that has a high level of concern from stakeholders.
5	S	Talent Cultivation and Development	The key item with a positive impact ranks among the top in terms of impact on operations and level of concern.
6	S	Employee Motivation and Retention	In both positive and negative Impact Assessments, it is considered a key item and is central to talent attraction.
7	S	Occupational Health and Safety	It is a Key Impact with High Occurrence Probability, located in the core area of stakeholder concern.
8	G	R&D and Innovation	The key item with a positive impact, located in the high-value quadrant of the Impact on Operations matrix.
9	G	Supply Chain Management	Both positive and negative impacts are assessed as key impacts, with a high level of impact on operations.
10	G	Integrity Governance	There is an extremely high level of concern from stakeholders, with a significant probability of positive impact.
11	E	Waste Management	At the core intersection of the two major matrices, it serves as a critical indicator for promoting Circular Economy and Compliance with environmental laws and regulations.
12	E	Climate Change Response	Located at the core area of the matrix, it complements "Energy Management" and represents an international development trend.

2025 Material Topic Overview

In 2025, Phihong identified 12 Material Topics. Compared to 2024, "Integrity Management" and "Corporate Governance" have been consolidated into "Integrity Governance," and a new topic on "Customer Relationship Management" has been added. For the aforementioned 12 topics, the impact boundaries within and outside the organization have been clearly defined and are aligned with specific GRI indicators, serving as the core content of this report to concretely demonstrate Phihong's response strategies and promotion performance. In addition, all Material Topics are integrated into the "Three Lines of Defense for Corporate Risk Management" mechanism, where the Executing Units, Risk Management Unit, and Audit Office collaborate, counterbalance, and supervise each other to ensure effective implementation of the relevant management processes and continuously enhance overall risk control capabilities.

Category	2024 Topic	2025 Topic	Description of Changes
Consolidated	Integrity Management, Corporate Governance	Integrity Governance	Combine Integrity Management and Corporate Governance into a single topic to strengthen the integration and management efficiency of the governance framework.
Addition	—	Customer Relationship Management	In response to business development and stakeholder concerns, a new topic on Customer Relationship Management has been added.
Others	Other Material Topics	Remain unchanged	The other material topics continue the existing framework to maintain stable management and disclosure consistency.



Management of Material Topics (GRI 3-3)

Material Topic Value Chain Impact Identification

Actual Impact
 Potential Impact
 Direct Impact Caused by Facilitation or Business Relationships

Material Topic	GRI Corresponding Standard	Significance Impact Description	Positive / Negative Impact	Internal Impact	Value Chain Impact Assessments						
					Suppliers	Customers	Shareholders	Community	Government Agencies	NGO	Corresponding Section
Information Security and Customer Privacy	418 Customer Privacy	Actual: Obtained ISO 27001 certification in 2024 to ensure effective management of information security.	⊖					-		-	3.5.2 Information Security 3.6.2 Protection of Customer Privacy
Energy and Greenhouse Gas Management	302 Energy 305 Emissions	Actual: Phihong is actively planning carbon reduction pathways and renewable energy use, implementing the SBTi and TCFD initiatives to mitigate the impact of climate change with specific targets.	⊖					-			1.4 Energy and Greenhouse Gas Management
Business Performance	201 Economic Performance	Actual: The company's exceptional operational growth creates and allocates value for stakeholders.	⊕								3.3 Operational Performance
Customer Relationship Management	Custom Topic	Potential: The leak of customer data affects satisfaction and trust, bringing regulatory and operational risks.	⊖					-		-	3.6.2 Customer Relationship Management
Talent Cultivation and Development	404 Training and Education	Actual: Phihong develops personalized learning and development plans tailored to each employee's professional skills, career interests, and work styles. This approach empowers every employee to exceed their own expectations and unlock their full potential.	⊕					-		-	2.4.1 Training and Development
Employee Motivation and Retention	401 Employment 202 Market Presence	Actual: Phihong has established a comprehensive career planning and promotion system covering employee recruitment, transfer, and retention. This approach not only fosters individual career development but also helps employees realize their potential and explore new career paths and opportunities.	⊕							-	2.3.2 Remuneration Policies 2.3.3 Employee Relationship Management
Occupational Health and Safety	403 Occupational Health and Safety	Actual: Phihong actively strengthens risk management and preventive measures while promoting health promotion activities to create a sustainable and healthy work environment, ensuring the health, safety, and human rights protection of all workers. In 2025, Phihong recorded only minor work-related incidents, with no major occupational accidents or cases of work-related ill health.	⊕ ⊖					-		-	2.5 Occupational Health and Safety
R&D and Innovation	Custom Topic	Actual: Introduce green design using a product life cycle mindset, develop green low-carbon products, and enhance market competitiveness and revenue.	⊕					-	-		4.2 Green R&D and Innovation 4.3 Low-Carbon Product Design
Supply Chain Management	308 Supplier Environmental Assessment 414 Supplier Social Assessment	Actual: Collaborate with suppliers to jointly promote sustainability, advancing environmental sustainability and human rights protection. All Suppliers are required to sign relevant commitment documents, and to date, no supplier-related negative incidents have been recorded.	⊖					-			3.6.1 Sustainable Supply Chain Management
Integrity Governance	205 Anti-Corruption 206 Anti-Competitive Behavior	Potential: Integrity is Phihong's core corporate value and business philosophy. The Company implements integrity management to high standards and has established comprehensive whistleblowing and protection mechanisms to mitigate negative impacts.	⊖					-			3.2 Corporate Governance 3.4 Integrity Management and Compliance
Waste Management	306 Waste	Actual: The main plants have fully implemented zero waste practices and achieved UL 2799 Zero Waste to Landfill certification.	⊖					-			1.5 Water Stewardship, Waste Management
Climate Change Response	201 Economic Performance	Potential: Phihong, in response to the risks and opportunities posed by climate change, adopts the response strategy of "enhancing energy management and accelerating the transition to low-carbon products, striving to build a resilient green value chain."	⊖					-			1.3 Climate Strategy (TCFD & TNFD)

Management Policies for Material Topics

Material Topic	Management Mechanism and Purpose	Policies and Commitments	Assessment Mechanism	Responsible Department	Annual Performance Highlights
Information Security and Customer Privacy	- Information asset risk assessments - Implementation of personal data protection and management	Enhance information security management to protect customer privacy	- System management and vulnerability scanning - Information Security Breach Incident	Information Department	Obtained ISO 27001 Information Security Management System certification.
Energy and Greenhouse Gas	- Resource and Energy Conservation Management Procedures - Greenhouse Gas Inventory Management Procedures	Implement green sustainability practices to actively reduce the environmental impact and footprint of corporate operations	- Energy management baseline - Greenhouse Gas Inventory	General Affairs and EHS Units	- Achieved 31.79% reduction of Scope 1 + 2 GHG Emissions compared to the base year - Implement internal carbon pricing (ICP) mechanisms to internalize carbon costs.
Business Performance	Establishment of a robust corporate governance framework and functional committees for oversight of overall operations and development.	Strengthen the financial structure to ensure cost control	- Internal audit. - CPA audit and certification.	Each Business Group, Finance Department	Gross profit margin of 27%, target achieved
Customer Relationship Management	Establish communication, satisfaction, and complaint management mechanisms to continuously enhance service quality and customer relationships.	Customer-oriented, providing safe and reliable products, ensuring data privacy and maintaining customer trust.	Customer satisfaction surveys	Quality system management	Customer satisfaction: Phihong 87.4%, Zerova 83.5%, reaching record highs and surpassing industry averages.
Talent Cultivation and Development	- Education and Training Management Procedures - Talent Development Quality Management System (TTQS)	Adopt TTQS as a benchmark for training quality, align it with the Company's vision and goals; uphold principle that talent is the cornerstone of the enterprise; establish a diverse development training system; enhance the quality of human resources and the competitiveness of the enterprise to achieve the Company's sustainable business goals	- TTQS training quality evaluation - Training satisfaction survey	Human Resources Department	- Average training hours per person were 43.58 hours, with an achievement rate of 145.3%. - Added 4 internal instructors, offered 10 courses, 295 participants attended, with a satisfaction score of 9.5.
Employee Motivation and Retention	Appointment Management Regulations	Carefully select talent and appoint them according to their suitability	Performance management system	Human Resources Department	Awarded the Happiness Enterprise Gold Award for 6 consecutive years.
Occupational Health and Safety	- ISO 45001 Occupational Health and Safety Management System - Establishment of Occupational Health and Safety Committee.	Comply with occupational safety and health regulations to continuously improve the work environment, prevent accidents, and reduce risks.	- External periodic verification - Number of environmental monitoring exceedances	General Affairs and EHS Units	No work-related illnesses or major occupational incidents occurred.
R&D and Innovation	- Design low-carbon products - Transitioning to a Circular Economy	Lead in low-carbon electricity and share sustainable development outcomes	- R&D KPI target management - R&D Patent incentive programs	R&D Units of Each Business Group	- The Smart DC Fast Charging Piles were recognized with the 2025 International iF Design Award. - The standby power consumption of the 300W model has been reduced to 130mW (industry high standard).)
Supply Chain Management	Supervision and management of labor rights, environmental protection, ethical standards, and safety and health risk control throughout the supply chain	Incorporate sustainability into the procurement process and take responsibility for the social, economic, and environmental impacts caused by procurement activities	Supplier performance evaluation, supplier conferences	Global Strategic Procurement Division	- The percentage of new suppliers screened using environmental and social criteria reached 100%. - Received the EcoVadis Top 5 Gold Award
Integrity Governance	- Integrity Management Regulations - Establishment of whistleblowing channels and reward and disciplinary systems	Uphold corporate integrity culture. Implement Business Ethics and Conduct Guidelines	- Internal Audit - Corporate Governance Evaluation	Audit Office	No incidents of corruption, bribery, or related misconduct occurred.
Waste Management	UL 2799 Zero Waste to Landfill Validation Standard	Reduce waste at the source, set "zero waste" facilities as a core goal, and "zero landfill" as an important development direction	UL 2799 Zero Waste to Landfill Validation	General Affairs Unit, EHS	The Dongguan and Vietnam plants have obtained UL 2799 validation.
Climate Change Response	- Identification and assessment of climate risks - Participation in the SBTi initiative	Follow the core elements of TCFD to identify and disclose actions related to climate change adaptation and mitigation	- CDP questionnaire evaluation - SBTi carbon reduction target setting	Sustainable Development Office, Accounting Department, General Affairs Department	- Achieved double B (Management Level) ratings in the CDP Climate and Water Security assessments. - Passed verification for science-based carbon reduction targets under the SBTi framework and continually disclose carbon reduction progress and performance.



E NVIRONMENTAL

1 Climate Resilience and Environmental Sustainability

- 1.1 Key Performance Indicator
- 1.2 Sustainable Environmental Management
- 1.3 Climate Strategy (TCFD & TNFD)
- 1.4 Energy and Greenhouse Gas Management
- 1.5 Water Stewardship, Waste Management

1.1 Key Performance Indicator



Environmental Management

- ✓ Achieved double-B rating (Management Level) in the CDP Climate and Water Security assessments.
- ✓ UL 2799 Zero Waste to Landfill Consistently Awarded Highest Level: Platinum
- ✓ The Environmental Management has been fully systematized, forming a comprehensive framework for environmental and carbon management.



Climate Resilience

- ✓ Introduce dual-track disclosure with TCFD and TNFD
- ✓ Quantitative Climate Risk and Scenario Analysis
- ✓ Passed verification for science-based carbon reduction targets under the SBTi framework and continually disclose carbon reduction progress and performance.



Energy Management

- ✓ 5 plants obtained ISO 50001 Energy Management System certification.
- ✓ The proportion of Renewable Electricity increased from 0.07% in 2021 to 6.24% in 2025.
- ✓ In 2025, electricity savings were approximately 2.56 million kWh, with a carbon reduction of 1,351 metric tons.



Greenhouse Gas Reduction

- ✓ In 2025, the Scope 1 + 2 emissions were reduced by 31.79% compared to the base year, achieving approximately 75% of the SBTi target progress.
- ✓ Passed ISO 14064-1 verification and continues to expand the verification scope, progressing toward 100% coverage for the Group.
- ✓ Implement internal carbon pricing (ICP) mechanisms to internalize carbon costs.

Target Management and Performance

Material Topic	Performance Indicator	2025 Achievements		Future Targets			SDGs Practice
		Target	Achievement	Short-Term (2026)	Mid-Term (2028)	Long-Term (2030)	
Climate Change Response	Strengthening of TCFD disclosures and introduction of TNFD-related disclosures	Introduce TCFD / TNFD implementation project	Disclosed TCFD / TNFD-related financial information	Issue the Climate and Nature Reports	Issue the Climate and Nature Reports	Issue the Climate and Nature Reports	Goal 13: Climate Action
Energy and Greenhouse Gas	Absolute reduction of 4.7% in Scope 1 + 2 GHG Emissions annually, compared to the 2021 baseline year.	-18.67%	-31.79%	-23.33%	-32.67%	-42%	Goal 7: Affordable and Clean Energy
Waste Management	The main plants in Dongguan and Vietnam have obtained UL 2799 Zero Waste to Landfill validation	Obtain validation	Achieved Platinum Level certification	Obtain validation	Obtain validation	Obtain validation	Goal 12: Responsible Consumption and Production

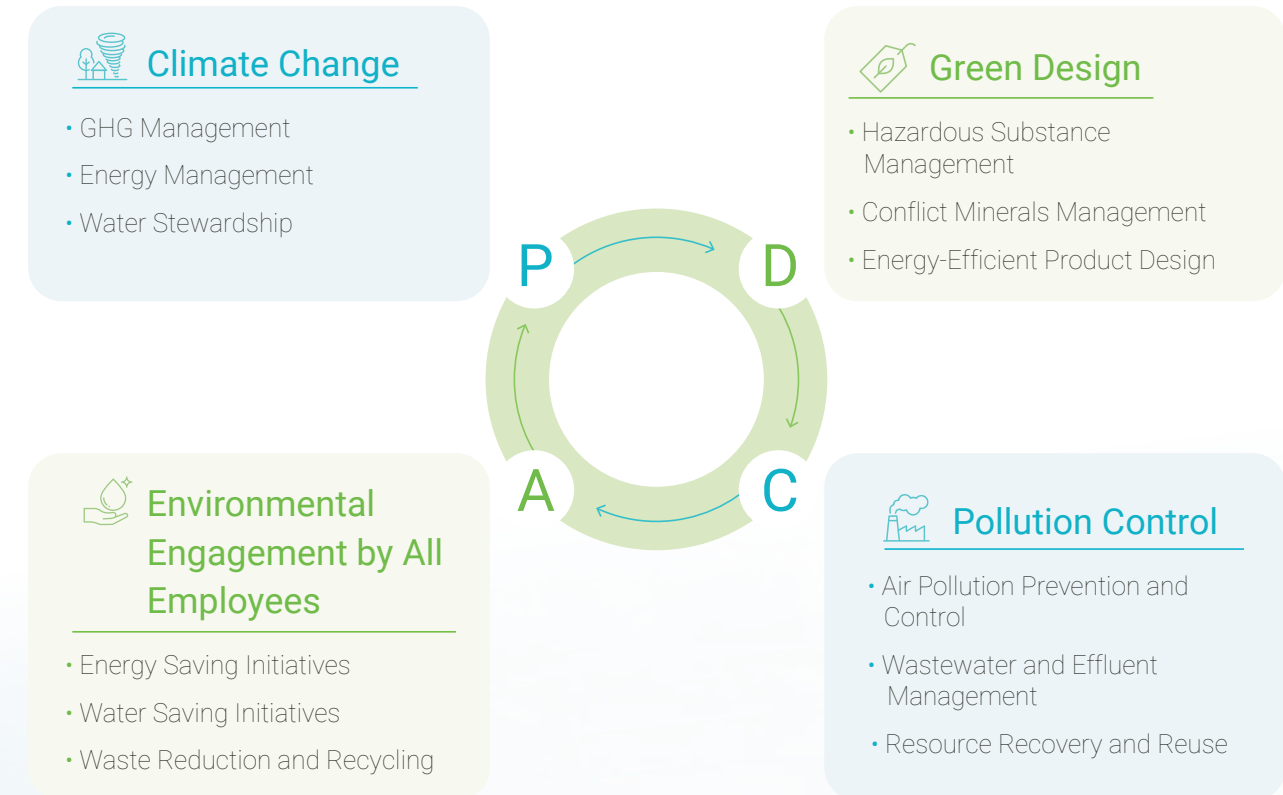


1.2 Sustainable Environmental Management

Phihong upholds the vision of "global symbiosis and a greener planet," embedding the spirit of environmental sustainability into its corporate culture. Through cross-departmental collaboration, we implemented Environmental Management. In 2025, in accordance with the TNFD (Task Force on Nature-related Financial Disclosures) framework and the existing TCFD (Task Force on Climate-related Financial Disclosures), we comprehensively disclosed the risks, opportunities, dependencies, and impacts related to climate and the natural environment. At the same time, we closely integrate environmental performance indicators with management-level KPIs to ensure the effectiveness of climate governance implementation.

Environmental Management is promoted through the four major aspects of "climate change, green products, pollution control, and environmental engagement by all employees," combined with Product Lifecycle Management (LCA) to comprehensively reduce the environmental impact of operations.

Phihong's 4 Aspects of Environmental Management



Environmental and Energy Management Policy

Pihong pays closely monitors international environmental issues and trends. In addition to complying with environmental regulations in all global operating locations, the Company adopts a proactive and prudent approach to comprehensively promote environmental policies and related initiatives. Grounded in its corporate social responsibility and the target of sustainable operation, Pihong is committed to pollution control, energy conservation, and carbon reduction, and continues to contribute to environmental protection through ongoing action.



Environmental Policy

- ✓ Promote environmental management by integrating the spirit of PDCA (Plan-Do-Check-Act), aiming to reduce and prevent environmental impacts.
- ✓ Use systematic management to save energy and water resources and move toward the goal of net-zero carbon emissions.
- ✓ Comply with environmental regulations and customer environmental requirements, with a focus on the prevention of wastewater(sewage), air pollution, waste, and noise.
- ✓ Ensure that prohibited, restricted, and toxic substances are not used in production processes or products; adhere to or exceed international environmental standards to avoid environmental impacts.
- ✓ Regularly review environmental goals, improve performance and climate risk assessment, disclose environmental achievements, and fulfill corporate social responsibilities.



Energy Policy

- ✓ Continuously improve energy efficiency and reduce energy use costs.
- ✓ Strictly comply with applicable laws and regulations, and fully identify energy-related aspects.
- ✓ Review energy targets to ensure access to necessary information and resources.
- ✓ Implement an energy management system to reduce greenhouse gas emissions.

Systematic Management and System Establishment

Pihong actively constructs a comprehensive Environmental Management System in full alignment with international standards, implementing the ISO 14001 Environmental Management System, ISO 50001 Energy Management System, ISO 14064-1 Greenhouse Gas Inventory, and ISO 14067 Product Carbon Footprint. All have been verified by third parties to ensure the effective implementation of energy-saving and carbon-reduction strategies. Under the PDCA management framework, in addition to maintaining certification validity, the Company refines its Environmental Management practices and strengthens sustainable Governance effectiveness through annual target reviews and performance Management Mechanisms. At the same time, through systematic management, continuously improve the efficiency of energy and resource use, reduce the environmental impact of operations, and steadily advance towards Circular Economy development. For information on relevant management scopes, verification institutions, and certificates, please visit the [Pihong ESG official website](#).



Pihong ISO 50001 Certificate (valid until May 7, 2028)

1.3 Climate Strategy (TCFD & TNFD)

1.3.1 Enhancing Climate Resilience

In response to the challenges of climate change, Phihong signed to support TCFD in 2022. By 2025, in accordance with the TCFD and TNFD frameworks, the Company disclosed climate and nature-related information across four key areas: governance, strategy, risk and impact management, and metrics and targets. The company continues to develop a mechanism for identifying climate- and nature-related risks and opportunities. Through financial quantitative analysis, it understands their impact on operations and strategy, enhances risk management and response capabilities, while also exploring low-carbon transformation and innovation opportunities to promote sustainable development and advance towards a low-carbon economy. For detailed information, please refer to the [2025 Climate and Nature Biodiversity Report](#).

Governance Mechanism

Phihong follows the TCFD and TNFD frameworks to establish a climate and nature governance system, incorporating it into corporate decision-making and operations management. The Board of Directors serves as the highest decision-making body, under which a "Sustainable Development Committee" is established. This Committee is responsible for overseeing the promotion and performance of climate and nature topics, and for incorporating the assessment of related risks and opportunities in major decisions. The execution level is coordinated by the Sustainable Development Office, which has established the "Climate and Nature Project Promotion Task Force" responsible for the identification, evaluation, and management of risks and opportunities. Each department implements relevant measures according to its duties, and the Chief Sustainability Officer regularly reports the promotion achievements to the Board of Directors to ensure the effective operation of the governance mechanism.

Diagram of the Climate and Nature Governance Framework



Net Zero Strategy

Phihong incorporates climate and nature risks and opportunities into its core decision-making, promoting low-carbon transformation and environmental sustainability. It has set commitments to net-zero emissions and protect biodiversity, reducing environmental impact through forward-looking management and technological innovation.

Phihong's targets have been approved by the SBTi, committing to reducing Scope 1 and 2 emissions by 42% by 2030 compared to 2021, reducing Scope 3 carbon intensity by 51.6% compared to 2022, and achieving net-zero by 2050. To achieve these targets, the Group actively promotes energy transition by increasing the use of renewable energy and reducing dependence on fossil fuels through the deployment of in-house solar power systems and the purchase of green power ; at the same time, smart energy management systems are implemented to optimize processes and improve energy efficiency.

On the product front, Phihong focuses on low-carbon design and high-performance technology, incorporating third-generation semiconductors such as GaN and SiC to develop high-efficiency charging products, reducing energy consumption and carbon footprint. Zervova focuses on EV charging solutions and has installed over 100,000 chargers worldwide, promoting the development of green transportation. In addition, Phihong is joining forces with the supply chain to promote carbon reduction actions, implementing carbon inventory and reduction management, driving the entire value chain toward a comprehensive low-carbon transformation.



Roles and Reporting Frequency

Pillar		Governance / Execute Responsibilities	Reporting Frequency
Board of Directors		Oversee the targets and achievement status of climate- and nature-related strategies across all levels of the organization.	At least once per year
Sustainable Development Committee		Chaired by the Group's General Manager, the Committee reviews and approves sustainability-related policies and major decisions. It also evaluates the annual execution results of key topics.	Biannually
Sustainable Development Office	Climate and Nature Project Promotion Task Force	Coordinate the identification, evaluation, and management of annual climate- and nature-related risks and opportunities; track and assess the execution progress and effectiveness.	Quarterly
	Executing Units	Implement climate- and nature-related risk and opportunity management measures; coordinate and communicate climate and nature topics with internal and external stakeholders.	

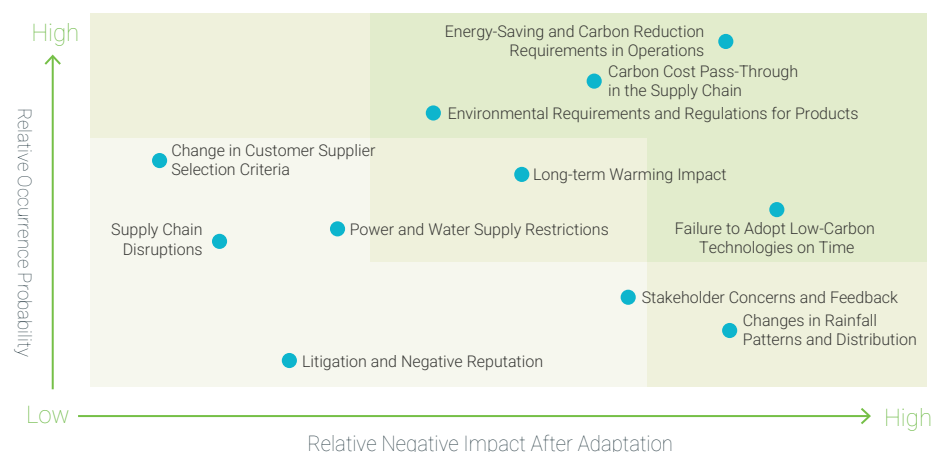
Climate Risks and Opportunities Assessment

Phihong categorizes risks and opportunities associated with climate- and nature-related issues by timeframe: short-term (within 2 years), mid-term (2–6 years), and long-term (beyond 6 years). The Sustainable Development Office systematically identifies potential risks and opportunities through regular reviews of international research reports, industry trend analysis, and multi-stakeholder surveys. In 2025, a total of 11 risks and 6 opportunities were identified. Cross-departmental questionnaires were used to assess their Likelihood of Occurrence and Impact Level, which informed the prioritization of management items, ultimately focusing on 6 High Risks and 3 key opportunities.

Risk Assessment

The main risks include the impact of extreme weather events on plant operations, the cost pressure associated with the global push for net-zero policies, and the potential of carbon cost pass-through within the supply chain resulting from carbon pricing mechanisms. In addition, long-term warming trends and changes in rainfall patterns caused by climate change may lead to increased operational management costs and a higher risk of business disruptions. In response, Phihong has established a comprehensive risk identification and response mechanism to strengthen the resilience of its operations and value chain.

Key Risk Matrix Analysis





Key Risks and Corresponding Countermeasures

Climate / Nature Risk Category	Risk Item	Risk Description	Impact	Occurrence Possibility	Expected Time frame	Value Chain Position	Financial Impact	Countermeasures
Climate	Policies and Regulations	Energy-Saving and Carbon Reduction Requirements in Operations	High	High	Short-, Mid- and Long-Term	Own Operations	Increase in operating costs. Increase in capital expenditures	- Continuously monitor the development of carbon pricing regulations and legislative progress across key countries. - Regularly evaluate and analyze internal carbon pricing mechanisms, and incorporate them into plant operations to proactively promote early implementation of carbon reduction measures and reduce financial impacts. - Continuously and actively develop in-house renewable energy projects and evaluate long-term green electricity procurement contracts to ensure cost stability and energy security.
Climate	Policies and Regulations	Carbon Cost Pass-Through in the Supply Chain	Medium	High	Short-, Mid-Term	Upstream Supply Chain	Increase in procurement costs.	- Actively collaborate with supply chain partners to jointly promote carbon reduction and regularly track suppliers' carbon emissions performance. - Adopt diverse and flexible procurement strategies to reduce the risk of cost transfer. - Diversify sourcing away from high-carbon-risk suppliers, taking into account regional differences in carbon tax and fee policies.
Climate, Nature	Policies and Regulations	Environmental Requirements and Regulations for Products	Medium	High	Mid- and Long-Term	Downstream - Products and Services	Decrease in revenue.	- Establish a mechanism to track relevant regulations and proactively initiate research on corresponding technologies. - Introduce circular manufacturing technology and renewable materials. - Monitor market trends and customer needs to drive forward-looking technology development.
Climate, Nature	Technology	Failure to Adopt Low-Carbon Technologies on Time	High	Medium	Short-, Mid- and Long-Term	Downstream - Products and Services	Increase in R&D costs. Decrease in revenue.	- Continuously invest in the research and development of low-carbon technologies, such as high-efficiency EV charging solutions and energy-saving power supplies. - Actively collaborate with supply chain partners to promote the use of low-carbon materials and renewable energy, fostering a green manufacturing system. - Strengthen the cultivation and retention of talent in green technology R&D.
Climate	Physical; Long-term	Long-term Warming Impact	Medium	Medium	Mid- and Long-Term	Own Operations	Decrease in revenue.	- Enhance factory energy efficiency through high-performance thermal insulation materials, shading systems, and optimized ventilation design; regularly inspect and maintain air conditioning and cooling systems. - Implement staggered shifts to avoid peak heat periods, increase rest breaks, provide cooling beverages, and establish a high-temperature alert and response mechanism. - Deploy a smart energy management system to monitor electricity usage, install heat recovery devices, regularly test equipment efficiency, and replace outdated energy-intensive equipment.
Climate, Nature	Physical; Long-term	Changes in Rainfall Patterns and Distribution	High	Low	Mid- and Long-Term	Own Operations	Increase in operating costs. Decrease in revenue.	- Install water storage facilities and water retention systems, introduce water recycling and reuse technologies, and regularly maintain water supply equipment to ensure operational efficiency. - Establish a tiered control mechanism for water shortages and flood events, prepare alternative production plans, develop workforce allocation and supply chain contingency measures, and conduct regular drills to enhance emergency response capabilities. - Expand the capacity of plant drainage systems, install floodgates, establish real-time monitoring systems, adopt waterproof designs for important equipment, and raise ground-level elevations where necessary.

Opportunity Assessment

In terms of opportunities, the Group regards low-carbon transformation as a core strategy. Phihong leverages technological innovation, product design optimization, and the adoption of renewable energy to strengthen its market competitiveness. For example, it develops high-efficient, energy-saving power products to meet growing demand for low carbon products, and actively participates in international green supply chain initiatives to expand business opportunities. Overall, Phihong systematically evaluates and strategically positions itself to proactively address climate and nature-related challenges, seizing transformation opportunities to strengthen its long-term competitive advantage.

Key Opportunity Matrix Analysis



Key Opportunities and Response Strategies

Climate / Nature Opportunity Category	Opportunity Item	Opportunity Description	Impact Level	Likelihood of Occurrence	Expected Timeframe	Value Chain Position	Financial Impact	Response Strategies
Climate	Products/ Services	Low-Carbon Technology and Product Development	High	High	Short-, Mid-Term	Downstream - Products and Services	Increase in revenue	- Establish a waste data tracking system to monitor output and costs, identifying key areas for improvement. - Strategically collaborate with professional recovery vendors to optimize the processes and efficiency of precious metals recovery. - Continuously expand the scope of UL2799 certification, considering everything from product design to final disposal, to improve waste conversion rates.
Climate	Energy Sources	Low-Carbon and Alternative Energy Deployment	High	Medium	Short-, Mid-Term	Own Operations	Decrease in operating costs	- Assess the feasibility of rooftop solar installations at factory sites, and plan a phased construction project to generate on-site green electricity and reduce electricity costs. - Identify opportunities for recovering waste heat from production processes and establish thermal energy reutilization systems to improve overall energy efficiency. - Continuously monitor green electricity procurement plans, participate in power purchase agreements in a timely manner, and secure long-term electricity price advantages.
Climate, Nature	Resilience	Production and Distribution Efficiency Optimization	High	High	Short-Term	Own Operations	Decrease in operating costs	- Establish a process energy monitoring system to identify energy consumption hotspots and optimize production scheduling in order to reduce energy use costs. - Introduce smart predictive maintenance to reduce equipment failure risks and decrease material and energy waste. - Establish a cross-site coordination team to share best practices and implementation experiences in smart manufacturing across production facilities.



Risk Management

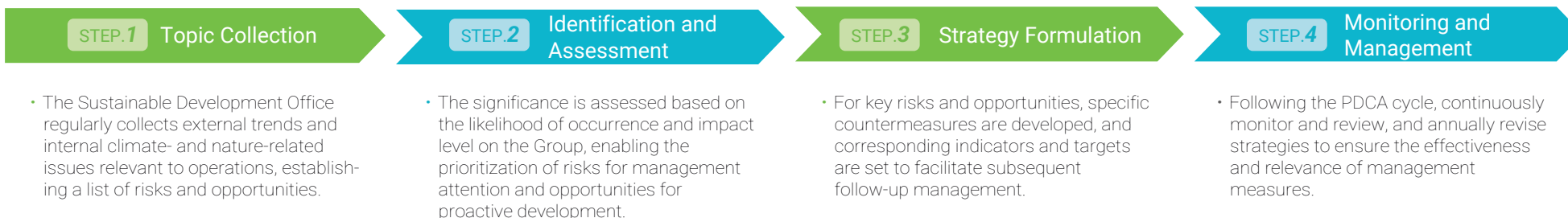
Pihong conducts comprehensive identification of potential internal and external risks and impacts, covering aspects such as operations, technology, information security, facilities, supply chain, finance, and human resources. A comprehensive mechanism, encompassing early warning, emergency response, crisis management, and recovery, has been established, with a dedicated unit responsible for implementation to enhance risk resilience and ensure operational stability and sustainable development. For detailed description, please refer to section [3.5 Risk Management of this report](#).

Risk Management Framework

Pihong continuously optimizes its risk management mechanism, regularly identifies emerging risks, and enhances response capabilities. The Group General Manager coordinates risk governance, integrating cross-departmental resources to systematically assess ESG risks according to the Risk Management Manual. The implementation status is reported to the Board of Directors annually to ensure the effective operation of the governance mechanism.

Risk Opportunity Identification and Assessment Process

Establish a climate and nature risk management framework by adopting 4 major steps to identify risks and opportunities, integrating them into corporate strategies and decision-making. Develop quantifiable strategies and action plans for key topics, set KPIs and phased targets, and continuously review and optimize through the PDCA cycle to enhance operational resilience and create sustainable value. Through this robust risk and opportunity assessment process, the Group not only responds swiftly to international regulatory and market changes, but also actively expands its sustainability impact across the value chain. By engaging partners in climate and nature-related initiatives, we reinforce our leadership position and operational resilience in the low-carbon transition.



Scenario Analysis Results

Conduct a quantitative assessment of significant climate and nature risks, analyzing the potential impacts under short-, mid-, and long-term scenarios to develop mitigation and adaptation measures. For detailed information, please refer to [Phihong's 2025 Climate and Nature Biodiversity Report](#).

Transition Risk Scenario Analysis

Risk Background	With the advent of the era of carbon pricing, companies are expected to incur additional compliance and carbon reduction costs in order to meet national net-zero targets. These costs may have a significant impact on business operations.																																		
Analytical Assumptions	Based on achieving SBTi targets by 2030, with a 42% reduction in Scope 1 and Scope 2 emissions compared to the base year, and net-zero by 2050, Phihong evaluates the potential financial impacts under the BaU and Transition Strategy scenarios. This includes the compliance and operational costs associated with promoting carbon reduction measures, operating management mechanisms, and incorporating renewable energy. To address different scenarios, two major strategies are formulated as follows: 1. Business-as-Usual Scenario (No Additional Mitigation Measures Taken) Based on current emission levels and projected revenue growth trends until 2050, while incorporating carbon reduction targets and national carbon pricing mechanisms, the assessment focuses on the annual financial pressure arising from progressively stricter regulations without proactive decarbonization efforts. 2. Transition Strategy – Active Energy Transformation In addition to the impact of carbon pricing, this assessment considers the increase in the proportion of renewable energy and transition-related costs to evaluate the annual financial impact under an orderly promotion of the net-zero transition scenario, supporting long-term low-carbon development targets.																																		
Scenario Selection	2050 Net-Zero Scenario																																		
Financial Impact	Expected Financial Impact as a Percentage of Revenue (%) <table><thead><tr><th></th><th>Business-as-Usual Scenario</th><th>Transition Strategy Scenario</th></tr></thead><tbody><tr><td>Short-Term</td><td>0.04</td><td>0.02</td></tr><tr><td>Mid-Term</td><td>0.47</td><td>0.09</td></tr><tr><td>Long-Term</td><td>1.24</td><td>0.16</td></tr></tbody></table>		Business-as-Usual Scenario	Transition Strategy Scenario	Short-Term	0.04	0.02	Mid-Term	0.47	0.09	Long-Term	1.24	0.16	Expected Financial Impact as a Percentage of Revenue (%) The chart displays two scenarios: Business-as-Usual (green line) and Transition Strategy (blue line). The Business-as-Usual scenario shows a significant increase in financial impact over time, reaching 1.24% by 2050. The Transition Strategy scenario shows a much lower and more stable financial impact, reaching 0.16% by 2050. <table><thead><tr><th>Year</th><th>Business-as-Usual Scenario (%)</th><th>Transition Strategy Scenario (%)</th></tr></thead><tbody><tr><td>2025</td><td>0.14%</td><td>0.07%</td></tr><tr><td>2030</td><td>0.2%</td><td>0.09%</td></tr><tr><td>2035</td><td>0.36%</td><td>0.13%</td></tr><tr><td>2040</td><td>0.47%</td><td>0.09%</td></tr><tr><td>2045</td><td>0.7%</td><td>0.07%</td></tr><tr><td>2050</td><td>1.24%</td><td>0.16%</td></tr></tbody></table>	Year	Business-as-Usual Scenario (%)	Transition Strategy Scenario (%)	2025	0.14%	0.07%	2030	0.2%	0.09%	2035	0.36%	0.13%	2040	0.47%	0.09%	2045	0.7%	0.07%	2050	1.24%	0.16%
	Business-as-Usual Scenario	Transition Strategy Scenario																																	
Short-Term	0.04	0.02																																	
Mid-Term	0.47	0.09																																	
Long-Term	1.24	0.16																																	
Year	Business-as-Usual Scenario (%)	Transition Strategy Scenario (%)																																	
2025	0.14%	0.07%																																	
2030	0.2%	0.09%																																	
2035	0.36%	0.13%																																	
2040	0.47%	0.09%																																	
2045	0.7%	0.07%																																	
2050	1.24%	0.16%																																	
Expected Countermeasures	- Continuously improve energy efficiency and reduce carbon emissions intensity. - Actively plan for and expand the procurement and deployment of renewable energy, with the goal of steadily increasing its share in overall energy use. - Evaluate the adoption of internal carbon pricing mechanisms to inform investment and procurement decisions.																																		



Physical Risk Scenario Analysis – Long-Term Warming Risk

Risk Background	With the increasing variability of the climate system, the world is facing more frequent and severe natural disasters. The continued rise in average global temperatures may lead to reduced energy efficiency at production facilities and result in higher operating costs.												
Analytical Assumptions	Evaluate the financial impact of increased electricity costs under scenarios of varying intensities of the long-term warming trend.												
Scenario Selection	SSP1-RCP 2.6 SSP5-RCP 8.5												
Financial Impact	Expected Financial Impact as a Percentage of Revenue (%) <table><thead><tr><th></th><th>RCP 2.6</th><th>RCP 8.5</th></tr></thead><tbody><tr><td>Short-Term</td><td>0.000</td><td>0.000</td></tr><tr><td>Mid-Term</td><td>0.029</td><td>0.056</td></tr><tr><td>Long-Term</td><td>0.053</td><td>0.142</td></tr></tbody></table> Expected Financial Impact as a Percentage of Revenue (%) Legend: RCP 8.6 (green line), RCP 2.6 (blue line) Y-axis: 0.00% to 0.16% X-axis: 2026, 2030, 2040, 2050 Data points from graph: 2026: RCP 2.6 = 0.000%, RCP 8.6 = 0.000% 2030: RCP 2.6 = 0.007%, RCP 8.6 = 0.012% 2040: RCP 2.6 = 0.029%, RCP 8.6 = 0.056% 2050: RCP 2.6 = 0.053%, RCP 8.6 = 0.142%		RCP 2.6	RCP 8.5	Short-Term	0.000	0.000	Mid-Term	0.029	0.056	Long-Term	0.053	0.142
		RCP 2.6	RCP 8.5										
Short-Term	0.000	0.000											
Mid-Term	0.029	0.056											
Long-Term	0.053	0.142											
Expected Countermeasures	- Improve factory building design and equipment configuration to enhance thermal insulation and cooling efficiency. - Evaluate the feasibility of introducing intelligent energy-saving systems to optimize energy resource allocation during high temperature periods. - Analyze and track global temperature and electricity price trends to inform business planning.												

Physical Risk Scenario Analysis - Extreme Weather Events (Heavy Rain and High Temperatures)

Risk Description	With reference to the risk levels defined in the NGFS dataset, this analysis assesses the expected impact of extreme rainfall and daily extreme high temperatures on Phihong's key operational sites under two climate scenarios: SSP1-RCP 2.6 and SSP5-RCP 8.5. The risk levels are categorized into five grades, with Level 1 represents the lowest relative impact and Level 5 represents the highest.																																																											
Scenario Selection	SSP1-RCP 2.6 SSP5-RCP 8.5																																																											
Financial Impact	<table><tr><th rowspan="2">Plant</th><th rowspan="2">Baseline Period</th><th colspan="2">Extreme Rainfall</th><th colspan="2">Extreme High Temperature</th></tr><tr><th>RCP2.6</th><th>RCP8.5</th><th>RCP2.6</th><th>RCP8.5</th></tr><tr><td rowspan="2">PHT</td><td>Mid-Term</td><td>Level 2</td><td>Level 2</td><td>Level 1</td><td>Level 2</td></tr><tr><td>Long-Term</td><td>Level 1</td><td>Level 5</td><td>Level 2</td><td>Level 3</td></tr><tr><td rowspan="2">ZTM</td><td>Mid-Term</td><td>Level 2</td><td>Level 2</td><td>Level 1</td><td>Level 2</td></tr><tr><td>Long-Term</td><td>Level 1</td><td>Level 3</td><td>Level 2</td><td>Level 3</td></tr><tr><td rowspan="2">PHC/ PHP/ ZCM</td><td>Mid-Term</td><td>Level 1</td><td>Level 2</td><td>Level 1</td><td>Level 2</td></tr><tr><td>Long-Term</td><td>Level 2</td><td>Level 2</td><td>Level 2</td><td>Level 3</td></tr><tr><td rowspan="2">PHV</td><td>Mid-Term</td><td>Level 1</td><td>Level 1</td><td>Level 1</td><td>Level 2</td></tr><tr><td>Long-Term</td><td>Level 1</td><td>Level 3</td><td>Level 2</td><td>Level 3</td></tr></table>						Plant	Baseline Period	Extreme Rainfall		Extreme High Temperature		RCP2.6	RCP8.5	RCP2.6	RCP8.5	PHT	Mid-Term	Level 2	Level 2	Level 1	Level 2	Long-Term	Level 1	Level 5	Level 2	Level 3	ZTM	Mid-Term	Level 2	Level 2	Level 1	Level 2	Long-Term	Level 1	Level 3	Level 2	Level 3	PHC/ PHP/ ZCM	Mid-Term	Level 1	Level 2	Level 1	Level 2	Long-Term	Level 2	Level 2	Level 2	Level 3	PHV	Mid-Term	Level 1	Level 1	Level 1	Level 2	Long-Term	Level 1	Level 3	Level 2	Level 3
	Plant	Baseline Period	Extreme Rainfall		Extreme High Temperature																																																							
			RCP2.6	RCP8.5	RCP2.6	RCP8.5																																																						
	PHT	Mid-Term	Level 2	Level 2	Level 1	Level 2																																																						
		Long-Term	Level 1	Level 5	Level 2	Level 3																																																						
	ZTM	Mid-Term	Level 2	Level 2	Level 1	Level 2																																																						
		Long-Term	Level 1	Level 3	Level 2	Level 3																																																						
	PHC/ PHP/ ZCM	Mid-Term	Level 1	Level 2	Level 1	Level 2																																																						
		Long-Term	Level 2	Level 2	Level 2	Level 3																																																						
	PHV	Mid-Term	Level 1	Level 1	Level 1	Level 2																																																						
		Long-Term	Level 1	Level 3	Level 2	Level 3																																																						
	● Level 1 Low Risk ● Level 2 Low-to-Medium Risk ● Level 3 Medium Risk ● Level 4 Medium-to-high risk ● Level 5 High Risk																																																											
	Expected Countermeasures	- Conducted annual assessments of natural disaster vulnerability at major operational sites to support the enhancement of the overall risk management framework and improve operational resilience. - Establish standardized climate disaster response procedures to enhance response efficiency. - Enhance insurance coverage for assets in high risk areas.																																																										

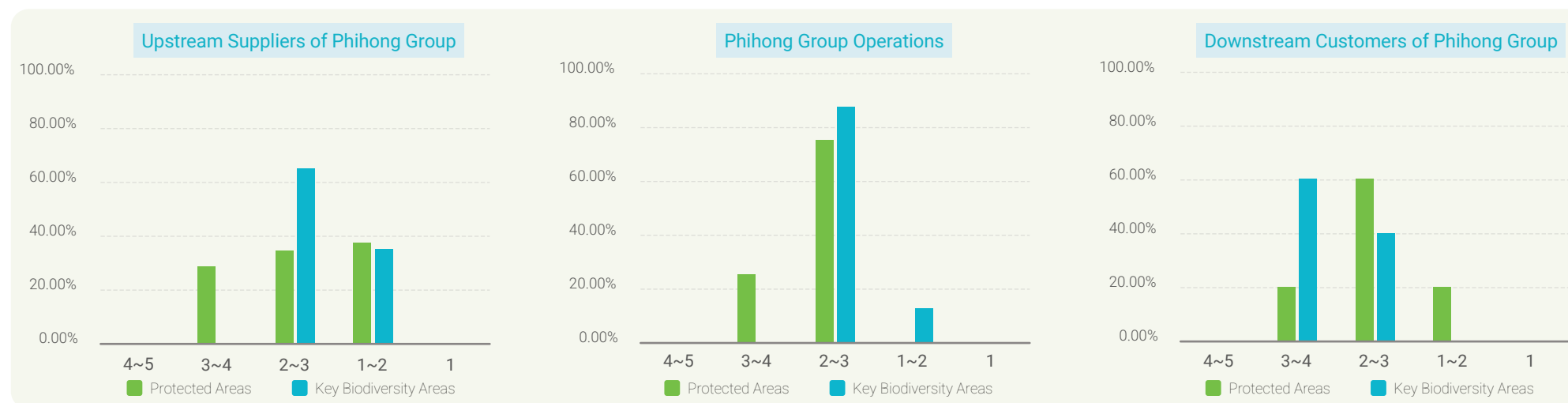
Value Chain Natural Risk Assessment (GRI101-4、GRI 101-5)

In response to emerging trends in nature-related risk management, Phihong initiated an assessment this year to evaluate potential impacts and risks on biodiversity-sensitive areas across its value chain. The assessment leveraged the Biodiversity Risk Filter developed by the World Wide Fund for Nature (WWF) to evaluate the geographic locations of upstream suppliers, Phihong's own operations sites, and downstream partners. This serves as a crucial basis for future climate- and nature-related risk management and disclosure.

This assessment covered 100% of the Group's operational sites, core suppliers, and all waste disposal contractors. Risk levels were classified on a 1–5 scale based on the potential impact level on Protected Areas (PA) and Key Biodiversity Areas (KBA) in each location to ensure the completeness and representativeness of the analysis results. The risk distribution was statistically analyzed based on score intervals, with particular attention to high-risk zones (grades 4–5).

The results show that the entire Group does not fall into high sensitivity zones (grades 4–5) in upstream, operations, or downstream, with the majority of sites concentrated in low-to-medium risk ranges (grades 2–4), indicating that the overall biodiversity risk is low. In the future, risk changes will be continuously monitored and incorporated into supplier management, site planning, and sustainability strategies to reduce impacts on natural capital and strengthen overall risk management capabilities.

Phihong Group - Distribution of Degrees of Impact from Natural Risks



Uninterrupted Operations with Enhanced Response Capabilities

In response to the increasing risks of Climate Change and extreme disasters, Phihong has implemented a Business Continuity Planning (BCP) to establish an operational interruption response mechanism. In the event of an emergency, the BCP enables the Group to swiftly activate response mechanisms, ensuring the timely resumption of operations and minimizing potential impacts. To enhance the effectiveness of the BCP, Phihong conducts annual reviews and optimizations, linking it to key performance indicators (KPI) to improve response efficiency and management effectiveness. The system applies to the entire group and is promoted by the General Manager to ensure the implementation of all operational targets. Currently, standard operating procedures (SOPs) have been established for seven major risks: natural disasters, man-made incidents, product safety, infectious diseases, workplace accidents, information security, and supply chain events. These are complemented by insurance mechanisms to disperse risks and mitigate financial impact, ensuring stable business operations.



Targets and Indicators

To address the operational challenges posed by climate and environmental changes, Phihong continues to promote green operations, focusing on energy conservation and carbon reduction, renewable energy, water resources, and waste management. The Company strengthens the effectiveness of environmental management through annual performance reviews and continuous improvement mechanisms. Regarding Waste Management, considering the discrepancy between the original targets and actual operational conditions, 2025 (intensity of 209.54 kg per million in revenue) has been set as the base year to reset the Short-, Mid- and Long-Term targets to ensure that the Management Targets are more reasonable and actionable.

Targets and Indicators of Climate and Nature

Management Target		2025		Short-Term (2026-2027)	Mid- to Long-Term (2028-2030)
		Target	Achievement		
Carbon Emissions and Energy	Scope 1+2 Reduction Rate (Base Year: 2021)	23.33%	31.79%	23.33%	42.00%
	Annual Renewable Energy Generation (Cumulative, kWh)	3,000,000	2,251,162	3,000,000	*5,000,000
	Proportion of EVs in Official Vehicles	EV 55	EV 56	EV 55	EV 60
Water Resources	Water Intensity Reduction (Base Year: 2021) (Base Year: 2021)	20%	21.35%	20%	20%
Waste Management	Waste Generation Intensity Reduction (Base Year: 2025)	-	-	2%	10%

Note: The mid- to long-term renewable energy generation is expected to include the total generation capacity of Phihong's US subsidiary.

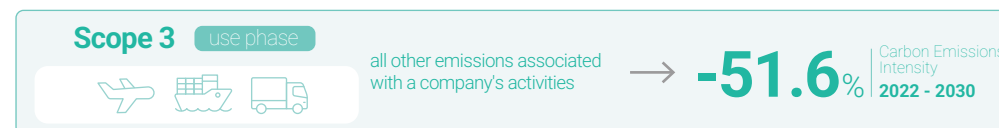
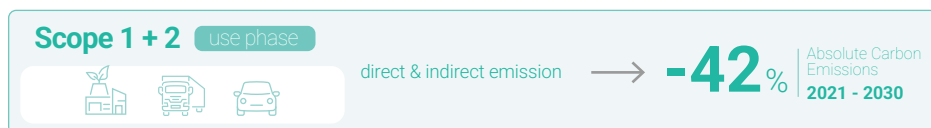
1.3.2 Net Zero Commitment

SBTi Science-Based Carbon Reduction Target

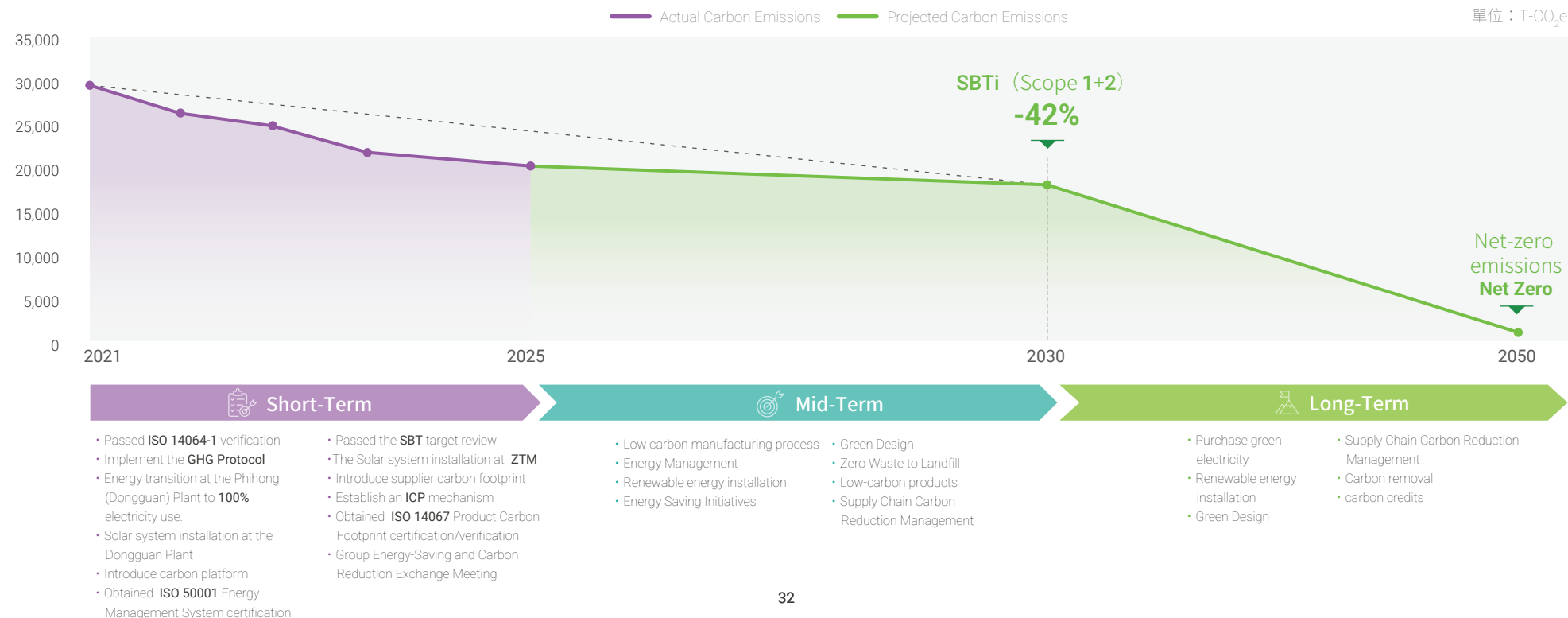
Pihong actively aligns with international climate initiatives and proactively adopted the Science-Based Target Initiative (SBTi) in 2023, setting carbon reduction pathways following the Net-Zero Standard. Commitment to "reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 using 2021 as the base year; reduce Scope 3 carbon intensity by 51.6% using 2022 as the base year."

The targets were officially approved by SBTi in March 2024, and the company continues to actively respond to the Paris Agreement's 1.5° C warming control objective through climate information disclosure and the promotion of charging infrastructure.

Science-Based Carbon Reduction Target (SBTi)



Pihong Carbon Reduction Roadmap





CDP Environmental Information Disclosure

CDP (Carbon Disclosure Project) announced the 2025 evaluation results, and Phihong received double "B" management ratings in the major environmental topics of "Climate Change" and "Water Security." This places Phihong among the few companies worldwide to achieve this rating, demonstrating the company's concrete achievements in environmental governance and sustainable management.

Phihong follows the TCFD and TNFD frameworks to construct a comprehensive environmental risk assessment process from aspects such as risks and opportunities, dependencies, and impacts. Related environmental targets are incorporated into management-level KPIs to strengthen climate and nature-related governance. In 2025, the carbon emissions for Scope 1 and Scope 2 were reduced by 31.79% compared to the 2021 base year, significantly surpassing the original target. In addition, to achieve the medium- to long-term Scope 3 reduction strategy, Phihong is promoting a low-carbon transformation of the supply chain through three major directions: sustainable procurement, localized management, and reducing carbon in the value chain. It has also initiated environmental dependency and risk assessment in the regions of Global Locations and core suppliers to enhance the overall resilience of the value chain.



1.4 Energy and Greenhouse Gas Management

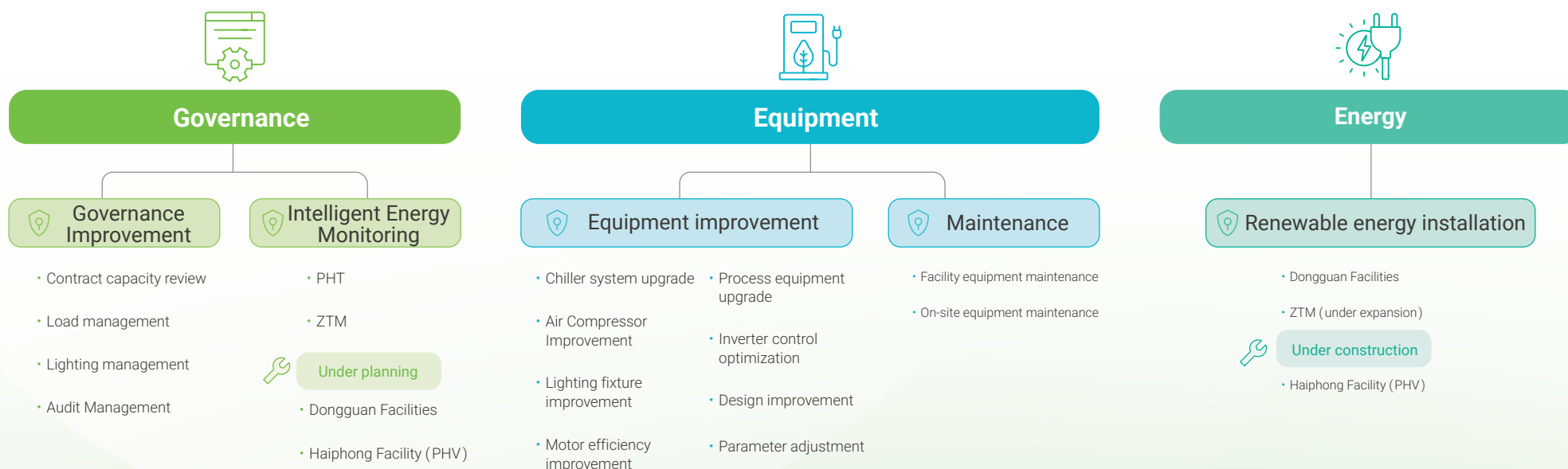
1.4.1 Energy Management Mechanism

Pihong has been deeply involved in Energy Management for many years, and implemented the ISO 50001 Energy Management System in 2024, obtaining third-party certification. The company actively promotes energy-saving concepts, provides comprehensive resources, and continuously establishes Energy Monitoring systems; strictly implements new equipment energy review and Change Management, and conducts regular and Irregular checks on Energy Consumption status. For any improvement opportunities, an assessment report and future plans are required, driven by actions for continuous optimization of energy.

Energy Management Annual Conference: Promoting Exchange and Technology Sharing

To comprehensively implement energy management and sustainable development targets, the Sustainable Development Office has organized the "Group Low Carbon Technology Investment and Energy-Saving Technology Exchange Event" starting since 2025. Professional technical personnel from various plants are invited to participate in the Energy Management Annual Meeting, where they will share successful case studies across regions and plants to accelerate the introduction and spread of energy-saving and carbon-reduction technologies. Related technologies include high-performance process equipment, smart energy management, renewable energy applications, and process emission reduction, continuously enhancing the Group's overall energy efficiency and carbon footprint performance. This year's conference focused on the current state and future planning of monitoring technologies, laying the foundation for the company's Energy Management; a total of 19 energy-saving solutions and technologies were shared, including innovative system methods, pragmatic alternatives, and improvement plans. These measures demonstrate that significant energy savings and carbon reduction can be achieved without the need for high investments.

Pihong's Energy Management Aspect





Implementation of internal carbon pricing (ICP)

To enhance the sensitivity of operational decisions to climate risks and strengthen carbon reduction performance, Phihong has implemented internal carbon pricing (ICP) starting in October 2025. This will internalize carbon costs, integrate them into operational and investment decisions, strengthen energy management and investment efficiency in equipment, and align with international net-zero trends.

Carbon Pricing Setting and Governance Mechanism

In setting the carbon price, taking into account the global carbon market, national carbon fee systems, supply chain net-zero requirements, and the company's decarbonization pathway, a shadow carbon price of NT\$3,000 per ton is established. This serves as the basis for Energy Management and investment evaluations, reflecting the anticipated future carbon costs. ICP has been integrated into the equipment investment and change processes, synchronously considering economic benefits, energy efficiency, carbon impact, and full life cycle costs in decision-making. It is reviewed and adjusted annually to ensure its scientific validity and competitiveness.

Application of ICP Operational Governance

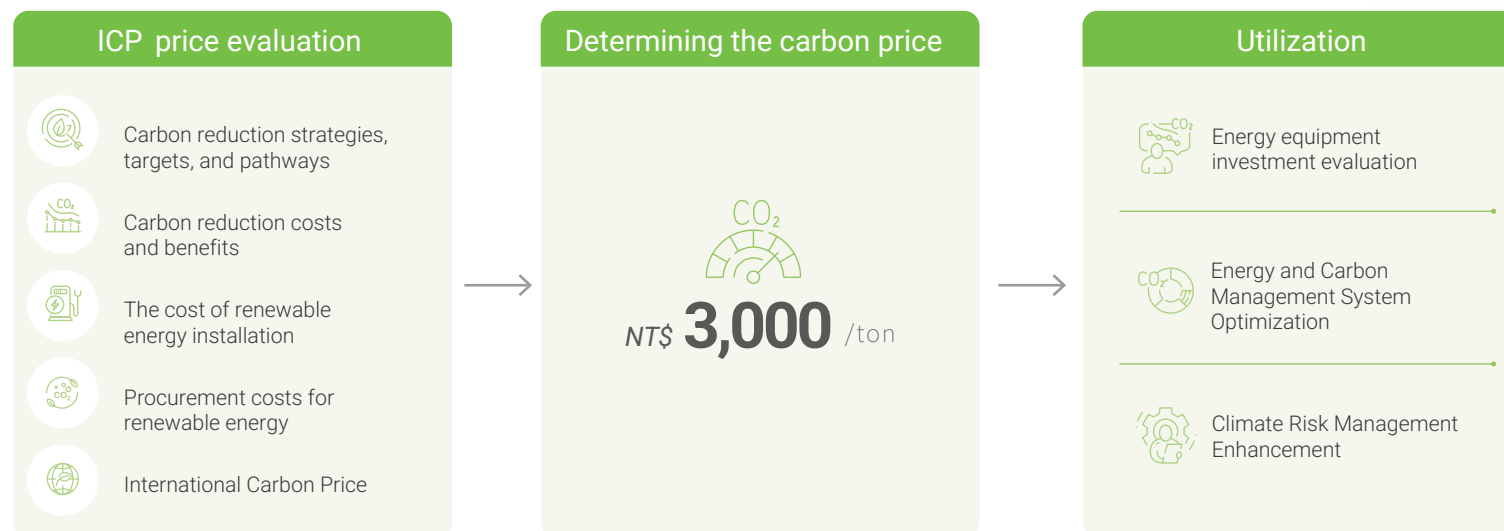
Investment Decision Enhancement: Incorporate shadow carbon pricing into feasibility assessments to increase incentives for investing in low-carbon equipment.

Energy and Carbon Management Optimization: Enhance data quality and audit mechanisms to ensure ICP is transparent and credible.

Climate Risk Management Enhancement: By internalizing carbon pricing, increase the sensitivity of decisions to rising carbon costs and reduce transition risks.



Internal Carbon Pricing (shadow carbon pricing) Mechanisms



Energy Consumption (GRI 302-1、302-2)(SASB RT-EE-130a.1)

To achieve its carbon reduction targets, starting from 2023, Pihong (Dongguan) has promoted an energy transition by gradually shifting from natural gas to electricity use, optimizing the overall energy structure, and has reached an operational model of 100% electricity supply. According to the 2025 Energy Consumption statistics, electricity was the main Energy Source, accounting for 99.41% of total energy usage, with general electricity comprising 93.17% and renewable electricity making up 6.24%. In terms of renewable energy adoption, the proportion of green electricity usage continues to rise, with a significant increase from 0.07% in 2021 to 6.24% in 2025, demonstrating the company's effectiveness in actively promoting energy transition and low-carbon operations.

Energy Consumption

Category	Unit	Linkou Headquarters (PHT)	Phihong (Dongguan) (PHC/PHP)	Phihong (Vietnam) (PHV)	ZeroVA (Tainan) (ZTM)	ZeroVA (Dongguan) (ZCM)	Total	% of Total Energy Consumption
Non-renewable Electricity	kWh	1,540,400	12,285,913	14,762,704	2,594,946	2,406,960	33,590,923	93.17
	GJ	5,545	44,229	53,146	9,342	8,665	120,927	
Renewable Electricity	kWh	-	2,220,166	-	30,996	-	2,251,162	6.24
	GJ	-	7,993	-	112	-	8,104	
Gasoline	L	3,243	10,623	3,348	2,548	-	19,762	0.49
	GJ	103	338	106	81	-	628	
Diesel	L	300	-	3,162	94	-	3,556	0.10
	GJ	11	-	114	3	-	128	
Total Consumption	GJ	5,659	52,560	53,366	9,538	8,665	129,788	100
% Share of Each Source	%	4.36	40.50	41.12	7.35	6.67	100	

Note 1: Electricity 1 kWh = 3,600 kJ.

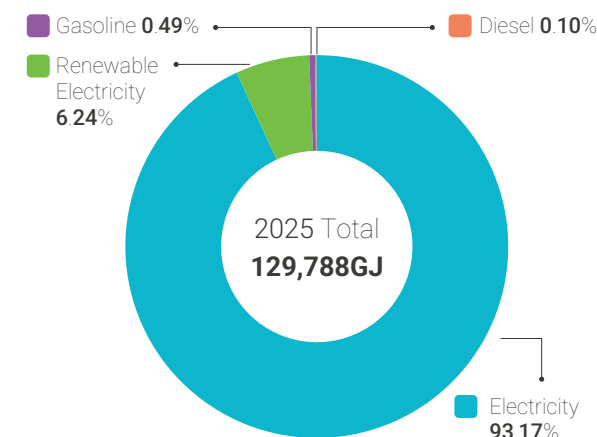
Note 2: The calorific values of gasoline and diesel are based on the calorific values of vehicle gasoline, diesel, liquefied petroleum gas, and natural gas announced by the Climate Change Administration, Ministry of Environment in the 2025 Year. Diesel 1L = 8,636 kcal, Gasoline 1L = 7,586 kcal.

Energy Consumption Trend (Unit: Gigajoules GJ)

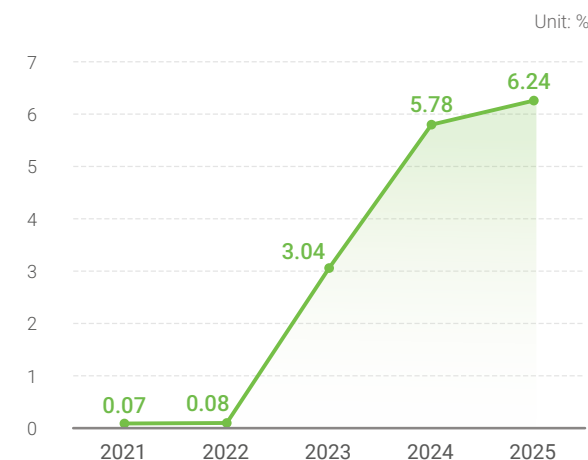
Energy Category	2021	2022	2023	2024	2025
Non-renewable Electricity	135,336	149,859	134,499	126,224	120,927
Renewable Electricity	101	114	4,262	7,805	8,104
Natural Gas	117	57	-	-	-
Gasoline	998	471	1,083	782	628
Diesel	484	675	144	207	128
Total	137,036	151,177	139,988	135,018	129,788
Proportion of Renewable Electricity (%)	0.07	0.08	3.04	5.78	6.24
Revenue (NT\$ million)	12,284	14,018	12,332	10,898	9,796
Energy Intensity (GJ/NT\$ million)	11.16	10.78	11.35	12.39	13.25
Energy Intensity Year-over-Year Comparison	-	-3.33%	+5.26%	+9.14%	+6.94%

Unit: GJ

Group Energy Consumption Percentage



Share of Renewable Energy in Total Energy Use





1.4.2 Greenhouse Gas Inventory (GRI 305-1、305-2、305-3、305-4)

To actively implement GHG Management and enhance Climate Resilience, Phihong has adopted the "Rui Carbon Cloud" online management platform to improve the quality and transparency of the group's emission data. In response to the IFRS S1 and S2 standards' requirements for climate risk disclosure, Phihong successfully passed the Science-Based Target initiative (SBTi) audit in 2024. Additionally, ISO 14064-1 verification for the Linkou Headquarters and major global plants has been established as an annual routine process. In line with the FSC's timeline for aligning with international sustainability standards, we continue to expand the scope of verification and aim to achieve 100% verification of GHG emissions data for all entities within the Group's consolidated financial reports by 2027. Not only has it strengthened the financial-level reliability of the data, but it also demonstrates Phihong's firm commitment to transparency of climate-related information under the IFRS framework.

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

According to the results of Phihong's Greenhouse Gas Inventories over the years, the primary sources of Scope 1 and Scope 2 emissions are energy indirect emissions (Scope 2). Therefore, Phihong's core reduction strategy focuses on "Energy Management optimization," actively supported by "Renewable electricity installation." In 2025, Phihong's total direct and energy indirect Greenhouse Gas Emissions at its global operations amounted to 20,002 metric tons of CO₂e. Compared to the previous year, this data shows a 7.1% decrease. Compared to the 2021 base year, there was a more significant reduction of 31.79%, notably exceeding the SBTi's set 21% reduction, achieving approximately 75.69% of the target progress. To ensure the implementation of the science-based carbon reduction pathway, Phihong officially introduced an "internal carbon fee mechanism" in 2025. By establishing an internal carbon pricing mechanism, it will effectively drive the planning of energy-saving and carbon reduction projects across domestic and international plants, and is expected to substantially increase the proportion of renewable energy usage, accelerating the achievement of the net-zero transition vision.

Scope 1 Greenhouse Gas Emissions Types (T-CO₂e)

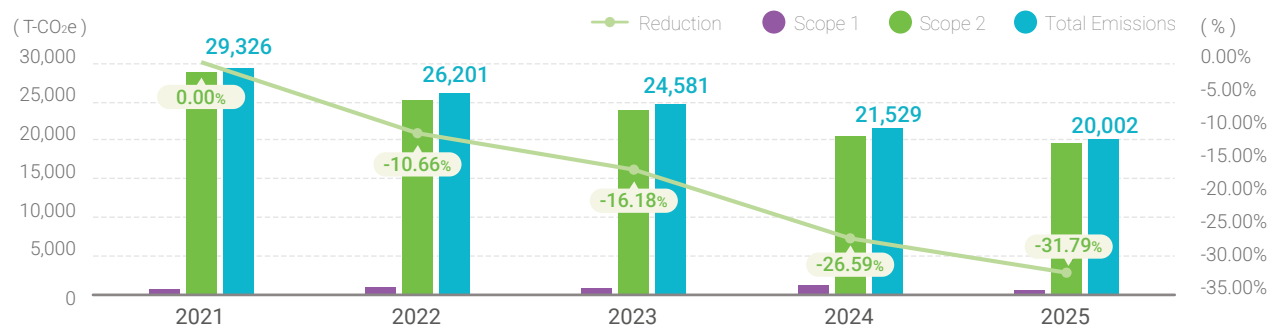
Emissions Types Emissions	CO ₂	CH ₄	N ₂ O	HFC _s	PFC _s	SF ₆	NF ₃	總計
Emissions	55.5272	271.9304	1.3446	185.7600	0.0000	0.0000	0.0000	514.5622
Ratio	10.79%	52.85%	0.26%	36.10%	0.00%	0.00%	0.00%	100.00%

Scope 1 and Scope 2 Greenhouse Gas Emissions (T-CO₂e)

Item	2021 (Base Year)	2022	2023	2024	2025	Versus Base Year
Scope 1 (Direct)	612.6000	906.0500	727.7034	1,058.9241	514.5622	-16.00%
Scope 2 (Energy Indirect)	28,713.1000	25,133.9687	23,853.6698	20,470.1035	19,487.7669	-32.13%
Total Emissions	29,325.6330	26,040.0187	24,581.3732	21,529.0276	20,002.3291	-31.79%
Carbon Intensity (T-CO ₂ e/NT\$ million in output value)	2.3873	1.8576	1.9932	1.9755	2.0419	-14.47%

Note: The 2025 Global Warming Potential (GWP) values are based on the IPCC Sixth Assessment Report (AR6). The electricity emission factor for Taiwan is based on the 2024 value (0.474 ton-CO₂e per MWh) announced by the Bureau of Energy, Ministry of Economic Affairs. Dongguan region uses the national electricity carbon dioxide emission factor of 0.5306 ton-CO₂e per MWh as published by China's Ministry of Ecology and Environment for 2023. Phihong (Vietnam) in Haiphong uses the 2023 electricity factor of 0.6592 ton-CO₂e per MWh announced by Vietnam's Department of Climate Change (DCC).

Scope 1 and Scope 2 Total Emissions Trend (T-CO₂e)



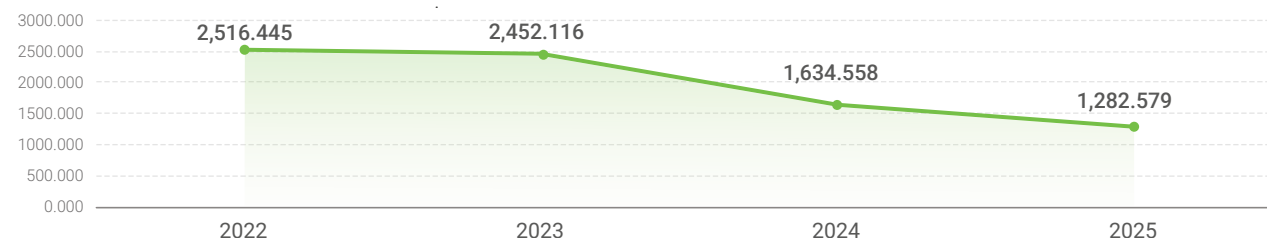
Other Indirect Emissions (Scope 3)

Phihong referenced the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard methodology, gradually expanding the Scope 3 emission inventory, and completed quantitative assessments for all relevant categories in 2022. Starting in 2025, Phihong has further followed the GHG Protocol guidelines and fully disclosed the inventory results of the 15 Scope 3 categories to enhance the transparency of climate information and strengthen greenhouse gas management and reduction strategy planning in the value chain.

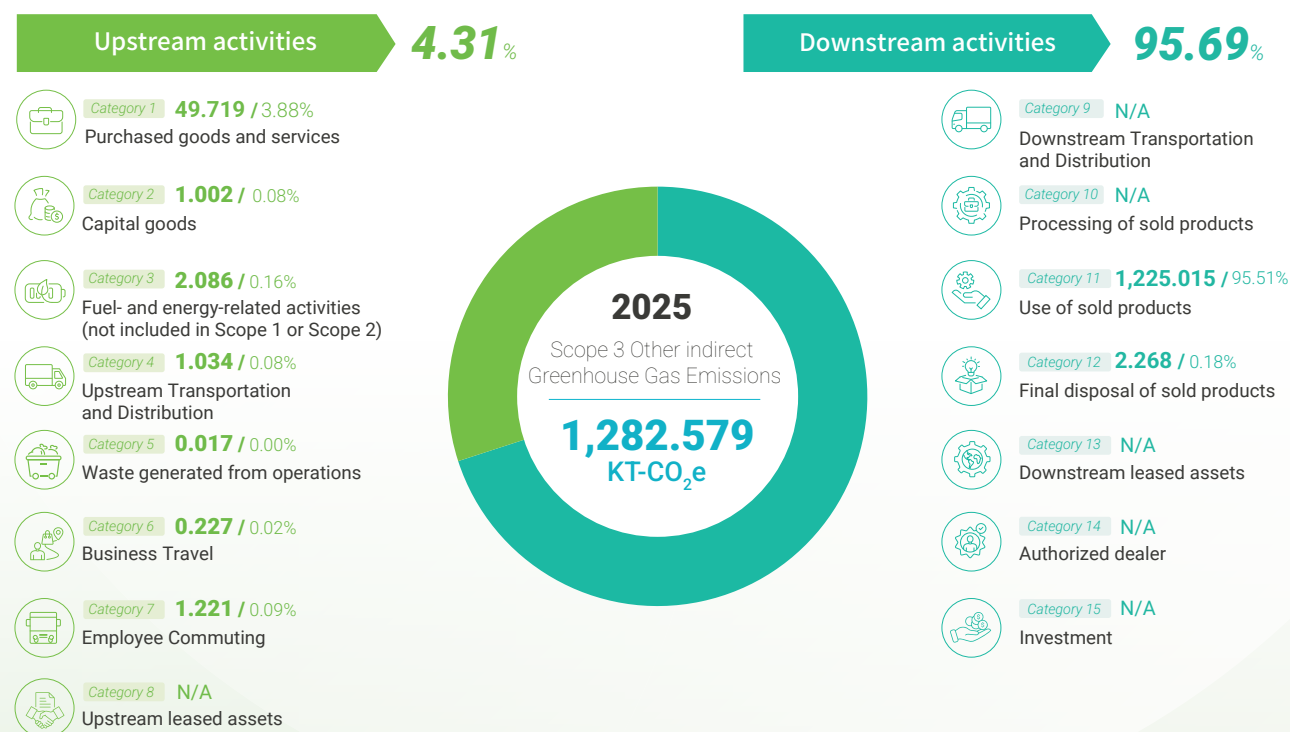
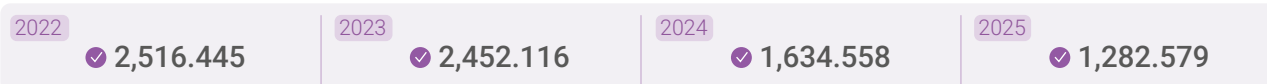
The inventory results over the years indicate that Phihong's Scope 3 emissions mainly come from C1 "Purchased goods and services" and C11 "Use of sold products." In 2025, the total emissions for each category within Scope 3 amounted to 1,282.579 kilotons of CO₂e, representing a 49.03% reduction compared to the base year 2022's 2,516.445 kilotons of CO₂e. This decrease is mainly due to the decline in product output and sales volume. In terms of the emissions structure, in 2025, C11 "Use of sold products" was the largest source of emissions, accounting for 95.51% of Scope 3 Total Emissions; followed by C1 "Purchased goods and services," with a proportion of 3.88%. It is displayed that the product use stage remains the primary source of greenhouse gas emissions in Phihong's value chain and is also a key focus area for future carbon reduction management and promoting low carbon products.

Looking ahead, Phihong will continue to actively reduce greenhouse gas emissions across the value chain by improving product energy efficiency, promoting low-carbon products and materials design, deepening carbon management in the supply chain, and strengthening collaboration with suppliers. The company is gradually moving towards a low-carbon transition and net-zero emissions target.

Scope 3 Total Emissions Trend (KT-CO₂e)



Scope 3 Greenhouse Gas Emissions Trend (KT-CO₂e)





1.4.3 Energy Efficiency Investments and Progress Toward Carbon Neutrality (GRI 302-4、305-5)

Phihong continues to advance its energy conservation and carbon reduction blueprint, following the framework of the Energy Management System to set specific and achievable energy-saving targets. Through regular tracking and performance disclosure mechanisms, the Company ensures improvement effectiveness. Starting from 2024, major operational sites have fully introduced energy management systems, building a comprehensive energy monitoring and management framework. From 2025 onwards, in addition to continuing the replacement of equipment, further management-optimized energy-saving measures will be promoted to enhance energy efficiency and achieve carbon reduction.

According to the achievement of energy-saving implementation projects at each plant, in 2025, the group's electricity savings reached 2,562,114 kWh, with a carbon reduction of 1,352 metric tons; in 2026, it is expected to save 3,803,787 kWh, with a carbon reduction of 2,285 metric tons. Starting from 2026, the group will continue to expand its renewable energy initiatives by promoting the installation of solar power systems. Among these, Phihong (Vietnam) is expected to generate an annual electricity output of 2.5 million kWh, while Zerova (Tainan) will produce approximately 930,000 kWh. This initiative will effectively increase the proportion of green power use, strengthen the momentum for a low-carbon transition, and accelerate the move towards the net-zero emissions target.

Plant	Energy Saving Type	Execution Description	Investment Amount (NT\$10,000)	Annual Energy Savings (kWh)	Annual Carbon Reduction (tons)	
By 2025 (achieved)	Linkou Headquarters	Lighting equipment	Replacement of energy-saving lighting fixtures, changing from 40W to 18.5W or 25W fixtures.	3	3,572	1.69
		Air Conditioning System	Replacement of inefficient cooling towers (from 300T to 450T) and replanning of cooling tower tonnage.	285	36,000	17.06
			Postpone activation during the non-summer season, and start the pre-cooling air conditioning unit earlier to introduce fresh outside air and lower indoor temperature.	-	52,800	25.03
			Adjust the operating time of the cooling tower to reduce its active hours.	-	13,042	6.18
	Dongguan Facilities	Green Power System	Installation of solar power generation systems at phase 1, 2, and 3 buildings	Energy Performance Contracting model	2,220,166	1,178.02
		Lighting equipment	Replacement of energy-saving lighting fixtures and sensor lights.	6	9,482	5.03
		administrative controls	Reduce unnecessary Energy Consumption through public area electricity management, with a total of 6 management plans.	-	160,056	84.93
		Ventilation System	Modify the appropriate equipment and exhaust volume according to the exhaust volume requirements of the equipment.	2	36,000	19.1
	Zerova	Green Power System	Phase 1 building's solar power generation for on-site consumption.	166	30,996	14.69
	Total				2,562,114	1,352
implementation projects currently in operation	Linkou Headquarters	Lighting equipment	Replacement of energy-saving lighting fixtures, changing from 40W to 25W fixtures.	81	35,640	16.89
	Dongguan Facilities	Air Conditioning System	Replace high-efficiency suspended ice-making machines to reduce energy consumption.	425	310,000	164.49
		Hot Water System	Reduce thermal energy consumption by modifying hot water pipe configurations.	4	20,803	11.04
		Lighting equipment	Replacing energy-saving lighting fixtures, changing from T8 (23W) to 13W fixtures.	1	4,080	2.16
	Haiphong Facility (PHV)	Green Power System	Planning a solar power generation system, with an expected annual electricity generation of 2.5 million kWh.	Energy Performance Contracting model	2,500,000	1,648.00
	Zerova	Green Power System	Planning the installation of solar power systems at Plant 1 and Plant 3. Currently, Plant 1 is in progress, with an expected annual electricity generation of 386,490 kWh. Plant 3 is currently under evaluation, with an expected annual electricity generation of 546,774 kWh.	Energy Performance Contracting model	933,264	442.37
	Total				3,803,787	2,285

1.5 Water Stewardship, Waste Management

1.5.1 Water Stewardship (GRI 303-3 、303-4)

Water Resource Risk and Wastewater Management

Phihong's manufacturing processes primarily focus on product assembly, which do not involve water usage and do not generate process wastewater. Although operational water demand is relatively low, the company still follows a risk-oriented management principle, establishing a water resources risk assessment and management mechanism to enhance operational resilience and fulfill its Environmental Sustainability responsibility. The Group's plants source their water entirely from tap water and utilize the Aqueduct Water Risk Assessment tool from the World Resources Institute (WRI) for water stress analysis. The assessment results show that Taiwan and the Haiphong Facility are low-to-medium risk areas, while the Dongguan Facilities are low-risk areas. Overall, the Group's operational sites are not located in high water stress regions, water resources supply is stable, and operational risks can be effectively controlled.

The primary source of wastewater is the domestic use by employees. Each plant is equipped with monitoring equipment to ensure proper treatment and discharge in accordance with local regulations and park standards. In 2025, there were no violations of wastewater discharge regulations or penalties, demonstrating that the water stewardship system is operating effectively and has not caused significant environmental impact.

2025 Water Resources Assessment and Current Water Resource Status

Item \ Plant			Phihong			Zerova	
			Linkou Headquarters (PHT)	Dongguan Facilities (PHP, PHC)	Haiphong Facility (PHV)	Zerova (Tainan) (ZTM)	Zerova (Dongguan) (ZCM)
Water Source			Shihmen Reservoir	Qiyeshi Reservoir	Ruihe River	A total of 5 reservoirs including Zengwen Reservoir	
Water Stress Index			Low to Medium	Low	Low to Medium	Low to Medium	
Water Withdrawal (metric tons)			9,253	156,722	70,531	11,882	
			Current Drainage Status Table				
Wastewater Treatment Facility			Hwa-Ya Technology Park Southern District Sewage Treatment Plant	Qingxi Changshantou Wastewater Treatment Plant	An Duong Industrial Park Sewage Treatment Plant	Discharged directly into the municipal wastewater treatment system within a non-industrial zone.	
Receiving Water Body			Nankan River	Qingxi River	Huanglou River	Yanshui River	
Wastewater Standards and Compliance	pH value	Standard	6~9	6~9	6~9	-	
		Compliance or Non-Compliance	V	V	V	-	
	COD Chemical Oxygen Demand (mg/L)	Standard	350	500	400	-	
		Compliance or Non-Compliance	V	V	V	-	
	SS Suspended Solids (mg/L)	Standard	200	400	400	-	
		Compliance or Non-Compliance	V	V	V	-	
Emissions (metric tons)			8,328	141,050	56,425	10,694	

Note 1: The effluent standard follow local environmental regulations or the specific requirements set by the respective industrial park's wastewater treatment facilities.

Note 2: The drainage coefficients for both the Taiwan Plant and Dongguan Facilities are 0.9 times the water withdrawal (Dongguan Facility based on the evaluation coefficient from the Environmental Impact Assessment Report reviewed by the China National Environmental Protection Agency), while the drainage coefficient for the Haiphong Facility is 0.8 times the water withdrawal, in accordance with local municipal sewage fee standards.



Water Conservation Management and Performance

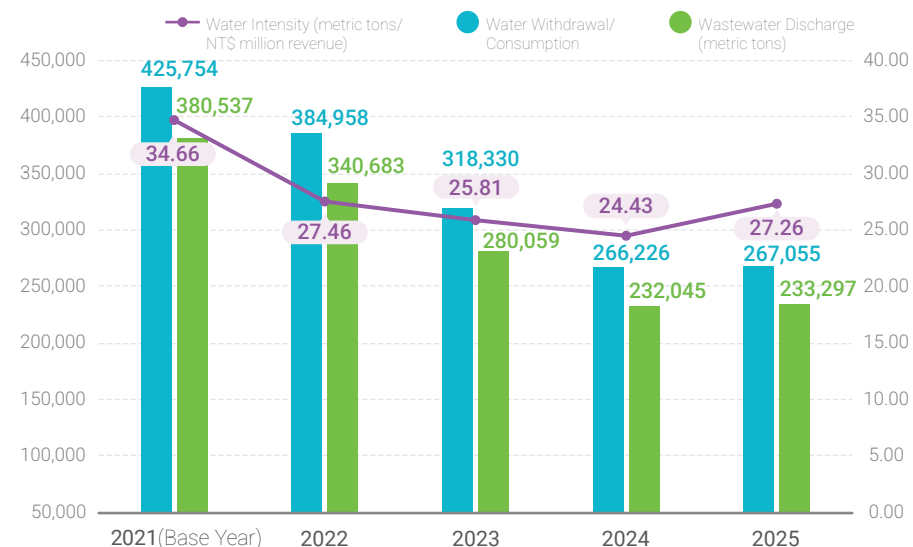
The Group primarily uses water for everyday living. Through annual water-saving targets and improvement programs, it continuously reduces water consumption and resource waste. Key measures include:

- Introduce water-saving equipment (such as water-saving valves and faucets) to improve daily water use efficiency.
- Zerova (Tainan) Phase I and Phase II plants have installed a rainwater collection system, applied for toilet flushing, irrigation, and air conditioning cooling.
- The headquarters and Dongguan Facilities conduct regular maintenance and technical upgrades on equipment such as cooling towers to improve water recycling rates.

In 2025, the overall water withdrawal was comparable to 2024, but compared to the base year (2021), water resources use intensity (water density) has decreased by 7.4%, displaying that the water-saving measures have been effective.

Water Resource Intensity Trend

Unit: metric tons



Water Resource Intensity Trend

Item \ Year	2021 (Base Year)	2022	2023	2024	2025
Water Withdrawal / Consumption (metric tons)	425,754	384,958	318,330	266,226	267,055
※ Wastewater Discharge (metric tons)	380,537	340,683	280,059	232,045	233,297
Annual Revenue (NT\$ million)	12,284	14,018	12,332	10,898	9,796
Water Intensity (metric tons/NT\$ million revenue)	34.66	27.46	25.81	24.43	27.26

1.5.2 Waste Management

Source Reduction (GRI 306-3)(SASB RT-EE-150a.1、RT-EE-150a.2)

Phihong continuously promotes environmental awareness and education and training to strengthen employees' understanding of environmental policies and resource sustainability, working together to implement sustainable actions. In terms of waste management, source reduction and classification management are implemented, reducing waste generation comprehensively from product design to manufacturing processes. At the same time, through various improvement implementation projects, the ratio of non-recyclable waste is continuously reduced, mitigating environmental impact. Additionally, each year a professional third-party organization is commissioned to conduct audits and review targets to ensure compliance with regulatory requirements and continuously improve environmental management performance.

In 2025, the majority of waste was Non-hazardous waste that could be recycled and reused, accounting for 61.29%. This was followed by Non-hazardous waste without energy recovery through Incineration, accounting for 25.61%. Hazardous Waste constituted 13.10% of the total, of which 50.15% was recycled and reused.

Waste Treatment

Treatment Method \ Plant		Phihong	Zerova	Total (tons)	Proportion (%)
Non-hazardous waste	Recycling & Reuse	1,195.15	63.01	1,258.16	61.29
	Incineration (Without Energy Recovery)	506.34	19.28	525.62	25.61
	Landfill	-	-	-	-
Hazardous Waste	Recycling & Reuse	134.88	-	134.88	6.57
	Physical Treatment	-	-	-	-
	Incineration (With Energy Recovery)	131.63	-	131.63	6.41
	Incineration (Without Energy Recovery)	2.42	-	2.42	0.12
	Landfill	-	-	-	-
Overall Recycling & Reuse Percentage		67.86%			

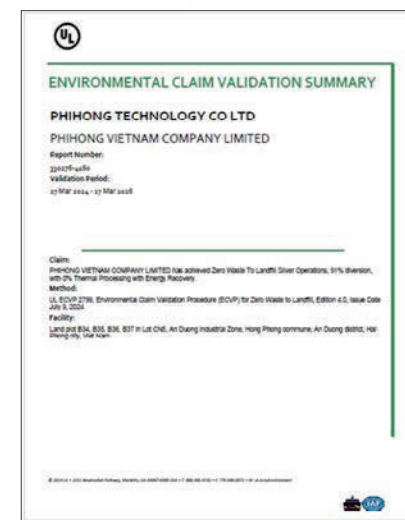
UL Zero Waste to Landfill Certification (UL 2799)

Phihong actively promotes green manufacturing in response to global carbon reduction and net-zero initiatives. Committed to sustainable resource management, the Company aims to establish "zero waste" facilities, with "zero landfill" as a key development direction.

Starting from 2022, Phihong initiated its zero waste landfill program at Phihong (Dongguan) and completed a preliminary review in the same year. This initiative prompted a comprehensive review of the entire production process, including raw material selection, product design, and waste minimization strategies, and fully integrated circular economy principles. The project adheres to the UL 2799 Environmental Claim Validation Procedure (ECVP) for Zero Waste to Landfill verification, ensuring that all waste streams are managed in compliance with relevant regulations and are directed toward recycling, reuse, or energy recovery instead of landfilling. Certification is awarded when the waste diversion rate reaches 80% or higher. Hence, Phihong has made waste reduction a top priority. The effectiveness of achieving zero landfill is assessed in accordance with the UL 2799 standard across several dimensions, including:

- ✓ **On-site:** Waste reduction and reuse rates
- ✓ **Off-site:** Rates of recycling, composting, anaerobic digestion, conversion to biofuels, or energy recovery
- ✓ **Non-divertible portion:** Proportion of waste sent to landfill or incineration

Through ongoing improvement efforts, the Group's Dongguan plant once again achieved a 100% waste diversion rate in 2025, including 9% recovered through thermal energy incineration. The site has maintained Platinum-Level certification under the UL 2799 Zero Waste to Landfill program. At the same time, Phihong expanded the certification scope to its Haiphong facility in Vietnam, which has passed UL 2799 verification for two consecutive years. In March 2025, it achieved a 91% waste diversion rate with 0% waste-to-energy through incineration and received Silver-Level certification, demonstrating Phihong's firm commitment to moving toward zero waste production and actively contributing to the United Nations Sustainable Development Goals (SDGs).



Haiphong Facility (PHV) UL-2799 certificate (valid until March 27, 2026)



Environmental Investment

Phihong has established a systematic environmental investment evaluation mechanism, with annual reviews.

Investment in energy saving and carbon reduction is allocated precisely based on evaluation results to continuously reduce the impact of operations on climate change. Through comprehensive environmental monitoring and data management, the current environmental status is dynamically tracked. Combined with environmental Impact Assessments and analysis, decision-making quality and management efficiency are enhanced. At the same time, the economic benefits of Recycling and reuse are included, fully presenting the achievements of environmental investment and value creation.

2025 Annual Environmental Protection Expenditure and Benefit

Currency: NT\$

Category \ Plant		Phihong			Zerova		Total (NT\$)	Proportion (%)
		Linkou Headquarters (PHT)	Dongguan Facilities (PHC, PHP)	Haiphong Facility (PHV)	Zerova (Tainan) (ZTM)	Zerova (Dongguan) (ZCM)		
Direct Costs of Reducing Environmental Impact	Cost of Investing in Energy-Saving and Carbon Reduction Equipment	177,135	132,985	9,038	-	-	319,158	9.31
	Costs related to Pollution Control	-	184,604	29,695	-	138,285	352,584	10.28
Indirect Costs of Reducing Environmental Impact	Industrial waste treatment fees	441,389	312,146	847,215	627,586	-	2,228,336	65.00
	Validation, monitoring, and other costs	296,494	59,170	28,953	-	143,482	528,099	15.40
Total Expenditure		915,018	688,905	914,901	627,586	281,767	3,428,177	100
Environmental Benefits								
Recycling	Waste electronic components, scraps, etc.	-	13,205,436	106,550	313,215	3,263,455	16,888,656	



SOCIAL

2 Happy Workplace and Social Care

2.1 Key Performance Indicator

2.2 Human Rights Risk Due Diligence

2.3 Employee Motivation and Retention

2.4 Talent Development and Empowerment

2.5 Occupational Health and Safety

2.6 Community Service and Engagement

2.1 Key Performance Indicator



Respect for Human Rights

- ✓ Completed Human Rights Due Diligence, with all risk assessments indicating low-to-medium risk.
- ✓ Obtained SA8000 and RBA international social responsibility certifications.
- ✓ The completion rate of the Responsible Business Alliance (RBA) Code of Conduct training for new hires has reached 100%.



Happy Workplace

- ✓ Awarded the Happiness Enterprise Gold Award for 6 consecutive years.
- ✓ The proportion of female managers reached 31.65%, setting a new record.
- ✓ Achieved the target of zero major occupational accidents and zero fatalities.
- ✓ All major operational sites have obtained 100% ISO 45001 Occupational Health and Safety Management System certification.



Talent Cultivation

- ✓ Average training hours per person were 43.58 hours, with an achievement rate of 145.3%.
- ✓ The introduction of a new learning system promoted mandatory online courses for all employees, resulting in a significant increase in participants.
- ✓ Added 4 internal instructors, offered 10 courses, 295 participants attended, with a satisfaction score of 9.5.



Social Care

- ✓ Phihong's diverse public welfare actions attracted over a thousand participants from employees who voluntarily participated.
- ✓ The "Hundred Dollar Club" continued into its 11th year, with 898 participants this Year and cumulative donations exceeding NT\$2.75 million.

Target Management and Performance

Material Topic	Performance Indicator	2025 Achievements		Future Targets			
		Target	Achievement	Short-Term (2026)	Mid-Term (2028)	Long-Term (2030)	
Talent Attraction and Retention	Employee Satisfaction Score (biennial)	> 4.5	4.68	>4.5	>4.5	>4.5	Goal 8: Decent Work and Economic Growth 
	Happiness Enterprise Evaluation	Happiness Enterprise Gold Award	6 consecutive years of the Gold Award	Gold Award	Gold Award	Gold Award	
Employee Cultivation and Training	Average Training Hours per Person per Year	30	43.58	30	30	30	Goal 5: Gender Equality 
Occupational Health and Safety	Zero major occupational accidents, zero fatalities.	0	0	0	0	0	Goal 3: Good Health and Well-being 
	Recordable occupational injury rate	0.24(12)	0.22(11)	0.20(10)	0.18(8)	0.18(8)	
	All major sites have obtained ISO 45001 certification.	100%	100%	100%	100%	100%	

2.2 Human Rights Due Diligence

Phihong firmly believes that respecting human rights and creating a dignified work environment are crucial. The Company is committed to following and supporting various international recognized human rights principles and standards, including the UN Universal Declaration of Human Rights, the UN Global Compact, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. In alignment with these principles, the Company strictly abides by labor laws at all operational locations to protect the legal rights of employees. The Company also regularly reviews and updates its human rights policy. Guided by the three core principles of "Protect, Respect, and Remedy," Phihong adopts practices in line with the RBA Code of Conduct. We strictly prohibit any actions that infringe upon human rights, demonstrating a high level of commitment to human rights through concrete actions.

2.2.1 Human Rights Management Policies (GRI 2-25)

Phihong's Human Rights Policy applies to all employees within the Phihong Group, covering full-time, part-time, contract-based personnel, and interns. It also extends to domestic and overseas subsidiaries, suppliers, customers, partners, joint ventures, and other entities or legal persons with substantial control. All stakeholders are expected to adhere to consistent standard of human rights, working together to prevent any form of human rights violation or infringement. Our Commitment

1



Firmly believe that protecting human rights is a crucial foundation for sustainable operation.

2



Consider human rights issues in all aspects of operations.

3



Provide stakeholders with smooth communication channels.

Human Rights Policy Guidelines (GRI 2-25 、 408-1 、 409-1)

- Prohibit child labor, forced labor, and human trafficking.
- Employees are free to resign in accordance with regulations and enjoy the freedom of association and collective bargaining rights.
- Provide fair compensation, reasonable working hours, and equitable employment conditions.
- Eliminate discrimination and inhumane treatment to ensure equal opportunities in the workplace.
- Safeguard occupational safety and support employees' physical and mental well-being to promote work-life balance.

- Conduct regular human rights education and training to foster a culture of respect for human rights.
- Establish an independent grievance and response mechanism to protect whistleblowers and prevent retaliation.
- Conduct periodic reviews of human rights risk and implement remedial and mitigation measures to ensure continuous improvement.
- Disclose human rights policies and implementation results in an open and transparent manner to strengthen stakeholder communication.



2.2.2 Human Rights Risks and Impact Assessments (GRI 2-25)

Due Diligence Process

Pihong conducts human rights due diligence in alignment with the RBA Code of Conduct. The objective is to identify and further assess potential risks related to human rights issues, implement appropriate actions and mitigation measures, and ensure ongoing improvements. All of this is aiming to fulfill our firm commitment to respecting and protecting human rights.



Human Rights Risk Assessment (GRI 2-25)

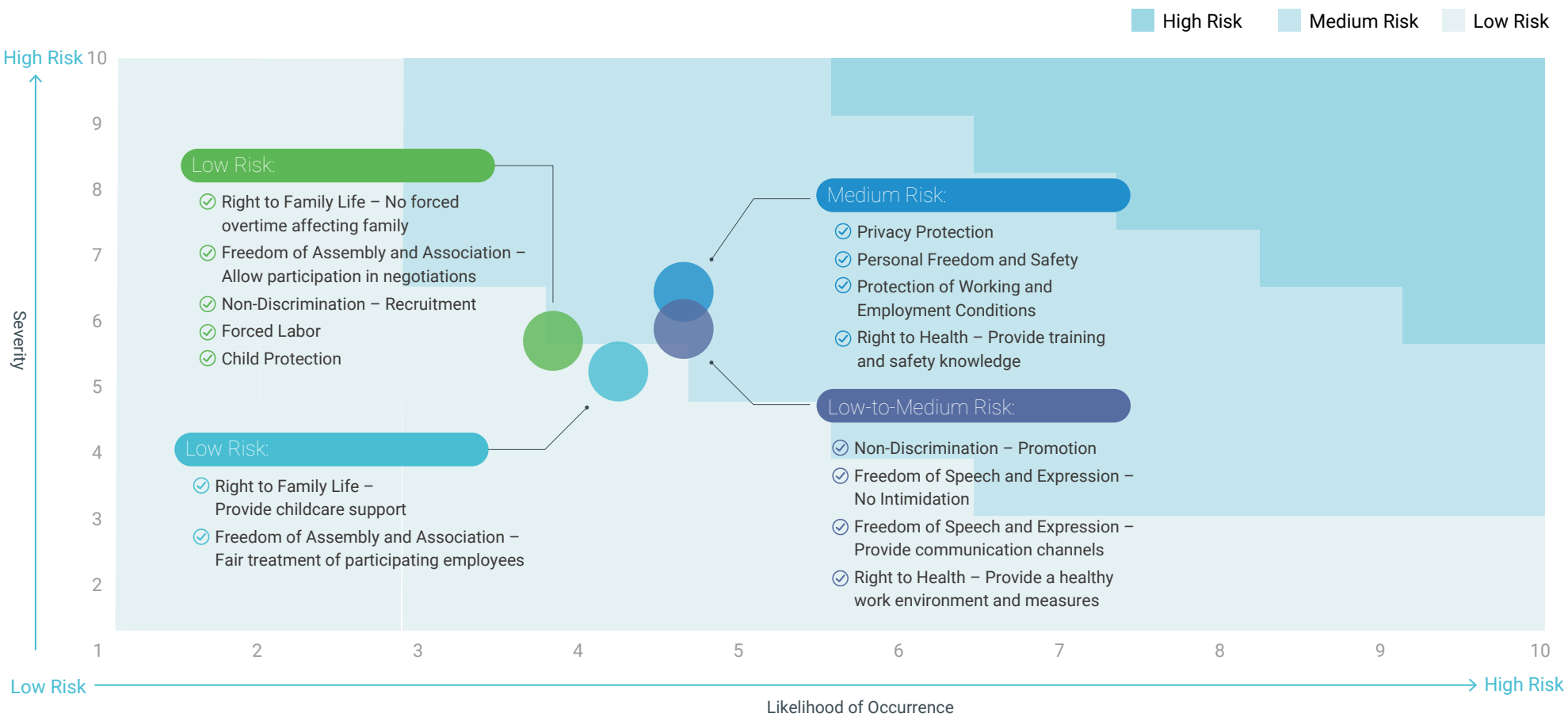
Pihong conducts Human Rights Due Diligence regularly every two years, and in 2024 completed a comprehensive Risk Assessment for operational sites and third-party workers (such as dispatched or outsourced personnel). We integrate stakeholders' opinions through multiple channels and quantify risk classification using a dual-dimensional approach of severity and occurrence probability, establishing a scientific management baseline with risk levels categorized on a scale from 1 to 10. Based on the identification results at various points in the value chain, Pihong systematically assessed the affected groups and actively planned prevention, mitigation, and remediation measures. At the same time, we continuously optimize our human rights management system to ensure corporate governance aligns with international standards, deepening our commitment to sustainable development.

Identification Scope	Topics of Concern	Risk Topic Description	Assessment Tools
Self-Operation (Employees), Supply Chain Partners*	Labor Privacy Protection	• Leakage of employees' personal information caused by system vulnerabilities, security oversights, or failure to properly notify affected individuals.	• RBA Self-Assessment Questionnaire • Annual Risk Assessment on Unlawful Infringement • Annual Labor and Ethics Risk Assessment • Employee Interviews • Compliance with Labor Laws
	Personal Freedom and Safety	• Occurrence of threats, physical assaults, illegal human trafficking, or harassment (e.g., sexual harassment), endangering employees' personal safety or adversely affecting their physical and mental well-being.	
	Protection of Working and Employment Conditions	• Noncompliance of the work environment or labor conditions with legal standards, affecting the protection of employees' basic rights (including working hours, wages, occupational safety, and equal treatment), and potentially creating risks of labor rights violations due to inappropriate utilization of contract, dispatch, or foreign worker arrangements.	
	Right to Health	• Inadequate operational training or safety education provided to employees, leading to occupational safety incidents. • Failure to provide legally required health protections (such as rest periods and reasonable shift scheduling), resulting in employees working excessively long hours in a high-pressure conditions.	
	Freedom of Speech and Expression	• Lack of safe and effective channels for employees to voice opinions.	
	Freedom of Assembly and Association	• Use of coercive measures to suppress free speech (such as litigation, intimidation, or threats), causing employees to face pressure or retaliation in their work or personal lives. • Failure to provide fair and reasonable treatment for employees who participate in external labor unions or legally protected union activities.	
	Child Protection	• Employment of workers below the legal working age or assignment of hazardous duties to underage employees.	
	Non-Discrimination	• Unfair treatment during recruitment unrelated to job performance, such as discrimination based on nationality, ethnicity, gender, age, political inclinations, or physical disabilities. • Unfair treatment during promotion unrelated to job performance, such as discrimination based on nationality, ethnicity, gender, age, political inclinations, or physical disabilities.	
	Forced Labor	• Imposition of forced labor through improper means such as withholding identification documents or wages, or through physical or psychological coercion (e.g., forced overtime, underreporting of working hours).	
	Right to Family Life	• Lack of opportunities for employees to fulfill family caregiving responsibilities, such as the inability to take parental or maternity leave, or insufficient facilities and support for childcare or breastfeeding. • Excessive overtime demands placed on employees, impairing their right to family life.	

* Note: Supply Chain Partners (referring to non-Zerova employees, including dispatched or outsourced personnel, such as cleaning, security, catering, etc.)

Risk and Impact Analysis (GRI 2-25)

According to the overall survey display, the risk levels for each human rights topic all fall within the low-to-medium risk category. The company established a human rights risk matrix based on the formula: Risk Exposure = Likelihood of Occurrence × Severity of Impact, to identify topics with relatively higher risks. After reviewing the results of the human rights risk assessment, the Company has submitted topics with relatively higher Risk Exposure to the management team for incorporation into daily management and decision-making considerations. In the 2025 year, the Company continued to strengthen relevant control measures, including enhancing internal advocacy and education and training, reviewing the effectiveness of existing systems and grievance channels, and continuously tracking improvement results to further reduce potential human rights risks and fulfill its commitment to human rights protection.



Human Rights Management and Risk Mitigation (GRI 2-25、406-1)

Pihong actively implements human rights due diligence by developing specific actions for potential risks, strengthening prevention and continuous improvement mechanisms through systematic management and process optimization. Through regular reviews and continuous improvement, combined with education and training and internal communication, the company enhances employees' human rights awareness and risk identification capabilities. Based on the identification results, it promotes Mitigation Measures, integrating human rights management into daily operational processes.

Pihong continuously strengthens system implementation and governance efficiency to ensure the management mechanism is consistent and traceable, demonstrating the company's maturity and international standard in human rights protection and sustainable governance. In 2025, there were no violations of human rights, instances of child labor or employment discrimination, nor any significant penalties or legal proceedings related to violations of labor regulations.



The Chairman personally attended to host the employee

Human Rights Risk Mitigation Actions and Outcomes

Aspect	Main Mitigation Measures	Achievements in 2025
Systematic Establishment and Management	- Declare zero tolerance for unlawful conduct in the workplace, requiring new hires to sign the prevention procedures and the Business Ethics and Conduct Guidelines, thereby enforcing human rights and business ethics standards. - Establish standardized management procedures to ensure workplace equality and personal dignity for employees, and set up a transparent grievance and disciplinary mechanism.	Continuously promote the implementation of systems to ensure the internalization of standards into the corporate culture.
Education and Training and Awareness Enhancement	- List the RBA Code of Conduct as a mandatory course and assessment item for new hires to ensure all employees are aware of human rights. - Regularly organize human rights-themed education and training, and enhance employees' risk awareness by publicly sharing information through the internal platform.	In 2025, the completion rate of the Responsible Business Alliance (RBA) training for New Hires reached 100%.
Communication and Grievance Mechanism	- Construct anonymous and confidential channels and a diverse communication environment to ensure employees feel secure in expressing their opinions. - Integrate all-staff meetings, suggestion boxes, and the HR director's mailbox to implement employee care.	Hold 2 Employee meetings, hosted by Senior Executives, to deepen two-way communication.
Communication and Consultation and Transparency	Work rules (including working hours, remuneration, rewards and disciplinary actions, promotions, etc.) are reviewed through labor-management meetings to ensure the system is fair and compliant with regulations.	Labor/Management Meetings are held quarterly, with a total of four times for the full year, to promptly address labor topics.

Responsible Business Alliance (RBA) Practices

Phihong has deeply embedded the belief in social responsibility and sustainable development, officially joining the Responsible Business Alliance (RBA) as a certified member in 2022. We fully support and implement the RBA Code of Conduct, transforming its vision into a concrete management system to collaboratively build a sustainable value chain with employees, customers, and suppliers.

International Verification Achievements: Implementation of RBA 8.0 Standards

Through the RBA Validated Assessment Program (VAP), Phihong continuously examines the implementation degree of its internal systems. In 2025, Phihong's main Production Sites all demonstrated outstanding compliance achievements, specifically implementing the RBA 8.0 standards:

Dongguan Facilities (PHC/PHP): In December 2025, successfully passed the RBA VAP audit, achieving excellent scores of 162.9 and 169.2, and obtained Silver Certification.

Haiphong Facility (PHV): In March 2025, successfully passed the audit and obtained certification. On the foundation of the existing SA8000 Social Responsibility Management System, we have fully integrated the latest RBA 8.0 standards to establish the "Corporate Social Responsibility Management Handbook," which serves as the core guideline for promoting sustainable transformation.

Human Rights Protection and Due Diligence

Phihong is committed to going beyond regulatory standards by actively safeguarding the rights of stakeholders in aspects such as environmental protection, occupational safety, and human rights protection.

System Optimization: Regularly review the legality of human rights policies to ensure that the management mechanism is in sync with international conventions and regulations.

Decision-Driven: Regularly report human rights due diligence results and improvement progress to the management team, incorporating assessment effectiveness into management decisions to achieve continuous improvement.

Supply Chain Resilience and Sustainable Business Opportunities - Achieving Shared Value

Phihong is committed to conveying sustainability awareness to supply chain partners, strengthening risk management and organizational resilience to gain high recognition from global customers. We continuously optimize our internal management systems to expand sustainable business opportunities with high-quality social responsibility performance, working hand in hand with partners to achieve mutual benefits for all stakeholders.



Dongguan Facility RBA VAP Silver Certification (valid until December 25, 2026)



Phihong (Vietnam) RBA VAP Silver Certification (valid until February 21, 2027)



Phihong (Vietnam) SA 8000:2014 certificate (valid until March 13, 2027)

2.3 Employee Motivation and Retention

Pihong upholds the core values of "innovation, flexibility, equality, and openness," and is committed to identifying and making good use of talent while fostering a spirit of innovation among employees. Our recruitment process consistently adheres to the principles of fairness, impartiality, and transparency, ensuring that every employee can reach their potential in a fair competitive environment. In line with our global expansion and the rapid growth of diversified business operations, we continue to attract and develop internationally mobile talents. We are committed to building a company that earns the trust of employees and grows alongside them. This includes promoting a diverse and equitable workplace culture, maintaining sound labor relations, providing a comprehensive compensation and benefit system, and ensuring a safe and respectful working environment.

Pihong's Human Resources Development Policy



2.3.1 Global Diverse Talent Strategy

Manpower Structure (GRI 403-8)

As of the end of December 2025, Pihong's global number of employees was 4,881. Pihong (Dongguan) and Pihong (Vietnam) serve as the Group's main manufacturing hubs, with employees from both plants accounting for over 70% of the total workforce. In Taiwan, the Linkou Headquarters and its subsidiary, ZeroVA function as the Group's core research and development center. Pihong prioritizes local hiring at all its global operational sites. Local hiring accounted for nearly 99% of the workforce in Taiwan, while both Pihong (Dongguan) and Pihong (Vietnam) achieved 100% local employment. This reflects the Company's commitment to supporting local labor markets.

Pihong Global Manpower Structure in 2025

Category	Group	Male		Female		Total & Ratio		
		Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio	
Duty	Managers	257	68.35%	119	31.65%	376	8.42%	
	Other Staff	2,006	49.02%	2,086	50.98%	4,092	91.58%	
Work Location	Linkou Headquarters	220	57.74%	161	42.26%	381	8.53%	
	Pihong (Dongguan)	1,061	57.04%	799	42.96%	1,860	41.63%	
	Pihong (Vietnam)	635	38.21%	1,027	61.79%	1,662	37.20%	
	Zerova	347	61.42%	218	38.58%	565	12.65%	
Age	Aged 30 and under	1,008	56.63%	772	43.37%	1,780	39.84%	
	Aged 31–40	664	50.11%	661	49.89%	1,325	29.66%	
	Aged 41–50	451	40.70%	657	59.30%	1,108	24.80%	
	Aged 51 and above	140	54.90%	115	45.10%	255	5.71%	
Education	Doctorate	4	100.00%	1	0.00%	5	0.11%	
	Master's	123	67.21%	60	32.79%	183	4.10%	
	Bachelor's	435	51.48%	410	48.52%	845	18.91%	
	Others	1,701	49.52%	1,734	50.48%	3,435	76.88%	
Nationality	Locals	388	57.40%	288	42.60%	676	15.13%	
	Foreigners	1,875	49.45%	1,917	50.55%	3,792	84.87%	
Employment Type	Linkou Headquarters	Full-Time	219	57.94%	159	42.06%	378	99.21%
		Part-Time	1	33.33%	2	66.67%	3	0.79%
	Pihong (Dongguan)	Full-Time	523	54.82%	431	45.18%	954	51.29%
		Part-Time	538	59.38%	368	40.62%	906	48.71%
	Pihong (Vietnam)	Full-Time	481	34.21%	925	65.79%	1,406	84.60%
		Part-Time	154	60.16%	102	39.84%	256	15.40%
	Zerova	Full-Time	305	60.76%	197	39.24%	502	88.85%
		Part-Time	42	66.67%	21	33.33%	63	11.15%
Total		2,263	50.65%	2,205	49.35%	-		
Other Overseas Plants		413						
Total		4,881						

Note 1: Pihong (Dongguan) includes employees from PHC and PHP, while ZeroVA includes employees from ZeroVA (Taiwan) (ZTM) and ZeroVA (Dongguan) (ZCM).

Note 2: Part-time staff are defined as those who work non-fixed hours and have fewer hours than full-time employees.

Note 3: Non-employee workers refer to contractors and dispatched personnel performing duties such as security, cleaning, and on-site catering. In 2025-, the number of non-employee workers at each site was as follows: 7 at Linkou Headquarters, 66 at Pihong (Dongguan), 22 at Pihong (Vietnam), and 9 at ZeroVA, representing 2.06% of the total workforce.

Global Recruitment and Multicultural Integration

Pihong is committed to creating a globally-oriented and diverse work environment, actively seeking and attracting talent from a wide range of backgrounds. We not only focus on the alignment of professional capabilities, but also place great importance on the richness of cultural diversity as a driver for cross-cultural exchange and innovation. Across all stages of recruitment, selection, employment, assignment, evaluation, and promotion, Pihong upholds the principles of fairness and transparency. The Company strictly prohibits any form of discrimination or unequal treatment based on factors such as race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, physical features, or physical and mental condition.

Prioritizing the Promotion of Local Management Talent (GRI 403-8)

To promote local employment and economic development at its operational sites, Pihong not only provides job opportunities for local residents but also prioritizes the cultivation and promotion of local talents. In 2025, over 98% of management positions across Pihong's global sites were held by local employees. We believe that local managers have a deeper insight into the local culture, industry characteristics, and market demand, which enables more effective team collaboration and resource integration. This not only helps enhance operational efficiency but also highlights Pihong's commitment to the local communities, fostering a corporate image closely connected with the locations.

Diversity, Inclusion, Gender Equality and Friendly (GRI 403-8)

At Pihong, we are committed to building a diverse, equal, inclusive and workplace environment that emphasizes gender equality and intergenerational integration, allowing every employee to reach their full potential in a supportive and respectful workplace. All employment decisions, including hiring, promotion, and talent development, are based on competencies and potential. Regardless of gender, age, or personal background differences, we actively recognize and promote outstanding individuals and encourage their continued growth and advancement. In recent years, we have placed special emphasis on the development and recruitment of mid- to senior-aged talent. Their wealth of experience and professional expertise provides strong support for the Company's sustainable growth.

In 2025, male employees accounted for 50.65% and female employees for 49.35% of Pihong's workforce, indicating a trend toward gender balance. The ratio of female section-level and above managers in management positions is 31.65%, continually setting new records for the proportion of female managers.

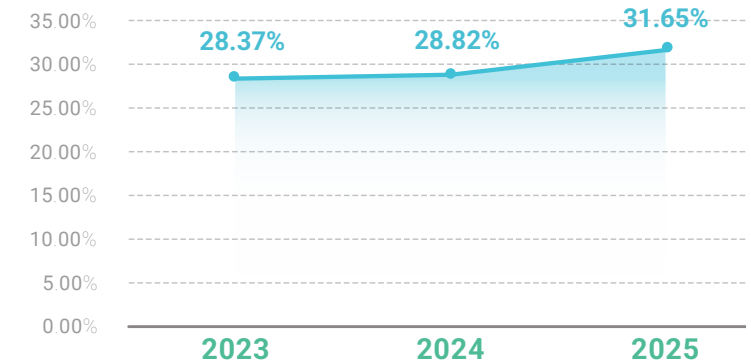


Gender Ratio in Management Positions at Phihong Group

Year / Rank	Phihong Group				
	Male	Ratio	Female	Ratio	Total
Entry-Level (Section Supervisor)	97	59.15%	67	40.85%	164
Mid-level (Manager / Assistant Manager)	126	74.56%	43	25.44%	169
Upper-Mid Level (Division Manager)	26	81.25%	6	18.75%	32
Senior Level (Vice President and Above)	8	72.73%	3	27.27%	11
Total	257	68.35%	119	31.65%	376

Note: Gender ratio at each management level = Number of male or female employees at each level ÷ Total number of employees at that level × 100%

Proportion of Female Managers at Phihong Group (2023–2025)



Gender Ratio in Management Positions by Site

Year / Rank	Linkou Headquarters					Zerova				
	Male	Ratio	Female	Ratio	Total	Male	Ratio	Female	Ratio	Total
Entry-Level (Section Supervisor)	23	63.89%	13	36.11%	36	31	50.82%	30	49.18%	61
Mid-level (Manager / Assistant Manager)	43	76.79%	13	23.21%	56	45	73.77%	16	26.23%	61
Upper-Mid Level (Division Manager)	11	84.62%	2	15.38%	13	10	76.92%	3	23.08%	13
Senior Level (Vice President and Above)	4	100.00%	0	0.00%	4	4	57.14%	3	42.86%	7
Gender Ratio	81	74.31%	28	25.69%	109	90	63.38%	52	36.62%	142
Overall Employee Ratio	21.26%		7.35%		28.61%	15.93%		9.20%		25.13%

Year / Rank	Phihong (Dongguan)					Phihong (Vietnam)				
	Male	Ratio	Female	Ratio	Total	Male	Ratio	Female	Ratio	Total
Entry-Level (Section Supervisor)	32	68.09%	15	31.91%	47	11	55.00%	9	45.00%	20
Mid-level (Manager / Assistant Manager)	26	66.67%	13	33.33%	39	12	92.31%	1	7.69%	13
Upper-Mid Level (Division Manager)	3	75.00%	1	25.00%	4	2	100.00%	0	0.00%	2
Senior Level (Vice President and Above)	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%	0
Gender Ratio	61	67.78%	29	32.22%	90	25	71.43%	10	28.57%	35
Overall Employee Ratio	3.28%		1.56%		4.84%	1.50%		0.60%		2.11%

Note: Gender Ratio = (Male or Female Managers at a Level ÷ Total Employees at the Same Level) × 100%; Overall Employee Ratio = (Male or Female Managers ÷ Total Employees) × 100%

Appropriate Appointment to Build an Strong Employer Brand

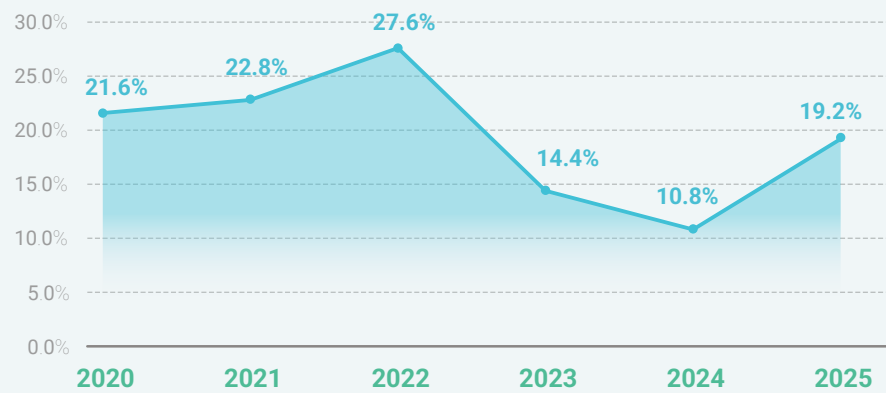
Phihong upholds the principle of carefully selecting and appropriately appointing talent, ensuring that the right people are placed in the right roles. We adhere to labor regulations at all operational sites and align our practices with international trends. Through diverse recruitment channels, Phihong actively recruits outstanding talents, ensuring openness and transparency in the recruitment and selection processes, providing equal opportunities to all candidates. At the same time, we are committed to building a diverse, friendly, and inclusive employer brand that emphasizes work-life balance and fosters a culture of enthusiasm and continuous learning. We aim to attract like-minded partners, making significant efforts in both employee retention and talent attraction. In 2025, we won the Happiness Enterprise Gold Award for 6 consecutive years, further demonstrating our exceptional capabilities in attracting and retaining top talent.

Talent Movement (GRI 401-1)

In 2025, the company, in response to changes in the industry environment and the transformation of operational strategies, continued to review human resource allocation and organizational operational efficiency. This led to organizational optimization and cross-departmental consolidation to enhance resource allocation efficiency and overall operational resilience, resulting in an increase in the resignation rate compared to the previous two years. At the same time, we place great importance on supporting all new employees from the moment they join the Company. A structured onboarding and development plan is implemented immediately, which includes the assignment of a dedicated mentor and a three-month functional training program to help new hires quickly integrate into the Phihong family. In addition to daily guidance provided by mentors, the Human Resources team conducts one-on-one interviews with new employees at the end of their probation period. These interviews aim to listen to feedback regarding job adaptation and team dynamics, and to offer support when needed. Furthermore, gain deeper insights into employee feedback and the reasons behind turnover, Phihong also conducts exit interviews prior to departure. The findings serve as a valuable reference for shaping future talent development and retention strategies, while also helping to identify and resolve issues that may reduce staff turnover over time.

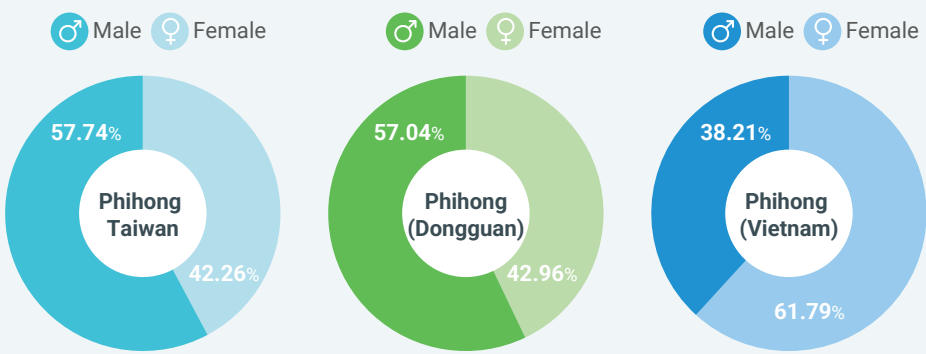


Phihong Linkou Headquarters – Annual Average Resignation Rate



Note: Average Resignation Rate = (Number of resignations + Number of employees on unpaid leave of absence in the year) ÷ Monthly average headcount

Phihong Global Manpower Structure in 2025

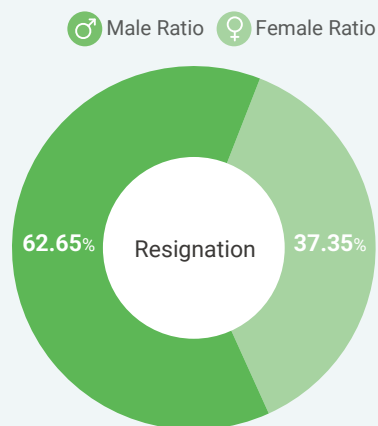
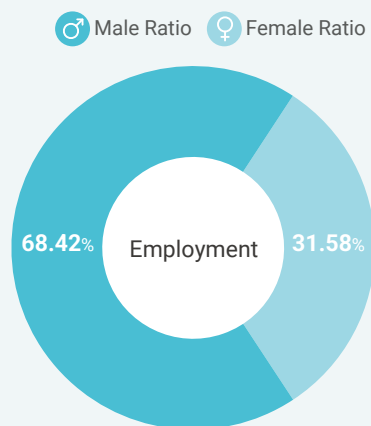


Summary Table of Employment and Resignation by Age and Gender in 2025

Plant	Linkou Headquarters		Phihong (Dongguan)		Phihong (Vietnam)		Zerova	
	Employment	Resignation	Employment	Resignation	Employment	Resignation	Employment	Resignation
Number of Employees	57	83	4,069	4,352	2,413	2,288	229	313
Male Employees	39	52	2,807	2,196	1,373	1,290	136	183
Female Employees	18	31	1,262	2,156	1,040	998	93	130
Aged 30 and under	22.81%	21.69%	82.06%	78.72%	65.48%	64.29%	50.22%	40.26%
Aged 31–40	33.33%	28.92%	12.75%	14.36%	21.72%	24.13%	21.40%	35.14%
Aged 41–50	31.58%	27.71%	5.16%	6.82%	10.11%	9.97%	24.89%	21.73%
Aged 51 and above	12.28%	21.69%	0.02%	0.09%	2.69%	1.62%	3.49%	2.88%
Male Ratio	68.42%	62.65%	68.99%	50.46%	56.90%	56.38%	59.39%	58.47%
Female Ratio	31.58%	37.35%	31.01%	49.54%	43.10%	43.62%	40.61%	41.53%

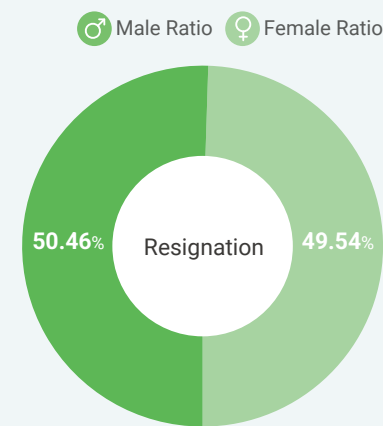
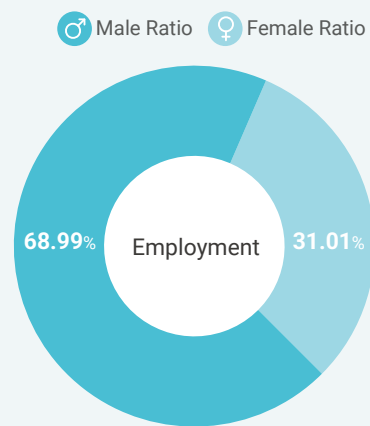
Gender Composition of Hired and Resigned Employees at Phihong's Operating Sites in 2025

Linkou Headquarters (PHT)



Note: A total of 39 men and 18 women were hired at the headquarters, while 52 men and 31 women resigned.

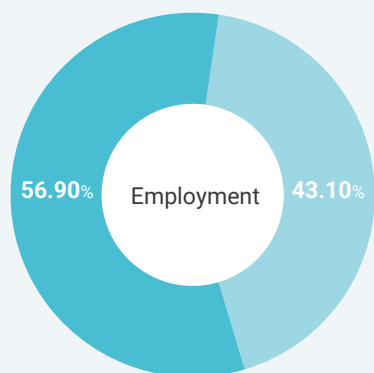
Phihong (Dongguan) (PHC/PHP)



Note: A total of 2,807 men and 1,262 women were hired, while 2,196 men and 2,156 women resigned from the Dongguan site.

Haiphong Facility (PHV)

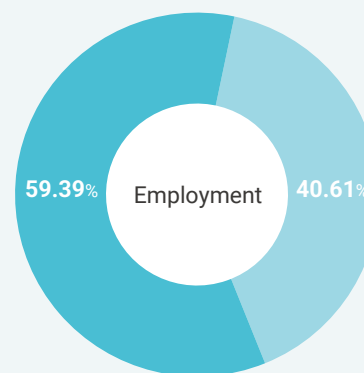
♂ Male Ratio ♀ Female Ratio



Note: A total of 1,373 men and 1,040 women were hired, while 1,290 men and 998 women resigned from the Haiphong site.

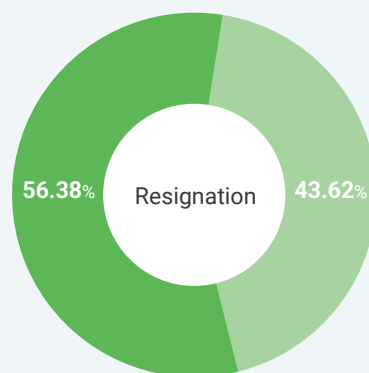
Zerova (ZTM/ZCM)

♂ Male Ratio ♀ Female Ratio

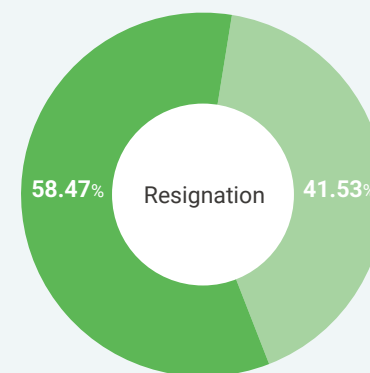


Note: A total of 136 men and 93 women were hired, while 183 men and 130 women resigned from Zerova.

♂ Male Ratio ♀ Female Ratio

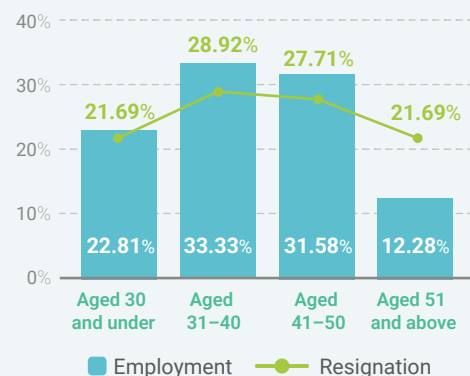


♂ Male Ratio ♀ Female Ratio

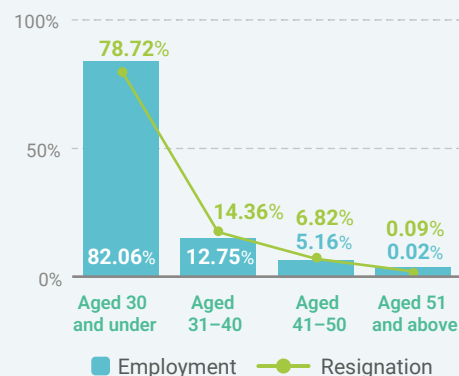


Structure of Hired and Resigned Employees in 2025 – Age Group Ratio

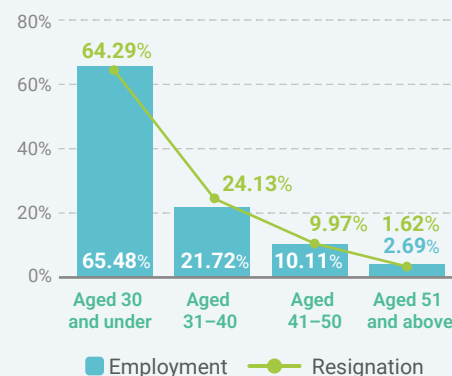
Linkou Headquarters (PHT)



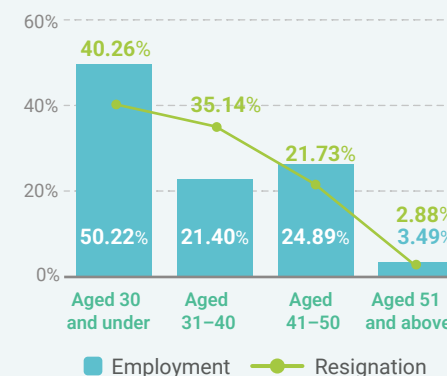
Haiphong Facility (PHV)



Dongguan Facilities (PHC, PHP)



Zerova (ZTM/ZCM)



Note 1: Calculation of age and gender ratio = (Number of male or female employees in each age group ÷ Total number of hired or resigned employees) × 100% The relatively high resignation rate among factory employees was primarily due to a shortage of frontline (direct labor) workers.

Note 2: Linkou Headquarters: 57 employees hired, 83 employees resigned; Zerova: 229 employees hired, 313 employees resigned; Pihong (Dongguan): 4,069 employees hired, 4,352 employees resigned; Pihong (Vietnam): 2,413 employees hired, 2,288 employees resigned

2.3.2 Remuneration Policies

Remuneration Policies and Incentive Mechanisms (GRI

202-1、401-2)

Merit-Based Pay:	Salaries are determined based on the degree to which employees meet job competency requirements, while ensuring full compliance with the local laws and regulations. This approach guarantees fairness and reasonableness in compensation.
Fairness and Reasonableness:	Compensation decisions are guided by internal equity principles and external market benchmarks to ensure fair and competitive pay for all employees.
Annual Salary Adjustments:	Salary reviews are conducted annually based on the Company's operating results, employee performance, market salary positioning, external talent competitiveness, and changes in the consumer price index (CPI), to maintain the competitiveness of the remuneration system.
Performance-Based Rewards:	Bonuses, including project-based incentives, profit-sharing, and year-end bonuses are awarded based on the previous year's overall business achievement rate and growth performance as a means of recognizing and rewarding employees for their hard work.

Phihong is committed to constructing a competitive remuneration system, ensuring salary levels surpass local market standards to attract and retain outstanding talent, thus supporting the enterprise's journey towards sustainable operation. Specific measures are as follows:

Profit Sharing and Incentives: The company's Articles of Incorporation stipulate that no less than 10% of annual profits should be allocated to employee compensation when the Company is profitable. The distribution is decided by the Board of Directors and is issued in the form of cash or stock, covering employees of subsidiaries who meet certain conditions.

Employee Stock Ownership Plan: Phihong continues to promote the "Employee Stock Ownership Plan," with 100% of the stock funds allocated to individual accounts. For senior executives, a "long-term stock-based incentive trust plan" has been established to strengthen the connection between the core team and the company's long-term interests.

Operating Entity	Median Pay Ratio	Median Pay Increase Ratio
Linkou Headquarters	16.88 : 1	-5.03 : 1

Note 1: Median pay ratio is calculated as the annual total compensation of the highest-paid individual divided by the median annual total compensation of all other employees.

Note 2: Median pay increase ratio is calculated as the percentage increase in annual total compensation of the highest-paid individual divided by the median percentage increase in annual total compensation of all employees, excluding the highest-paid individual.



Remuneration transparency and fair management

To implement transparency in remuneration governance, Phihong commissions certified public accountants every year to audit and verify the "remuneration of full-time employees in non-supervisory positions." Through professional third-party review, ensure the fairness, accuracy, and completeness of all remuneration information disclosure, fulfilling the commitment to Employee Care.

2025 Salary Operations Overview

Despite being affected by US tariff policies and global economic fluctuations in 2025, Phihong remained committed to maintaining competitive wages. In terms of salary levels, the indirect employees at the Linkou Headquarters and ZeroVA (Taiwan) continue to earn above the local minimum wage, and the overseas plants also meet legal standards. Regarding the salary adjustment mechanism, the company considers inflation for dynamic adjustments, with an average salary increase of 2.13% in 2025. This is reflected in the annual remuneration performance, where the median salary increased by 1.8% compared to the previous year. A statistical analysis of additional disclosure information is shown in the table below, demonstrating a concrete commitment to investing in human capital.

Additional Disclosure Information – Taiwan Phihong

Unit: NT\$ thousand

Item	2023	2024	2025	Year-on-Year Difference
Non-supervisory Employees (Headcount)	382	392	374	↓ 4.6%
Non-supervisory Employees (Total Salary)	385,933	449,537	422,777	↓ 5.6%
Non-supervisory Employees (Average Annual Salary)	1,010	1,146	1,130	↓ 1.4%
Non-supervisory Employees (Median Annual Salary)	877	947	964	↑ 1.8%

Note: Supervisory positions refer to roles at the Vice President level and above, as defined in Directive No. 920001301 issued by the Ministry of Finance of Taiwan on March 27, 2003.

Gender Equality and Fair Pay (GRI 401-2、405-2)

Phihong regards gender equality and fair remuneration as core targets for corporate sustainability development. We adhere to the principle of equal treatment, resolutely eliminating discrimination based on gender, age, education, nationality, or political stance in recruitment, salary, and various systems, ensuring that every colleague enjoys a fair workplace environment. We implement this commitment in the governance of remuneration across three key aspects:



Principle of Equal Pay for Equal Work:

For employees holding the same positions and job grades, the basic salary ratio between male and female employees is strictly maintained at 1:1. Specific salary levels are fairly and reasonably adjusted based on individual performance, the salary adjustment system, and the annual promotion mechanism.



Optimize Remuneration Structure:

As the Linkou Headquarters and Zerova (Taiwan) serve as the Group's core R&D centers influenced by industry characteristics, the higher ratio of male professionals in technical and managerial positions leads to an overall weighted salary that is slightly higher than that of female employees.



Specific Improvement Effectiveness:

Through the continuous promotion of institutionalized management and fair remuneration policies, the gap in the basic salary ratio and remuneration ratio between females and males has narrowed in 2025 compared to the previous year. This more concretely demonstrates Phihong's firm determination and effectiveness in reducing the salary gap and practicing Gender Equality.

Female-to-Male Basic Salary Ratio Table (Female = 1)

Plant	Rank	2023 Male	2024 Male	2025 Male
Linkou Headquarters (PHT)	Section-Level and Above Managers	1.38	1.42	1.30
	Others	1.22	1.15	1.13
Phihong (Dongguan) (PHC, PHP)	Section-Level and Above Managers	1.35	2.34	2.1
	Others	0.98	1.5	1.33
Phihong (Vietnam) (PHV)	Section-Level and Above Managers	NA	NA	NA
	Others	1.05	1.03	0.97
Zerova (ZTM/ZCM)	Section-Level and Above Managers	1.21	1.36	1.28
	Others	1.09	1.07	1.06

Note: Basic salary refers to regular (fixed) compensation.

Female-to-Male Basic Remuneration Ratio Table (Female = 1)

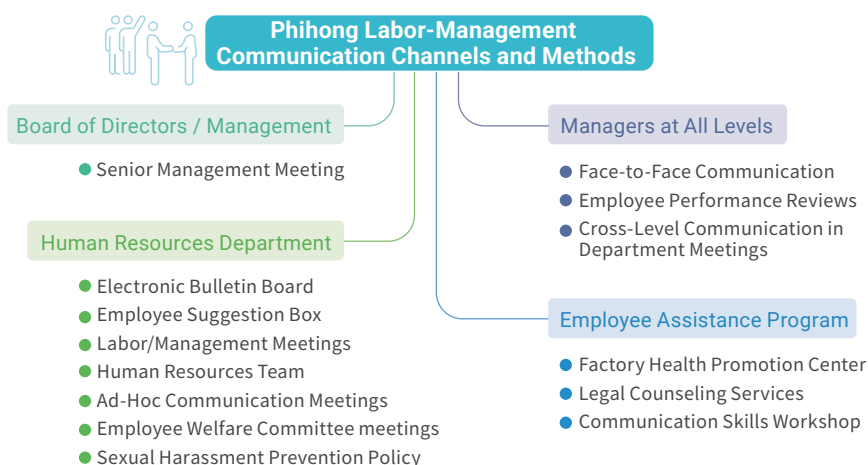
Plant	Rank	2023 Male	2024 Male	2025 Male
Linkou Headquarters (PHT)	Section-Level and Above Managers	1.16	1.42	1.31
	Others	1.05	1.11	1.10
Phihong (Dongguan) (PHC, PHP)	Section-Level and Above Managers	1.07	2.15	1.9
	Others	0.86	1.39	1.6
Phihong (Vietnam) (PHV)	Section-Level and Above Managers	NA	NA	NA
	Others	1	0.96	0.89
Zerova (ZTM/ZCM)	Section-Level and Above Managers	1.25	1.46	1.30
	Others	1.09	1.07	1.06

Note: Basic remuneration refers to the total of both regular and non-regular compensation.

2.3.3 Employee Relationship Management

Diverse Communication Channels (GRI 2-26)

Phihong ensures that employees' opinions are fully heard and addressed through diverse and institutionalized communication mechanisms. The company regularly holds department meetings and labor-management meetings, and utilizes diverse channels and employee satisfaction surveys to establish smooth and transparent communication channels. In addition to day-to-day communications, Phihong continuously interacts with employees, rolling out optimizations to the work environment and management measures based on feedback, strengthening team cohesion, and providing real-time responses to employee concerns. This facilitates positive interactions between labor and management, further establishing stable and positive employee relations, and enhancing the overall workplace environment and employee satisfaction.



Harmonious Labor Relations (GRI 407-1)

We are committed to fostering harmonious labor relations and respecting employees' freedom of assembly and association. In accordance with Taiwan's Labor Standards Act, Phihong holds regular labor-management meetings every quarter to report on and discuss issues related to employee welfare and rights, ensuring full communication. We strive to implement a robust labor-management meeting system, fostering consensus and pooling wisdom to create win-win outcomes for both parties. In 2025, the Linkou Headquarters received a total of 25 employee suggestions or opinions, all of which have been fully addressed.

To establish harmonious workplace communication, Phihong (Dongguan) holds monthly employee forums, providing a direct platform for dialogue with management. During these forums, employee representatives have the opportunity to fully express their opinions, addressing issues of concern to employees, including work environment, meals, accommodation, salaries, and benefits, and receive timely responses with improvement measures.

Item / Plant	Linkou Headquarters	Phihong (Dongguan)	Phihong (Vietnam)	Zerova
Freedom of Association and Right to Collective Bargaining (%)	100	100	100	100
Number of Violations of Employee Association and Collective Bargaining	0	0	0	0
Labor / Management Meetings	Quarterly	10 times per year	Annually	Quarterly
Employee Union	No	No	Yes	No

Case Source	Total		Resolved	
	Phihong	Zerova	Phihong	Zerova
Labor / Management Meetings	12	0	12	0
Employee Suggestions	12	23	12	23
Employee Mailbox	1	2	1	1
Total	25	25	25	24



The 16th Labor-Management Meeting of the 2nd Term

Family-Friendly Workplace (GRI 401-3)

Pihong is committed to fostering a "family-friendly" workplace, upholding the principles of employee care and profit-sharing, and offering diverse benefit Items to support employees in achieving an excellent balance between professional success and family life. To implement the aforementioned commitment, we have established a comprehensive support system from various welfare aspects:

A comprehensive Employee Welfare Committee mechanism:

The Employee Welfare Committee allocates a monthly budget based on revenue, covering areas such as subsidies for weddings, funerals, celebrations, emergency assistance, and childbirth allowances, precisely addressing the needs of employees at significant life moments. In addition, festive bonuses for Labor Day, the Dragon Boat Festival, Mid-Autumn Festival, and Lunar New Year are provided, along with paid birthday leave, birthday cash gifts, and celebration activities to create a warm workplace atmosphere.

Flexible Shift System:

To assist employees in balancing family care and long-distance commuting needs, we have fully implemented multiple flexible work segments. Through flexible working hours arrangements, not only is the stress on employees' lives reduced, but work efficiency and quality of life are also effectively improved.

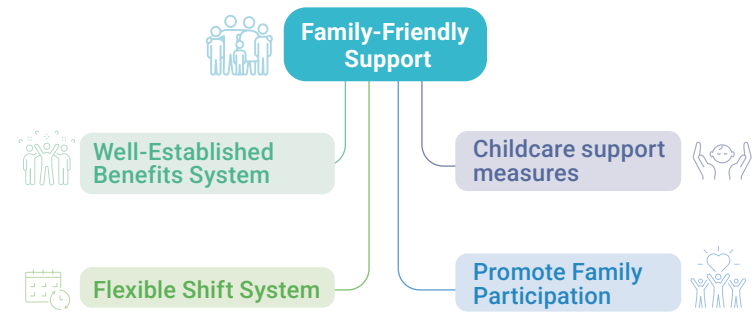
Parenting Support and Workplace Re-entry:

Establish professional breastfeeding facilities with comprehensive equipment, and sign collaborations with nearby educational institutions to provide childcare discounts. The company strictly adheres to regulations to ensure employees' rights to apply for unpaid parental leave and offers a comprehensive return-to-work mechanism, assisting employees in confidently balancing family responsibilities and career development.

Deepening Family Connections:

Annually host the "Family Day" series of activities, inviting family members into the company environment. Through obstacle games, handicraft classes, and interactive experiences, employees' children get to experience their parents' daily work life, thereby enhancing family members' recognition of the corporate culture.

We firmly believe that by optimizing family-friendly policies, we can significantly enhance employees' sense of belonging and happiness, laying a solid human-centric foundation for sustainable development.



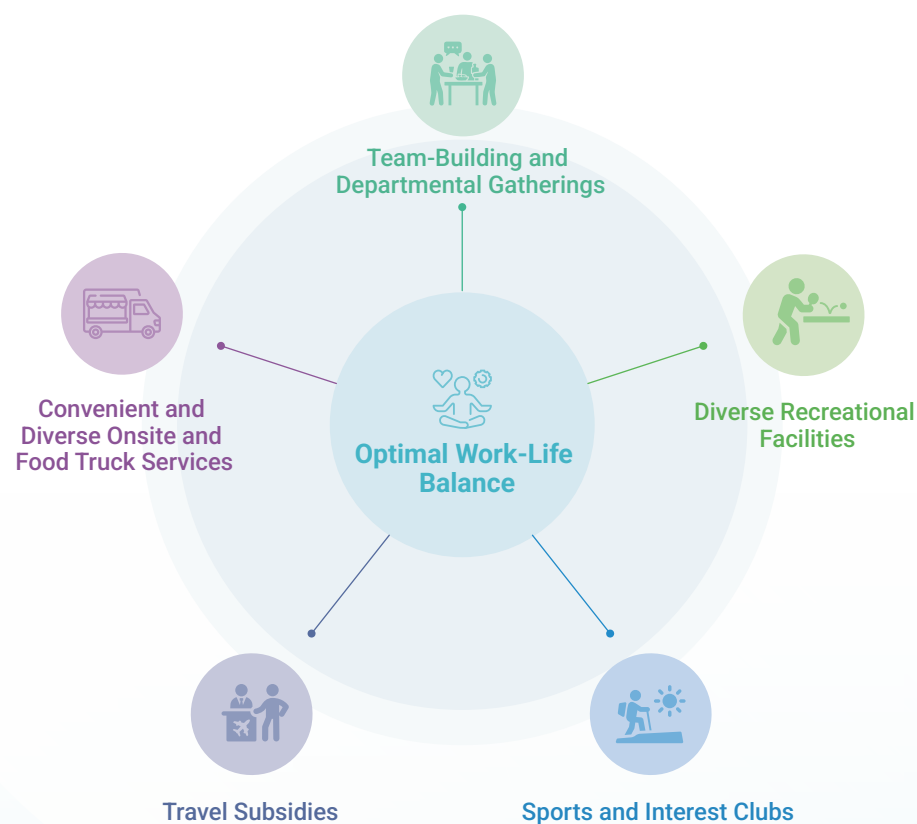
Gender-Based Leave under the Gender Equality Act (Taiwan Region)

Item	Gender	2023	2024	2025
Maternity Leave (person-times)	Female	66	70	128
Paternity (Examination) Leave (person-times)	Male	65	62	50
Menstrual Leave (days)	Female	72	210	202
Family Care Leave (days)	Male	60	101	81
	Female	43	133	82



Constructing Work-Life Balance

Phihong firmly believes that employees' physical and mental well-being and quality of life are the foundation of the company's sustainable operations. We are committed to creating a Friendly Workplace, providing comprehensive benefit packages to assist employees in pursuing career achievements while also enjoying a high-quality living experience. Phihong is not only a workplace but also a community where employees pursue their dreams together. Through the following diverse welfare measures, we hope that each member can find their own balance within the Phihong family and together with the company create a more excellent future.



Gender Ratio for Parental Leave (Taiwan Region)

Item	Gender	2023	2024	2025
Number of employees eligible for parental leave in the year	Male	9	8	18
	Female	13	4	10
	Total	22	12	28
Number of employees who applied for parental leave in the year	Male	0	3	2
	Female	5	7	7
	Total	5	10	9
Expected number of employees returning from parental leave in the year (A)	Male	0	2	1
	Female	2	5	4
	Total	2	7	5
Actual number of employees who returned from parental leave in the year (B)	Male	0	2	1
	Female	3	4	3
	Total	3	6	4
Reinstatement rate (B / A)	Male	NA	100%	100%
	Female	150%	80%	75%
Actual number of employees who returned from parental leave in the previous year (C)	Male	0	1	0
	Female	4	3	1
	Total	4	4	1
Number of employees who continued working for at least one year after reinstatement (D)	Male	0	1	0
	Female	0	1	1
	Total	0	2	1
Retention rate (D / C)	Male	NA	100%	0%
	Female	0%	33%	100%

Note 1: Retention Rate = Number of employees who remained employed for more than one year after returning from parental leave ÷ Number of employees who actually returned in the previous year.

Note 2: Number of employees who applied for parental leave: Refers to employees still on unpaid parental leave during the reporting period.

Note 3: Number of employees eligible to apply for parental leave in the year: Refers to employees who were granted maternity or paternity leave in the year.

Overview of Pihong's Comprehensive Employee Benefits System

Welfare Aspect	The specific measures are as follows: Description	The value and significance to employees.
Physical and mental health and the environment.	Hardware Facilities: Providing a gym, showers, and a library. Diverse Dining: The employee cafeteria is equipped with buffet meals, vegetarian choices, and noodle stations. Health Care: Comprehensive rest areas and a balanced diet.	Encourage regular exercise habits, reduce job-related stress, and safeguard employees' daily nutritional health.
Community Cohesion and Recognition	Fellowship Mechanism: Subsidize departmental fellowship funds. Club Activities: Promote diverse clubs to facilitate interaction between plants. Year-End Party: An annual grand event celebrating outstanding employees and those in R&D and Innovation. It features generous prizes.	Strengthen team cohesion, enhance cross-unit collaboration, and boost organizational recognition through commendation.
Work-Life Balance and Support	Travel Subsidies: Annual subsidies for domestic and international travel. On-site Services: Vendor promotional sales, exhibition discounts, and convenient product purchasing. Life Moments: Subsidies for Weddings, Funerals, Celebrations, Emergency Assistance, and Childbirth.	Reduce the financial burden on families, support employees in sharing time with their families, and achieve true relaxation.
Family-friendliness and working hours	Flexible Shifts: Provide multiple work schedule options for selection. Parenting support: Professional breastfeeding rooms and discounts with affiliated childcare institutions. Exclusive leave: Superior to statutory leave with paid birthday leave and birthday cash gifts.	Support employees in balancing work and family responsibilities, thereby enhancing their quality of life and job stability.



Employee Communication and Satisfaction Management

Pihong regards Employee Satisfaction as the core of organizational growth, dedicating efforts to constructing a transparent, timely, and diverse two-way communication environment. We combine labor/ management meetings, all employees meetings, and the HR director's mailbox with diverse channels to ensure colleagues can freely express their opinions. This is supplemented by systematic data analysis to precisely understand needs and thereby promote management optimization. Through the timely promotion of major policies and comprehensive IT transparency, we not only foster internal consensus but also realize a sustainable vision of mutual benefit for the company and employees.

Purpose of the Employee Satisfaction Survey

Through the satisfaction survey, we turn employee opinions into concrete driving forces for organizational progress:

- **Feedback collection and analysis:** Regular review of the work environment, remuneration and benefits, and management effectiveness.
- **Action and Transparent Tracking:** Evaluate feedback on suggestions from colleagues and continuously track the progress of improvements.
- **Talent Cultivation and Growth:** Design training programs and career development pathways based on feedback to enhance employees' sense of belonging.
- **Decentralized Communication:** Encourage managers and subordinates to establish a culture of respectful and transparent dialogue.
- **System Effectiveness Review:** Regularly evaluate the effectiveness of management measures and dynamically adjust them according to market trends.

Comprehensive Care System for New Hires

To help new hires smoothly transition through their adaptation period, Pihong has established a systematic "Mentorship and Evaluation" care mechanism:

- **Buddy System:** Each new employee is assigned a dedicated mentor to provide real-time guidance in aspects such as food, clothing, housing, transportation, and job content processes, eliminating the uncertainties faced in the early stages of employment.
- **Three-Month Promotion Care Interview:** During the probationary evaluation, an in-depth care interview is conducted by the manager and Human Resources to understand the employee's job adaptation and actual needs.
- **Improve Retention Rate:** Enhance the security and organizational recognition for new employees through comprehensive support and care to ensure the long-term stability of the organization's talent structure.

2025 New Employee Satisfaction Survey Overview

Survey Target: Employees who passed probationary period and transitioned to full-time status (Linkou Headquarters and Zerova Taiwan)

Survey Period: January to December 2025

Questionnaire Response Rate: 100%

The survey results display that both Linkou Headquarters and Zerova have reached a stable and good level overall, indicating effective integration of new employees and organizational culture. Satisfaction at the Linkou Headquarters ranges from 8.3 to 9.6 (out of 10), with growth interaction and work engagement performing the best, Displaying that training and collaboration mechanisms are well-developed. However, working conditions are relatively low, and around 13% of new hires show a low willingness to stay, indicating room for improvement.

Zerova scores approximately 20.9 to 21.9 (out of 20) across various dimensions, with team collaboration and working environment performing outstandingly, reflecting a positive organizational atmosphere. However, Remuneration and Benefits remain a relative weakness, indicating that the compensation system still needs enhancement.

Overall, the company has advantages in organizational culture and teamwork. In the future, it will continue to optimize the remuneration system, job conditions, and new employee care mechanisms to improve retention rates and human resource competitiveness.

Diverse Communication Channels and Real-Time Response Mechanism

We implement comprehensive IT transparency to ensure that major company policies are communicated to each employee in a timely manner, and we have established the following feedback mechanisms:



✓ Regular Communication

- Held quarterly labor-management meetings.
- All Employees Meeting



✓ Diverse Channels

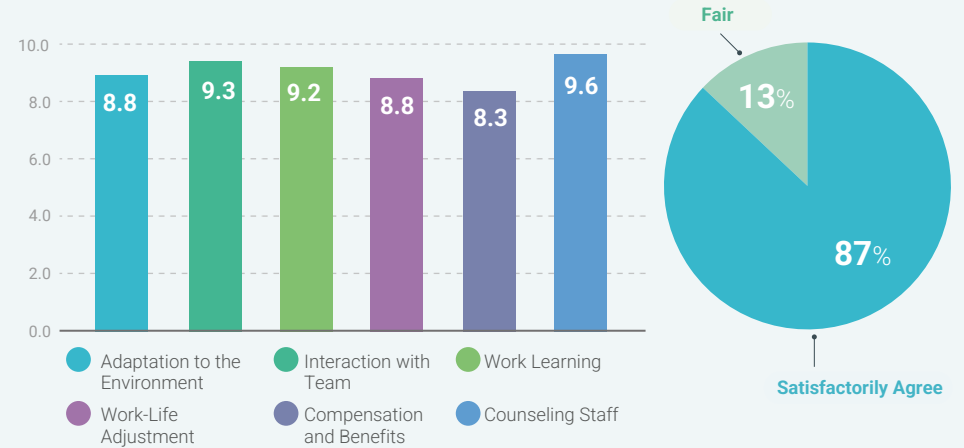
- Employee Suggestion Box
- HR director's mailbox
- Online feedback platform
- Free Expression of Opinions



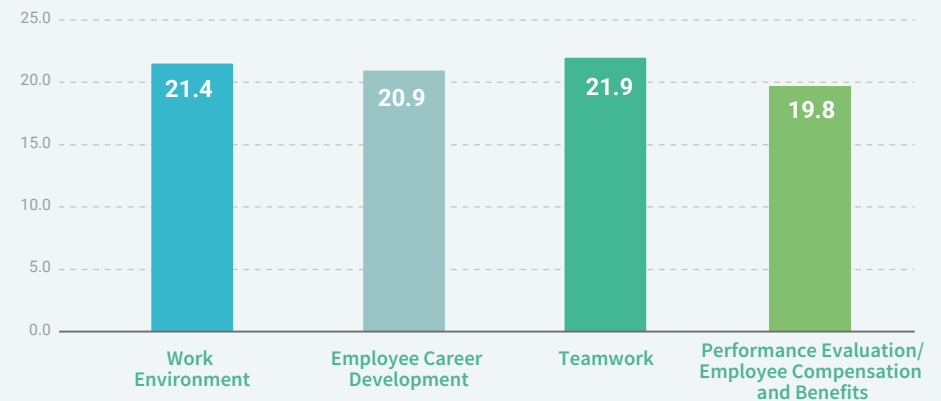
✓ Proactive Advocacy

- Make real-time announcements and provide descriptions for important measures.
- Foster Internal Consensus

2025 Linkou Headquarters New Employee Satisfaction Survey



2025 Zerova New Employee Satisfaction Survey





Sound Retirement System and Operational Resilience (GRI 201-3、402-1)

Phihong strictly adheres to local regulations at its operational sites to establish a multi-tiered retirement protection system. The Taiwan region implements both the old and new labor retirement schemes, with total contributions exceeding NT\$70 million in 2025. Overseas locations are fully integrated into local social insurance systems to ensure security for employees in their old age. At the same time, we implement these systems in data transparency and career counseling, building a stable and secure workplace environment, fulfilling the company's long-term commitment to employee care.

Overview of Phihong Employee Retirement Protection and Rights

Category	Key item	System Description and the specific measures are as follows:	2025 Execution Effectiveness
Retirement Protection Mechanism	Taiwan region: Old system (Employed before June 30, 2005)	Each month, 2% of the total salary is allocated to a designated account at Bank of Taiwan to ensure the obligations to employees under the old system are met.	Full Year total pension contributions: NT\$70029221
	Taiwan region: New system	6% of the monthly salary is allocated to individual accounts monthly, with employees free to make voluntary contributions of an additional 0-6%.	Please refer to the 2025 Annual Report.
	Overseas Operations Sites	Phihong (Dongguan): Enroll in pension insurance. Phihong (Vietnam): Enroll in social insurance schemes.	100% compliance with local regulatory requirements.
Operational Response to Changes	Communication and Notification	In the event of major changes, proactively inform according to regulatory notice periods to ensure transparent and two-way communication.	Ensure employees' right to be informed and response time
	Transition support measures	Priority is given to evaluating internal job transfers, providing career counseling, job placement services, and guidance for applying for government subsidies.	Reducing the risk of career interruption
Double Care for Expatriates	Medical and Safety	Provide group insurance and 24-hour round-the-clock overseas medical support services.	Comprehensive Overseas Emergency Support
	Living Support Allowance	According to the "Overseas Personnel Management Regulations," subsidies are provided for housing, transportation, home visits, and accompanying family members.	Creating a Sense of Belonging in Overseas Environments

Phihong's Retirement Fund Contribution as a Percentage of Salary

Region	Retirement Plan Scheme	Contributor	% of Salary
Taiwan Region	Old system: Company pension account	Employer	2%
	New system: Individual pension account	Employer Employee	6% 0 ~ 6%
Dongguan	Pension insurance: Individual pension account	Employer	16%
		Employee	8%
Vietnam Region	Social Insurance: Individual pension account	Employer	17.5%
		Employee	8%

Barrier-Free Friendly Workplace

Phihong actively promotes workplace diversity and inclusion, striving to provide individuals with disabilities long-term and stable employment opportunities. We uphold the principle of fair employment, respect diverse cultural groups, and ensure that every colleague can reach their potential in a safe and respectful environment through comprehensive barrier-free facilities and an exceeded employment policy. We implement the following Strategy for optimizing barrier-free environments and promoting diverse employment:

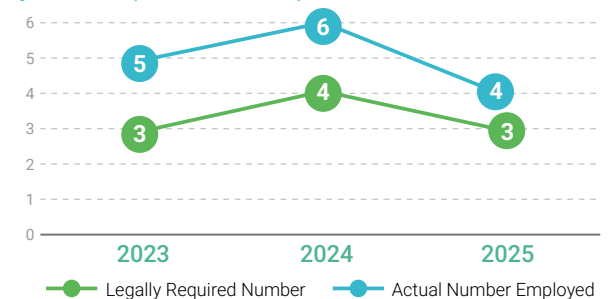
Barrier-Free Environment Optimization: Install comprehensive accessible ramps at entrances and internal levels of each site, equipped with spacious elevators and user-friendly facilities, to ensure that colleagues with mobility limitations can navigate the Plant safely and conveniently.

Deepening Employment for the Disadvantaged: Phihong Taiwan has long-term exceeded the employment levels for persons with disabilities, consistently surpassing the legally required number stipulated by the People with Disabilities Rights Protection Act, and has repeatedly received government recognition and incentive awards for exceeding these levels.

Global Inclusion Achievements: In 2025, the Phihong Group employed a total of 27 colleagues with disabilities, distributed across operational sites in Taiwan, Dongguan, Vietnam, and Zerova.

In the future, we will also continue to promote a friendly workplace, eliminating environmental and systemic barriers, allowing every employee to achieve self-fulfillment within the Phihong family.

Employment of Persons with Disabilities at Linkou Headquarters (2022–2024)



2.4 Talent Development and Empowerment

Pihong regards talent development as the core supporting sustainable operation and organizational resilience. Through a structured cultivation framework, the company systematically enhances employees' professional capabilities and career development momentum. Through the "Education, Training, and Promotion System Framework," we integrate training hours and competency achievements into promotion evaluations to encourage continuous improvement and shape a learning-oriented culture. To ensure the effectiveness of the system, training planning and implementation mechanisms are continuously optimized in accordance with the management spirit of the TTQS from the Ministry of Labor of the Executive Yuan. Obtaining the TTQS Silver Medal Certification in 2024 (valid until 2026) demonstrates a stable and sustainable foundation for talent cultivation and training management.

2.4.1 Training and Development (GRI 404-2)

Training and Development Framework

Pihong introduces the PDDRO training management cycle, ensuring that education and training are closely aligned with operational needs and employee career development through planning, implementation, development, checking, and achievement feedback mechanisms. Systematically plan pre-employment training, professional cultivation, management development, and general education courses according to different career stages and competencies. Employ a blended learning model with both online and in-person formats to enhance learning flexibility and effectiveness. Average training hours per person in 2025 were 43.58 hours, with an achievement rate of 145.3%.

Job Hierarchy and Grades						General Training Category	Core Training Category				
Job Grades	Management Positions	Staff / Technical Positions				Pre-Employment Training System	Professional Competency Development System	Managerial Competency Development System	Specialized Topics Training System		
1 A	General Manager					Pre-Assignment Training for Overseas Personnel	Onboarding Training for New Hires	On-the-Job Training for Functional Expertise	Managerial Capability Development Programs	【M3】 Senior Executives Management Training Strategy Planning Skills Business Analysis Techniques Organizational Change Management	1.Culture Promotion 2.High-Potential Talent and Succession Development 3.Specific Professional Talent Cultivation 4.Quality Management Training (ISO related) 5.Corporate Sustainability Courses (ESG) 6.Internal Trainer Development 7.Occupational Health and Safety Related 8.Information Security Related 9.Human Rights Related 10 Self-Enlightenment Related (Language, General Knowledge)
1 B	Deputy General Manager									Chief Engineer	
2 A	BU General Manager										
2 B	BU Deputy General Manager										
3	Director Level										
4	Senior Manager, Manager	Lead Specialist	Executive Secretary	Lead Sales Representative	Senior Engineer						
5	Project Manager, Assistant Manager										
6	Section Manager	Senior Specialist	Secretary	Senior Sales Representative							
7	Deputy Section Manager										
8	Supervisor										
9	Deputy Supervisor	Specialist	Sales Representative	Engineer							
10	Team Leader										
11	Deputy Team Leader	Management Associate	Driver, Reception Operator		Assistant Engineer						
12		Assistant								Senior Technician	
13											
14											
15		Intern	Intern		Operator						



Key Training Measures and Outcomes for the Year

Key Training Measures	2025 Implementation Results	Benefits and Impact
1. Internal Trainer Development and Knowledge Transfer	Added 4 internal instructors, offered 10 professional courses	Strengthen mechanisms for knowledge transfer and reduce dependency on external training.
2. New Employee Mentorship Program	36 participants attended, achieving a satisfaction score of 9.8.	Enhance the adaptability of new hires and increase team stability.
3. Diverse Learning and Self-Development	Organized 58 book club sessions, focusing on AI learning workshops.	Enhance digital literacy and emerging technology application capabilities.
4. General Education Lectures and Holistic Development	Organized four seminars (EAP, health promotion, parenting)	Promote employees' physical and mental well-being and work-life balance.
5. Integration of Micro-courses and AI Literacy	Integration of "Add AI" Micro-courses	Enhance fundamental AI cognition and practical application capabilities.
Overall Effectiveness	Through institutionalized talent cultivation and continuous optimization of learning mechanisms, Phihong deepens its learning-oriented organizational culture by integrating knowledge transfer, AI literacy, and holistic development. This comprehensively enhances employee capabilities and organizational resilience, laying a foundation for long-term competitiveness and sustainable development.	



Internal Instructor Program: Fostering a Culture of Learning

Building on the achievement of the internal instructor system, Phihong continued to expand the capacity of internal instructors in 2025 by adding 4 new qualified internal instructors, and collaborated with existing instructors to promote internal courses. Offered 10 professional courses during the full year, with 295 participants, achieving an average satisfaction score of 9.5. The course description focused on key professional knowledge and practical experience sharing, effectively promoting knowledge internalization and cross-departmental communication. Through the stable operation of the internal instructor program, Phihong gradually deepens the learning culture through the inheritance of expertise. Together with the New Employee Mentorship Program, this forms a dual-track talent cultivation framework, laying a solid talent foundation for the organization's long-term development.

Newcomer Mentor Training (GRI 404-2)

In 2025, Phihong continued to promote the Newcomer Mentor Training mechanism and organizes annual refresher sessions based on the system. This ensures that mentors can enhance key skills such as communication, guidance, on-the-job support, and newcomer adaptation, in sync with the organization's development needs. In 2025, the refresher training for new employee mentors had 36 participants, achieving a post-training satisfaction score of 9.8, which displays high recognition of the program's practical support and learning effectiveness. Through institutionalized cultivation and continuous feedback mechanisms, Phihong constructs a comprehensive support system for new hires, assisting colleagues in smoothly transitioning into their roles during critical adaptation periods and strengthening the overall resilience of the organization's talent cultivation.

Phihong AI Learning Drives Digital Transformation

To cultivate a learning organization, Phihong has established the "Phihong Book Club" under the guidance of the Group General Manager since 2020. By setting an example at the executive level, the initiative encourages employees to read together, deepen their professional knowledge, and explore the practical applications of theoretical concepts. In response to the rapid development of digital technology, by 2025, the book club was upgraded to "AI Learning Workshop," focusing on the fundamentals and application scenarios of artificial intelligence to systematically cultivate employees' AI literacy.



By the end of 2025, a total of 58 sessions have been held, with 1,310 participants. Through topic introduction, case discussions, and cross-departmental sharing, assist employees in mastering AI trends and applying them to daily operations, data processing, and cross-departmental collaboration, promoting knowledge internalization and practical transformation. To further support this, a Book Club information platform has been established to systematically consolidate learning achievements and experiences, providing colleagues with opportunities for continuous learning and review, thereby deepening organizational memory. Overall, the AI Learning Workshop has become an important mechanism for Phihong to promote digital literacy, knowledge sharing, and the development of a learning organization.



Diverse Learning Experiences and Employee Support

In addition to cultivating areas of expertise, Phihong continuously enhances mental and physical well-being, emotional management, and family support through general education seminars and employee support programs to help employees establish a stable balance between work and life. In the 2025 Year, a total of 4 specialized topic lectures were held, covering topics such as work-life balance, health promotion, emotional awareness, and parenting education. There were a total of 128 participants, and the overall post-training satisfaction score averaged 9.3, which displays that the related learning content is highly supportive of employee practical needs.

2025 Year Overview of General Knowledge and Specialized Topics Lectures

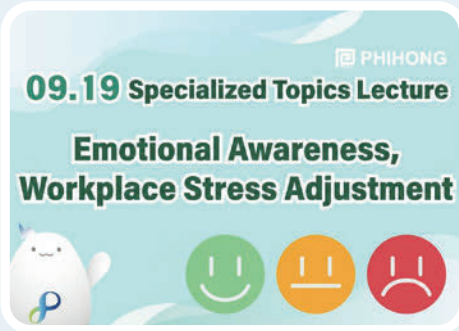
April
General Education Seminar - Between Workplace and Family: Balancing Work and Life Starting from Communication (24 participants, satisfaction score: 9.3) Assist employees in improving communication awareness and strengthening the ability to balance between work and family roles.

July
General Education Seminar - Introduction to Cardiovascular and Chronic Diseases (46 participants, satisfaction score: 9.4) Strengthen employees' accurate understanding of health management and disease prevention.

September
EAP Specialized Topics Seminar - Emotional Awareness: Workplace Stress Adjustment (36 participants, satisfaction score: 8.6) Assist employees in enhancing emotional recognition and stress coping abilities, supporting mental health and workplace stability.

October
Parenting Specialized Topics Seminar - Understanding Children's Emotions and Resolving Parent-Child Conflicts (22 participants, satisfaction score: 9.8) Provide practical parenting communication strategies to support employees in balancing family roles and career development.

Phihong believes that learning should be seamlessly integrated into everyday life. The Company will continue to offer enriching and practical learning opportunities, empowering employees to grow beyond the workplace and to cultivate a healthier and happier workplace life.



Employee Training Hours Statistics (GRI 401-1)

Region Job Level	Linkou Headquarters						Overseas Joint Facilities (Dongguan + Haiphong)						Zerova					
	Number of Employees			Annual Training Hours			Number of Employees			Annual Training Hours			Number of Employees			Annual Training Hours		
Total	362			15,776			5,762			241,219.5			563			19,901.2		
Average Hours	43.58						41.86						35.35					
Training Hours by Gender	Male			Female			Male			Female			Male			Female		
	Hours	Number of Employees	Average Hours	Hours	Number of Employees	Average Hours	Hours	Number of Employees	Average Hours	Hours	Number of Employees	Average Hours	Hours	Number of Employees	Average Hours	Hours	Number of Employees	Average Hours
General Employees	6,597.3	134	49.23	5,357.8	134	39.98	146,751	2,887	50.83	91,356.7	2,751	33.21	10,992.9	285	38.57	7,264.1	183	39.69
Basic Supervisors	963.2	20	48.16	651.5	13	50.12	1,098	42	26.14	537	18	29.83	344.1	13	26.47	491.3	17	28.90
Mid-Level Supervisors	1,376.1	35	39.32	504.2	12	42.02	941.5	42	22.42	456	14	32.57	537.1	34	15.80	195.5	13	15.04
Mid-/Senior-Level Managers	256.4	9	28.49	23.7	1	23.74	19	5	3.70	31.5	2	15.75	23.4	9	2.60	33.4	3	11.14
Senior Executives	45.9	4	11.48	0	0	0	29.5	1	29.5	0	0	0	12.5	4	3.12	7	2	3.50

- Note: 1. Annual training hours for the Taiwan region include internal and external training, new employee training, and e-Learning online courses; for overseas regions, it includes internal and external training and new employee training.
2. Employee numbers for the Taiwan region are based on the number of employees as of December 2025 (excluding Taiwanese expatriates); for overseas regions, the count is based on the total number of employees who were employed at any point during 2025 (including Taiwanese expatriates), determined primarily by the employee's location.
3. At Pihong, both male and female employees are equally eligible to participate in relevant external training courses. The significantly higher average annual training hours for male employees at the Linkou headquarters are primarily due to the fact that most R&D engineers are male and regular internal seminar sessions are held weekly.

Item	Description	Target Participants	2023 Learning Achievements	2024 Learning Achievements	2025 Learning Achievements
Micro e-Charging	Multi-faceted micro-courses on work and life topics to support employees' career well-being	All employees	23 micro-courses; 5,061 total views.	24 micro-courses; 5,138 total views.	23 micro-courses; 4,538 total views.
External Learning Platform Promotion	Promotion of external learning platforms to encourage self-directed learning. 1. TaiwanLIFE 2. SME e-university 3. Workforce Development Digital Service Platform 4. TaiwanJobs 5. Hahow 6. YOTTA 7. Dada Master	All employees	625 participants; 3,105.2 total learning hours	682 participants; 1,582.6 total learning hours	1,308 participants; 1,590.6 total learning hours
Happy e-Learning Pihong Learning Bar Platform	Internal learning platform offering online learning module courses, training and learning records, course notifications, and external training applications.	All employees	20,261.8 total learning hours; 394 employees; average 51.4 hours/employee	18,952 total learning hours; 403 employees; average 47 hours/employee	15,776.1 total learning hours; 362 employees; average 43.58 hours/employee

- Note: 1. The introduction of a new learning system in 2023 required multiple company-wide training sessions, leading to an exceptional spike in that year's total hours. Excluding this one-time factor, the average annual learning hours exceeding 40 already represents a high level, indicating the continued steady implementation of learning activities.
2. In 2025, external learning platform promotion included monthly topic course enrollments and the promotion of mandatory online courses for all employees, resulting in a multipliative increase in participants.
3. Participation in micro-courses viewing and learning platforms remains stable, indicating that digital learning has become an integral part of employees' daily routines. Furthermore, short-duration courses align more closely with employees' learning needs and have emerged as the preferred learning format.

Resignation Support and Career Development (GRI 404-2)

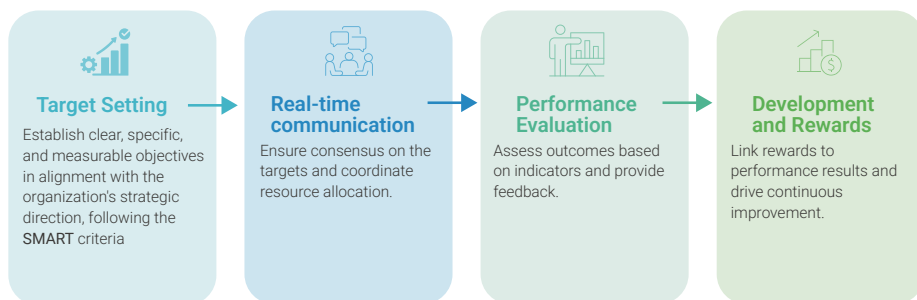
Pihong values employees' career development and is committed to establishing stable and trust-based long-term labor relations. For employees nearing retirement or resignation, the Company conducts one-on-one interviews to understand their career needs and future plans, offering a diverse range of free learning resources to assist them in continuously enhancing their professional skills and preparing for career transitions. For those who leave the company involuntarily, Pihong provides severance in accordance with legal requirements and grants two paid job-search days per week. We also assist with unemployment benefit applications, offer career counseling, and share information on vocational training programs to support a smooth and stable transition. Pihong firmly believes that the long-term development of the company stems from the continuous growth of its talent. Whether Employees are with the Company or have Resigned, the Company maintains a caring and supportive attitude, actively fostering a learning organization culture, enhancing the overall competitiveness of its talent. With "creating shared value through talent" as its core philosophy, it strides toward a sustainable future of mutual prosperity for the Company and its talents.

2.4.2 Performance Evaluation and Development

(GRI 404-3)

Pihong constructs a comprehensive performance management system based on annual operational strategies and employee career development goals. Through regular tracking and reviews, the Company ensures that targets are consistent across all pillars of performance, allowing for timely strategic adjustments to meet operational needs. Through the use of a digital management system, Pihong facilitates ongoing communication and dialogue around goals, enabling managers to monitor progress, support employees in improving performance, and foster their professional development. The system promotes two-way communication and real-time feedback between supervisors and their direct reports, thereby enhancing organizational competitiveness and strengthening overall team performance. At the same time, by employing the performance management mechanism, the Company effectively controls achievements, improves operational efficiency, and motivates employees for continuous growth.

Pihong Performance Management Cycle



Performance Target Management

Pihong uses the SMART Performance Management Cycle mechanism to closely link rewards, promotions, and performance evaluation processes, conducting evaluations during the probationary period, annual, and year-end stages. This enables the reasonable allocation of bonuses and resources to effectively motivate employees to enhance productivity and performance, continuously optimizing the performance management system. In a profitable company scenario, annual bonuses, employee profit-sharing, and project-based incentives are distributed to the existing staff for the year, according to relevant bonus policies and based on performance results. These measures aim to boost morale, retain top talent, and strengthen corporate competitiveness.

In addition, the Company organizes an "Outstanding Employee Selection and Commendation" annually, designing diverse awards based on duty attributes. Through manager nominations and a transparent, fair, and impartial selection mechanism, exemplary employees are selected for recognition and given tangible rewards. Through institutionalized incentive measures, strengthen the connection between performance and rewards, improve retention effectiveness, and promote the long-term development of employees and the organization.

Number and Proportion of Employees Included in Year-End Performance Evaluation for 2025 (GRI 404-3)

Plant / Gender Level / Headcount	Linkou Headquarters (PHT)		Pihong (Dongguan) (PHC / PHP)		Pihong (Vietnam) (PHV)		Zerova (ZTM / ZCM)	
	Male	Female	Male	Female	Male	Female	Male	Female
Managers (Section level & above)	74	30	123	62	0	8	59	31
General Employees	130	123	387	364	455	887	211	161
Total	204	153	510	426	455	895	270	193
Percentage of Total Workforce Evaluated	53.5%	40.2%	27.4%	22.9%	27.4%	53.9%	47.8%	34.0%

Note: Employees with less than three months of service are excluded from the year-end evaluation.

Sustainability Performance Indicators for Senior Executives Link

In terms of the remuneration system for senior management, the remuneration structure is linked to the overall business performance and individual performance, incorporating non-financial indicators such as corporate governance, green design, and sustainable development. This ensures alignment with both short-term and long-term operational targets and shareholder interests. Since 2023, the Company has further introduced a long-term incentive mechanism through stock ownership trust to strengthen the connection with the company's long-term performance. Additionally, the Company has established a fair and transparent performance-linked reward and promotion system that covers probationary and annual evaluations. In profitable operations, annual bonuses, employee profit-sharing, and project-based incentives are distributed based on performance results to recognize contributions, retain talent, and continuously enhance overall competitiveness.

Sustainability Performance Indicators for Senior Executives

Sustainable Development Performance Indicators		Weighting (%)	General Manager	Senior Executives (Members of the Seven Sustainability Functional Teams)						
				Green Operations	Climate Change	Employee Care	Social Engagement	Corporate Governance	Supply Chain Management	Customer Partnerships
 Environmental	Development of low-carbon products and circular economy initiatives	15%	✓	✓						
	Achievement of carbon reduction targets		✓		✓				✓	
	Energy resource management				✓					
 Social	Happy Workplace Evaluation (employee satisfaction and engagement)		✓			✓				
	Human rights due diligence and promotion					✓	✓			
	Promotion of social welfare services									
 Governance	Corporate governance evaluation, risk management, and ICT management		✓					✓		
	Responsible sourcing								✓	
	Customer relations and customer satisfaction									✓

2.5 Occupational Health and Safety

2.5.1 Policy Guidelines and Strategy (GRI 403-1)

Phihong regards occupational safety and health as one of the core elements of sustainable development. In addition to strictly adhering to the regulatory requirements of all operational locations, the company promotes occupational health and safety management from a governance perspective, viewing employee safety and health as basic human rights and integrating them into risk management and operational decision-making.

We take "prevention-focused, risk-oriented, continuous improvement" as our core strategy. Through systematic management and safety culture promotion, we establish a workplace safety system that incorporates both prevention and resilience

Occupational Health and Safety Policy

- Compliance with laws and regulations and communication: Strictly adhere to all safety and health requirements, and enhance internal and external management communication.
- Environment improvement and prevention: Continuously optimize work and living environments to prevent various safety incidents.
- Reduce Risks and Safeguard: Comprehensively reduce occupational health and safety risks, and fully safeguard employees' physical and mental well-being.

At the same time, through systematic management and safety culture promotion, establish an Occupational Health and Safety Management System with a "prevention-focused, continuous improvement" approach.

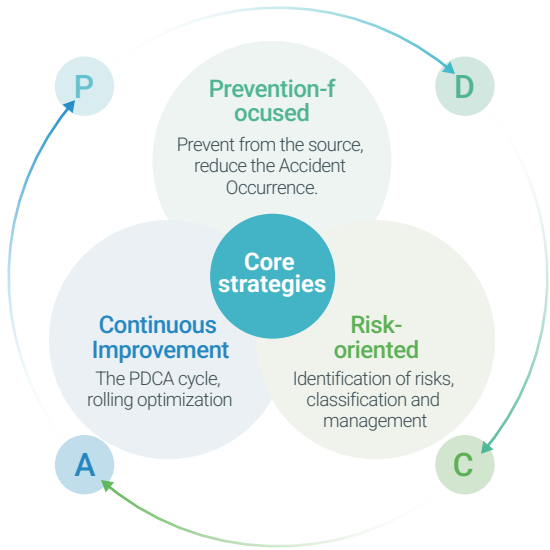
Target Management and Performance

The Company sets clear occupational safety and health targets based on the Definition of major occupational accidents in the Occupational Safety and Health Act. Through annual tracking and rolling reviews, the Company ensures these targets are achieved. It also establishes medium- and long-term improvement targets (continuously declining until 2030), demonstrating a commitment to ongoing management enhancement.

Indicator	2025		Future Targets		
	Target	Achievement	Short-Term (2026)	Mid-Term (2028)	Long-Term (2030)
Zero major occupational accidents (cases)	0	0	0	0	0
Recordable occupational injury rate (number of cases)	0.24 (12)	0.22 (11)	0.20 (10)	0.18 (8)	0.18 (8)

Occupational Health and Safety Management Strategy

Phihong takes "prevention-focused, risk-oriented, continuous improvement" as its core strategy to build a comprehensive safety protection network, implementing the following 4 key management focuses:



Key management focuses		Key Summary
	Prevention-focused orientation Strengthen Source Management	• Through rigorous Hazard Identification and Risk Assessment • Prioritize the Implementation of elimination and substitution solutions to reduce the Accident Occurrence rate from the source.
	Risk Management Implement risk classification and management.	• Focus on High Risk operations, chemical substances, machinery safety, and engineering administrative control. • Ensure all key work environments are under specialized supervision.
	Continuous Improvement The PDCA cycle mechanism	• Combine internal and external audits, root cause investigations of incidents, and performance tracking. • Continuously optimize management effectiveness and strengthen emergency response capabilities.
	Safety culture Promote participation by all employees.	• Through false alarm incident reporting, Education and Training, and proactive communication • Enhance colleagues' safety awareness and build a proactive workplace Safety culture.

Management Systems and Governance Framework

Occupational Health and Safety Management System (GRI 403-1)

Pihong has fully implemented the ISO 45001:2018 Occupational Health and Safety Management System. The Linkou Headquarters and major global operational sites have all obtained third-party verification (verified plants listed in the table) and continue to maintain certification validity. Through the ISO 45001 system framework, systematically conduct risk identification, control, and continuous performance improvement to strengthen overall Occupational Health and Safety management resilience; for related verification information, please visit the Pihong ESG official website.

Occupational Safety and Health Organization and Operation (GRI 403-4)

In accordance with the "Occupational Safety and Health Management Regulations," Pihong establishes an Occupational Health and Safety Committee as a governance and communication platform. Committee members include a chairperson (Senior Executive or Plant Manager), department heads, dedicated EHS personnel, and labor representatives elected by employees. The Committee is responsible for reviewing occupational safety and health policies and management systems, proposing improvement suggestions, and coordinating and promoting various safety and health-related matters. Committee meetings are held quarterly, during which the EHS department reports on the implementation of occupational safety and health initiatives in the plant. The Occupational Safety and Health Organization Structure at each major site is shown in the table. Through joint labor-management participation and cross-departmental collaboration mechanisms, continue to enhance occupational health and safety management to create a healthy and safe work environment.

Facilities/ Sites Certified to ISO 45001 and Members of OHS Organizations

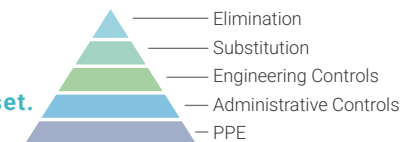
Region	Plant or site with ISO 45001 certification	Occupational Safety and Health Organization Structure	
		Members	labor representative
Taiwan Region	Linkou Headquarters	7	3
	ZeroVA (Tainan)	26	12
China	Dongguan Facilities (including PHC, PHP, ZCM)	300	31
Vietnam	Haiphong Facility (PHV)	15	4

Risk Management and Prevention Mechanism

Pihong has implemented risk-oriented management by prioritizing source control and preventive strategies through Hazard Identification and Risk Assessment. This approach is complemented by annual evaluations, rolling reviews, and MOC management to strengthen risk control. In 2025, no cases of occupational diseases were reported across Pihong's facilities. Promote whole life cycle management, LOTO, and High Risk equipment control in operations, implement classification and safety management of chemical substances, and strengthen training and response capabilities. Simultaneously, through contractor review, monitoring, and electronic processes, comprehensively enhance the effectiveness of occupational safety and health management.

Risk Management and Prevention Mechanism (Risk-Based Management) (GRI 403-2, 403-7)

Pihong establishes comprehensive risk identification and control with a "hierarchy-of-controls approach" mindset.



Hazard Identification and Risk Assessment (GRI 403-2, 403-7)

✓ In 2025, no cases of occupational diseases were reported across all plants.

- Annual Risk Assessment and Rolling Review
- Comprehensive risk inventory every 3 years
- Incorporate process changes (MOC) into the Risk Assessment
- Health monitoring and environmental detection for high-risk operations.

Machinery Safety Management (GRI 403-7)

✓ Effectively reducing the risk of machinery-related accidents

Establish a comprehensive equipment lifecycle management system:

- Routine equipment inspection and preventive maintenance.
- Special Management of High Risk Equipment
- Lockout Tagout (LOTO) and Energy Isolation Measures
- Operator Qualification and Certification Management

Chemical Management (GRI 403-7)

✓ Education and Training and Drills

Establish a comprehensive chemical process management mechanism:

- Chemical registration, classification, and risk grading
- Disclosure and Labeling Management of SDS Information
- Zoning Storage and Explosion Prevention Measures
- Reduction and Substitution of High Risk Substances

Contractor Safety Management (GRI 403-7)

✓ In 2025, the implementation of electronic procedures for construction applications was introduced. (E-Process)

Introduce a standardized Safety Management Mechanism for outsourced operations:

- Pre-operation qualification audit and risk notification.
- Inspection and real-time control during operations
- Immediate Shutdown and Improvement Tracking

Capacity Building and Safety Culture

Occupational Health and Safety Training (GRI 403-5、403-7)

Phihong continuously promotes occupational health and safety training to strengthen employees' risk identification and safety awareness, reduce occupational hazard risks, and foster a culture of safety and health in the workplace. Training content includes new employee orientation, hazard identification, emergency response drills, and professional training for supervisory personnel. Through regular assessments and hands-on exercises, we ensure employees are well-versed in safety regulations and protective measures, moving towards the target of zero accidents. The focus of each site in 2025 is as follows:

Linkou Headquarters: Conducted two 4-hour fire drills and seminars, covering topics such as internal fire brigade organization, disaster reporting, and evacuation. CPR first aid training was also introduced to enhance employees' disaster prevention and first aid skills.

Dongguan Facilities (PHC/PHP/ZCM): Held an EHS knowledge competition to promote full employee participation, with 35 employees completing first aid training to enhance on-site emergency response capabilities.

Phihong (Vietnam): Entrusted government professional agencies to conduct training to cultivate qualified occupational safety and health personnel; 50 volunteer firefighters, 20 first aiders, and 15 EHS auditors are currently in place, enhancing overall risk control capabilities.

Zerova: Conducted two fire drills (397 participants) and provided specialized training for chemical handling personnel (20 participants) to strengthen the use of PPE and chemical response capabilities.

Employee Attributes \ Site		Phihong			Zerova	
		Linkou Headquarters (PHT)	Dongguan Facilities (PHC, PHP)	Haiphong Facility (PHV)	Zerova (Tainan) (ZTM)	Zerova (Dongguan) (ZCM)
New Hires	Sessions	2	104	250	4	10
	Participants	40	3,592	833	11	161
	Total Person-Hours	120	3,592	2,499	66	161
Existing Staff	Sessions	4	13	18	3	7
	Participants	83	6,542	2,598	417	872
	Total Person-Hours	300	13,542	11,605	1,608	1,087
Non-employee	Sessions	-	60	4	-	2
	Participants	-	180	30	-	3
	Total Person-Hours	-	180	120	-	6

Contractor Safety Management

(GRI 403-7)

Phihong has established a comprehensive Contractor Safety and Health Management Mechanism, conducting thorough evaluations on personnel qualifications, equipment safety, and operational risks. Before construction, implement safety promotion and education and training; during construction, occupational safety and health personnel conduct inspection management. If any risks are identified, work is halted for improvements to ensure operations comply with safety regulations. In 2025, Zerova implemented electronic procedures for construction applications and completed education and training for 15 Units and 27 supervisory personnel, effectively enhancing management efficiency and construction safety standards.

Training and Education for On-site Supervisory Personnel (Zerova)



Dongguan Facilities EHS Knowledge Competition



Plant-wide fire emergency response drill at Haiphong Facility (PHV)



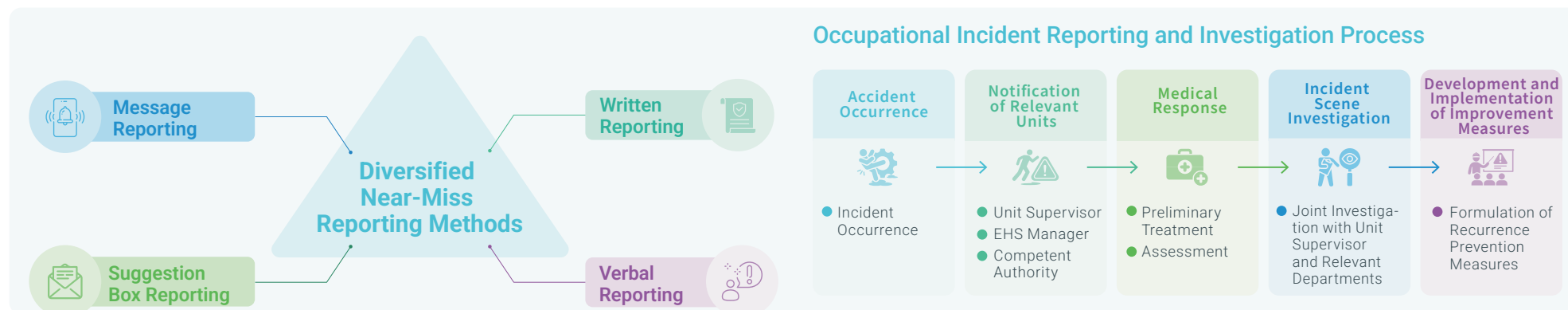
2.5.2 Incident Response and Continuous Improvement (GRI 403-2、403-7)

Emergency Response and Incident Investigation

To strengthen emergency response capabilities and prevent the recurrence of incidents, Pihong has established a comprehensive Emergency Response and Incident Investigation Management Mechanism. Through regular drills and educational promotion, enhance employees' response awareness and handling capabilities. At the same time, introduce a systematic accident reporting, investigation, and root cause analysis process to continuously improve measures, reduce risk, and ensure operational safety.

Near-Miss Incident Management

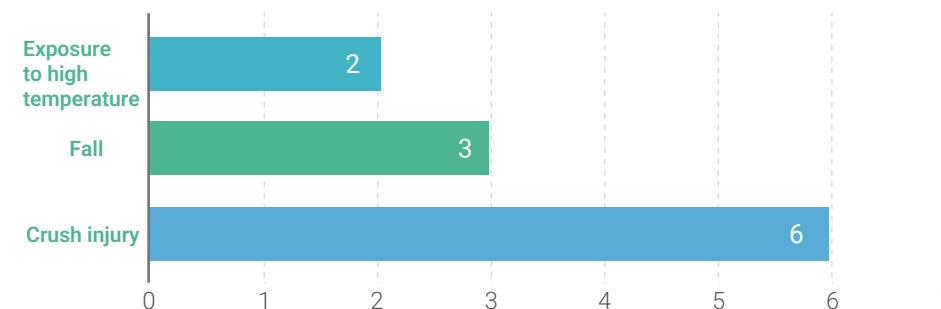
To strengthen preventive mechanisms, Pihong encourages employees to proactively report near-miss incident and collects potential risks through various reporting channels. The EHS department conducts root cause analysis and improvement tracking, and experiences are shared across plants to enhance overall safety awareness. No near-miss incident reports were submitted in 2025 across all plants.



Management of Work-related Injuries and Performance (GRI 403-8、403-9)

In addition to strictly adhering to occupational health and safety related regulations, Pihong continually deepens the safety culture and strengthens all employees' awareness of the importance of the Occupational Health and Safety Policy and workplace safety. Through regular and irregular internal and external audits, comprehensively review and monitor the working environment, execute Hazard Identification and Risk Assessment according to different job characteristics, and integrate continuous improvement mechanisms to effectively reduce potential risks, ensuring job safety for employees and related personnel. In the 2025 Year, there were a total of 11 occurrences (people) of general occupational accidents, with an occupational accident occurrence rate of 0.22.

2025 Annual Injury Type



Note: PHV: Crush injury 2 people, Fall 1 person; PHC+PHP: Fall 1 person, Crush injury 4 people, Exposure to high temperature 2 people; ZTM: Fall 1 person

2.5.3 Employee Health Promotion and Care

(GRI 403-3、403-6、403-10)

Employee Good Health and Well-being

Phihong is dedicated to creating a health-friendly workplace environment by providing health examinations that exceed legal requirements in terms of frequency and scope. This is complemented by a variety of health promotion activities, health seminars, and psychological consultation services, all aimed at fully supporting the physical and mental well-being of employees, as well as their work-life balance. On-site medical and lactation rooms have been established in accordance with legal requirements. In addition, a dedicated occupational health nurse is stationed at the facility, and a certified occupational physician visits regularly to provide employees with professional health assessments and consultations. This ongoing effort strengthens the Management Mechanism for health and promotes the practice of a healthy lifestyle.

Phihong's Three Aspects of Health Promotion



Medical Care and Emergency First Aid

- On-site health consultation services provided by factory physicians
- Risk-based classification and assessment in health management
- Emergency and general injury/illness treatment
- First aid training for designated personnel



Healthy Workplace Promotion

- Organizing health promotion activities
- Health education and awareness promotion
- Infectious disease prevention and control
- Providing health monitoring devices



Four Major Labor Protection Programs

- Ergonomic Hazard Prevention
- Prevention of Diseases Triggered by Abnormal Workloads
- Prevention of unlawful infringement
- Maternal health care for female employees

2025 Occupational Injuries and Diseases

Occupational injury category			Plant			Zeroa	
			Linkou Headquarters (PHT)	Dongguan Facilities (PHC, PHP)	Haiphong Facility (PHV)	Zeroa (Tainan) (ZTM)	Zeroa (Dongguan) (ZCM)
Employee	Recordable occupational injuries	Number of cases	0	7	3	1	0
		Occurrence rate	0	0.38	0.15	0.3	0
	Serious occupational incidents	Number of cases	0	0	0	0	0
		Occurrence rate	0	0	0	0	0
	Fatal occupational injuries	Number of cases	0	0	0	0	0
		Occurrence rate	0	0	0	0	0
	Work-related ill health	Number of cases	0	0	0	0	0
		Occurrence rate	0	0	0	0	0
	Deaths caused by occupational illnesses	Number of cases	0	0	0	0	0
		Occurrence rate	0	0	0	0	0
Non-employee (Contractor)	Recordable occupational injuries	Number of cases	0	0	0	0	0
		Occurrence rate	0	0	0	0	0
	Serious occupational incidents	Number of cases	0	0	0	0	0
		Occurrence rate	0	0	0	0	0
	Fatal occupational injuries	Number of cases	0	0	0	0	0
		Occurrence rate	0	0	0	0	0
	Work-related ill health	Number of cases	0	0	0	0	0
		Occurrence rate	0	0	0	0	0
	Deaths caused by occupational illnesses	Number of cases	0	0	0	0	0
		Occurrence rate	0	0	0	0	0

Note: 1. GRI: The coefficient of 200,000 refers to the calculation based on every 100 employees working 2,000 hours per year.

2. Working hours: PHT: 758,952; PHP+PHC: 3,675,360; PHV: 4,106,560; ZTM: 663,216; ZCM: 450,528.

3. Injury, Fatality, and Occupational Disease Rate = (Number of Occurrences for the Item * 200,000) / Total Plant Working Hours

Four Major Labor Health Protection Plans (Taiwan Region)

Phihong is committed to creating a safe, friendly, and health-promoting work environment. We take preventive medicine and risk management as our core, fully implementing the "Four Major Labor Health Protection Plans" in all plants across Taiwan. Through systematic monitoring and improvement mechanisms, we strive to provide the highest protection for our colleagues' health.

Comprehensive Health Promotion and Insurance Coverage

In addition to the regulatory-required risk prevention, we further enhance the physical and mental well-being of our colleagues through the following measures:

Fostering a Health Culture:

Regularly hold health seminars, health education and awareness promotion, and health competitions annually, and disseminate health information through diverse channels to cultivate employees' ability for proactive health management. At the same time, we continuously implement "unlawful infringement prevention education" to enhance employees' awareness of rights protection.

Comprehensive Protection System:

In addition to statutory labor insurance, health insurance, and labor pension contributions, the company has established a group medical insurance system that surpasses regulatory requirements, providing multiple coverages including medical and accident insurance. We regularly review and optimize insurance coverage to ensure that colleagues can focus on their work without worries, thereby fostering organizational cohesion.

Overview of the Achievements of the 4 Major Plans

Ergonomic Hazard Prevention	Introducing the NMQ questionnaire to assess musculoskeletal risks, combined with government resources, promoted the "Job Action UP" exercise program (25 sessions, 579 participants). Through daily one-hour stretching and strength training, the program effectively improved discomfort in the shoulders, neck, and lower back caused by prolonged sitting, enhancing employees' health and vitality.
Prevention of Diseases Triggered by Abnormal Workloads	1. Regular health medical consultation services are provided, 2. A gym, indoor basketball court, and employee clubs are available to encourage regular exercise. Same as above 3. Organized health seminars on "Cardiovascular and Chronic Diseases, Workplace Stress Adjustment" to promote health knowledge awareness.
Maternal Health Protection	1. Health seminars on maternal and infant wellness and women's health were held. A private and comfortable lactation room is provided on-site. 2. The rights of female employees to take parental leave and return to their original positions are fully protected. In 2025, the parental leave return rate at the Linkou Headquarters reached 100%.
Preventing from Unlawful Infringement During Duty Execution	1. Phihong promotes a zero tolerance policy toward workplace violence, establishes accessible and confidential grievance channels 2. and strengthen education on relevant laws and regulations.

Overview of Employee Health Examinations

Target Group	Category	Implementation Frequency	Implementation Method and Costs	Key management focuses and description
New Hires	General Physical Exam	Within probation period	Conducted by colleagues at an accredited medical institution	1. Execute job placement evaluation based on the results to ensure duty suitability. 2. Records are maintained per the Labor Health Protection Regulations.
	Special Physical Exam	No demand	Not applicable due to a non-hazardous working environment (lead-free soldering fully implemented).	No work environment with specific health hazards in the plant.
Existing Staff	General Health Exam	Once per year (exceeds legal requirement)	Conducted on-site by a Ministry of Labor-designated qualified hospital arranged by the Company. (fully covered by the Company)	1. Abnormalities are tracked and job placement evaluations are implemented. 2. Provide convenient on-site services to enhance employee health awareness and examination rate.
	Special Health Exam	No demand	Continuously assess environmental risks	No work environment with specific health hazards in the plant.

2025 Health Examination

Number of Employees \ Plant	Phihong			Zerova	
	Linkou Headquarters (PHT)	Dongguan Facilities (PHC, PHP)	Haiphong Facility (PHV)	Zerova (Tainan) (ZTM)	Zerova (Dongguan) (ZCM)
Number of employees to be inspected	301	833	1,417	333	45
Number of inspected employees	300	711	1,417	333	45
Health examination rate	99%	85%	100%	100%	100%

Note: The Number of employees to be inspected refers to the number of employees who meet the job qualifications and are part of the Existing Staff during the month of Implementation.

Overview of Employee Health Promotion Seminars

Item \ Plant	Phihong			Zerova	
	Linkou Headquarters (PHT)	Dongguan Facilities (PHC, PHP)	Haiphong Facility (PHV)	Zerova (Tainan) (ZTM)	Zerova (Dongguan) (ZCM)
Sessions	2	6	1	13	1
Participants	82	360	22	401	10
Total Person-Hours	82	395	88	7,018	25

Disease prevention from abnormal workloads
(Cardiovascular and Chronic Diseases Seminar)



Ergonomic Hazard Prevention (Corporate Exercise Course)



2.6 Community Service and Engagement

Phihong upholds the principles of "local prosperity, sustainable contribution, and social inclusion," viewing community involvement as a critical component of corporate sustainable development. It has established a systematic management mechanism in accordance with GRI 413 "Local Communities" guidelines. Through stakeholder communication, local needs identification, and risk and opportunity assessment, based on community needs and Sustainable Development targets, we focus on four main aspects: "the ecological environment," "caring for the underprivileged," "friendly neighborhoods," and "supporting education and sports development." Various community participation actions are promoted, and the headquarters is responsible for overall planning. Each operation site executes based on local characteristics to ensure the effectiveness and sustainability of resource investment.

2.6.1 Deeply Rooted Locally, Connected Globally

Definition of Community Scope

Phihong promotes community engagement centered around its operational sites, including Guishan District in Taoyuan City, Yongkang District in Tainan City, as well as Dongguan in China and Haiphong in Vietnam. The Company develops corresponding public welfare initiatives based on the operational scale, employee distribution, and local needs of each site. At the same time, considering the trans-regional nature of environmental and social topics (such as marine pollution) and the extension of employees' living areas, the scope is also appropriately expanded to neighboring regions (such as Linkou District, New Taipei City) to enhance overall social impact.

Risk and Opportunity Management

Through Stakeholder Engagement and internal professional evaluation, Phihong systematically identifies key community topics related to operational sites and transforms them into concrete action strategies:

In response to environmental pollution and the need for ecological conservation, we promote coastal adoption and beach cleanup activities. To address the lack of employment and educational resources for the underprivileged, we establish Long-Term support mechanisms (such as employment for the visually impaired, public welfare procurement, and scholarship programs). To tackle the issue of limited development opportunities for youths, we continually invest in grassroots sports development. Therefore, transform one-time charitable activities into long-term sustainable programs to strengthen the common prosperity between corporations and the community.

Local Community Inclusive Development Strategy

Main Aspect	Risks and opportunities.	Core Actions
Ecological Environmental Protection	With the Target of reducing environmental risks	Taiwan: Promote the coastal adoption program and regularly organize beach cleanups. Dongguan: Organized mountain clean-up activities to maintain the natural environment.
Care for the Underprivileged and Social Inclusion	Response to the topic of social inequalities	Taiwan: Promoting the "Hundred Dollar Club," Charity Train, and employment of visually impaired massage therapists. Dongguan / Haiphong: In response to the International Day of Persons with Disabilities, organized activities to care for individuals with disabilities, and continued to support disadvantaged groups.
Neighborhood Engagement and Local Connection	Enhance community cohesion, creating an inclusive society.	Taiwan: Organize Blood Donation Drive, prioritize Local Procurement of services. Dongguan / Haiphong: Promoted actions for caring for the elderly and continued community engagement activities.
Supporting education and sports development	Promote a Long-Term Positive Social Cycle	Taiwan: Deepen industry-academia cooperation and Talent Cultivation, and Long-Term support for scholarships and local baseball development.

Volunteer Culture Promotion

To encourage employees to participate in philanthropic activities, Phihong upholds the core principle of giving back to society by incorporating a volunteer leave system into the "work rules." This officially integrates social engagement into the human resource management mechanism, demonstrating the company's commitment to social responsibility.

Employees who participate in government-registered public welfare or charitable activities and provide proof of service can accumulate service hours. For every 6 hours completed, they may apply for 1 day of volunteer leave, supporting them to engage in social services outside of their job content with peace of mind. In the 2025 Year, volunteer leave accumulated to 81 hours, demonstrating employees' active participation in public welfare activities. Through systematic support and cultural guidance, Phihong continues to advocate for employee care for society, integrating philanthropic participation into Corporate Culture, gradually expanding Positive influence, and creating long-term social value.

Achievement in Community Engagement

Through a systematic Community Engagement Strategy, Phihong has successfully transformed corporate resources precisely into social capital. In 2025, we not only established a Positive cycle of "supporting the disadvantaged" and "local inclusion," but also attracted over a thousand participants from employees through diverse philanthropic actions, transforming the company's Mission into a powerful internal cohesion. In the future, we will regard community involvement as an integral part of our core governance system, closely aligning with the United Nations Sustainable Development Goals (SDGs). Through systematic management, we ensure that every social investment creates Shared Value (CSV), realizing the vision of symbiotic prosperity for both the company and society.

Activity Name	Content	Achievement	Event Highlights
Charity Train	"Donate receipts, do public welfare" (2025.1)	Invite Phihong colleagues to join in doing good deeds, spreading warmth through invoices, and adding our heartfelt intentions to public welfare to create a better future together.	A total of 2,070 receipts were collected and donated to the Eden Social Welfare Foundation.
	"Old Clothes, New Life, Still Good-Looking" Market (2025.6)	Through the concept of the Circular Economy, we promote an environmentally friendly lifestyle, encouraging employees to declutter and donate idle clothing that can be reused, giving them a chance for rebirth and donating them to charitable organizations.	A total of 614 items of clothing were collected, with over 200 participants involved.
	5 Elderly 5 Treasures - Material Donation and Fundraising Event (2025.9)	The implementation project by the Old FIVE Old Foundation for Gathering Donations and Resources aims to safeguard the years of the elderly by accompanying disadvantaged seniors, ensuring they have a stable and dignified later life.	A total of 62 employees participated, collecting 4 boxes of supplies and raising NT\$59,800 in donations.
	Donation Campaign for the New Year's Dish and Red Envelope Fund for Disadvantaged Children in Rural Areas (2025.12)	In response to the Child Welfare League Foundation's campaign, providing New Year's Dishes and Hope Red Envelopes to help disadvantaged children in rural areas enjoy a fulfilling winter holiday without going hungry.	A total of 58 employees participated, raising NT\$65,000 in donations.

Activity Name	Content	Achievement	Event Highlights
Phihong's Charitable Hundred-Dollar Donation (Full Year)	Through the "Phihong Hundred Dollar Club," employees make regular monthly donations to assist children residing in the Muhsiang Children's Home due to family-related circumstances, helping local orphanage students.	It has continued for over 10 years, with 898 participants this Year and cumulative donations exceeding NT\$2.75 million.	
Home Run for Guishan: Empowering Our Little League Stars! (Full Year)	To support the development of Taiwan's national sports and promote grassroots baseball, Phihong backs the local Guishan Elementary School Little League team in Taoyuan, helping young players shine on the field without worries.	Since 2022, with monthly donations and nutritional supplement sponsorship, the cumulative total has reached NT\$820,000.	
Prioritize local services, Full Year order of Guanyin Kind Garden cakes.	Phihong prioritizes local services by ordering cakes from Guanyin Kind Garden throughout the year, giving them to employees celebrating birthdays each month, while supporting the self-reliance and development of people with disabilities and practicing local mutual benefit. Each month, give gifts to employee whose birthdays fall within the month, and support the independence and career development of individuals with disabilities, practicing local mutual benefit.	Full Year order of a total of 339 units of cake.	
Seeing Beyond Sight: On-Site Massage by Visually Impaired Therapists (Full Year)	Long-term employment of visually impaired massage therapists to provide massage services twice a week promotes employment for individuals with disabilities and supports the reintegration of local disadvantaged groups into society, bringing peace and relaxation to employees.	A total of 267 hours; 532 participants	
Dingliao Beach Cleanup: Making Waves for International Coastal Cleanup Day (Annually)	In line with the New Taipei City Government's coastal adoption program and in conjunction with International Coastal Cleanup Day, Phihong organized the "Swift Ocean, Clean by You and Me" beach cleaning activity at Linkou Dingliao Beach, inviting employees to take action in protecting the ocean.	Since 2017, a total of 274 participants have joined the beach cleaning efforts.	
Charity Expert, it must be you, Blood Donation Drive (Irregular)	In response to "A bag of blood, a life saved," Phihong organized its first company blood donation event and plans to hold it annually.	20 participants, 27 bags of blood	

Community Service

Global Philanthropy

Pihong Group actively extends the concept of Social Care to its overseas plants by establishing charity clubs and organizing plant activities. Employees are encouraged to regularly engage in local initiatives such as companionship, environmental cleanups, mountain cleaning, and material donations, thus providing Actual support to underserved communities.

Dongguan Facilities | Deepening Disability Care and Ecological Conservation

On December 3, during the "International Day of Persons with Disabilities," a themed activity called "Love as Wings, Let Love Fly" was launched to convey sincere care for friends with physical and mental disabilities. At the same time, the "Accompanied by Love, Walking with Warmth" activity was organized to distribute daily necessities to elderly individuals in the Community. In addition, the plant actively engages in green initiatives, guiding employees to participate in environmental protection and mountain-cleaning activities, thereby comprehensively enhancing their ecological conservation awareness.

Quarterly Warmth Delivery and Emergency Assistance for Employees at Haiphong Facility (PHV)

A regular care mechanism is adopted, organizing four community charity events each quarter to deliver warmth to local elderly individuals living alone and children with disabilities. In addition to giving back to society externally, the Haiphong Facility (PHV) also extends warmth internally by providing immediate emergency assistance to the families of employees encountering unexpected difficulties.

Community Activities for Elderly and Underprivileged Care in Overseas Plants



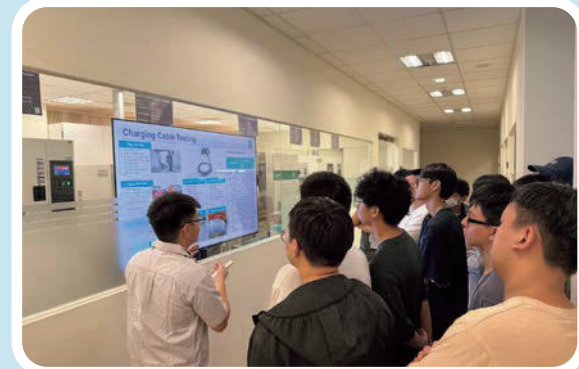
2.6.2 Industry-Academia Cooperation and Talent Cultivation

In 2025, Phihong collaborated with Southern Taiwan University of Science and Technology and Kun Shan University to organize corporate visits, AI trend seminars, and workplace experiences to strengthen industry-academia connections. Integrating smart manufacturing, energy management, and power electronics applications helps students connect with the industry in advance and shorten the gap between academic learning and practical application. Through job matching and on-site interview mechanisms, cultivate sustainable talent with low-carbon and digital capabilities, enhancing talent supply and corporate competitiveness.

Southern Taiwan University of Science and Technology corporate visit



AI Trend Seminar and Workplace Experience at Kun Shan University of Technology





GOVERNANCE

3 Sustainable Governance and Value Management

- 3.1 Key Performance Indicator
- 3.2 Corporate Governance
- 3.3 Operational Performance
- 3.4 Integrity Management and Compliance
- 3.5 Risk and Information Security Management
- 3.6 Sustainable Supply Chain Management

3.1 Key Performance Indicator



Corporate Governance

- Independent directors accounted for **44.5%** of the Board.
- Directors completed an average of **8.7** hours of training.
- 7** board meetings were held, with an attendance rate of **98.46%**.
- ESG KPIs are incorporated into the performance evaluation and remuneration linkage for senior executives.



Business Performance

- Strategy transformation focuses on high-growth areas.
- Gross profit margin of **21%**, generating a total gross profit of NT\$**2.063** billion.
- There were no violations or sales prohibitions related to products, maintaining market trust.



Integrity Management

- The coverage rate of integrity culture promotion among employees is **100%**.
- No incidents of corruption or violations of laws or regulations occurred.
- Integrity extends to the supply chain, with the Integrity Commitment Letter signing rate reaching **90%**.



Sustainable Value Chain

- The digital maturity of Supply Chain **ESG** is ahead of the Industry Average, with a cloud assessment completion rate reaching **90%**.
- Received the **EcoVadis** Gold Award for two consecutive years.
- ESG** incorporated into **100%** of supplier review mechanism.
- Customer satisfaction reached a new high and surpassed the industry average.

Target Management and Performance

Material Topic	Performance Indicator	2025 Achievements		Future Targets			SDGs Practice
		Target	Achievement	Short-Term (2026)	Mid-Term (2028)	Long-Term (2030)	
Business Performance	Annual growth in gross profit margin	>10%	27%	>10%	>10%	>10%	Goal 8: Decent Work and Economic Growth
Integrity Management and Governance	No incidents of corruption or bribery.	0	0	0	0	0	Goal 16: Peace, Justice, and Strong Institutions
	No penalties incurred for violations of ESG-related laws or regulations.	0	0	0	0	0	
	Corporate Governance Evaluation	6 - 20%	21 - 35%	6 - 20%	Top 5%	Top 5%	
Information Security and Customer Privacy	ISO 27001 Certification for Information Security Management Systems	Pass the annual audit	Pass the annual audit	Pass the annual audit	Maintain certification validity	Maintain certification validity	Goal 12: Responsible Consumption and Production
Sustainable Supply Chain Management	Response rate for the Sustainable Commitment Declaration from suppliers	100%	100%	100%	100%	100%	Goal 16: Peace, Justice, and Strong Institutions
Customer Relationship Management	Customer Satisfaction	80	87.4	80	80	80	

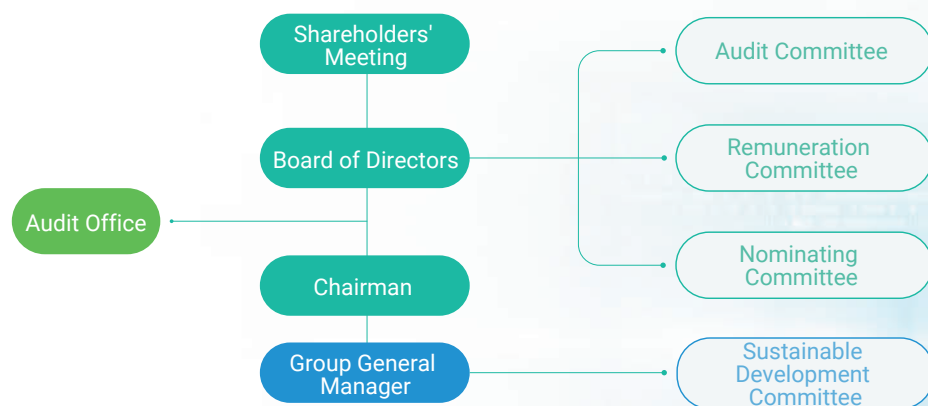
3.2 Corporate Governance

3.2.1 Governance and operations

Pihong adheres to its "Articles of Incorporation," "Corporate Governance Best Practice Principles," and relevant laws and regulations to establish a robust corporate governance framework. This includes implementing comprehensive governance mechanisms, ensuring legal compliance, and upholding ethical business practices to support sustainable operations and stable growth. The Board of Directors plays a central role in overseeing the Company's operations, enhancing information transparency, fostering actively communication and engagement with stakeholders, and embedding a culture of sustainability. These are all key pillars of Pihong's corporate governance strategy.

In 2025, Pihong ranked within the 21%-35% tier among TWSE-listed electronics companies in the 12th Corporate Governance Evaluation conducted by the Taiwan Stock Exchange. Pihong remains committed to strengthening its corporate governance by reinforcing board functions, safeguarding shareholder rights, improving internal controls and risk management, enhancing information transparency, and advancing corporate sustainability. Through these efforts, the Company aims to continuously raise its governance standards and create long-term corporate value.

Corporate Governance Framework



Composition of the Board of Directors (GRI 2-9、2-10、2-11)

Pihong's Board of Directors is the Company's highest governing body and serves as the core for major business decisions. Upholding the long-term interests of the Company and its shareholders, it is responsible for strategic guidance, overseeing management, and supervising the planning and implementation of sustainable development. The Board of Directors exercises its powers in accordance with the Company's Articles of Incorporation and relevant laws to ensure operational compliance and fulfill its responsibilities to the Company and its shareholders. Since its founding, Pihong has built a strong foundation over more than 50 years. Under the determined leadership and management of the current Chairman, Mr. Lin, Chung-Min, the Company has continued to grow steadily. The Chairman also serves as the Chief Executive Officer, integrating governance and decision-making efficiency. Additionally, to maintain decision-making impartiality, any director involved in a conflict of interest agenda item must abstain from participating in discussions and voting, in accordance with legal requirements.

The current board consists of nine directors with diverse academic and professional backgrounds. Their profiles are available on the [Company's official website](#) and [in the 2025 Annual Report](#). Directors are elected for a three-year term through a candidate nomination system, which ensures a fair, impartial, and transparent selection process. There are four independent directors, representing 44.5% of the board. Their independence is assessed and confirmed in accordance with relevant regulations. The company values the diversity of its Board of Directors. In 2025, a female independent director was elected, and the Nominating Committee incorporated diversity and sustainable governance capabilities into the selection process. Such criteria will be institutionalized into nomination standards in the future.

The Board of Directors convenes at least once per quarter, responsible for reviewing the internal control system, evaluating business performance, and major strategic issues. Managers regularly attend board meetings to present updates on operations and financial status. Directors also provide professional suggestions to enhance decision-making quality. In 2025, the Board of Directors held 7 meetings, with a director attendance rate reaching 98.46%, demonstrating high participation and governance effectiveness. The company's directors have comprehensive industry experience and areas of expertise that provide a governance foundation supporting corporate sustainable development.

Director Name	Item	Basic Information				Industry Experience				Areas of Expertise			
		Gender	Nationality	Concurrent Employee Position	Age	Electronic Technology	Product Design	Asset Management	Others	Business Management	Finance, Accounting, and Commerce	Law	IT
Chairman	Lin, Chung-Min	Male	ROC	✓	71~80	✓			✓	✓	✓		✓
Director	Lin, Fei-Hung	Male	ROC	✓	41~50	✓	✓		✓	✓	✓		
	Chiang, Wei-Feng	Male	ROC		51~60	✓		✓	✓	✓	✓		✓
	Lin, Guan-Hong	Male	ROC	✓	41~50	✓			✓	✓	✓		✓
	Chen, Jun-Cheng	Male	ROC	✓	61~70	✓	✓	✓	✓	✓			✓
Independent Director	Hung, Yu-Yuan	Male	ROC		51~60	✓			✓	✓	✓		✓
	Lin, Kuei-Hung	Male	ROC		51~60	✓	✓		✓	✓	✓		
	Wu, Chung-Shu	Male	ROC		61~70				✓	✓	✓		
	Kang, Hui-Mei	Female	ROC		51~60	✓		✓	✓	✓	✓		

Note: For an overview of the information on the Board of Directors and their backgrounds, please refer to the Corporate Governance section under Investor Relations on the Phihong website. The composition and expertise the board correspond to the key topics discussed in this report, including operational performance, corporate governance and risk management, information security and customer privacy, climate change response, energy and greenhouse gas management, and green R&D and innovation. These areas reflect the interests of key stakeholders such as shareholders / investors, customers, and employees.

Continuing Education of Board Members (GRI 2-17)

Phihong's Board of Directors engages in annual continuing education in accordance with relevant regulations, strengthening governance and sustainable decision-making capabilities. In 2025, the Board of Directors consisted of 9 members, including 8 continuing directors and 1 newly appointed director. The total accumulated training hours for the full year reached 78 hours, with an average of 8.7 hours per person. This performance exceeds the minimum of 6 hours required under the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies." Training courses covered corporate governance, corporate social responsibility, net zero emissions, ESG sustainability, and international tax trends, continuously enhancing directors' strategic judgment and supervisory functions in economic, environmental, and social aspects. For detailed content on the board's continuing education in 2025, please refer to [the Phihong official website](#).

Conflict of Interest (GRI 2-15)

The Company has fully disclosed potential conflicts of interest involving board members, such as holding concurrent positions in other companies, and related-party transaction information in the Corporate Governance section and financial statement notes of the 2025 Annual Report. Executives are appointed by the Board of Directors, while the appointment and dismissal of other managerial positions are delegated to the executives.

When a Board of Directors meeting agenda involves conflicts of interest, the relevant director or executive must fully disclose their personal interest during the meeting and abstain from participating in discussion and voting on the matter, in accordance with legal requirements. The board meeting minutes will also provide a detailed record of the agenda item, the names of relevant personnel, the nature of the personal interest, and the voting results to ensure the transparency and fairness of the decision-making process and to uphold the principle of independent board operations.

Functional Committee Operations (GRI 2-16)

Committee	Established Since	Duties	Members	2025 Committee Operations			
				Required Frequency	No. of Meetings	Attendance Rate	Important Resolutions
Audit Committee	2017.6	Supervise the proper presentation of the Company's financial statements, the appointment, dismissal, and independence of certified public accountants, the effectiveness of internal controls, compliance with laws and regulations, and the management of existing or potential risks.	Composed of four independent directors. Chairperson: Independent Director Hung, Yu-Yuan.	Quarterly	7	100%	- Approval of annual and quarterly financial reports - Review and approval of the annual budget and capital expenditure proposals - Revisions to internal control systems and management procedures - Approval of major capital loans and endorsement guarantees
Remuneration Committee	2011.12	Establish and regularly review the policies, systems, standards and structures for the performance evaluation and compensation of directors and managers, and regularly assess and determine their remuneration.	Composed of four independent directors. Chairperson: Independent Director Hung, Yu-Yuan.	Once per year	3	100%	- Review and adjustment of directors' business execution expenses - Salary adjustment and year-end bonus proposals for managers
Nominating Committee	2017.8	Nominate and confirm the qualifications of director candidates, establish the organizational structure of functional committees, and review and amend rules related to the operation of the Board of Directors and its functional committees, including the Corporate Governance Best Practice Principles.	Composed of four independent directors. Chairperson: Independent Director Hung, Yu-Yuan.	Biannually	2	100%	- Nomination of director candidates - Evaluation of director performance - Revision to the Corporate Governance Best Practice Principles
Sustainable Development Committee	2014.12	Coordinate the Company's corporate social responsibility and sustainability direction and objectives, propose and implement of related management policies and specific plans, and report to the Board of Directors on a regular basis.	Composed of the Group General Manager as the Chairperson and a designated Chief Sustainability Officer. First-level executives serve as conveners for the seven major sustainability topics.	Biannually	12	100%	- Setting of 44 ESG KPIs - Approval of material ESG topics and sustainability report content - Review of the Group's greenhouse gas inventory progress report

Board Performance Evaluation (GRI 2-18、2-19、2-20、2-21)

The remuneration of Phihong's directors and managers is handled in accordance with the "Regulations on the Remuneration of Directors and Managers." Directors receive travel allowances based on actual meeting attendance. Managers' remuneration primarily consists of fixed monthly salaries, complemented by a performance-oriented variable pay mechanism. The company conducts performance evaluations for the Board of Directors, individual directors, and managers at least once a year. The evaluation results serve as an important basis for individual remuneration adjustments. The outcomes are reviewed by the Remuneration Committee and submitted to the Board of Directors for resolution. For details on the evaluation of director performance, please refer to Phihong [2025 Annual Report](#).

To enhance ESG governance, Phihong incorporates Sustainable Development Performance Indicators into the personal objectives of the General Manager (who also serves as a director) and managers, linking them to the Company's short- and long-term business strategies and shareholder interests. These indicators are included in the annual performance evaluation, directly impacting compensation assessment, thereby strengthening the implementation of sustainable operations.

In 2025, all director and managerial remuneration proposals were reviewed by the Remuneration Committee and approved by the Board of Directors. Director remuneration for the Year was NT\$0 thousand, accounting for 0% of the net profit after tax; managers' total remuneration was NT\$34,312 thousand, representing 5.41% of the net profit after tax. The relevant remuneration policies can be found in Phihong's [2025 Annual Report](#).

Internal Performance Evaluation (icon)

Board of Directors Self-Evaluation Indicators (icon)

- 1 Participation in company operations.
- 2 Enhancement of board decision-making quality.
- 3 Composition and structure of the board.
- 4 Selection and continuing education of directors.
- 5 Internal control effectiveness.

Individual Board Member Self-Evaluation Indicators (icon)

- 1 Understanding of company goals and missions.
- 2 Awareness of directors' responsibilities.
- 3 Participation in company operations.
- 4 Internal relationship management and communication.
- 5 Professional expertise and continuing education.
- 6 Internal control effectiveness.

Internal audit mechanism and independent operation.

Phihong has established an Audit Office directly under the Board of Directors, constructing a highly independent internal audit mechanism to comprehensively oversee internal control operations across the Company and its subsidiaries. The audit system is centered around a risk-oriented approach, where the annual plan is formulated based on risk assessment results. It integrates special audits and a continuous tracking mechanism to ensure operational risks are promptly identified and effectively controlled. For more details on communications between independent directors, the Chief Auditor, and the accountants, please refer to the Corporate Governance section of [Phihong's official website](#) or [the Annual Report](#).

Overview of Internal Audit Mechanism and Governance Performance

Category	Key Items	Description of system content and operation.	2025 Implementation Effectiveness / Specific Achievements
Organization and Independence	The affiliated unit	Directly under the Board of Directors, staffed with one dedicated Chief Auditor and one deputy.	Ensure the independent operation of audit authority.
	Appointments and Dismissals	The Chief Auditor is submitted for Board of Directors' resolution after agreement by the Audit Committee.	Establish a rigorous audit authority supervision mechanism.
	Performance Evaluation Approval	The performance evaluation and remuneration of audit personnel are submitted by the Chief Auditor and approved by the Chairman.	Maintain the audit process free from administrative interference.
Audit Implementation	Annual plan	Planned based on risk assessment and executed upon approval by the Audit Committee and the Board of Directors.	Implement risk-oriented audit management.
	Self-assessment supervision	Annually supervise each unit and subsidiary in implementing the self-assessment of internal control.	The consolidated results serve as the basis for the Statement on Internal Controls System.
Communication Mechanism	Regular reporting	The Chief Auditor is required to report to the Board of Directors and the Audit Committee at least once every quarter.	Reported four times each to the Board of Directors and the Audit Committee.
	Diverse Communication Channels	Engage in real-time interactions with independent directors through meetings, briefings, and emails.	Regularly track improvement effectiveness and implement information exchange.
	Dedicated session	Hold separate meetings between the Independent Directors, the Chief Auditor, and the accountants.	One independent communication meeting was held during the year.



3.2.2 Sustainable Governance

Phihong is deeply engaged in stakeholder interests, striving to incorporate Environmental, Social, and Governance (ESG) aspects into its core strategies while pursuing sustainable operations and profitability. In 2014, the company established the "Sustainable Development Committee" following approval by the Board of Directors, and subsequently set up the dedicated unit, the "Sustainable Development Office," in 2021 to strengthen cross-departmental communication and collaboration.

To refine the governance pillar, a "Chief Sustainability Officer" position was officially created in 2023, with the role concurrently held by a Special Assistant in the General Manager's Office. The Committee is chaired by the Group General Manager, overseeing seven functional sub-groups. Members include first-level managers from each unit. Through monthly regular meetings coordinated and executed by the Sustainable Development Office, each ESG implementation project is precisely aligned with the Company's policies, ensuring the long-term vision of corporate sustainability development.

Organizational Structure of the Sustainable Development Committee (GRI 2-12、2-13、2-14)

Phihong has developed a "three-tier sustainable governance structure." At the top decision-making level, the "Sustainable Development Committee" is established under the Board of Directors, chaired by the Group General Manager, who is responsible for approving the vision and supervising performance. The middle level is led by the Chief Sustainability Officer who oversees the "Sustainable Development Office," acting as a hub for cross-departmental communication and strategic coordination. The execution level consists of "seven functional sub-groups," where first-level managers lead their respective teams to translate sustainable goals into concrete action plans across the three pillars of Environmental, Social, and Corporate Governance (ESG) and ensure comprehensive implementation.

The Chief Sustainability Officer regularly reports execution results to the Board of Directors, with a total of 4 reports presented in 2025. The report focuses on the progress of Greenhouse Gas Inventory in core plants, the achievements of implementing Product Carbon Footprint (PCF) and the Energy Management System (ISO 50001), as well as the approval of significant sustainability topics and the report. This series of governance practices highlights Phihong's firm commitment to driving sustainable transformation by deeply embedding ESG principles into its corporate culture and operational strategies. The Company actively responds to the United Nations Sustainable Development Goals (SDGs) and fulfills its corporate citizenship responsibilities.

Phihong Sustainable Development Committee



Sustainable Development Committee Operations

Implementation plans	Operating Mechanism	Frequency of Engagement
Financial Supervisory Commission Sustainable Development Path Planning	Quarterly, report to the Board of Directors on the Greenhouse Gas Inventory and verification schedule of Phihong and its subsidiaries.	Quarterly
Sustainable Vision Initiative - Current Year Implementation Plans Tracking	Monthly meetings of the Sustainable Development Committee are held, with the Sustainable Development Office and its subordinate promotion centers reporting on the implementation progress of the year.	Monthly
Materiality analysis results and sustainability report	Conduct regular materiality analyses to identify material topics as a guide for preparing the sustainability report. Based on the materiality results, formulate long-term sustainability targets and stakeholder communication guidelines, and regularly review the contents of the sustainability report.	Once per year
IFRS Sustainability Disclosure Standards	In accordance with the reference guidelines and relevant regulations issued by the Competent Authority, continuously monitor the implementation of the introduction plan and report to the Board of Directors.	

Internal Control System for Sustainability Information

To enhance the quality of sustainable reporting disclosure, Phihong referred to the "Reference Items for Determining the Effectiveness of Internal Control Systems" by the Competent Authority. In November 2024, upon approval by the Board of Directors, Phihong formally incorporated sustainability information into the internal control system. Through regular reviews of the system's design and implementation effectiveness, the Company ensures that the disclosed information is truthful, accurate, and complete. In addition, the company actively implemented management mechanisms and completed the annual audit of sustainability information in 2025. Through concrete actions, it enhanced data reliability and credibility, building a solid foundation for corporate sustainable development.

Plan for the Implementation of IFRS Sustainability Disclosure Standards

To align with the international trend of integrating sustainability information into financial reporting and in accordance with the Financial Supervisory Commission's "Blueprint for Taiwan's Adoption of IFRS Sustainability Disclosure Standards," Phihong plans to officially apply these standards in 2028, with preliminary operations starting ahead of schedule in the fourth quarter of 2025. The plan for the Year 2026 is to use the S1 (General Requirements) and S2 (Climate-Related Disclosures) published by the ISSB as a basis to comprehensively assess the impact of differences between the current sustainability information and the new standards. The plan is approved by the Sustainable Development Committee, and the implementation progress and interim achievements are reported quarterly to the Board of Directors for oversight, ensuring steady advancement of all connecting practices.

Phihong's IFRS Alignment Roadmap



"Proactive Deployment and Simulated Exercises": Ensure seamless transition for 2029 sustainability financial disclosures.



Sustainability Management Systems and International Certifications

Phihong regards sustainable operations as a core development strategy, not only pursuing operational growth but also dedicating efforts to constructing a comprehensive management system encompassing Environmental, Social, and Governance (ESG) aspects, fulfilling its long-term commitments to shareholders, employees, and stakeholders.

1. Core Management System

We have established a highly integrated Sustainable Management System that aims to surpass local regulations and social ethical standards. Through the PDCA continuous improvement mechanism, ensure that corporate decisions and daily operations align with international sustainability standards.

2. Green Value and Responsible Practices

Phihong actively invests in the R&D of high-quality green products and services, ensuring that economic value creation is balanced with environmental protection, employee health and safety, and the protection of human rights:

Environmentally Friendly: Promote the design of low-carbon products to reduce the ecological footprint of the supply chain.

Human rights and safety: Ensure a healthy and safe work environment and create an equitable and diverse labor setting.

3. Rights Protection and Transparent Governance

We are committed to information transparency to ensure that the legal rights and interests of all stakeholders are comprehensively safeguarded. Phihong continues to obtain multiple authoritative international certifications, showcasing the Company's strict self-requirements for high-quality governance.

Certification Information: For more information about the international certifications obtained by Phihong Technology Co., Ltd. and its Sustainability Policy, please visit [the Phihong ESG official website under Sustainability Management Policy and Certifications](#).

Sustainable Management System Certification

Scope	Standard	Phihong Technology Co., Ltd.				Zerova Technologies Taiwan Limited	
		PHT	PHC	PHP	PHV	ZTM	ZCM
Quality Management	ISO 9001:2015 Quality Management System	●	●	●	●	●	●
	IATF 16949:2016 Automotive Quality Management System					●	●
	ISO 13485:2016 Medical Device Quality Management System	●			●		
	IECQ QC 080000:2017 Hazardous Substance Management System			●	●		
Environmental Management	ISO 14001:2015 Environmental Management System	●	●	●	●	●	●
	UL 2799 Zero Waste to Landfill			●	●		
Energy and Greenhouse Gas Management	ISO 50001:2018 Energy Management System	●	△	●	●	●	●
	ISO 14064-1:2018 Greenhouse Gas Inventory	●	●	●	●	●	●
	ISO 14067:2018 Carbon Footprint Management	●				◎	
Occupational Health and Safety Management	ISO 45001:2018 Occupational Health and Safety Management System	●	●	●	●	●	●
Information Security	ISO 27001:2022 Information Security Management System	●				●	
Business Principles	RBA Responsible Business Alliance Code of Conduct Assessment		●	●	●		
Social Responsibility	SA 8000:2014 Social Responsibility Standard				●		

Note: ● Indicates that third-party verification has been obtained and is currently valid, △ indicates that the system is in the process of implementation and ◎ is a self-declared carbon footprint.

3.3 Operational Performance (GRI 201-1、201-4)

In 2025, Phihong actively promoted the "Transformation 2.0" plan, demonstrating strong operational resilience and strategic foresight. Despite facing challenges from global green energy policy fluctuations and internal operational adjustments, the company still delivered a stable performance with consolidated revenue of NT\$9.796 billion and a gross profit margin of 21%, generating a total gross profit of NT\$2.063 billion. In terms of strategic deployment, Phihong decisively optimizes its product portfolio by gradually exiting the low-margin mobile power business and precisely focusing resources on high-power power supplies and AI application fields. Simultaneously, we are actively capturing the high-growth markets of server power supplies and EV Charging Solutions, viewing them as core engines driving future profit growth.

In addition, while maintaining independence in its business decisions, Phihong efficiently integrates external Policy resources to enhance its sustainability performance. In 2025, by implementing the hiring of people with disabilities and introducing energy-saving equipment, the company received a total of approximately NT\$2,987,000 in government subsidies in Taiwan and Mainland China, fully demonstrating Governance achievements in deeply integrating social responsibility, environmental protection, and operational efficiency, and continuing to create long-term value for stakeholders.

3.3.1 Consolidated Financial Performance

Operating Performance and Employee Benefits

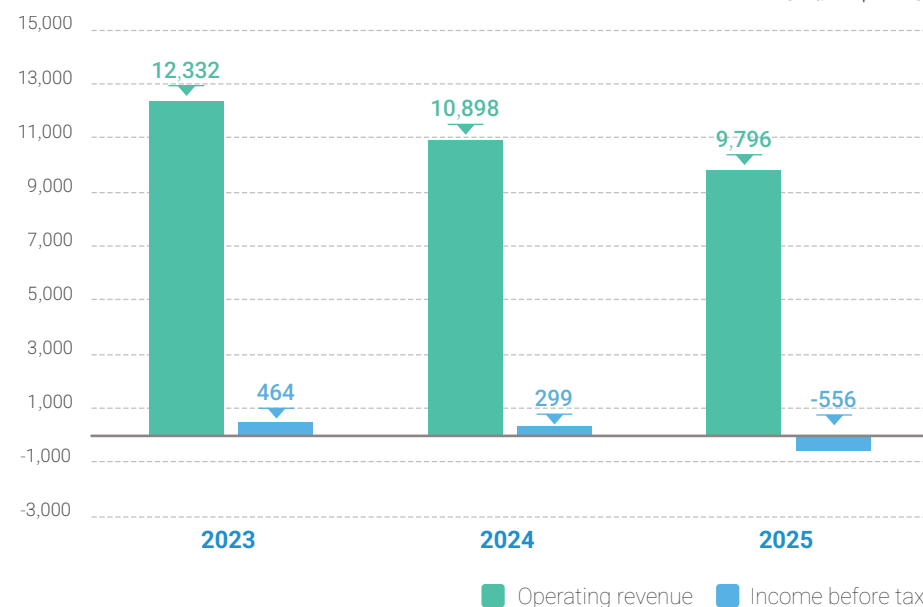
Unit: NT\$ million

Accounting Items	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
Operating revenue	12,332	100.00	10,898	100.00	9,796	100.00
Gross profit	3,213	26.05	2,941	26.99	2,063	21.06
Operating expenses	2,858	23.18	3,094	28.39	2,662	27.17
Operating profit (loss)	355	2.87	(153)	(1.40)	(599)	(6.12)
Non-operating income and expenses	109	0.88	452	4.15	43	0.44
Income before tax (loss)	464	3.75	299	2.75	(556)	(5.68)
Income tax expense	(201)	(1.63)	(93)	(0.85)	(79)	(0.81)
Net income for the period	263	2.12	206	1.90	(635)	(6.48)
Employee benefit expenses	2,910		2,980		2,859	

Note: The financial data presented in this report is derived from the audited financial statements certified by the CPAs of Deloitte Taiwan. For additional financial information, please refer to [the Investors section on Phihong's official website](#)

Operating Revenue and Income Before Tax

Unit: NT\$ million





2025 Sales Volume and Revenue (SASB RT-EE-000.A)

Unit: NT\$ thousand

Item	Production Volume (units)	Sales Volume (units)	Revenue	Revenue Share
Power supply products	52,115,415	49,229,254	6,535,260	66.72%
EV energy products	74,572	253,618	3,253,301	33.21%
Others	0	22	7,006	0.07%
Total	52,189,987	49,482,894	9,795,567	100%

Production sites: Dongguan, China; Haiphong, Vietnam; Tainan, Taiwan

Tax Expense Overview

Unit: NT\$ thousand

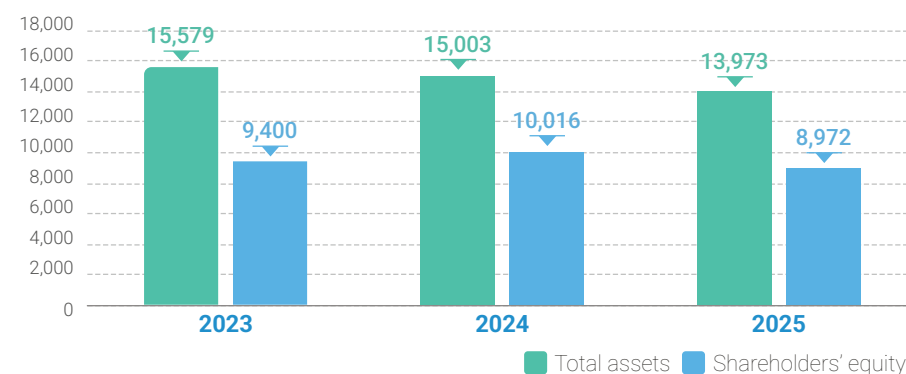
Item		2023	2024	2025
Income tax (expense) benefit		-201,892	-92,676	-78,450
Income tax paid		254,163	241,459	19,247
Income tax expense as a % of consolidated revenue		-1.64%	-0.85%	-0.80%
Operating expenses		2,858,013	3,093,893	2,662,518
Revenue (net sales)		12,332,397	10,897,729	9,795,567
Allocated economic value	Employee compensation and benefits	1,692,153	1,760,986	1,628,543
	Government tax paid	226,459	34,096	27,032
	Community investments / donations	887	479	540
	Payments to investors	0	0	0
Remaining economic value		10,412,898	9,102,168	8,139,452

Note: 1. Operating expenses include employee compensation and benefits, government tax paid, and community investments / donations accounted for under operating expenses.

2. Government tax paid (excluding deferred taxes) include taxes recognized as part of operating expenses.

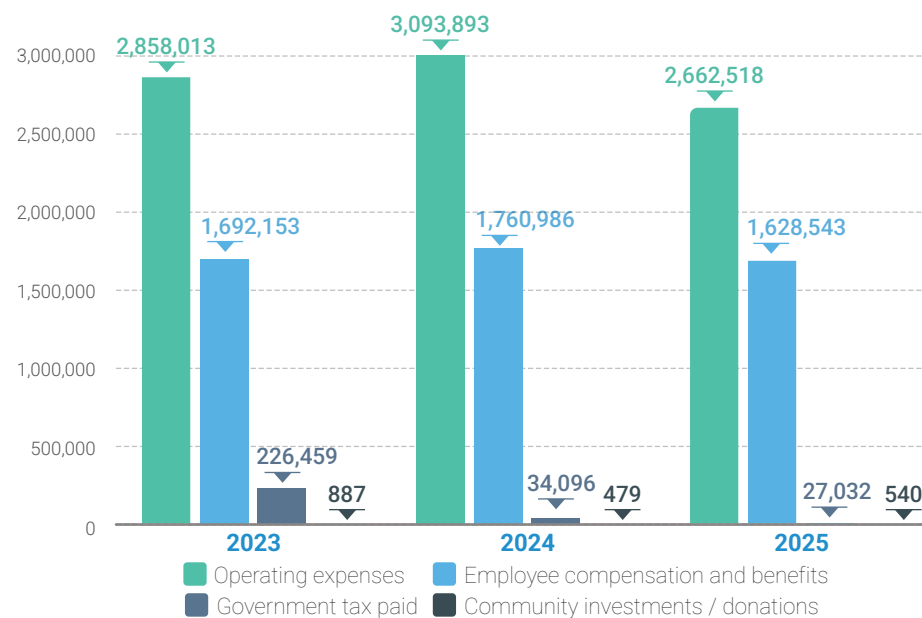
Total Assets and Shareholders' Equity

Unit: NT\$ million



Note: 1. The chart presents consolidated revenue, gross profit, and net income. For detailed information on operational performance and financial results, please refer to the 2025 Annual Report disclosed on the Company's official website. (www.phihong.com.tw)

2. For related earnings information, please refer to the 2025 Annual Report. Phihong Taiwan has applied for R&D tax incentives from the government under the Industrial Innovation Statute.

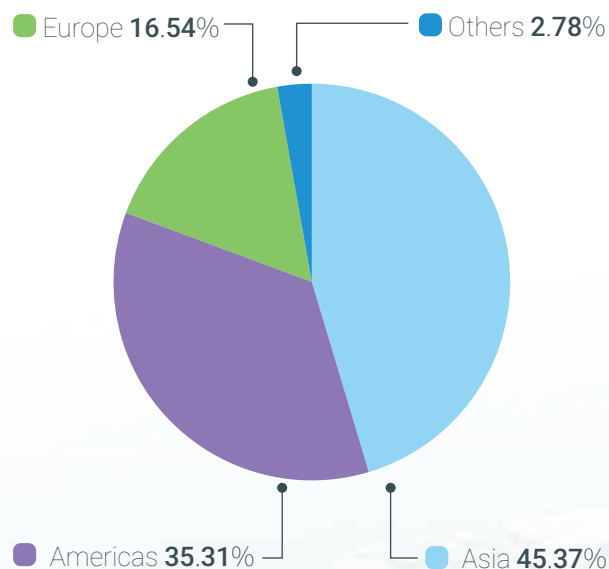


3.3.2 Sales Region

Phihong's sales regions span the globe, primarily concentrated in the Americas and Asia. In 2025, revenue from Asia accounted for 45.37%, while revenue from the Americas accounted for 35.31%.

In 2025, Phihong did not experience any sales prohibitions or issues related to controversial products. For detailed product and shipment information, please refer to ["Section 5.2 Analysis of Market as well as Production and Marketing Situation" in Phihong's 2025 Annual Report.](#)

2025 Regional Sales Distribution



Product Sales Regional Distribution

Unit: NT\$ thousand

Sales Region \ Year	2023		2024		2025	
	Amount	Proportion	Amount	Proportion	Amount	Proportion
Asia	5,175,057	41.96%	4,304,208	39.50%	4,444,038	45.37%
Americas	5,367,868	43.53%	4,135,648	37.95%	3,458,645	35.31%
Europe	1,666,411	13.51%	2,284,466	20.96%	1,620,699	16.54%
Others	123,061	1.00%	173,407	1.59%	272,185	2.78%
Total	12,332,397	100.00%	10,897,729	100.00%	9,795,567	100.00%



3.4 Integrity Management and Compliance

3.4.1 Integrity Management Policy

Integrity is Phihong's core value and the fundamental principle that underpins all business activities. The Company adopts a zero-tolerance policy toward corruption and bribery, and has established the "Code of Ethical Conduct" and the "Business Ethics and Conduct Guidelines." Both documents have been reviewed and approved by the Board of Directors and clearly define the Integrity Management Policy. This policy applies to Phihong and all its subsidiaries, ensuring that all decisions and actions reflect the Company's core values and commitment to ethical conduct. To strengthen integrity management, the Legal Affairs Office leads implementation efforts. Internal departments are responsible for executing specific measures and reporting their outcomes to the Board of Directors on an annual basis.



Legal Affairs Office

Responsible for formulating anti-corruption programs in accordance with regulations applicable to the Company's operating locations. The office also establishes standard operating procedures and code of conduct.



Human Resources Department

In charge of promoting and conducting training on the integrity policy to enhance employee awareness and ensure its effective implementation.



Audit Office

Responsible for planning and executing the whistleblower system. It supports the Board of Directors and management in reviewing integrity management practices, regularly assesses compliance, and submits reports. In 2025, a total of 42 audits were conducted. Based on the results and feedback gathered from internal and external sources, no incidents of corruption were identified.

Integrity Management and Governance Mechanism

In a highly competitive and increasingly regulated operational environment, Phihong takes integrity management as its core value, comprehensively strengthening the foundation of ethical governance through institutional risk assessment, supply chain Management, and internal control mechanisms. Identify risks of inappropriate behavior from the source, construct transparent compliance processes, and improve complaint and whistleblowing systems to continuously deepen the culture of integrity, ensuring stable operations and sustainable development of the company.

Phihong Integrity Management System



Integrity Culture Practices (GRI 205-1、205-2、205-3)

Phihong regards "Integrity" as the cornerstone of its business operations. Through institutionalized regulations, diversified training, and stringent oversight mechanisms, the Company has built a top-down Integrity Management and Governance system that encompasses Global Locations and the Supply Chain.

2025 Annual Integrity Management Training Overview

1. Internalize a Culture of Integrity: Implement Ethical Standards from the Start of Employment.

We regard the "Business Ethics and Conduct Guidelines" as a mandatory course for all employees to ensure that all global employees develop a high level of self-discipline from the onset of their employment and implement precise management tailored to regional characteristics.

Taiwan Plant: Upon onboarding, new hires are required to 100% complete the signing of the "Acknowledgement Form for the Business Ethics and Conduct Guidelines" and the "Intellectual Property Rights and Confidentiality Agreement." In addition to holding semiannual education and training sessions, the Company posts integrity-related messages on its internal electronic bulletin board from time to time to raise employees' awareness of professional ethics.

Dongguan Plant: Integrate the Responsible Business Alliance (RBA) Code of Conduct, requiring key positions such as warehouse and cashier staff to sign a dedicated declaration.

At Phihong (Vietnam), anti-corruption and anti-bribery policies are integrated into the core of the Corporate Culture, deeply instilling ethical awareness in employees.

2. Specialized Training: 2025 Anti-Corruption Achievement

To enhance employees' practical capabilities in risk prevention, the Taiwan Plant offered a specialized course titled "Integrity Management and Governance - Anti-Corruption Regulations and Cases" in 2025. The course content was aligned with international trends and practical cases.

Participation Results: A total of 336 employees participated in the training, achieving an average test score of 99.94, demonstrating a high degree of recognition and professional understanding of Integrity Management.

3. High-level Governance and Compliance with Laws and Regulations

Phihong strictly implements the supervisory responsibilities of the Board of Directors. For newly appointed directors, in addition to achieving 100% completion of the regulatory manual orientation and the signing of declarations, the prevention of insider trading is further enforced in accordance with the "Corporate Governance Best Practice Principles."

Regularly remind about the prohibition on selling stock during the blackout periods—30 days before the annual report announcement and 15 days before the quarterly report announcement—to ensure governance transparency and compliance.

4. Expanding Social Impact: Supply Chain Integrity Communication

We extend integrity requirements to business partners by sending quarterly anti-corruption policy advocacy and reporting channel information to all active suppliers. We also publicly disclose our Social Responsibility Policy on the B2B website to achieve 100% integrity communication with business partners, demonstrating our commitment to a fair trade environment.

Plant	Topic	Target Participants	Number of Employees	Total Person-Hours	Passing Rate
Taiwan Facilities (PHT / ZTM)	Corporate Sustainability Development	New Hires	35	35	100%
	Phihong Business Ethics and Conduct Guidelines	New Hires	117	29.25	100%
	Integrity Management and Governance - Anti-Corruption Regulations and Cases	Existing Staff	336	277.14	90.08%
Dongguan Facilities (PHC / PHP / ZCM)	Responsible Business Alliance (RBA) Code of Conduct and Corporate Social Responsibility Promotion	New Hires	3,753	3,753	100%
		Existing Staff	1,970	3,193	100%
Haiphong Facility (PHV)	Introduction to the Social Responsibility System, Corporate Philosophy and Culture	New Hires	1,722	1,722	100%
		Existing Staff	1,123	1,707	100%

Whistleblower System (GRI 2-25、2-26)

Phihong consistently upholds its core values of integrity and honesty, strictly adhering to the laws and ethical standards of its operating locations. Through comprehensive regulations and independent reporting channels, we construct an all-encompassing defense system to ensure transparency and compliance in corporate governance.

1. Conflicts of Interest Prevention and Systematic Governance

We have established a rigorous prevention mechanism to eliminate inappropriate behavior from the source of the system:

Board of Directors Pillar: Establish the "Board Meeting Rules" to strictly implement the principles of conflicts of interest.

Employee Pillar: Utilize the "Business Ethics and Conduct Guidelines" to regulate colleague conduct in preventing conflicts of interest and implementing business ethics.

Implementation for New Hires: All new employees are required to 100% sign the "Acknowledgement Form for the Business Ethics and Conduct Guidelines" and the "Intellectual Property Rights and Confidentiality Agreement" upon onboarding, internalizing the concepts of integrity and self-discipline as the foundation of their careers.

2. Independent Whistleblower Channel and Protection Commitment

Phihong establishes a protected communication environment, encouraging stakeholders to report illegal, unethical, or dishonest behavior:

Dedicated contact point: The Manager of the Audit Office, directly reporting to the Board of Directors, serves as the designated contact person to ensure that the acceptance, investigation, and response to complaint cases maintain a high degree of independence and credibility.

Confidentiality mechanism: The Company ensures strict confidentiality regarding the identity of the complainant and the content of the complaint. It has established comprehensive protection and verification mechanisms to eliminate any retaliatory actions.

Contact Information:
Direct line: 03-327-7288 ext. 1340 Email: Charles_Wang@phihong.com.tw



3. Strengthening Internal Control and Education

We integrate dynamic audits with static advocacy to implement internal control management:

Continuous Monitoring: Regularly execute internal audits according to regulations to track potential risks.

Education and Training for All Employees: Annual "Code of Ethical Conduct" training sessions are held to promote compliance among directors, managers, and all employees, ensuring that personnel at all levels fully understand and adhere to the standards.

4. 2025 Implementation Effectiveness

Phihong is committed to maintaining a clean workplace. In 2025, the grievance mechanisms at all of its facilities in Taiwan and overseas operated smoothly, with no grievance cases reported.

3.4.2 Implementation of Compliance with Laws and Regulations (GRI 206-1、409-1、417-1、417-2、417-3)(SASB RT-EE-250a.1、RT-EE-250a.2、RT-EE-510a.1、RT-EE-510a.2、RT-EE-510a.3)

Compliance with laws and regulations is an important cornerstone for Phihong Technology Co., Ltd. to strengthen corporate governance and ensure sustainable operations. As a global corporate citizen, Phihong adheres to the Management Philosophy of integrity management, strictly complying with the laws and regulations, industry standards, and business ethics guidelines of its operating locations. It has established a dedicated legal unit to provide legal consultation, compliance assessment, and risk management support. Through regular advocacy and education and training, it continually strengthens the compliance awareness and culture of integrity among all employees. Phihong maintains a zero-tolerance attitude toward any violations of legal regulations, occupational health and safety requirements, labor regulations, internal management systems, or business ethics. The Company takes necessary measures such as investigation, improvement, disciplinary action, or legal proceedings based on the nature and impact of the incident to protect company interests, safeguard stakeholder rights, and fulfill corporate social responsibility.

Significant violations are determined through a comprehensive assessment based on the nature of the violation, the penalty amount, the scope of impact, the impact level on stakeholders, and the effects on the company's reputation and operations. This includes major administrative penalties for legal violations, cases involving corruption or serious breaches of business ethics, significant occupational hazards or environmental incidents, and cases that have a substantial negative impact on the company's operations, finances, or reputation.

2025 Sustainability Compliance and Integrity Management Performance

Scope	Key Description	Management Mechanism and Strategy	2025 Achievements
Social and Economic Compliance	Prevent violations of laws and regulations related to social, economic, and operational aspects.	Establish a dynamic regulatory monitoring mechanism to promptly track significant legal changes domestically and internationally, and accordingly, make rolling adjustments to internal regulations to ensure operational compliance and reduce the risk of fines.	- No major regulatory changes impact operations. - Zero penalty record: No violations of social or economic regulations have occurred.
Environmental Protection Compliance with Laws and Regulations	Environmental compliance management of products, services, and marketing activities.	Establish an implementation project tracking indicator for environmental regulations related to the product life cycle, monitoring international environmental protection trends and labeling standards to ensure that marketing activities and product specifications fully comply with Environmental Protection laws.	- There have been no significant revisions to environmental regulations directly impacting company products, services, and marketing activities. - Zero penalty record: There have been no violations of environmental protection regulations related to products and marketing activities.
Anti-Corruption and Anti-Bribery	Prevent financial losses or reputational damage caused by corruption incidents.	- Comprehensive Risk Assessment: Corruption risk identification was conducted at 100% of operating locations, including the Linkou Headquarters, ZeroVA, Dongguan, and Haiphong facilities. - Implementing Integrity Commitments: Strengthen employee self-discipline through employment contracts, supplier integrity clauses, and ethics awareness activities conducted from time to time.	- The significant risks identified through audits, such as procurement gifts and inappropriate entertainment, have all been incorporated into monitoring. - Zero violations recorded: No incidents of corruption, bribery, or whistleblowing reports occurred during the year.
Anti-Competitive Behavior	Maintain a fair competition environment to prevent antitrust and monopolistic practices.	All business activities comply with applicable competition laws. Unfair competitive practices, such as price fixing, bid rigging, quota restrictions, and monopolistic abuse of market dominance are strictly prohibited.	Zero legal proceedings: No legal actions involving anti-competitive, anti-trust, or monopoly practices have occurred.
Human Rights and Labor Protection Standards	Prohibition of Child Labor, Non-Discrimination, and Prohibition of Forced Labor.	- Strict identity verification: 100% of New Hires' identifications are checked, preventing the use of child labor. - Labor-Management Mutual Consent Mechanism: Signing of labor contracts based on clearly defined rights and obligations. - Human Rights Education: Regularly conduct training on occupational safety and human rights protection.	- Zero violations recorded: Implemented identity verification and mutually agreed contracts, with no instances of child labor or employment discrimination. - No labor-related litigation: No significant penalties or lawsuits for violations of labor laws occurred during the year.
Product Responsibility and Labeling	Ensure health and safety quality throughout the entire product life cycle.	From R&D and design, manufacturing and production to marketing and labeling, strict controls are implemented to ensure products comply with international safety regulations and trademark labeling laws, actively eliminating potential health risks.	- Zero recall record: No large-scale recalls related to product safety or serious injuries and fatalities occurred. - Zero violation incidents: No penalties for violating product safety or marketing labeling regulations occurred.
Privacy and Intellectual Property Protection	Maintain Customer Information Security and Corporate Core Competitiveness.	- Contractual Binding: Business secret confidentiality clauses are explicitly stipulated in the contract. - Defense Upgrade: Strengthen the information security management system and promote employee awareness of intellectual property. - Proactive Detection: The Information Security Department monitors anomalous data transmissions in real-time.	- Successful Protection of Intellectual Property: The Information Security Department proactively reported the 2021 confidential data leakage case to the authorities for investigation. The criminal and civil accessory litigation proceedings involved in this case have progressed according to judicial procedures, and the oral arguments for the first trial concluded on October 30, 2025. - Zero privacy breaches: No incidents of customer privacy violations or complaints.

3.5 Risk Control and Information Security Management

3.5.1 Risk Management

Risk Governance Structure

To enhance the Company's operational resilience and support sustainable development, Pihong has established a risk governance structure, with the Group's General Manager serving as the Chief Executive. Through a cross-functional framework, the Company has developed a systematic operating mechanism for managing risk-related matters. In accordance with the Risk Management Manual, risk identification and assessments are conducted across environmental, social, and corporate governance (ESG) topics relevant to business operations. The implementation status and results are reported to the Board of Directors annually to ensure board oversight of the effectiveness and execution of the risk governance mechanism.

The scope of risk governance covers all companies within the Group. Governance members consists of the highest-ranking executives from each business unit, while designated personnel from these units are responsible for executing daily risk management tasks.

Risk Management Policies and Targets

Pihong has established and continues to improve an effective risk management system to fulfill its commitments to customers, protect shareholder interests and pay attention to employees' work environment and health, and advance sustainable operations. For the full policy, please refer to the Company's Risk Management Manual.

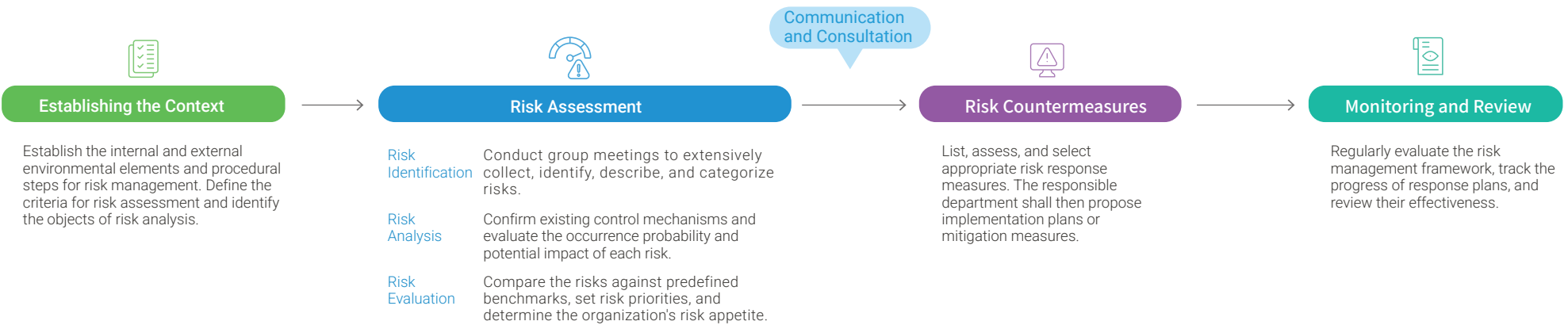
Risk Management Targets

- 1.Reduce the risk level and enhance the organizational risk management capabilities.
- 2.Improve the consistency of risk management practices across the organization.
- 3.Eliminate or reduce the frequency of critical crisis events.

Risk Management Procedures

Risk Identification and Monitoring

Pihong identifies and assesses potential risks and impacts arising from both internal and external environments. In 2025, the Company identified ten key risks across areas such as operations, technology, information security, facilities, supply chain, finance, and human resources. Compared to the previous year, global geopolitical risks and macroeconomic risks were additionally recognized. For each identified risk, Pihong has formulated specific impact response and mitigation measures and designated responsible personnel to oversee their execution. In addition, the Company has established a structured set of procedures, covering early warning, contingency planning, crisis management, and recovery operations. These mechanisms are designed to ensure business continuity and reinforce the Company's ability to operate sustainably.



Aspect	Risk Identification	Impact on Operations	Mitigation Measures	Business Opportunities
Environmental (E)	Power and Water Disruptions	Disruptions in electricity and water utilities affect normal operations.	- Develop emergency response plans to mitigate the impact of power and water disruptions. - Install generators, uninterruptible power supply, and assess the introduction of energy storage facilities. - Establish in-factory water storage and external water support mechanisms; implement water and energy conservation measures.	Accelerate improvements in energy and resource efficiency, adopt renewable energy, and establish emergency mechanisms for energy and resource management.
	Environmental and Climate Change Risks	Greenhouse gas emission management. Energy resource management Pollution control including air, water, waste, toxic substances, and noise.	- Monitor international environmental trends and develop protection strategies aligned with operational needs. - Conduct disaster prevention monitoring and drills to strengthen emergency response and recovery capabilities. - For specific impacts and response strategies, please refer to the "Climate Change Risks and Opportunities" section.	For potential opportunities, please refer to the "Climate Change Response" section .
Social (S)	Threat of Major In-fectious Diseases	Infectious disease outbreaks may prevent employees from reporting to work and delay material deliveries, causing production line stoppages and failure to meet customer demands.	- Activate epidemic prevention structure and SOP mechanisms to ensure employees safety and resume operations. - Implement remote and off-site working arrangements to mitigate risks. - Strengthen supply chain partnership and jointly enforce epidemic prevention measures.	Restore normal production swiftly and prudently to demonstrate crisis management capabilities, build customer trust, and capture additional business opportunities.
	Occupational Safety Risks	Occupational injuries and public safety incidents disrupt operations and may cause personnel and property losses, potentially leading to factory shutdowns depending on the severity.	- Identify occupational hazard factors and reduce employee exposure. - Raise daily safety awareness and conduct drills; initiate task forces during emergencies or incidents. - Strengthen labor-management dialogue and promote harmonious relations. - Conduct regular employee health check-ups.	Reduce and prevent occupational accidents, ensure the safety of personnel and property, and enhance stakeholders' confidence in business continuity.
Corporate Governance (G)	Global Geopolitical Risks	Political conflicts and instability pose potential threats to operations and the supply chain, including labor market turbulence, exchange rate fluctuations, and currency devaluation.	- Regularly review geopolitical issues related to operations in Mainland China and partner sites. - Develop a command system and production transfer plans; coordinate with key customers.	Strengthen supply chain resilience, reduce reliance on a single country or supplier, and evaluate partnerships with suppliers in politically stable countries.
	Macroeconomic Risks (Market De-mand)	In 2025, global economic downturn risk intensified, particularly as the U.S. and Europe markets showed negative growth momentum and persistent weakness, impacting overall corporate sales.	- Maintain regular communication with customers regarding sales forecasts. - Review capital expenditures and control factory production costs.	Consolidate and expand core competitiveness, highlight differentiated advantages, and take the lead in advancing dual transformations in green, low-carbon products and the circular economy.
	Ethical Risks	Violations of integrity and conduct principles may result in company losses. In 2025, corruption risk assessment at various plant identified major risks in procurement, such as the acceptance of improper gifts or monetary benefits and the exchange of hospitality expenses for preferential treatment.	- Require new employees at Phihong to complete training on "Business Ethics and Conduct Guidelines" and to sign an acknowledgment upon completion. - Promote the importance and practice of integrity management through education and company-wide awareness activities conducted from time to time.	Adhere to the Business Ethics and Conduct Guidelines, and implement integrity-based management across the organization.



Aspect	Risk Identification	Impact on Operations	Mitigation Measures	Business Opportunities
Corporate Governance (G)	Information Security Risks	Information leaks, data theft, sabotage, or damage from natural disasters may lead to abnormal system performance, disrupt internal and external communications, result in operational losses, and damage the Company's reputation.	- Conduct biannual off-site data recovery drills to ensure rapid system restoration in case of disasters. - Maintain redundant telecom lines for uninterrupted operations. Strengthen encryption and password management. - Conduct training to enhance awareness of information security and compliance.	Build a highly reliable information security management system to prevent communication disruption, data loss, and breaches, thereby earning the trust and support of all stakeholders.
	Financial Risks	- Changes in interest and exchange rates impact financial income and expenses, affecting leverage and inflation exposure. - Tariff barriers may reduce customer orders, increase production costs, and disrupt the supply chain.	- Evaluate interest rate exposures and the impact of floating rates. - Hedge exchange rate risks naturally; invest short-term funds in safe, liquid, and principal-protected instruments. Avoid high-risk and leverage investments. - Improve cash flow through asset disposals and financing. - Expand production in Vietnam to reduce trade tariff impacts.	- Manage the impact of interest rate and exchange rate fluctuations on assets and cash flow to maintain stable financial operations. - Strengthen operational and production flexibility, expand partnerships across the supply chain, and enhance long-term sustainability. - Align with government incentives to reinforce R&D and technology capabilities at the Taiwan headquarters and expand production capacity beyond China.
	Supplier Risks	Inability of suppliers to deliver raw materials on time affects normal operations and shipping schedules.	- Review inventory management and implement a "timely material supply alert system." - Set up alternative supplier mechanisms to ensure supply stability. - Regularly audit suppliers' BCP and support their risk management capability.	Strengthen sustainable partnerships with suppliers to meet customer needs and expectations, fostering mutual growth and shared success.

Organizational Risk Early Warning and Control Mechanism

Pihong places great importance on changes in domestic and international business environments. By strictly adhering to regulations, perfecting internal systems, and enhancing risk warning systems, we build a robust corporate defensive resilience. The specific management Strategy are as follows:

1. Financial Risk Control: Stable Funding and Hedging Strategy

The Company adheres to the principle of prudent management, strictly prohibiting high-risk and high-leverage investments to ensure a healthy financial structure.

- Exchange Rate Risk Management: Adopt a "natural hedging" strategy and flexibly adjust the U.S. dollar debt ratio to reduce foreign exchange exposure.
- Optimizing Asset Allocation: Short-term idle funds prioritize safety, primarily allocated to highly liquid, principal-protected financial products and fixed-term deposits.
- Diversified Financing Arrangement: By combining private placements of common stock, issuing five-year fixed-rate corporate bonds, and establishing stable credit facilities from financial institutions, we ensure the needs and stability of working capital and long-term capital expenditures.

2. Operational Risk Control: Prevention Management and Business Continuity Planning (BCP)

We view natural disasters, unforeseen incidents, and social unrest as key risks in our operations, and maintain employee safety and asset integrity through proactive prevention mechanisms.

- Response and Recovery Mechanisms: Establish comprehensive Business Continuity Plans (BCP) for natural disasters (such as fires, earthquakes, and extreme climate conditions), public safety issues (such as water and power outages, infectious diseases, and pollution), and external situations (such as wars and political and economic turbulence) to ensure rapid recovery of operations following emergencies, minimizing customers' asset losses and impacts on corporate reputation.
- Standardized Management: Strictly implement safety protocols, striving for the highest safety standards in the power supply industry by integrating prevention management into daily operations.
- Risk Transfer Mechanism: Through comprehensive insurance planning and stable insurance expenditure, effectively transfer uncontrollable operational risks and minimize potential financial damages to the smallest scope, ensuring the Company's long-term sustainable development.

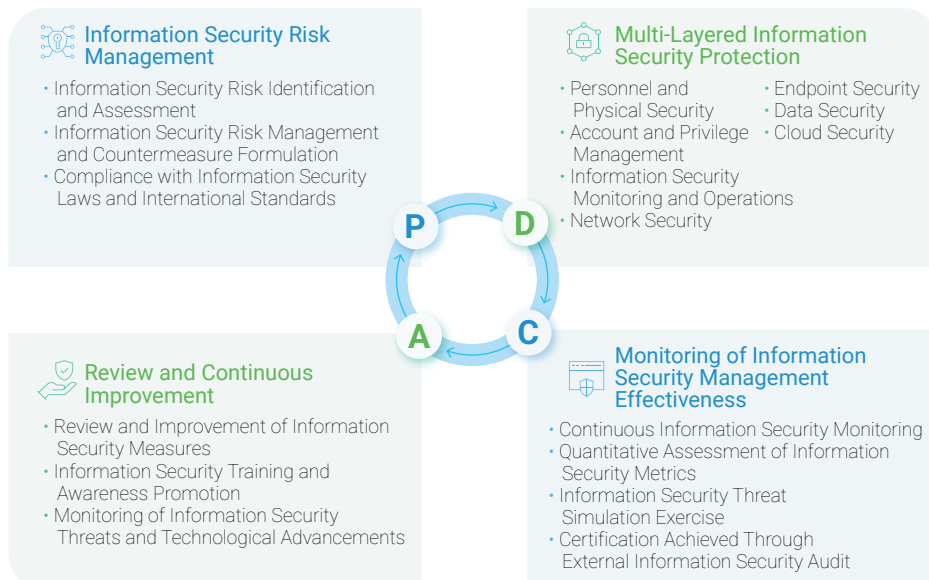
3.5.2 Information Security

Pihong continuously enhances its information security management framework and strengthens protection capabilities through the Information Security Management Committee. The Committee promotes and implements a range of information security management measures to safeguard the Company's intellectual property and customer data, raise employee awareness, and strengthen risk control mechanisms across the organization.

Information Security Strategy

Pihong has elevated Information Security to the core of Corporate Governance by implementing the ISO 27001:2022 Information Security Management System (ISMS). Through the PDCA cycle, Pihong continuously improves and integrates information security management comprehensively into its operation and risk governance mechanism. Through a three-pronged approach of systems, technology, and culture, we enhance the confidentiality, integrity, and availability of IT assets. The Board of Directors regularly oversees these efforts to raise the overall governance pillar and decision-making quality, thereby establishing a resilient information security protection system.

Pihong Information Security Strategy



The 2025 information security governance achievements are as follows:

- Adherence to International Standards** Passed the SGS annual audit, maintaining the validity of ISO 27001 certification.
- Operational resilience assurance** Establish cloud-based offsite backup and comprehensive disaster recovery mechanisms.
- Enhancement of Protection Capabilities** System replacement and upgrading to strengthen endpoint and network security.
- Deepening Information Security Culture** Regularly conduct comprehensive information security training for all employees to implement an organizational protection culture.

Pihong continues to enhance its cybersecurity technology and data management capabilities, strengthening risk control while further building customer trust and corporate competitiveness. The Company is steadily advancing towards intelligent and predictive cybersecurity governance.

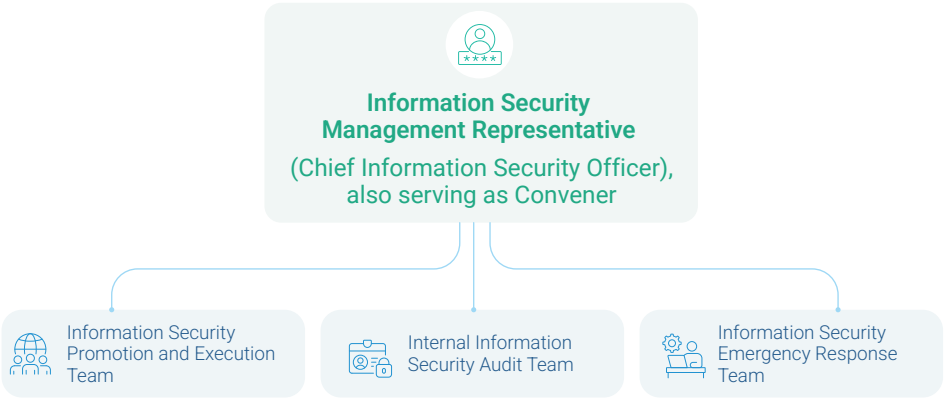


ISO/IEC 27001:2022 Information Security Management System certificate (valid until September 10, 2027)

Information Security Governance and Policy (GRI 418-1)

Pihong has incorporated Information Security into the core of Corporate Governance by establishing an internationally aligned information security management system. This ensures the confidentiality, integrity, and availability of information assets and effectively prevents unauthorized access and data leakage risks, safeguarding customer and business operation safety. The Company established the Information Security Committee in 2021, with the General Manager serving as the Chief Information Security Officer to oversee governance. In 2023, the Information Security Department was set up to strengthen policy formulation, risk management, and project implementation. Through institutionalized management reviews and risk assessment mechanisms, the department regularly reports cybersecurity performance to the Board of Directors, achieving governance pillar oversight.

Information Security Management Committee



At the same time,Pihong's cybersecurity governance framework covers dedicated units for management, audit, implementation, and response, forming a comprehensive protection system that continuously enhances corporate digital resilience. This reinforces stakeholder trust and demonstrates an international-level standard of cybersecurity governance.

Information Security Governance and Resilience Enhancement Achievements

Pihong, using ISO 27001:2022 as the core framework, has established a comprehensive Information Security Governance system. By integrating risk-oriented management and digital monitoring mechanisms, Pihong has significantly enhanced its information security protection capabilities and operational resilience. In 2025, the Company will continue to improve the three major aspects of management systems, technical protection, and personnel awareness to ensure stable business operations and stakeholder trust.

Information Security Management Architecture



Management Aspect	Management Measures
Governance (GV) GV	Monitor and evaluate the execution of information security strategies to ensure compliance with legal regula-tions and continuously optimize management mechanisms.
Identify (ID) ID	Identify information security risks, resources, and requirements, conduct risk assessments, and establish a foundation for governance.
Protect (PR) PR	Implement security controls and encryption mechanisms to prevent unauthorized access and data leakage.
Detect (DE) DE	Establish monitoring and detection mechanisms to identify anomalies and potential threats in real-time.
Response (RS) RS	Establish response procedures to swiftly handle information security incidents and reduce impacts.
Recover (RC) RC	Implement backup and disaster recovery mechanisms to ensure rapid operational recovery and continuity.

Governance Item	2025 Implementation Status	Specific Achievements
Information Security Management and Audit (GV, ID) GV ID	- Completed the ISO 27001:2022 Annual Audit, continuously maintaining the effectiveness of the ISMS. - Implement the PDCA cycle to strengthen the Type of Risk identification and continuous improvement mechanism. - Conduct regular internal and external audits to enhance system transparency and compliance.	The information security management system aligns comprehensively with international standards, and governance maturity continues to improve.
Stricter Account and Authentication Management (PR) PR	- Company-wide Implementation of MFA - Strengthen the Management Mechanism for AD and Privileged Accounts - Enhance password policy and account security standards.	Effectively reduce the risk of account breaches and weak passwords, and strengthen the protection of critical systems.
Endpoint Device and Asset Management (PR, DE) PR DE	- Fully deploy asset management tools to strengthen system and software control. - Continuously establish antivirus and endpoint detection mechanisms to effectively prevent malware and intrusion attempts. - Implement system replacement and upgrades to reduce security risks associated with system discontinuation.	Deepen Endpoint Protection Deployment to Enhance Overall Information Security Protection Strength
Information Security Alerts and Employee Awareness Enhancement (PR) PR	- Completed Information Security Training (≥2 hours) for all employees annually and continued to promote Information Security Awareness and Training, along with Information Security Month activities. - In 2025, 12 social engineering drills were conducted to strengthen the ability to recognize phishing emails.	Transition from a system-oriented approach to "protection for all employees," establishing an information security culture.
Vulnerability Management and Remediation Mechanism (PR, DE) PR DE	- Conduct weekly internal vulnerability scanning and implement remediation. - Utilize external intelligence for vulnerability identification and system upgrades to enhance overall protection capabilities.	Shorten the vulnerability patch frequency to enhance real-time protection capabilities.
Network Security Protection Upgrade (PR, DE, RS) PR DE RS	- Established a SIEM platform integrating EDR, NDR, and firewall logs. - Introduce NAC to ensure compliant equipment access. - Establish DDoS protection and a 24/7 firewall backup mechanism.	Achieve real-time monitoring, early warning, and automated response, significantly enhancing defense efficiency.
Software Development Security Management (PR) PR	- Implementation of Version Control Systems (Git/SVN) to ensure code traceability. - Implement SAST security testing to reduce application vulnerability risks. - Strengthen CI/CD Access Control and Environmental Isolation	Implement source code traceability and security testing to complete a secure development life cycle.
Information Security Incident Response and Operational Resilience (RS) RS	- Establish an Information Security Incident Reporting and Management mechanism and implement ATP monitoring. - In 2025, a DDoS attack on the outsourced hosting provider indirectly affected the Company's official website; service was restored on the same day, with no data leakage.	Demonstrating high efficiency in response capability and a record of zero data leaks.
Business Continuity and Disaster Recovery (RC) RC	- Establish cloud-based offsite backup and critical system redundancy architecture. - Annually conduct disaster recovery drills and verify backup availability.	Ensure that critical business operations are uninterrupted and comprehensively enhance corporate operational resilience.

3.6 Sustainable Supply Chain Management

3.6.1 Sustainable Supply Chain Management Governance Framework and Policy

Pihong follows the "Procurement Management Procedure" and relevant internal systems to establish a comprehensive supplier management mechanism, systematically controlling operational risks and strengthening supply chain resilience. All suppliers are required to sign the "Integrity Commitment Letter," "Confidentiality Agreement," "Environmental and Social Responsibility Commitment Letter," and "Conflict Minerals Survey" to ensure their compliance with company standards in aspects of labor rights, environmental protection, business ethics, and occupational health and safety, thereby jointly constructing a responsible and sustainable supply chain system. The key points of the Supply Chain Management Policy are as follows:



Supplier Evaluation and Risk Management:

Establish a review mechanism for new suppliers and regularly conduct performance and risk assessments of existing suppliers to ensure supply chain stability and compliance with laws and regulations.



Conflict Minerals Management:

Strictly prohibit the use of minerals from unknown sources or smelters not certified by the Responsible Business Alliance (RBA), implement responsible procurement, and ensure that raw material sources comply with international standards.



Localized Procurement:

Prioritize sourcing products and services from local suppliers to reduce transportation costs and carbon emissions, enhance supply chain efficiency, and increase resilience.



Green Procurement:

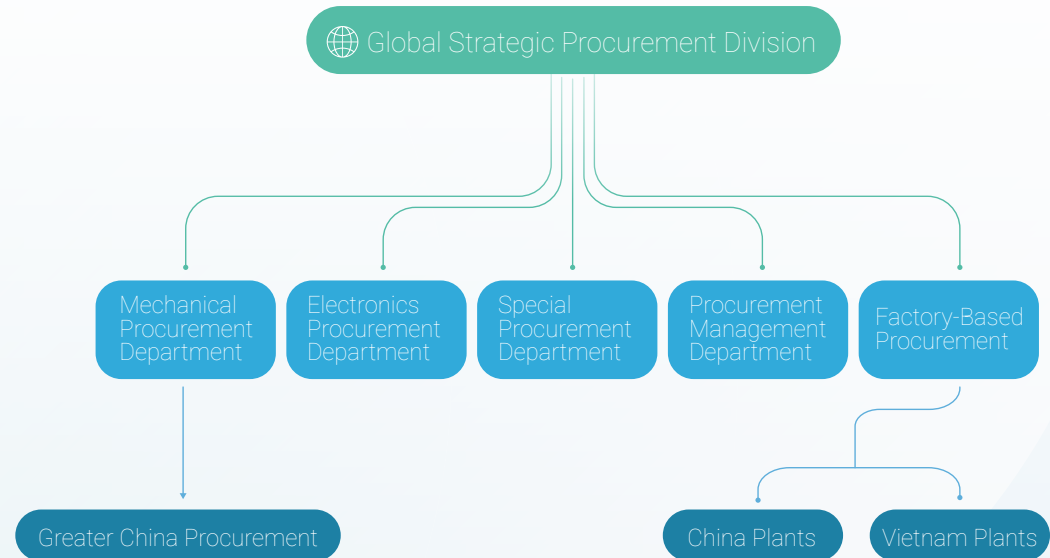
Prioritize selecting products and services that comply with environmental laws and eco-friendly standards to reduce environmental impact and promote the development of low-carbon and Circular Economy initiatives.



Supplier Sustainability Commitment:

Require suppliers to comply with local regulations and the RBA Code of Conduct, and jointly uphold labor rights, corporate ethics, and social responsibility to build a sustainable supply chain.

Global Strategic Procurement Organizational Structure



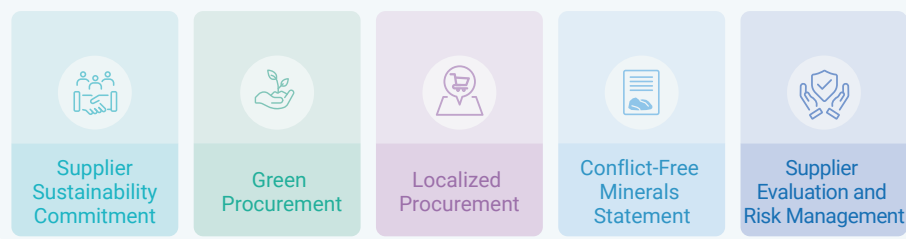
Sustainable Supply Chain Governance (GRI 206)

Pihong integrates ESG principles into the lifecycle management of suppliers, establishing a comprehensive mechanism covering introduction, assessment, audit, and improvement. This aligns with SDG 12, Responsible Consumption and Production, and implements sustainable development across the value chain. To address the expansion of overseas production capacity, the Pihong (Vietnam) plant has established a local procurement team dedicated to increasing the ratio of localized materials and strengthening supply chain resilience. The overall supply chain governance is divided into three core aspects, showcasing precise division of labor and collaboration value.

Core aspect	Key Focus on Governance	Target
Global Strategic Procurement	Development review, negotiation strategies, supplier relationships, technological collaboration.	Strategy layout and cost competitiveness
Factory Procurement	Material planning, incoming material tracking, anomaly coordination, invoicing operations.	Stable Production and Operational Efficiency
Quality Management (SQM)	Evaluation and audit, qualification review, guidance for improvement, performance enhancement	Future resilience and quality enhancement

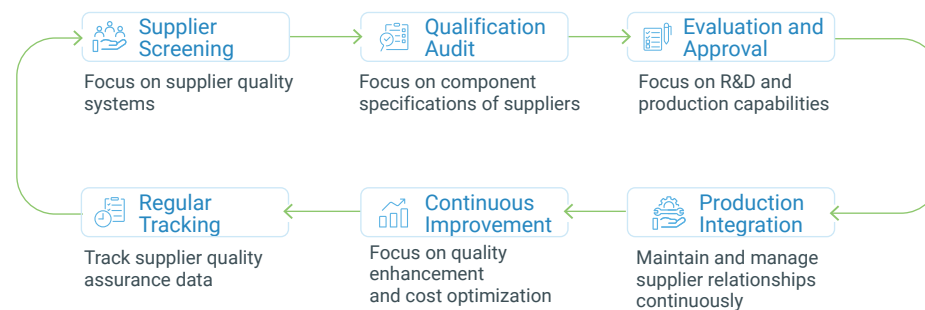


Sustainable Supply Chain Management Policy

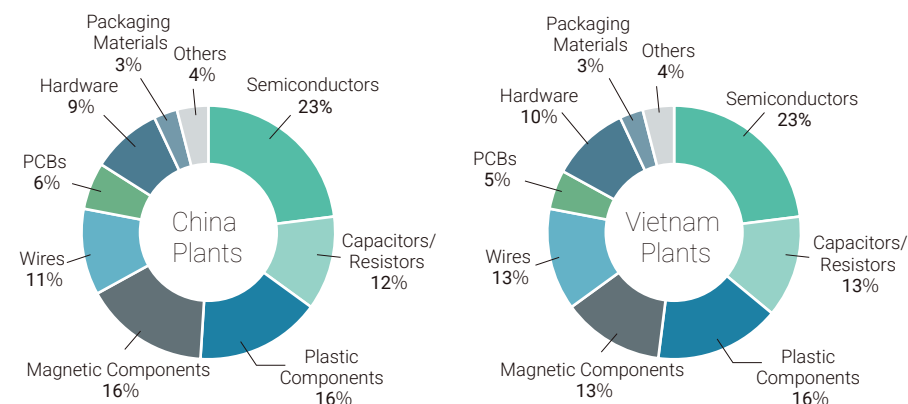


Supplier Management and Risk Control

To ensure the supply chain has stable supply capabilities, reliable quality, and sustainable resilience, Pihong has developed a systematic management mechanism that encompasses supplier admission, evaluation and grading, auditing, guidance, and continuous improvement. This mechanism includes the management scope of product quality, compliance with environmental regulations, labor and human rights, occupational health and safety, business ethics, and supply chain risks. In 2025, Pihong collaborated with approximately 550 suppliers, covering main categories such as semiconductors, capacitors / resistors, plastic components, magnetic components, and cables, which together accounted for over 70% of the total procurement amount. Among these, semiconductors were the largest category, highlighting the critical importance of managing key materials and ensuring supply stability for overall operations.



Pihong's Supply Chain Profile





New Supplier Introduction and Admission Management

Pihong prioritizes partners with international certifications during the supplier selection stage, and conducts a comprehensive review according to internal regulations before official introduction. This evaluation includes regulatory compliance, supply capability, product quality, technical ability, financial status, and corporate social responsibility management performance, to reduce supply interruptions and operational risks. The scope and depth of the assessment are adjusted based on the complexity of the procurement item, whether it involves products, materials, services, or technology. Key assessment criteria include human resources, equipment capability, manufacturing and design development capability, as well as overall execution performance in areas such as project management, change control, logistics, and customer service.

In terms of sustainability entry requirements, Pihong incorporates ESG as a core criterion in the selection and audit of suppliers. All new suppliers are required to complete the signing of the "Supplier Code of Conduct," "Integrity Commitment Letter," "Conflict Minerals Survey," "Environmental and Social Responsibility Commitment Letter," and "Confidentiality Agreement" before cooperation begins. They must also adhere to the five aspects covered by the Responsible Business Alliance (RBA): labor, health and safety, environmental protection, business ethics, and management systems. In 2025, the signing rate of the Supplier Code of Conduct by new suppliers reached 100%, demonstrating the full implementation of the supplier admission system.

Pihong requires suppliers to perform independent product inspections and provide comprehensive inspection reports. Additionally, suppliers are also required to sign the RoHS Restricted Substances Commitment Letter and the EU REACH SVHC (Substances of Very High Concern) Declaration to ensure the safety and regulatory compliance of raw materials at the source. For new suppliers, Pihong also implements a 100% pre-screening mechanism for environmental and social standards. Those assessed as having high risk concerns are not approved for engagement.



New Supplier Assessment

Quality certifications, Social responsibility
Environmental substances compliance,
Carbon emissions



Supplier Performance Evaluation

Quality performance,
On-time delivery rate
Technical capability,
Long-term price competitiveness

Supplier Evaluation and Classification Management

To continuously strengthen supplier management effectiveness, Pihong has established a regular evaluation and performance review mechanism. Every six months, a comprehensive evaluation is conducted for core suppliers, covering operational risk management, environmental protection, labor and human rights, occupational health and safety, quality performance, delivery commitment, technical capability, and collaboration. The results serve as important references for subsequent procurement decisions, partner selection, and resource allocation.

In addition to performance evaluations, Pihong also conducts risk identification and tiered management for key materials, critical equipment, and important suppliers through supplier self-assessments, questionnaire collection, and internal review mechanisms. For materials or suppliers identified as high risk, in addition to increasing the safety stock levels, an early warning system is established to continuously monitor inventory and supply changes. At the same time, supply contracts include force majeure clauses, substitute material specifications, and emergency procurement procedures to enhance supply chain response capabilities and operational resilience.

Key Material Risk Management Assessment (SASB RT-EE-440a.1)

Pihong employs a proactive risk management mechanism for key material and equipment suppliers. Through supplier self-assessment questionnaires and internal reviews, potential supply risks are identified and tiered control measures are implemented. For high risk materials, increase the safety stock levels and establish an early warning monitoring system to ensure supply stability.

At the same time, supply contracts include force majeure clauses, substitute materials, and emergency procurement mechanisms to strengthen response capabilities; and by coordinating flexible sales terms with customers, reduce the risk of delivery delays. Overall, Pihong continues to strengthen supply chain resilience and operational stability.



Procurement

Key Components	Risk Types	Strategic Measures	Common Measures
Semiconductors	- Excessive order volume - In-plant inventory	- Strengthen control over excess inventory - Monitor supplier status for special-use materials	- Conduct price negotiations - Establish a cross-functional project team to strictly control production order quantities - Coordinate order cancellations or delays
Plastics	- Supplier production reduction or shutdown - Slower inventory turnover	- Regularly verify inventory levels at injection molding factories - Regularly verify production capacity changes at material suppliers	
Hardware and Wires	- Supplier workforce adjustment - Raw material overstock	- Regularly assess supplier workforce changes - Regularly verify material inventory at supplier sites	
PCB	- Supplier workforce reduction - Decreased raw material supplier capacity	- Regularly assess supplier workforce changes - Regularly verify production utilization at original manufacturers	

ESG Risk Management and Key Topic Control

Phihong manages supply chain sustainability risks in a systematic manner, continually enhancing supply chain governance effectiveness through measures such as ESG audits and guidance, sustainability performance evaluation, local procurement management, environmental performance promotion, and education and training. The management focuses include: prioritizing audit coverage and corrective action for key and high-risk suppliers, monitoring supplier structure and the proportion of local procurement, promoting packaging material reduction and recycling, and enhancing suppliers' capacity building in aspects such as greenhouse gas inventory, product carbon footprint, and RBA guidelines.

In terms of Conflict Minerals Management, Phihong follows the spirit of the RBA and OECD Due Diligence by publicly disclosing the "Conflict Minerals Management Policy" on the supplier communication platform. New suppliers are required to sign the "Conflict Minerals Commitment Letter" before obtaining qualification. Both new and existing suppliers must submit a "Conflict Minerals Survey" whenever there is a change in smelter usage. The Company conducts a 100% review to verify that all mineral sources come from RBA-certified compliant smelters. If non-compliance is identified during the review, suppliers must immediately remove and cease using the relevant smelters to reduce conflict-mineral and human-rights risks.

In terms of Integrity Management, Phihong clearly specifies anti-corruption and anti-bribery policies for procurement personnel and suppliers to reduce the risks of inappropriate gifts and quid pro quo in the procurement process. In the 2025, there are a total of 180 core suppliers, of which 90% have signed the "Integrity Commitment Letter," continuously strengthening the foundation of integrity management and governance in the supply chain.

Phihong's Conflict Minerals Management

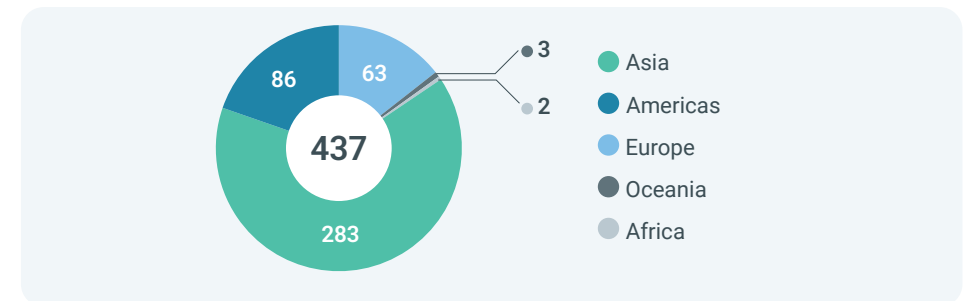
Conflict Minerals Policy

- Comply with the standards of the RBA and GeSI
- Avoid the use of conflict metals from the Democratic Republic of the Congo and its neighboring countries

Mandatory Forms for New Suppliers

- Conflict Minerals Commitment Letter
- Conflict Minerals Survey

Phihong's Supply Chain Smelter Distribution Diagram



Supply Chain Sustainable Management and Counseling Performance

Phihong Technology Co., Ltd. integrates the SQM, Technology, and Procurement teams to implement real-time management of "actual site, actual situation, and actual condition." Through audits and a closed-loop improvement mechanism, it comprehensively enhances quality, environment, health and safety, and social responsibility.

1. Supplier Audits and Evaluation Achievements

In 2025, through institutionalized reviews, Phihong ensured supplier management maturity meets international standards.

- Result of Phihong's New Supplier Quality System Audit (QSA): Conducted 28 times, 21 were qualified, achieving a pass rate of 75%.
- Qualified Supplier Audits (QPA): Conducted 101 times, covering HSF, annual audits, and process guidance.

Result of Phihong's New Supplier Quality System Audit (QSA)

Item	Qualified Suppliers	Disqualified / Sus-pended Suppliers
No. of Suppliers	21	7
Ratio	75%	25%

Note: Disqualifications and suspensions were not due to CSR issues

Result of Phihong's Quality Process Audit (QPA)

Audit Type	Total Result	Total	%
RBA Audit	Pass	11	11%
QPA & HSF Audit	Pass	31	31%
QPA Audit	Pass	8	8%
Annual Audit	Pass	44	43%
New Material Pro-cess Audit	Pass	4	4%
Supplier Guidance	Pass	3	3%
Total		101	100%

2. RBA audits and risk control

Conduct on-site RBA audits for key ESG suppliers, with 11 completed in 2025. The scope covers labor, environment, health and safety, business ethics, and management systems.

- Compliance Achievement: None of the evaluated suppliers exhibited significant violations such as Forced Labor or child labor, nor were there any significant negative environmental impacts.
- Improvement Tracking: Establish a closed-loop mechanism for deficiencies related to work hours, RBA training, and Waste Management, requiring closure within 2 months to ensure timely risk correction.

3. Supply Chain Capability Building and Resilience Enhancement

Phihong is committed to enhancing partners' sustainability capabilities through digital training and multidimensional management, aiming to establish a highly resilient and responsible supply chain:

- ESG digital training: Promote courses covering five major topics, including sustainable strategy, RBA guidelines, conflict minerals, and green management. In 2025, a total of 75 key suppliers completed training and testing, establishing a common language within the supply chain.
- Comprehensive Resilience Mechanism: Integrating admission audits, risk grading, audit guidance, Integrity Management and Governance, and material control to fully implement responsible procurement and Sustainable Governance.



Selection

Based on ESG risk assessment results, high-risk and key suppliers are selected for inclusion in RBA audits.



Audit

Conduct audits according to the five aspects of the RBA (labor, health and safety, environment, ethics, management systems), identify non-conformities, and implement the zero-tolerance principle for forced labor and child labor.



Improvement

Require suppliers to complete corrective actions within a specified period and continuously monitor progress. For those who fail to meet improvement requirements, actions such as suspension or termination of collaboration will be taken based on the risk level.

Supplier RBA Audit Improvement Aspect and Enhancement Measures (2025)

Aspect	Key Risk Topics	Improvement Strategies and Measures		Effectiveness Tracking Mechanism
Human Rights and Labor Protection	Weekly total working hours (including overtime) exceeded 60 hours during peak season	Enhance Working Hours Governance and Efficiency Improvement	- Establish a documented and systematic overtime control mechanism, strengthen training for management personnel, and ensure compliance with regulations. - Recruit additional staff according to actual operational needs to reduce the risk of overtime. - Improve efficiency through skill training and process optimization (automation and lean manufacturing).	- Track deficiencies using the SQE audit report format. - Require suppliers to prepare improvement plans and submit them for review. - The audit team evaluates the effectiveness of the improvement, aiming to close all cases within two months.
Deepening of RBA Management	Insufficient awareness of RBA requirements and no dedicated audit personnel.	Construct institutionalized governance capabilities.	- Set up an RBA training plan to enhance all employees' understanding and awareness of RBA standards. - Appoint a specialist to regularly track version updates and ensure timely implementation. - Enhance the training and supervision of internal and external audit personnel.	- Regularly review the effectiveness of training and implementation. - Include Supplier Audits and Management Evaluation
Extension of Supply Chain Responsibility	Tier-2 suppliers have not signed the RBA Commitment Letter.	Implement Tier-2 Supplier Management	Establish an RBA Commitment Letter mechanism, requiring suppliers to sign and regularly update the version.	Regularly check the signing status and document validity.
Implementation of Social Responsibility	Lack of Employee Social Responsibility Training Program	Comprehensively enhance employees' sustainability awareness.	Incorporate Education and Training into the annual training plan and have the Responsible Department track the completion rate.	Regularly review the effectiveness of training and implementation and coverage rate.
Occupational Health and Safety	The hazardous waste storage area lacks a zoning map, which does not comply with regulations.	Strengthen regulatory compliance and on-site management.	- Establish and post "hazardous waste zoning signage" - Regular inspections are conducted by EHS (Environment, Health, and Safety) personnel to ensure compliance with standards and safety requirements.	- Weekly inspections are conducted, and the results are documented. - Immediate improvement of anomalies and tracking

Supply Chain ESG Digital Governance

Pihong has introduced a PDCA digital governance framework, utilizing data-driven and automated audits to comprehensively enhance supply chain resilience. The system effectively reduces audit manpower and time by 60%, achieving efficient and precise sustainable management.

1. PDCA Closed-Loop Management Mechanism

- Plan: Establish standardized sustainability indicators and risk assessment mechanisms.
- Implementation (Do): Introduced an ESG digital system to promote online reporting by suppliers and automated verification.
- Check: Using a 0–100 Quantitative Model for Risk Classification: Low Risk (80–100), Medium Risk (60–79), High Risk (59 or below).
- Action: Initiate on-site/remote audits for medium-to-high risk Target Participants and implement Improvement guidance.

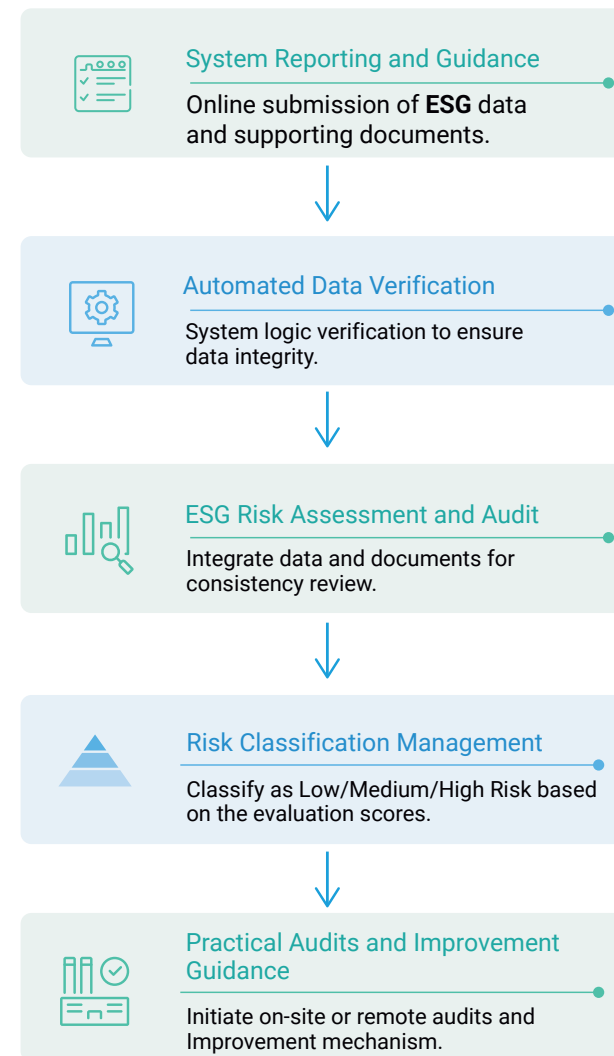
2. Core Effectiveness of Digital Governance

- Efficiency Improvement: Automating logic checks replaces manual reviews, significantly reducing operational costs and human errors.
- Data Asset: Accumulate a standardized ESG database to strengthen supply chain risk forecasting capabilities.
- Precise Governance: Allocate management resources according to risk levels to ensure supply partners meet international ESG standards.

Phihong's Supply Chain PDCA Closed-loop Management Mechanism

Stage	Core of Management	The specific measures are as follows:	Effectiveness of Digital Governance
Plan	Institutional Construction	Establish a framework for sustainability indicators and evaluation mechanisms, laying the foundation for risk management standards.	Ensure data standardization to avoid human judgment bias.
Implementation (Do)	Digital Integration	Introduce ESG Risk Assessment system to promote online reporting by suppliers and asset digitization.	Real-time and traceable data; strengthen suppliers' digital management awareness.
Check	Identify Risks	Introduced logical verification Technology for automated reviews; established a 0-100 Quantitative scoring model for risk classification.	Save approximately 60% of audit manpower and time; accurately identify high-risk target participants.
Action	Hierarchical Governance	Initiate on-site/remote audits for medium-to-high risk Target Participants and implement Improvement guidance.	Implement differentiated management; assist partners in meeting international ESG standards.

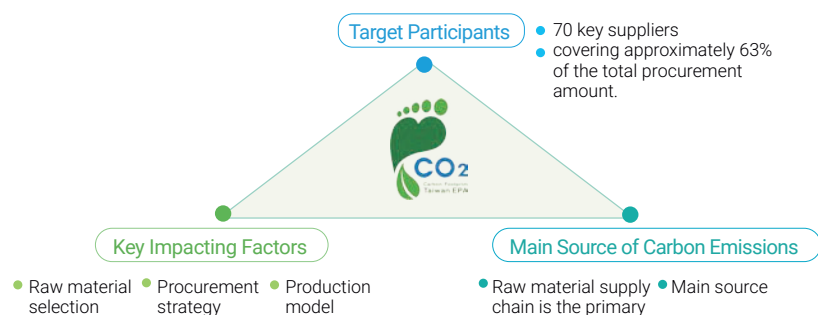
Digital Supply Chain ESG Management Process



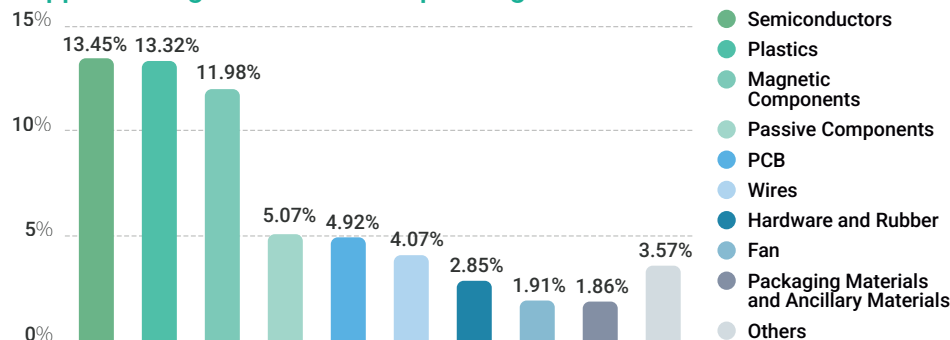
Low carbon and Sustainable Supply Chain promotion

Pihong continued to deepen its supply chain carbon management mechanisms with a focus on "data transparency" and "supplier capacity building" in 2025. Through systematic implementation project guidance, assist suppliers in establishing Greenhouse Gas Inventory capabilities, enhancing the integrity, consistency, and comparability of carbon data, and gradually improving the overall maturity of supply chain carbon management. At the same time, Pihong is actively promoting low-carbon transformation, strengthening the carbon reduction collaboration mechanism with suppliers. This shifts carbon management from isolated demands to a systematic approach, laying a solid foundation for achieving future Scope 3 reduction targets. The related achievements are shown in the image on the right.

Supplier Carbon Footprint Assessment Initiative

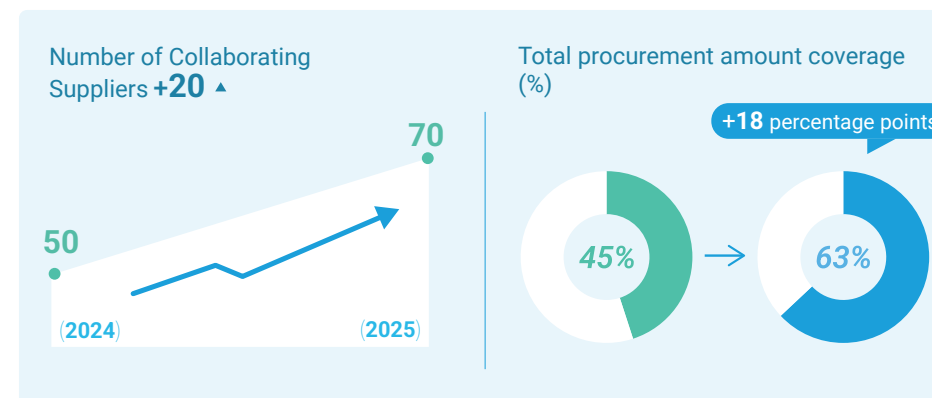


Supplier Categories and Corresponding Procurement Ratios



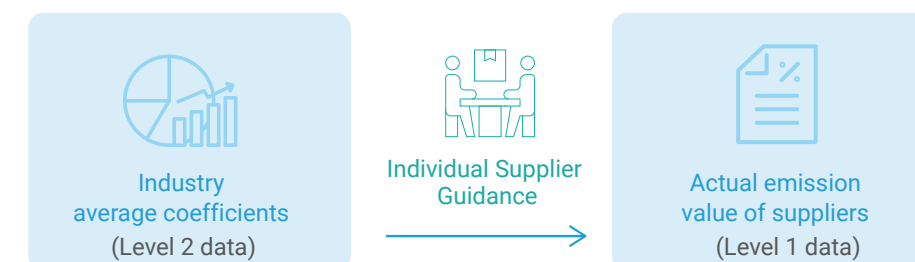
Improvement in Scope of Inventory and Data Coverage

In 2025, the scope of supply chain assessment continuously expanded. The collaborating suppliers increased from 50 to 70, with the procurement amount coverage rate rising from 45% to 63%. As the scope of data collection expands, the company can more comprehensively grasp supply chain environmental data, serving as an important basis for establishing carbon baselines and assessing environmental risks, thereby further strengthening the foundation for sustainable decision-making.



Optimization of Data Quality and Level 1 Data Integration

To enhance data credibility, Pihong actively promotes the adoption of Level 1 data by key suppliers. Through phased guidance and clear directives, support suppliers in reporting actual operational emissions information, gradually reducing reliance on industry average coefficients (Level 2 data). Overall, the willingness and completeness of suppliers in reporting Level 1 data have significantly improved, and the quality of data continues to be optimized.





Supply Chain Sustainability Transformation and Localization Strategy

Phihong regards suppliers as key partners in achieving the 2050 net-zero emissions target. Through a collaborative model in which large enterprises support smaller ones, Phihong assists partners in internalizing sustainability concepts as business advantages to build a competitive low-carbon ecosystem.

1. Supply Chain Low Carbon and Sustainability Seminars and Empowerment

In 2025, Phihong successfully held the "Supply Chain Low Carbon and Sustainability Seminar," inviting 10 key suppliers to participate deeply, achieving significant results from strategy alignment to practical application:

- **Certification Alignment for Carbon Management:** Successfully encouraged suppliers to plan the adoption of ISO 14064-1 (Organizational Carbon Inventory) and ISO 14067 (Product Carbon Footprint) certifications.
- **Practical Capability Enhancement:** Provide professional guidance to assist partners in defining inventory boundaries and accurately calculating the product carbon footprint. This significantly enhances employees' professional understanding of RBA standards and international carbon standards.
- **Co-create a green energy ecosystem:** Assist companies in identifying major energy-consuming equipment, applying energy-saving equipment, and promoting the adoption of solar power. In the future, the Company will continue to guide partners in planning ISO 14068-1 carbon reduction pathways to steadily move towards a low-carbon transformation.

Supply Chain Low Carbon and Sustainability Seminars

Topic: Deepening Supply Chain Resilience and Collaborating to Achieve Net-Zero Transformation

- Held the "Supply Chain Low Carbon and Sustainability Briefing" in **2025**.

- Invited **10** key suppliers, with a total of **20** participants.

Strategy 1



Sustainable Operations Alignment

- Net Zero Vision and Commitment
- ESG Weight and Requirements

Strategy 2



Strengthen practical capabilities

- Greenhouse Gas Inventory
- Product carbon footprint implementation

Strategy 3



Collaborate to Create a Sustainable Ecology

- Guidance to Enhance Resilience
- Collaborate to Create a Sustainable Supply Chain

Supplier Management Requirement Topic



ISO 14064-1
Greenhouse Gas Inventory



ISO 14067
Product carbon footprint



RBA Code of
Conduct



ISO 14068-1
Carbon Neutrality Standards

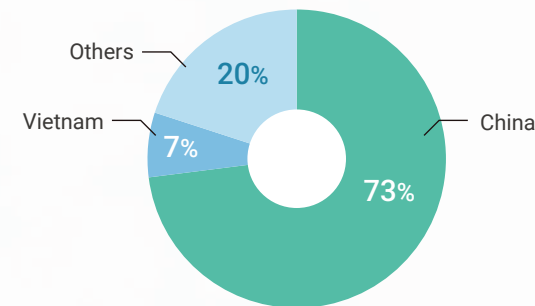
..... Strengthen Carbon Management Collaborate to Create a Sustainable Future

2. Local Procurement Strategy and Carbon Reduction Benefits (GRI 204)

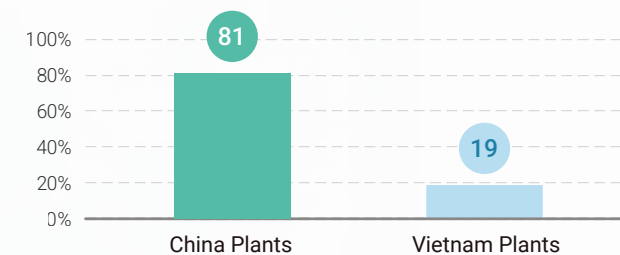
Phihong reduces operational risks and implements a green supply chain by strengthening its "Local Procurement" strategy. The specific benefits include:

- **Carbon Reduction in Logistics:** Prioritize selecting suppliers near production sites, with newly introduced mechanical and electronic components based on the principle of being within a "2-hour drive from the plant," significantly shortening transportation distances and reducing carbon emissions from logistics.
- **Performance and Deployment:** In 2025, the local procurement proportion in China is the highest; meanwhile, the Vietnam plants actively promote the introduction of locally sourced components, continuously increasing the procurement rate while also promoting local employment.
- **Maximize Economic Benefits:** If overseas procurement is necessary, optimizing delivery schedule planning and consolidating shipments effectively reduces procurement and supplier costs, achieving a win-win target for environmental protection and economic benefits.

2025 Regional Breakdown of Procurement Value



Phihong's Localization Procurement Ratio in 2025



Component Compliance and Packaging Material Reduction

Pihong is committed to building a green supply chain by implementing strict substance monitoring and resource recycling mechanisms, ensuring that products meet environmental sustainability standards from raw material sourcing to packaging and transportation.

1. International Standards Synchronization and Material Restricted Substance Management (GRI 308)

We have established a real-time regulation detection mechanism to ensure that products fully comply with international environmental guidelines:

- Regulation Benchmarking: Closely monitor the latest standards such as RoHS 2.0, REACH SVHC, Halogen-Free, and SONY SS-00259, and simultaneously update internal control documents.
- Information transparency: The latest control standards are instantly published through the supplier communication platform, and prominent reminders are set in the environmental documentation system to ensure suppliers are informed about prohibited and restricted substances updates.

Rigorous approval process: During the material approval stage, suppliers must upload valid third-party test reports (such as SGS/ITS) and environmental guarantees to ensure 100% compliance with regulatory requirements.

2. Resource Circulation Practices: Packaging Material Recycling and Reduction

Pihong collaborates with suppliers to implement "source reduction, recycling, and reuse" in logistics and packaging processes:

- Packaging optimization: Promote the strategy of transitioning from small to large packaging, significantly reducing the consumption of packaging materials. Prioritize the use of eco-friendly materials in the design phase and adhere to the principle of streamlined packaging.
- Circular System: Focus on the implementation of Recycling & Reuse of blister trays, cartons, and plastic barrels. By monitoring the monthly recycling rate and target achievement rate, we conduct root cause analysis and implement continuous improvement for abnormal items.
- Environmental Benefits: Through a robust recovery mechanism, effectively minimize solid waste generation while reducing packaging material costs, achieving a win-win target for economic value and Environmental Protection.

Promoting Supplier Packaging Recycling Performance



Packaging Material Recycling

- ✓ Optimize packaging design with easily recoverable materials.
- ✓ Collaborate with suppliers to enhance packaging recycling rates, etc.



Reusable Carriers

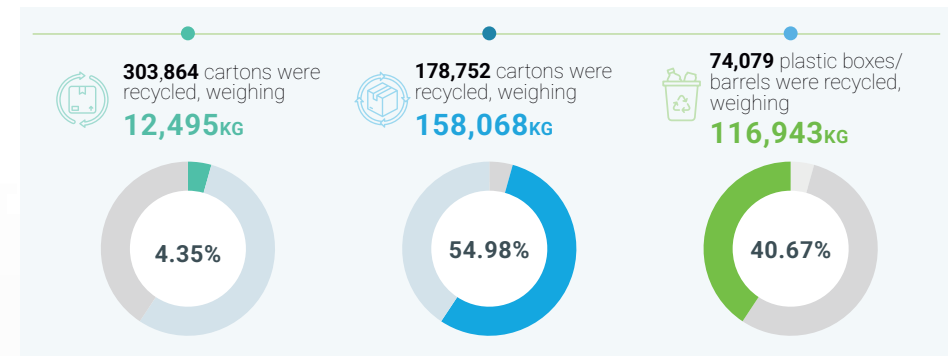
- ✓ Adopt reusable carriers, such as plastic crates
- ✓ Establish and improve the plastic barrel recovery system to enhance usage rate.



Plastic Barrel Recovery and Reuse

- ✓ Develop efficient cleaning for the reuse of plastic barrels.
- ✓ Strengthen the recovery of disassemblable and durable plastic barrels.

In **2025**, a total of **556,695** units of packaging materials were recovered, with a total weight of **287,506 kg**.

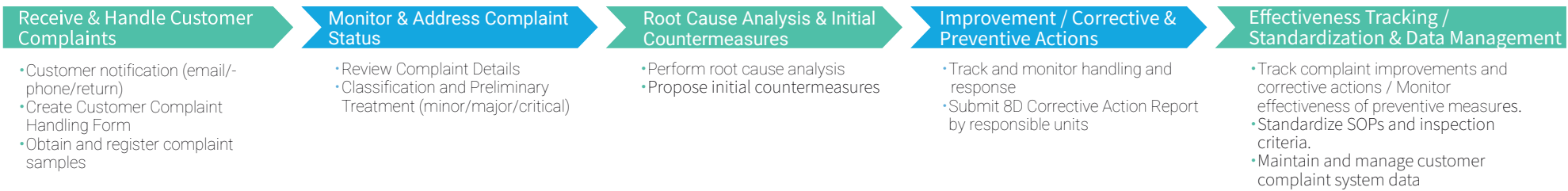


3.6.2 Customer Relationship Management

Customer Service

Phihong Technology Co., Ltd. values the Voice of Customers (VOC) and has established a "Customer Feedback Handling Procedure" to ensure that feedback is addressed promptly and appropriately by designated responsible units. A Customer Quality Service (CQS) unit is established, and a cross-functional customer service team comprising personnel from sales, quality assurance, and technical departments provides complaint handling, RMA repair services, and technical support. Through customer visits, factory tours, phone and email communications, international exhibitions, and annual customer satisfaction surveys, we continuously gather customer needs and feedback, which serve as key bases for product and service improvements.

Customer Complaint Handling Process



Customer relationshipand satisfaction management

Phihong conducts an annual satisfaction survey targeting core customers, covering six major aspects: service, R&D, quality, delivery, hazardous substance-free compliance (HSF), and ESG, as a core basis for optimizing product design and strengthening market competitiveness.

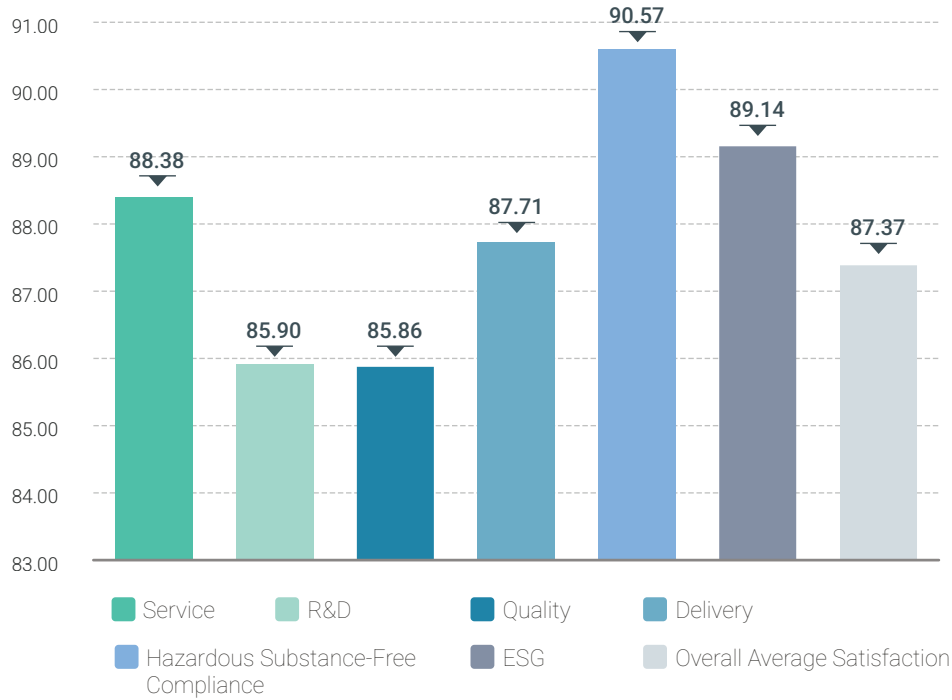
Satisfaction Evaluation:The 2025 survey results showed that both the parent and subsidiary companies performed better than the industry average. Customers express high recognition and strong trust in Phihong's Hazardous Substance Management, ESG practices, and professional services.

Improvement and Outlook:In response to customer feedback, emphasis will be placed on strengthening the management of new product development scheduling and sample delivery lead times. By optimizing project processes, organizational agility will be enhanced to accurately respond to market demands and achieve mutually beneficial partnerships.

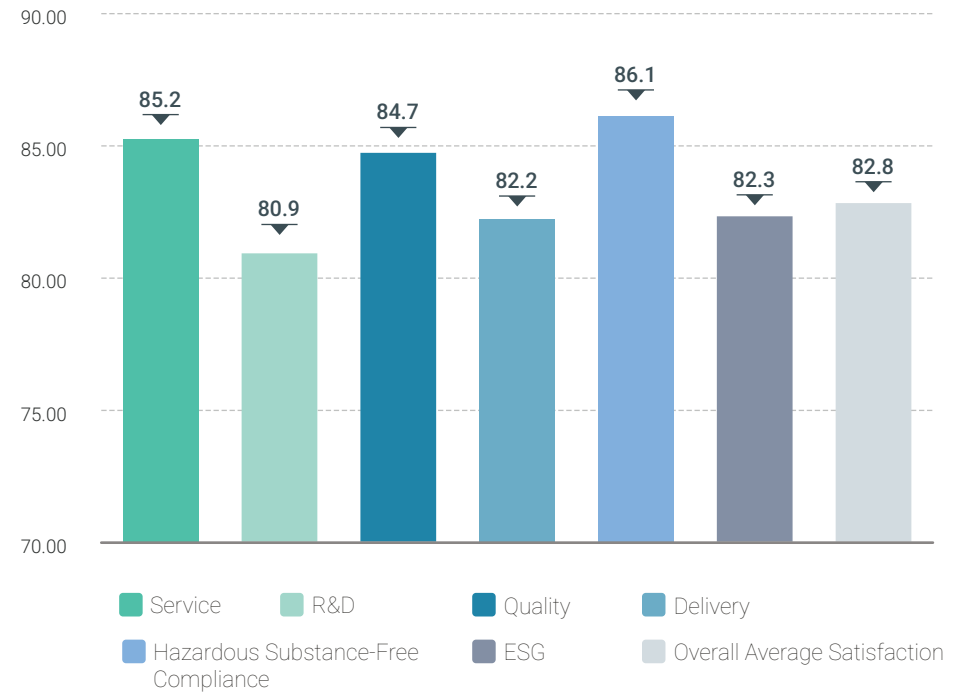
2025 Customer Satisfaction Survey Performance Overview

Category	Key Performance Indicator	Phihong Technology Co., Ltd.	Zerova
Survey Foundation	Response Rate	100% (35 distributed / 35 returned)	100% (18 distributed / 18 returned)
	Covered aspects	Service, R&D, quality, delivery, hazardous substance-free compliance (HSF), ESG.	
Performance	Overall Satisfaction	87.4%	83.5%
	Yearly changes	Significantly increased by 6.56% com-pared to 2024.	Continuous growth, exceeding last year's achievement by 1.08%
	Market Benchmarking	4.13% higher than the industry average (83.2%)	Surpassing the industry average (72.9%) by as much as 10.6%
Core assessment	Advantageous Item	Hazardous substance-free compliance (HSF), ESG, service, delivery	Product Quality, Professional Services
	Items to Be Improved	Sample development lead times, and new product development scheduling.	New product development and research progress.
Subsequent Actions	Management Countermeasures	Strengthen project management on the development end and optimize R&D schedule planning.	Continuously enhance R&D efficiency, aligning with the development needs of international customers.

Customer Satisfaction (Phihong)



Customer Satisfaction (Zerova)



Customer Satisfaction in the Past 3 Years (Phihong)

Year	2023		2024		2025	
	Phihong	Industry Average	Phihong	Industry Average	Phihong	Industry Average
Response Rate	100 %	–	100 %	–	100 %	–
Customer Satisfaction	81.9 %	78.3 %	80.8 %	77.3 %	87.4 %	83.2 %

Customer Satisfaction in the Past 3 Years (Zerova)

Year	2023		2024		2025	
	Zerova	Industry Average	Zerova	Industry Average	Zerova	Industry Average
Response Rate	100 %	–	100 %	–	100 %	–
Customer Satisfaction	80.00 %	78.30 %	82.42 %	73.02 %	83.5 %	72.9 %

Customer Privacy Protection (GRI 418)

Phihong adheres to the spirit of "Upholding Integrity and Strict Confidentiality" by aligning with regulations such as the EU GDPR and establishing a rigorous privacy protection system. Through cross-department collaboration and digital management, we ensure that customer information, product technology, and intellectual property are fully protected.

- **Decentralized Management and Responsibility Mechanism:** The Information Department is responsible for system security and access control; Business and Legal Units implement data maintenance and contract review; the Document Control Center is specifically responsible for tracking external documents, building multiple lines of defense.
- **Compliance and Confidentiality Obligations for All Employees:** All employees (including contractors) are required to sign a confidentiality agreement upon joining and regularly undergo IT security training and corporate ethics education. Unauthorized disclosure of information is strictly prohibited.
- **Technology Protection and Response System:** Continuously upgrade information security hardware and establish proactive detection and reporting channels. Phihong adopts a zero-tolerance policy toward violations of privacy, ensuring the integrity of prevention, audit, and handling mechanisms.

Phihong Customer Privacy Protection Management System

Category	Governance Item	Specific Implementation Details and Mechanisms
Governance framework and guidelines	The highest guiding principles	In accordance with local regulations at its operating locations and the EU General Data Protection Regulation (GDPR), Phihong has established the Information Processing and Customer Data Protection Procedures.
	Commitment Target Participants	Covering all group employees, subsidiaries, suppliers, contractors, and external consultants.
Organizational Duties	Information Department	Responsible for website maintenance, system account management, data access control, and cybersecurity hardware protection upgrades.
	Business Department	Responsible for maintaining and updating customer data, utilizing a strict "authorized access only" policy.
	Legal Affairs Office	Responsible for contract (procurement / sales / confidentiality) review, seal management, and system updates and maintenance.
	Document Control Center	Responsible for the registration, tracking, and version updating and maintenance of external customer documents.
Protection Management Mechanism	Employee Confidentiality Obligations	New employees 100% complete integrity guidelines training and sign the "Intellectual Property Rights and Confidentiality Agreement."
	Technical Document Control	According to the "Technical Document Control Measures" and other procedures, product technology and intellectual property information are properly safeguarded.
	Information Security Upgrade	Regularly conduct privacy protection training and simultaneously upgrade information security soft-ware and hardware.
	Reporting and Sanctions	A dedicated grievance hotline and email are set up, adopting a zero-tolerance policy toward violations of privacy.
Governance Performance	Major case	The 2021 confidential charging pile data leak case was proactively detected and reported by the Information Department, and it was successfully resolved in 2025.
	2025 Performance	Recorded zero incidents of customer complaints, or privacy breaches, or data loss in 2025.

Privacy Protection Hotline

03-3277288#1340

Privacy Protection Email

Charles_Wang@phihong.com.tw



INNOVATION

4 Low-carbon design and quality commitment

- 4.1 Key Performance Indicator
- 4.2 Green R&D and Innovation
- 4.3 Design low-carbon products
- 4.4 Transitioning to a circular economy
- 4.5 Product Quality and Safety

4.1 Key Performance Indicator



R&D and Innovation

- ✓ The **D-Series Novae Power** Smart DC Fast Charging Piles received recognition with the International **iF** Design Award in **2025**.
- ✓ Deepening the **E-Mobility** deployment, received the **2025** Year Excellence Supplier Award from an American customer.



Low-carbon design

- ✓ The standby power consumption of the **300W** model has been reduced to **130mW** (industry high standard).
- ✓ Multi-functional design (reducing plastic use by **60%** and packaging materials by **50–70%**).
- ✓ PV, energy storage, and charging integration (**PV** + energy storage + charging).



Circular Economy

- ✓ Modular product design extends lifespan by **20–30%**.
- ✓ Packaging materials recycling and reduction (**30–50%** weight reduction).



Product Quality and Safety

- ✓ Zero major violations / zero product safety incidents.
- ✓ High Recycling Rate Design (up to **95.73%**).
- ✓ Global multi-certification layout (**UL**, **CE**, **Energy Star**, **EV Ready**, etc.).

Target Management and Performance

Material Topic	Performance Indicator	2025 Achievements		Future Targets			 SDGs Practice
		Target	Achievement	Short-Term (2026)	Mid-Term (2028)	Long-Term (2030)	
Innovation and R&D	Enhance the performance of the entire range of power supply products.	60% of products implemented GaN Technology, reducing power consumption to 130mW.	60% of products implemented GaN Technology, reducing power consumption to 130mW.	60% of products implemented GaN Technology, reducing standby power consumption to 120mW.	All products implemented GaN Technology, reducing standby power consumption to 100mW.	All products implemented with efficiency over 92.0%, reducing standby power consumption to 100mW.	 Goal 12: Responsible Consumption and Production
	Product Responsibility: Zero major violations / zero product safety incidents.	Zero major violations / zero product safety incidents.	Zero major violations / zero product safety incidents.	Zero major violations / zero product safety incidents.	Zero major violations / zero product safety incidents.	Zero major violations / zero product safety incidents.	

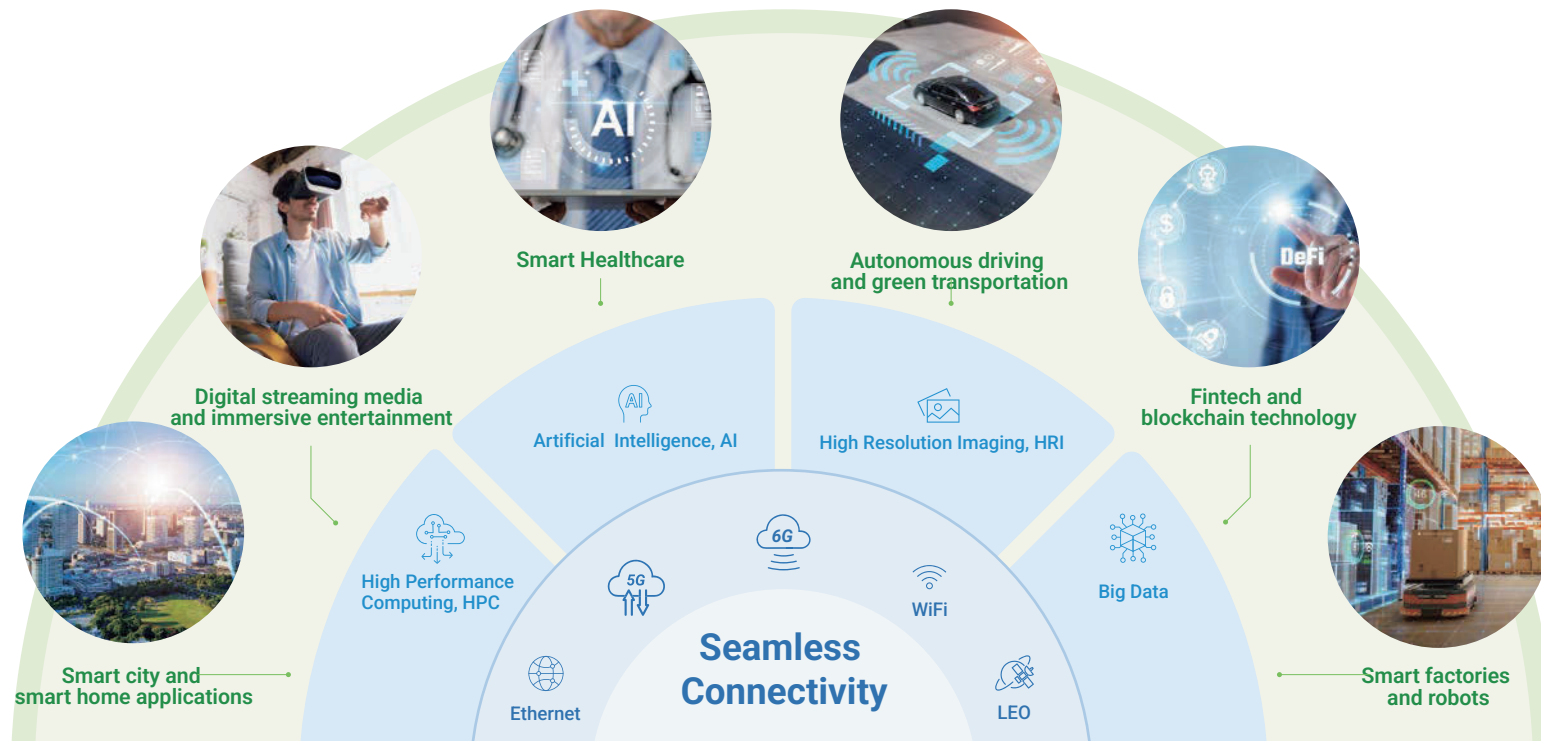
4.2 Green R&D and Innovation

4.2.1 Green Innovation Drives the Future

Amidst the global wave towards net-zero carbon reduction, countries are actively promoting green energy and low-carbon transition policies. Phihong Technology Co., Ltd. has a Long-Term commitment to the R&D and manufacturing of high-performance power supplies, focusing on 6 key industry areas, continuously using innovative technology in response to energy transitions and market demands. The subsidiary, Zerova, is dedicated to providing comprehensive customized electric vehicle charging solutions, integrating software and hardware systems to create intelligent charging applications. This approach opens up a new generation of charging models, further accelerating the global adoption of electric vehicles and achieving the goals of low-carbon sustainable development.

Building on its existing power technology, Phihong continues to expand its diverse lineup of high-performance products. The offerings include high-efficiency compact power adapters, smart battery chargers, PD (Power Delivery) power applications, as well as jobsite radios, home-use medical devices, aesthetic medical equipment, robotics, and electric bicycles (e-bikes). Through product performance enhancement and energy-efficient design, balance customer needs with Environmental Sustainability to create a competitive green product ecosystem.

Focusing on 6 Key Industry Areas

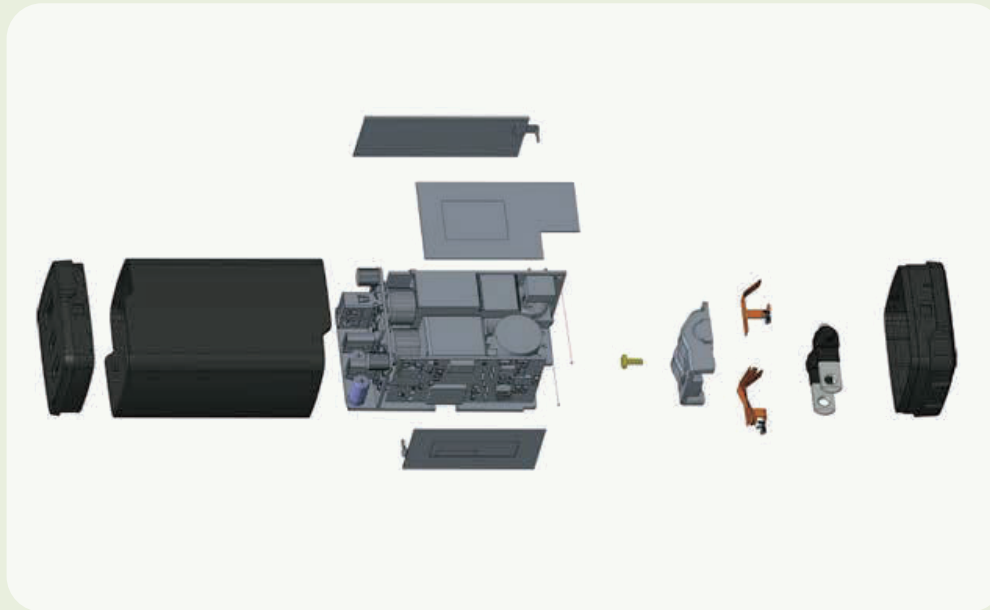


High-Efficiency Power Technology

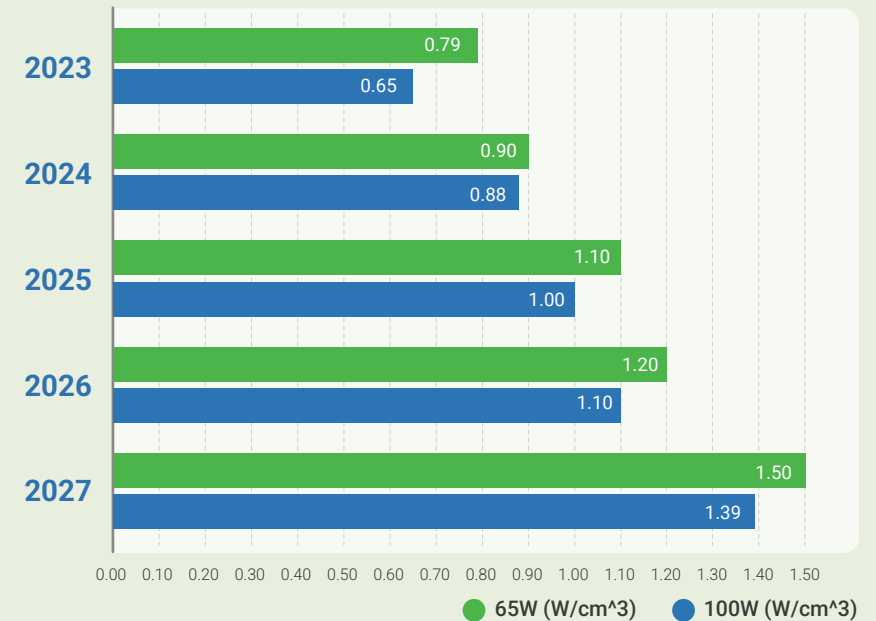
Phihong's core R&D targets are improving energy efficiency and reducing product environmental impact. In response to the increased power demand of end devices, the traditional design of stacking components to enhance output can easily lead to an increase in size, materials, and heat loss, affecting efficiency and product lifespan. For this reason, Phihong introduced an innovative design that concurrently integrates high power density and high efficiency from the early development stages of the PD 65W–100W (2C1A) power adapters.

Phihong integrates the power stage, control circuit, and magnetic components through a 3D stacked architecture, effectively shortening the current path and reducing loss. Under the same output conditions, product volume is reduced by approximately 59% compared to traditional designs, and material usage and process energy consumption are simultaneously decreased. In terms of key components, the introduction of third-generation Gallium Nitride (GaN) semiconductors offers advantages of low loss and high-speed switching, enhancing overall conversion efficiency by approximately 1-2%, reducing component temperature rise, and extending product lifespan. In addition, through intelligent USB PD control and dynamic power distribution, power supply can be adjusted in real-time according to the output demand of 2C1A, preventing energy waste. Overall, while enhancing performance, this product also showcases Phihong's ability to implement sustainable development through technological innovation.

3D stacked architecture



Growth trend of multi-output power density(2023-2027)



New Master-Slave Intelligent Charger (i-Charger)

In response to the market's demand for high-efficiency, safety, and intelligent charging, Phihong, leveraging its battery charging patents and comprehensive software/firmware R&D capabilities, launched the "i-Charger project" in 2025, introducing the "New Master-Slave Intelligent Charger (i-Charger)" to restructure the charging architecture with a focus on battery requirements.

Compared to traditional chargers that use fixed logic and struggle to respond to changes in battery conditions in real-time, this design incorporates a master-slave communication mechanism. It facilitates data exchange with the Battery Management System (BMS) before charging and dynamically adjusts voltage and current based on battery feedback during the charging process, achieving an optimized charging strategy. Meanwhile, through real-time monitoring and firmware control, when detecting anomalies such as overheating or overvoltage, the system can automatically reduce the load or stop charging, effectively enhancing safety protection.

Overall, this innovative architecture can reduce battery degradation, extend lifespan, and improve charging efficiency. It is highly versatile and suitable for various battery systems with communication functions, providing a safer, smarter, and more efficient charging solution.

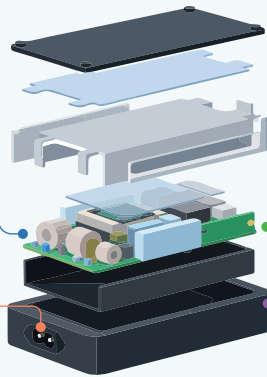
Architecture of the New Master-Slave Intelligent Charger (i-Charger)

Input and Efficiency

- 1 90-264Vac Full Range
- 2 Approx. 200 W at 90–115 Vac
- 3 Approx. 30 W at 180–220 Vac
- 4 Up to 400 W at 220–264 Vac
- 5 (PFC): ≥ 0.9

Thermal Performance

- 1 Maximum Case Temperature: $\leq 76^{\circ}\text{C}$
- 2 Meets Safety Requirements Only
- 3 Thermal Control Managed by Firmware (FW)
- 4 Temperature-Based Smart Charging



Output Charging Performance

- 1 Full-Charge Hold Time: Approx. 40 minutes
- 2 Output Range: 25–42.4 Vdc
- 3 Pre-Charge / Constant Current (CC) / Constant Voltage (CV) Control Modes
- 4 Average Efficiency: Approx. 92%
- 5 For Use with Battery Packs

Protection and Control

- 1 Overcurrent Protection
- 2 Overvoltage Protection
- 3 Input Undervoltage/Overvoltage Protection
- 4 LED Warning Indicators (Green/Red)
- 5 Firmware (FW)-Controlled Thermal Derating

Adopting gallium nitride technology

High-efficiency

Small volume

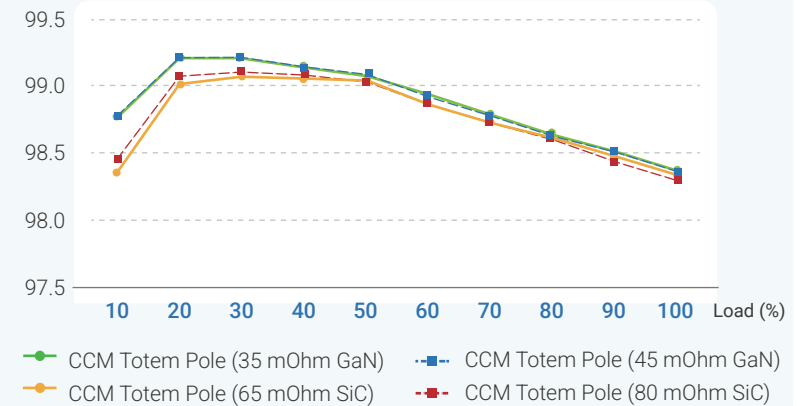
Low-carbon emissions ESG+

Lightweight

Radiation-resistant

GaN

Efficiency (%)



Smart Charging Station Management

Having merely green hardware is no longer sufficient to support the sustainable operation of charging stations. It requires integration with the Internet of Things, big data, and artificial intelligence to establish an intelligent management system. This transformation enables charging facilities to move from passive energy supply to becoming proactive, efficient, and grid-friendly infrastructure, further enhancing energy efficiency and accelerating the effectiveness of energy conservation and carbon reduction.

Energy Load Balancing Management

Zerova's charging stations integrate with an Energy Management System (EMS) to balance load and dynamically allocate power according to site contract capacity. In scenarios with simultaneous multi-vehicle charging, it effectively prevents exceeding contractual electricity limits. Additionally, by utilizing non-uniform current distribution technology, it reduces contract capacity requirements by up to one-third, balancing operational efficiency and cost control.

Remote Monitoring and Management and Operations

In terms of maintenance and operations management, through a cloud platform compliant with the OCPP Standard, equipment status, such as voltage, current, and temperature, is monitored in real-time, and anomalies are promptly reported, significantly enhancing equipment availability and maintenance efficiency. The platform also supports remote control, firmware updates, and smart charging scheduling, optimizing electricity distribution and usage efficiency.

In addition, the system provides an API interface that can integrate with Member, payment, and ERP systems, accelerating implementation and decreasing operating costs, while comprehensively enhancing charging service quality and operational efficiency.



Remote Load Balancing and Management

AI Intelligent Electricity Forecasting and Scheduling

The implementation of AI is comprehensively enhancing the efficiency of charging energy management. Through generative AI analysis of historical electricity usage data, weather changes, and various dynamic factors, electricity demand can be accurately predicted and smart scheduling optimized. Zerova has developed an AI algorithm integrated into a cloud management platform, capable of making predictions by combining charging behavior, regional activities, and real-time grid IT. Initial validation shows its prediction error can be controlled within 5%. In practical applications, AI can integrate with Battery Energy Storage Systems (BESS), green energy, and Energy Management Systems (EMS) to adjust charging and discharging strategies in real-time, achieving peak shaving and valley filling, improving energy efficiency, and reducing waste. At the same time, the system can automatically generate optimal charging schedules for electric vehicle fleets, taking into account vehicle charge levels, usage needs, and electricity price periods, ensuring stable operations and reducing costs. In addition, AI scheduling can further collaborate with the power grid to reduce load during peak demand or activate the V2G feedback mechanism, enhancing grid stability. Overall, AI-driven intelligent energy management not only enhances operational efficiency but also provides crucial support for low-carbon and sustainable development.



Real-time Remote Monitoring and Management and Operations

Smart Grid Integration and Development

With the rapid proliferation of renewable energy and electric vehicles, the traditional one-way power supply model is increasingly unable to support the stability and dispatch needs of electricity. Smart grids have become the key foundation for energy transformation and carbon neutrality. Smart grids integrate Information and Communication Technology (ICT), the Internet of Things (IoT), and Artificial Intelligence (AI), evolving from "digital metering" to "automated smart scheduling," achieving real-time interaction and optimized management of electricity supply and demand. EV charging systems have also transformed from merely power-consuming devices into energy nodes capable of bidirectional interaction. Through the integration of 5G communication, Energy Management Systems (EMS), and cloud platforms, electricity and energy storage resources can be allocated in real-time, enhancing energy efficiency and system resilience.

In scenarios where grid infrastructure is insufficient or in remote areas, "off-grid charging solutions" integrate Solar Energy, Battery Energy Storage Systems (BESS), and charging equipment to achieve autonomous power generation, storage, and supply through a DC/DC architecture, attaining high-efficiency energy dispatch and low-carbon operation, demonstrating the application value of energy self-sufficiency.

In addition, Zerova's bidirectional power supply technology (V2G/V2H) further enhances energy recycling applications, transforming electric vehicles from energy consumers into mobile storage units. Through the integration of bidirectional charging and EMS, energy can not only be stored during off-peak times but also fed back to the grid or used in households during peak or emergency times, effectively balancing electricity load and enhancing overall energy efficiency. The integration of smart grid, off-grid applications, and V2G technology is collectively building a low-carbon, efficient, and resilient future energy system.



Renewable Energy Generation

The integration of green energy sources such as Solar Energy and wind energy into the grid for supply.



Smart Grid Scheduling

Real-time monitoring and dynamic allocation of electricity resources



Smart Grid Integration



V2G Bidirectional Energy

Vehicle batteries participate in grid regulation services.



Smart Charging Management

Distribute charging time to reduce peak load.

AI Intelligent Electricity Forecasting and Scheduling framework

Data Input and Analysis

- historical electricity usage data
- weather changes
- various dynamic factors
- Charging behaviors and region activities
- Real-time grid information

Generative AI analysis
<5% prediction error validation

Zerova
AI Intelligent Electricity Forecasting and Scheduling Center



Improve efficiency | Reduce waste | Advancing toward low-carbon sustainability

Optimization of Scheduling and Application

Peak shaving and Energy Management

- BESS
- Green energy
- EMS Energy management system
- Charging and discharging strategy

Optimal charging schedules for electric vehicle fleets.

Automatically generate schedules to ensure reduced operating costs.

- vehicle charge levels
- usage needs
- electricity price periods

collaborate with the power grid

- Enhance grid stability.
- reduce load/V2G feedback



Zerova's portable or fixed bidirectional V2G charging stations

4.2.2 Sustainability Standards and Interoperability

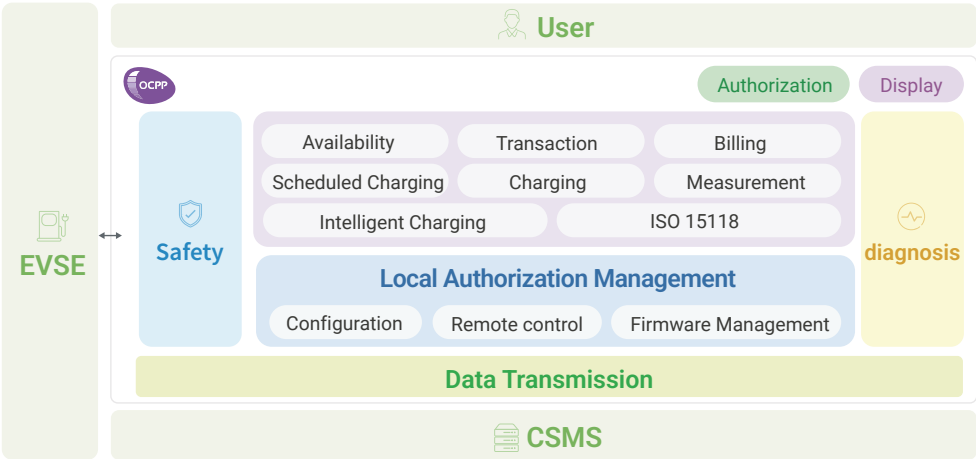
To ensure that integrated solutions can operate stably across brands and regions, establishing unified Standards and strengthening interoperability are crucial foundations. Interoperability refers to the ability of electric vehicles, charging equipment, and back-end systems to seamlessly integrate and operate, affecting not only the system's long-term stability and scalability but also concerning operational efficiency and investment benefits. For off-grid applications, its importance further extends to energy usage efficiency and equipment lifecycle management, ensuring the system is forward-looking and reducing the risk of asset obsolescence.

Alignment with International Communication Protocols

Zerova charging stations adopt OCPP and ISO 15118 international communication standards to ensure high compatibility and scalability.

The mainstream versions of OCPP are 1.6 and 2.0.1. Among them, OCPP 2.0.1 supports V2G (Vehicle-to-Grid), enabling electric vehicles to feed back electricity and providing more detailed energy scheduling, enhanced communication encryption, and remote management capabilities. This effectively improves operational efficiency and problem-solving capability. ISO 15118 is the core standard for "Plug & Charge" and bidirectional charging, which completes security authentication through digital certificates. It enables direct connection and smart charging management between vehicles and charging stations even in poor communication environments, making it particularly suitable for off-grid or remote areas.

Intelligent, Green Energy, and Sustainable New Paradigm of Future Transportation



Sustainability Standards and Certifications

In response to the ESG disclosure trend and in compliance with international standards such as GRI, SASB, and IFRS, the environmental performance transparency and information disclosure consistency of charging infrastructure is strengthened. Through a standardized Management Mechanism, further transform charging operation data into verifiable carbon reduction achievements, serving as the foundation for developing carbon credit mechanisms and creating potential economic benefits.

In terms of product safety and compliance, in addition to obtaining VPC certification from Taiwan's Bureau of Standards, Metrology and Inspection (BSMI), Zerova has also received multiple international certifications, including Energy Star, Intertek, UL, CE, CB, EV Ready, JARI, and TR2. This fully demonstrates the product's competitive advantages in safety, quality stability, and global market applicability.

Smart

IoT and AI Technology Empower Charging Management

Green energy

Integration of renewable energy

Collaborate to Create

Industry, government, academia, research, and the public collaborate to create a green ecosystem.

Sustainable

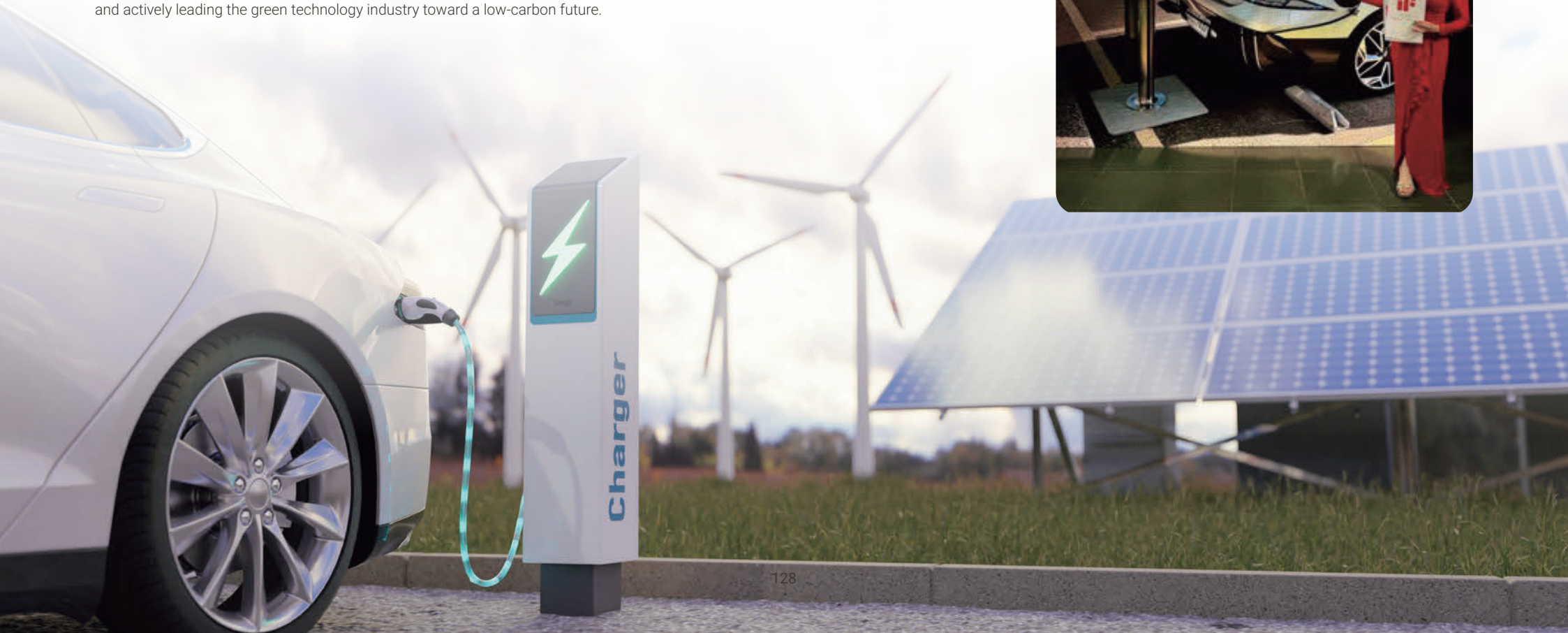
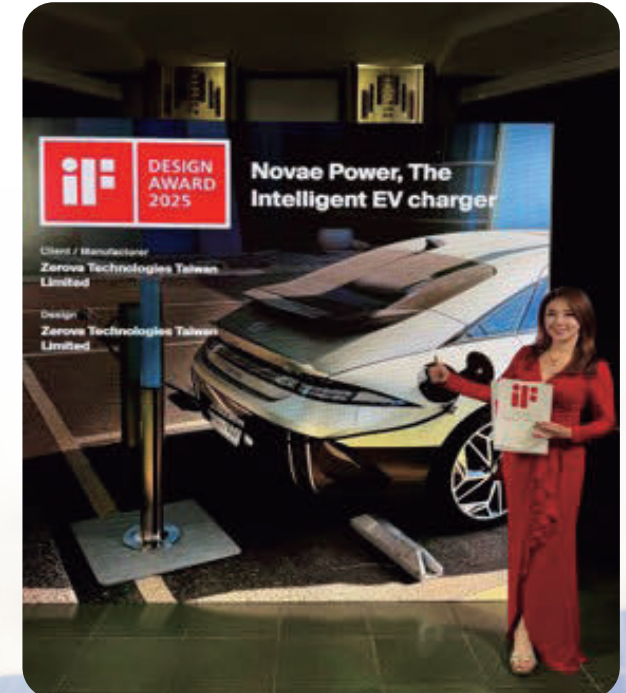
The concept of the circular economy runs through the product lifecycle.

Technology leadership received iF recognition

Pihong's subsidiary Zerova Technologies Taiwan Limited (ZEROVA) received the highest honor with the German iF Design Award in 2025 for its "D-Series Novae Power Smart DC Fast Charging Piles." The iF Design Award is one of the most prestigious design awards globally. This year's competition brought together top entries from around the world, and only 8 EV charging equipment pieces stood out in the high competition. Zerova Technologies Taiwan Limited was among them, showcasing its international innovation prowess with excellent design and technology integration capabilities.

Novae Power integrates minimalist design aesthetics, modular architecture, and high-performance system integration, deeply embedding the concept of sustainability into product development to create next-generation charging solutions that are smart, efficient, and environmentally friendly. Its innovative design not only optimizes the user experience but also effectively improves energy efficiency, responding to the global net-zero transition and smart city development trends.

This international honor not only highlights Zerova Technologies Taiwan Limited's leading position in the EV charging sector but also reflects Pihong Group's ongoing commitment to driving sustainable development through innovation, advancing smart energy strategies, and actively leading the green technology industry toward a low-carbon future.



4.3 Low-Carbon Product Design

4.3.1 Energy Integration Management

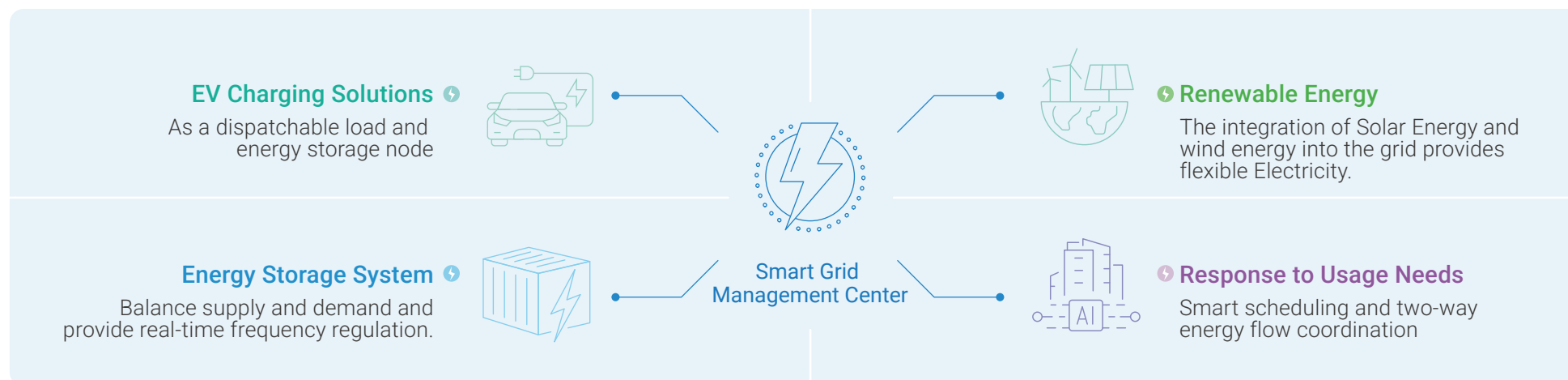
Green Charging Integration

The integration of renewable energy (such as solar energy and wind energy) is key to the transformation of smart grids and charging infrastructure. At the core of Zerova's initiative is green energy technology, integrated with AI and energy storage systems to promote the application of renewable energy in charging facilities. Solar energy generation (PV) is directly supplied to charging stations, achieving an "on-site generation and consumption" energy cycle. This model can effectively reduce reliance on the traditional power grid, decrease electricity costs, and significantly lower carbon emissions during the electric vehicle charging process, achieving the target of green transportation.

Through the use of energy storage systems and smart energy management, further enhance energy efficiency by storing excess green energy during the day and releasing it during nighttime or low-generation periods to strengthen power supply stability. The integration of renewable energy and charging facilities is not only an important practice in energy transformation but also a core element in reducing the full lifecycle carbon footprint of electric vehicles.

Zerova actively develops "PV, energy storage, and charging integration" solutions, integrating solar power (PV), energy storage systems, and charging equipment to build a distributed microgrid architecture. This model can respond to the electrical load pressure brought by the proliferation of electric vehicles and optimize energy scheduling efficiency. The system provides a source of green energy through solar power generation and regulates electricity using energy storage equipment. It stores energy during times of excess generation and releases it during peak times or when there is no sunlight, effectively achieving "peak shaving and valley filling," reducing the risk of grid load. In addition, it can also address the issue of insufficient grid capacity in remote Regions, while reducing corporate energy costs and enhancing a Low-carbon image.

Energy Integration and Management (Figure 3.3-1)



Green energy tracking and certification

To enhance the transparency of green energy usage, Zerova plans to implement a Green Energy Tracking Mechanism, integrating digital technology and blockchain systems to record the sources and usage ratio of green energy, ensuring traceability and credibility of energy use. Users can instantly monitor the proportion of green energy during the charging process by scanning the QR code on the charging pile. At the same time, through the Green energy certificate mechanism, charging operators can not only provide Low-carbon charging services but also create additional sources of revenue. Enterprise users can also obtain certificates to support carbon neutrality targets and enhance sustainable competitiveness. The current major international and regional certificate systems include T-REC (Taiwan), I-REC (international), and GO (Europe), which have become important mechanisms in the Green energy market.

Low-carbon Green Manufacturing

In the lifecycle assessment (LCA) of a charging pile, carbon footprint management in the manufacturing stage is crucial. Zerova optimizes environmental performance from the source through two innovative design strategies:

Systematic Modular Integration: The entire series of charging piles employs a modular architecture, highly integrating power conversion, system control, and communication functions. Through the "cross-product module sharing" strategy, Pihong significantly shortens the R&D frequency, saves labor costs, and provides products with excellent maintenance flexibility and upgradeability.

Process Optimization and Resource Efficiency: Modular design effectively simplifies production procedures and shortens assembly line length, directly reducing energy consumption during the manufacturing process. At the same time, by reducing the type and number of parts, the Company maximizes resource utilization and implements its carbon reduction commitment from the production side. Carbon emissions from the assembly manufacturing process are an important aspect of the lifecycle assessment (LCA) of a charging pile. Zerova effectively reduces the carbon footprint in the manufacturing Stage through innovative design and processes.



Module assembly



System assembly



Assembled products

4.3.2 Source Reduction and Circular Design

"Subtraction is to make the Earth better." Phihong has introduced the PD 65W–100W (2C1A) power adapters for multi-device charging scenarios. Through integrated design, it achieves "one machine for multiple uses," reducing resource consumption and environmental load from the source. Products adopt the 2C1A integrated architecture, breaking through the traditional "one machine, one accessory" model, reducing plastic casing usage by over 60%. Meanwhile, the integrated design reduces product volume and packaging materials by 50–70%, effectively lowering the logistics carbon footprint. In addition, through GaN Gallium Nitride technology, we enhance power conversion efficiency, reduce energy loss, and electronic waste generation while miniaturizing, overall demonstrating a product value that combines high efficiency and low-carbon.

Phihong focuses on the full product lifecycle, enhancing Circular Economy design. Structurally, a modular and platform architecture is adopted, separating the functions of magnetic components, main power components, and PD modules. This makes repair and component replacement feasible, extending product use lifespan by approximately 20–30% compared to single-use disposal designs, effectively reducing electronic waste.

In the usage stage, the High-efficiency GaN architecture can reduce Long-Term electricity loss. It is estimated that under typical usage scenarios, products can save about 5–10% of electricity consumption over the entire life cycle (compared to traditional low-efficiency designs). Such benefits of "use stage reduction" are more critical for the Long-Term positive impact on the environment. Overall, Phihong implements the concept of Circular Economy from the design stage to actual Product Applications with three major strategies: "Source Reduction, Extension of Use, and Efficiency Improvement," balancing technological innovation and Environmental Sustainability benefits.

Improving power efficiency can reduce carbon emissions.



Green Commitment Driving a Sustainable Future (SASB RT-EE-410a.2、RT-EE-410a.3)

Pihong is dedicated to providing excellent energy solutions, while regarding environmental sustainability as a core value. We fulfill this commitment through the following methods:

Actively reduce operational carbon emissions

In addition to offering energy-saving products, we are also committed to reducing the carbon footprint of our Own Operations. Our efforts include:



Energy efficiency improvement

We are replacing old air conditioning and lighting fixtures with more energy-efficient equipment to reduce energy consumption.



Renewable energy installation

We are actively constructing solar power system installations. We have already installed and commissioned a 2 MW rooftop solar power generation system at the Dongguan Tiesong Plant. We are also planning to install a rooftop solar system at the Haiphong Plant in Vietnam, which is expected to save 2.5 million kWh of electricity annually and reduce carbon emissions by 1,375 metric tons of CO₂e.



Power Purchase Agreement

We are exploring the signing of power purchase agreements to buy renewable energy and further reduce our carbon emissions.

We believe that by combining green energy with carbon reduction and sustainable development, we can lead the global green circular supply chain. Our target is to bring positive social innovation for shareholders, employees, communities, and the environment. We are committed to collaborating with customers and partners to create a cleaner and more sustainable future.

Low-carbon Indicator	Achievements
Revenue share of high energy efficiency products	87.90%
Capacity of solar system installation	2 MW (Dongguan Facilities)
Annual Energy-Saving Benefits (Planned)	2.5 million kWh / year
Annual Carbon Reduction Benefits (Planned)	1,375 metric tons of CO ₂ e.

Developing Low Energy Consumption and Energy-Efficient Products

We focus on developing and promoting high-efficiency, energy-saving products to help customers and users reduce energy consumption and carbon emissions. Our efforts include:

Energy Star Certification

ZeroVA's DD series 360kW split-type charging pile, DO series energy cabinet, and DS series 180kW standalone charging pile have all obtained the Energy Star certification, demonstrating their exceptional energy efficiency.

Meeting Strict Standards

We actively adopt industry standards, such as the DOE Level VI standard from the United States Department of Energy and the EU's ErP (CE) standard, to ensure that our external power supply products meet strict energy efficiency requirements.

High Ratio of Energy-Efficient Product

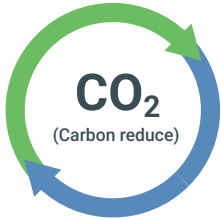
In 2025, 87.9% of our revenue was generated from products that comply with DOE Level VI, ErP (CE) or Energy Star certification, displaying our commitment to promoting energy-efficient products.



4.4 Transitioning to a Circular Economy

Collaborate to Shape a Circular and Sustainable Future

Pihong is actively transforming from a traditional power manufacturer to a comprehensive charging solutions provider with system application consulting and end-to-end services. Its products include EV charging piles, USB-PD adapters, and various applications in medical and industrial control fields. To implement the concept of Circular Economy, we are overcoming material engineering challenges by systematically introducing post-consumer recycled (PCR) plastics. Through a staged implementation strategy—prioritizing the adoption of a 30%–50% PCR ratio in 2024, increasing to 70% in 2026, and targeting over 90% recycled material content by 2028—Pihong is transforming green technology into concrete actions. The company is committed to sustainable manufacturing from the source while enhancing energy efficiency, working alongside customers to move toward a low-carbon future.



	kg CO2 eq. for 1kg resin material
PCR 30%	Reduce 0.5~1 kg
PCR 50%	Reduce 1.25~1.7 kg
PCR 70%	Reduce 2~2.3 kg
PCR 90%	Reduce 2.5~3kg

Sustainable Materials and Circular Design

Material selection is a key factor affecting the environmental footprint of products. To address harsh outdoor environments such as ultraviolet radiation, temperature variations, and humidity, Zerova introduces high-performance engineering plastics like PC, ABS, PBT, and specialty nylon (PA), combining high strength, excellent insulation, and UL 94 flame retardant performance. The design optimization achieves both product lightweighting and aesthetics.

At the same time, product development incorporates full lifecycle thinking, adopting easy-to-disassemble design to enhance material separation and recycling efficiency. Under the premise of ensuring Quality and Safety, we prioritize the introduction of recycled plastics and bio-based PC materials to effectively increase resource recycling efficiency, reduce environmental impact, and implement the concept of Circular Economy.



Easy-to-Disassemble Recycling & Reuse Design and Use of Recycled

Packaging Material Recycling and Lightweight Design

In its shipping packaging strategy, Zerova continues to implement reusable snap-lock wooden crates that are easy to assemble and disassemble, streamlining the nailing process for improved productivity. The usage of each crate extends from single use to 3 to 5 cycles. At the same time, for specific models, gradually replace traditional wooden crates with high-strength American kraft paper boxes, effectively enhancing resource usage efficiency and reducing environmental impact. According to preliminary assessments, the corrugated boxes reduce packaging weight by an average of about 30–50% compared to wooden crates, helping to reduce fuel consumption and Greenhouse Gas Emissions during transportation. Additionally, it lessens the environmental burden generated from wood processing and fumigation treatments, contributing to overall carbon footprint management and greenhouse gas reduction. In the future, the environmental benefits and technological development of packaging materials will continue to be evaluated. Through concrete actions, the promotion of low-carbon packaging and the circular economy will be advanced, fulfilling the commitment to sustainable corporate operations.


**Packaging Structure Transformation:
From Traditional Wooden Crates to
Eco-friendly Cardboard Boxes**

From Traditional Wooden Crates to Eco-friendly Cardboard Boxes Packaging Structure Transformation
Transition to a more environmentally friendly approach

Before

After




4.5 Product Quality and Safety

4.5.1 Quality Policy and Service

Phihong upholds the philosophy of "Customer First, Quality Foremost, and Service Innovation," and is committed to the quality policy of "Excellent Design, Outstanding Quality, Timely Delivery, Reasonable Pricing, and Satisfactory Service" to deliver premium products and services.

To protect the health and safety of customers and product users, Phihong implements comprehensive management practices across all stages of the product lifecycle. During the design phase, we incorporate customer requirements, the "Hazardous Substance Free (HSF) Control Standard," and applicable national regulations. Only qualified materials are used in product development to ensure that all products are free from hazardous substances and meet green product standards with recyclability rates exceeding lifecycle benchmarks. Throughout the product development process, Phihong adopts conservative design specifications, such as applying safety clearances that exceed regulatory requirements, to ensure compliance after mass production. A rigorous project management system governs each phase of the design process, including quality validation and design reviews. Third-party certifications are also obtained before mass production begins. In 2025, Phihong Group recorded zero violations or fines related to health and safety regulations.



Excellent Design

We actively cultivate talent through on-the-job training and focus on developing new products with outstanding performance.



Outstanding Quality

We strictly monitor every stage of the process, including design, production, inspection, and delivery, in accordance with relevant procedures to ensure product quality.



Timely Delivery

We make every effort to fulfill customer contracts and meet delivery requirements.



Timely Delivery

We work with our customers to establish fair and reasonable sales prices based on mutual agreement.



Satisfactory Service

We strive to achieve customer satisfaction through regular satisfaction surveys and continuous improvement initiatives.

4.5.2 Green Product Management

Prohibited and Restricted Use of Hazardous Substances (SASB RT-EE-410a.1)

To ensure health and environmental safety, Phihong strictly complies with chemical substance regulations across various countries and customer requirement. We also require our suppliers to limit or prohibit the use of regulate hazardous substances. In line with international environmental standards and customer-specific substance control requirements, we have established comprehensive Green Product Management Standards and Hazardous Substance-Free Technical Standards. In addition, we have established an electronic Green Information Platform that publicly discloses our hazardous substance-related requirements and standards. This information is upload to the supplier management platform, and we regularly organize internal and external education and training.

Our "Hazardous Substance Free (HSF) Control Standard" covers multiple regulatory frameworks, including RoHS, REACH, restrictions on red phosphorus flame retardants, and halogen-free product requirements. Under the EU RoHS Directive 2015/863, four additional plasticizers (BBP, DBP, DIBP, DEHP) are now regulated. Suppliers are required to submit test reports on all ten banned RoHS substances when performing part approval and report updates. Regarding the Substances of Very High Concern (SVHC) designated by the European Chemicals Agency (ECHA) under REACH, new substances are added every six months. By the end of 2025, Phihong/ Zerova has updated 35 batches of listed substances, covering a total of 251 controlled items. The updates have been promptly reflected on the supplier communication board and implemented. Recently, we also expanded our list to include 28 specific phthalates, including [Phthalato (2-)]dioxotrilead. Although Phihong is not formally governed by the IEC 62474 framework, we manage substances in accordance with its requirements. We have ensured that all halogen-free products fully comply with the IEC 62474 standard. In addition, Phihong adopts the WEEE directive as the minimum

requirement for product development, ensuring that products can be reused, recycled, or recovered at the end of their life cycle. These efforts not only meet the needs and expectations of customers and end users, but also reflect Phihong's responsibility and commitment as a global enterprise.



Product Recyclability and Environmental Impact (GRI 301-1、417-1)

Phihong Technology Co., Ltd. primarily adopts a B2B business model. To actively promote the Circular Economy, the company not only ensures that 100% of its product models meet the recycling thresholds set by the EU WEEE directive but also focuses on promoting source reduction and increasing the use of recycled materials in products to reduce the environmental impact at the end-of-life stage.

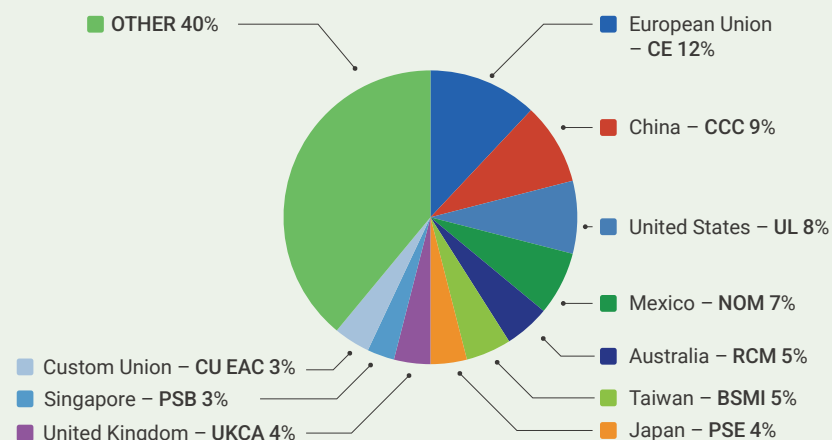
Based on the characteristics of our core product lines, the company implements material cycle management. The 2025 core achievements are as follows:

Phihong Technology Co., Ltd. (Power Supply Products)

The main raw materials are metals and plastics. Based on data from the top five core product models before 2025, their production accounted for 20.54% of the total production volume across all models. According to statistics, these top five models used a total of 1,053.21 metric tons of recyclable materials (including 348.62 metric tons of metals, 675.56 metric tons of plastics, and 29.03 metric tons of other materials), with an average product recyclability ratio reaching as high as 98.77%.

Zerova Technologies Taiwan Limited (Charging Station Products)

The main raw materials are metals and printed circuit board assemblies (PCBA). Its indicator models have successfully passed third-party certification. Based on data from the 2025 DS indicator product models, their production accounted for 64% of the total direct current (DC) product models. They utilized a total of 381.30 metric tons of recyclable materials (including 363.49 metric tons of metals, 12.59 metric tons of PCBA, and 5.22 metric tons of other raw materials), with an average total recyclability ratio reaching 89.37%.



4.5.3 Responsible Consumption and Production (GRI 416)

To implement the United Nations Sustainable Development Goal (SDG) 12, "Responsible Consumption and Production," Pihong has adopted core policies of "ensuring user safety" and "reducing environmental impact." By integrating product design, manufacturing, and management mechanisms, Pihong ensures that all products comply with international regulations and environmental standards. Through continuous optimization of design and processes, we fully implement hazardous substance-free (HSF) management, committed to providing safe, environmentally friendly, and sustainable value products and services.



Product Responsibility and Customer Health and Safety

Pihong extends Product Responsibility to comprehensive lifecycle management, covering design and development, manufacturing, sales, and after-sales service, constructing a systematic and verifiable quality and safety governance mechanism. At the outset of product design, we integrate customer requirements, international regulations, and environmental standards, comprehensively incorporating Hazardous Substance-Free (HSF) materials. We adopt safety design margins that exceed regulatory requirements, such as enhanced safety distancing and protective mechanisms, effectively reducing potential risks. Through the management mechanism of implementation projects, rigorous design reviews and quality verification are conducted at each development stage, followed by third-party testing and certification before mass production. This ensures that the products meet international safety standards such as UL, CE, and BSMI, offering high global market applicability.

Sustainable Coatings and Eco-friendly Processes

In terms of product manufacturing processes and material management, Pihong has established a comprehensive "Hazardous Substance Free (HSF) Control Standard," strictly adhering to regulations such as RoHS and REACH. Third-party verification is conducted to ensure that the products are free of harmful substances such as lead, mercury, and hexavalent chromium. For outdoor charging equipment, the use of eco-friendly weather-resistant coating technology effectively enhances corrosion resistance and weatherability, extends product use lifespan, reduces the release of harmful substances, and ensures both environmental friendliness and product durability.

Pihong's Green Product Lifecycle	
Raw Material Selection Standards	- Complying with international environmental indicators and implementing a hazardous substance management system - Meeting the requirements of RoHS, REACH and Substances of Very High Concern (SVHC) and other relevant regulations - Adhering to the environmental standards of export markets, including: California Proposition 65, Toxic Substances Control Act (TSCA), or customer-specified halogen-free material requirements - Enhancing local sourcing and promoting supply chain collaboration on environmental sustainability, while banning the use of conflict minerals
Production Planning	- All sites have obtained ISO 14001 and ISO 45001 environmental and occupational health and safety management system certifications, or equivalent certifications, and maintain compliant emissions. - Improving energy efficiency to reduce energy consumption and greenhouse gas emissions. - Ensure compliance with volatile organic compounds (VOCs) regulations during production.
Transportation & Distribution Assessment	- Optimizing transportation route planning to reduce the number of delivery trips. - Evaluating transportation distances and packaging material usage for high-frequency logistics partners, and promoting material recovery and reuse.
Consumer Usage Safety	Ensuring compliance with product safety certifications in different countries, including UL, CE, and BSMI.
Recycling & Reuse Design	Ensuring that all electronic products comply with the EU WEEE Directive

Marketing and Safety Labeling (GRI 417-1)

In terms of product marketing and labeling management, Phihong fully complies with various national regulations and international standards, covering products, promotional materials, catalogs, exhibitions, and website content, ensuring that information is accurate, clear, and lawful. All power supply products must comply with the safety regulations of the selling location and obtain relevant certifications before being marketed. These include international safety standards such as UL, CE, BSMI, PSE, and CCC, ensuring that the products can be legally sold in the global market. Shipments in 2025 primarily targeted the European and North American markets, with all necessary local safety certifications completed. No violations or penalties were recorded throughout the full year.

In terms of product safety design, Phihong incorporates corresponding international standards based on different application fields. For example, medical power products comply with IEC 60601-1, IT and gaming products adhere to IEC 62368-1, and electric bicycle chargers follow IEC 60335 as well as related North American UL standards. Safety requirements are incorporated at the product design stage, and comprehensive verification and testing are completed before mass production to ensure safety and reliability.

In terms of overall performance, by 2025, Phihong achieved an excellent record of "zero complaints, zero recalls, and zero major violations," with no litigation or financial losses related to product safety, demonstrating the high maturity of its product safety management system. Through institutionalized management and continuous improvement, Phihong effectively safeguards user health and safety, while continuously strengthening brand trust and global competitiveness.



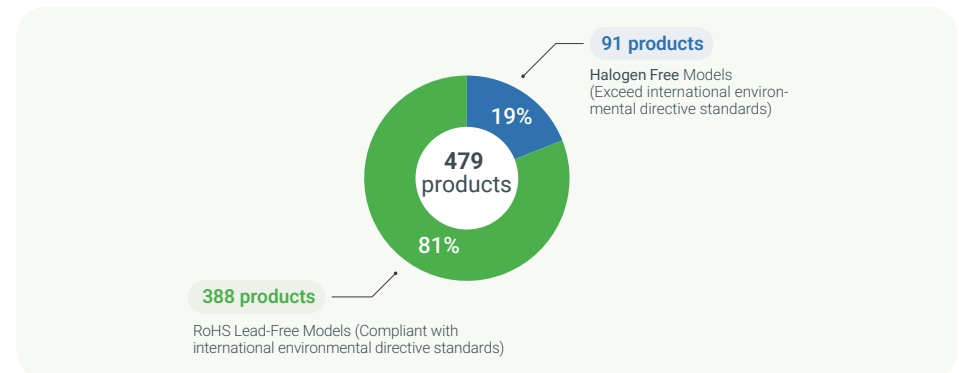
Eco-friendly and sustainable coatings enhance the weather resistance of products.

Low-carbon Design and Circular Economy Performance

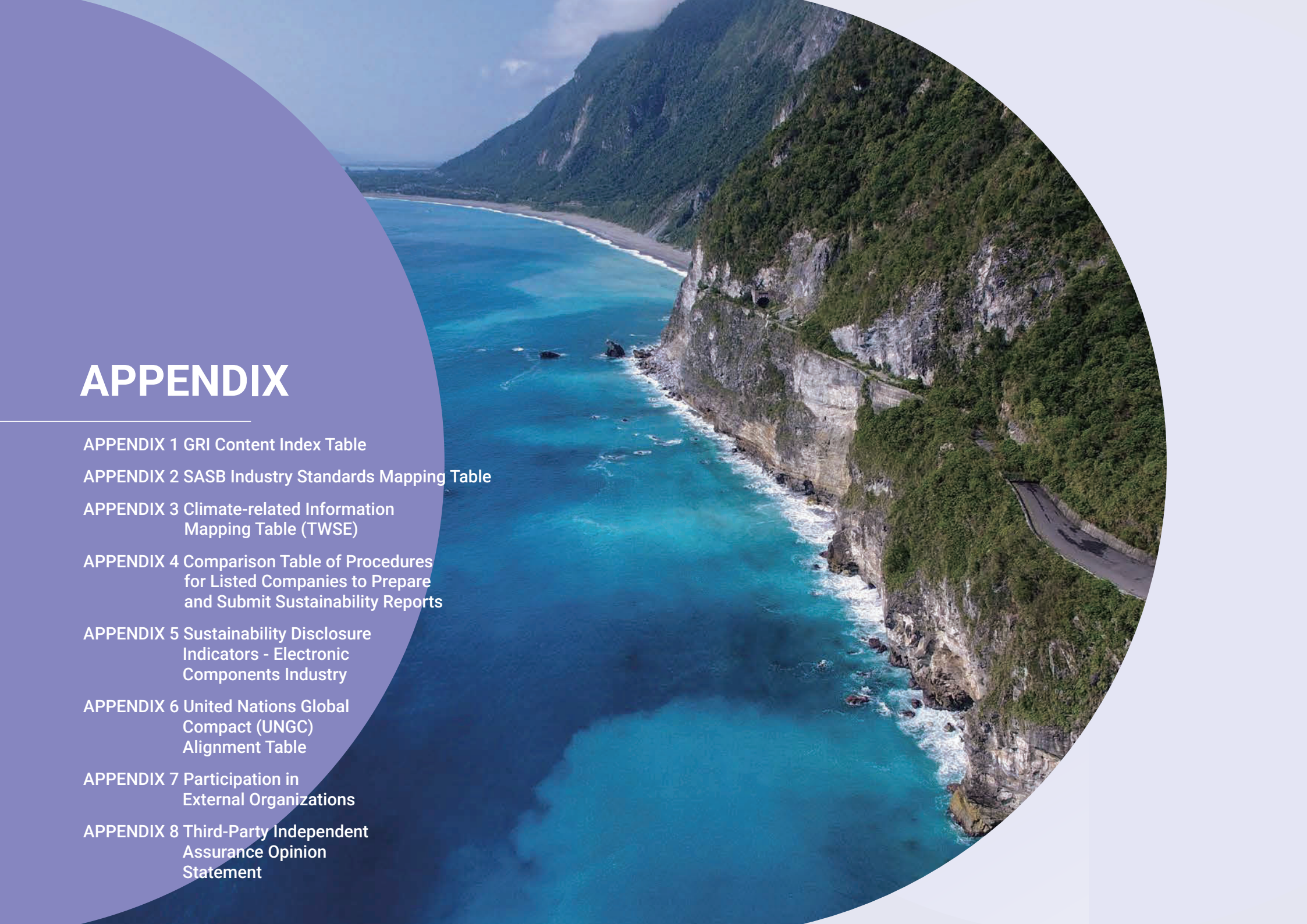
Phihong uses "low-carbon design, Circular Economy, and international standards" as core strategies, demonstrating concrete and quantifiable sustainable performance in 2025. Developed 479 power supply products throughout the full year, of which 388 meet RoHS lead-free standards and 91 meet halogen-free standards, all surpassing international environmental regulatory requirements. We continue to introduce environmentally friendly materials to enhance the environmental friendliness of the products. The entire product range complies with the WEEE directive, achieving an average recycling rate of 80%, with some models exceeding 90%. This significantly enhances resource recycling efficiency. In terms of energy efficiency, Phihong completed 14 NRCAN and one 80 Plus Gold certification. The products are fully compliant with major global energy efficiency regulations such as DOE, CEC, ErP, COC V5, and RCM, and meet COC V5 T2 and DOE Level 7 no-load power consumption standards. This significantly reduces energy loss during the Product Use stage, assists customers in obtaining international certifications such as Energy Star, and creates dual value in energy conservation and market competitiveness.

In the field of electric vehicle charging, the subsidiary ZeroVA has established over 100,000 charging stations in more than 60 countries worldwide, promoting the development of low-carbon transportation infrastructure. The products combine high performance, safety, and eco-friendly design, with a recycling rate of over 80%, and some models exceeding 85%. They fully comply with international environmental and safety standards.

Overall, Phihong has extended the concept of Circular Economy from the design stage to the entire product life cycle, continuously reducing environmental impact through high efficiency energy-saving technology, material reduction, and resource reuse mechanisms. This is supported by specific achievements as the company progresses towards net zero transformation, demonstrating industry-leading sustainable competitiveness.



APPENDIX



APPENDIX 1 GRI Content Index Table

APPENDIX 2 SASB Industry Standards Mapping Table

APPENDIX 3 Climate-related Information
Mapping Table (TWSE)

APPENDIX 4 Comparison Table of Procedures
for Listed Companies to Prepare
and Submit Sustainability Reports

APPENDIX 5 Sustainability Disclosure
Indicators - Electronic
Components Industry

APPENDIX 6 United Nations Global
Compact (UNG) Alignment Table

APPENDIX 7 Participation in
External Organizations

APPENDIX 8 Third-Party Independent
Assurance Opinion
Statement

Appendix 1 GRI Content Index Table

Statement of Use	Phihong follows the GRI Standards in preparing its 2024 Sustainability Report, covering data and information from January 1, to December 31, 2025.
GRI 1 Version	GRI 1: Foundation 2021
Applicable GRI Sector Standards	N/A

GRI 2: General Disclosures 2021				
Indicator	Requirement	Corresponding Section / Explanation	Omissions Description	Page Number
Organization and Reporting				
2-1	Organizational details	Company Description		5-6
2-2	Entities included in the organization's sustainability reporting	About this Report		3
2-3	Reporting period, frequency and contact point	About this Report		4
2-4	Restatements of information	About this Report	No Restatements of information	4
2-5	External assurance	About this Report, Appendix 8		4 、 154
2-6	Activities, value chain, and other business relationships	3.3 Business Performance, 3.6 Sustainable Value Chain Management		94-96 、 107-119
2-7	Employee	2.3 Employee Motivation and Retention: Manpower Structure		52
2-8	Workers who are not employees	2.3 Employee Motivation and Retention: Manpower Structure		52
Governance				
2-9	Governance structure and composition	3.2.1 Governance and operations		87
2-10	Nomination and selection of the highest governance body	3.2.1 Governance and operations		87
2-11	Chair of the highest governance body	3.2.1 Governance and operations		87
2-12	Role of the highest governance body in overseeing the management of impacts	3.2.2 Sustainable Governance		91
2-13	Delegation of responsibility for managing impacts	3.2.2 Sustainable Governance		91
2-14	Role of the highest governance body in sustainability reporting	About this Report: Internal Management, 3.2.2 Sustainable Governance		4 、 91
2-15	Conflicts of interest	3.2.1 Governance and operations		89
2-16	Communication of critical concerns	Stakeholder Identification and Communication, 3.4.2 Implementation of Compliance with Laws and Regulations		13 、 100
2-17	Collective knowledge of the highest governance body	3.2.1 Governance and operations		90
2-18	Evaluation of the performance of the highest governance body	3.2.1 Governance and operations		90
2-19	Remuneration Policies	3.2.1 Governance and operations		90
2-20	Process to determine remuneration	Disclosure omitted	The salary decision process is confidential information of the organization	
2-21	Annual total compensation ratio	3.2.1 Governance and operations		90
2-22	Statement on sustainable development strategy	Message from the Management Team		1-2



GRI 2: General Disclosures 2021				
Indicator	Requirement	Corresponding Section / Explanation	Omissions Description	Page Number
2-23	Policy commitments	Management Policies for Material Topics		18
2-24	Embedding policy commitments	Target Management and Performance		86
2-25	Processes to remediate negative impacts	3.4.1 Integrity Management Policy, 2.2 Human Rights Due Diligence		99 、 47-50
2-26	Mechanisms for seeking advice and raising concerns	3.4.1 Integrity Management Policy: Whistleblower System, 2.2 Human Rights Due Diligence		99 、 46
2-27	Compliance with laws and regulations	3.4.2 Implementation of Compliance with Laws and Regulations		100
2-28	Membership associations	Appendices 7 Participation in External Organizations		152
Stakeholder Engagement				
2-29	Approach to stakeholder engagement	Stakeholder Identification and Communication		13-14
2-30	Collective bargaining agreements	Disclosure omitted	In compliance with national laws, collective bargaining agreements are adhered to. However, no formal collective agreements have been signed.	
GRI3				
Indicator	Requirement	Corresponding Section / Explanation	Omissions Description	Page Number
3-1	Process to determine material topics	Material Topic Identification and Management		12
3-2	List of material topics	Management of Material Topics		17
3-3	Management of material topics	Management Policies for Material Topics		18
GRI Topic	Requirement	Corresponding Section / Explanation	Omissions Description	Page Number
Material Topic - GRI 200 Series (Economic)				
Integrity Management and Governance				
3-3 Management of Material Topics		Management Policies for Material Topics, 3.1 Key Performance Indicator: Target Management and Performance		18 、 86
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	3.4.1 Integrity Management Policy: Integrity Culture Practices		
	205-2 Communication and training about anti-corruption policies and procedures	3.4.1 Integrity Management Policy: Integrity Culture Practices		98
	205-3 Confirmed incidents of corruption and actions taken	3.4.1 Integrity Management Policy: Integrity Culture Practices		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.4.2 Implementation of Compliance with Laws and Regulations		100
Business Performance				
3-3 Management of Material Topics		Management Policies for Material Topics, 3.1 Key Performance Indicator: Target Management and Performance		18 、 86
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	3.3 Operational Performance		94
	201-3 Defined benefit plan obligations and other retirement plans	2.3.3 Employee Relationship Management: Sound Retirement System and Operational Resilience		65
	201-4 Financial assistance received from government	3.3 Operational Performance		94

GRI Topic	Requirement	Corresponding Section / Explanation	Omissions Description	Page Number
Supply Chain Management				
3-3 Management of Material Topics		Management Policies for Material Topics, 3.1 Key Performance Indicator: Target Management and Performance		18 ~ 86
GRI 308: 2016 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	3.6.1 Sustainable Supply Chain Management		108-110
	308-2 Negative environmental impacts in the supply chain and actions taken	3.6.1 Sustainable Supply Chain Management		108-110
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	3.6.1 Sustainable Supply Chain Management		111-112
	414-2 Negative social impacts in the supply chain and actions taken	3.6.1 Sustainable Supply Chain Management		111-112
Information Security and Customer Privacy				
3-3 Management of Material Topics		Management Policies for Material Topics, 3.1 Key Performance Indicator: Target Management and Performance		18 ~ 86
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.4.2 Implementation of Compliance with Laws and Regulations		100
Material Topic - GRI 300 Series (Environmental)				
Climate Change Response, Energy and Greenhouse Gas Management, Waste Management				
3-3 Management of Material Topics		Management Policies for Material Topics, 1.1 Key Performance Indicator: Target Management and Performance		18 ~ 20
GRI 302: Energy 2016	302-1 Energy consumption within the organization	1.4.1 Energy Management Mechanism: Energy Consumption		36
	302-3 Energy intensity	1.4.1 Energy Management Mechanism: Energy Consumption		36
	302-4 Reduction of energy consumption	1.4.3 Energy Efficiency Investments and Progress Toward Carbon Neutrality		39
	302-5 Reductions in energy requirements of products and services	4.2.1 Green Innovation Drives the Future		122-126
GGRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	1.4.2 Greenhouse Gas Inventory		37
	305-2 Energy indirect (Scope 2) GHG emissions	1.4.2 Greenhouse Gas Inventory		37
	305-3 Other indirect (Scope 3) GHG emissions	1.4.2 Greenhouse Gas Inventory		38
	305-4 GHG emissions intensity	1.4.2 Greenhouse Gas Inventory		37
	305-5 Reduction of GHG emissions	1.4.3 Energy Efficiency Investments and Progress Toward Carbon Neutrality		39
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	1.5.2 Waste Management		42
	306-2 Management of significant waste-related impacts	1.5.2 Waste Management		42
	306-3 Waste generated	1.5.2 Waste Management		42
	306-4 Waste diverted from disposal	1.5.2 Waste Management		42
	306-5 Waste directed to disposal	1.5.2 Waste Management		42
Customer Relationship Management				
Custom Topic		Management Policies for Material Topics, 3.1 Key Performance Indicator: Target Management and Performance		18 ~ 86



GRI Topic	Requirement	Corresponding Section / Explanation	Omissions Description	Page Number
Green R&D and Innovation				
Custom Topic		Management Policies for Material Topics, 4.1 Key Performance Indicator: Target Management and Performance		18 、 121
Material Topic - GRI 400 Series (Social)				
Employee Motivation and Retention				
3-3 Management of Material Topics		Management Policies for Material Topics, 2.1 Key Performance Indicator: Target Management and Performance		18 、 45
GRI 401: Employment 2016	401-1 New employee hires and employee turnover by age group, gender, and region.	2.3.1 Global Diverse Talent Strategy		52-54
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant location of operation	2.3.3 Employee Relationship Management		61
	401-3 Parental leave	2.3.3 Employee Relationship Management: Family-Friendly Workplace		62
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.3.1 Global Diverse Talent Strategy		52-57
	405-2 Ratio of basic salary and remuneration of women to men	2.3.2 Remuneration Policies: Gender Equality and Fair Remuneration		58-59
Talent Cultivation and Development				
3-3 Management of Material Topics		Material Topic Management Approach, 4.1 Key Performance Indicator: Target Management and Performance		18 、 45
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee by gender and by employee category	2.4.1 Training and Development		70
	404-2 Programs for upgrading employee skills and transition assistance programs	2.4.1 Training and Development		66-69
	404-3 Percentage of employees receiving regular performance and career development reviews	2.4.2 Performance Evaluation and Development		71
Occupational Health and Safety				
3-3 Management of Material Topics		Material Topic Management Approach, 4.1 Key Performance Indicator: Target Management and Performance		18 、 45
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	2.5.1 Policy Guidelines and Strategy		73
	403-2 Hazard identification, risk assessment, and incident investigation	2.5.1 Policy Guidelines and Strategy: Risk Management and Prevention Mechanism		74
	403-3 Occupational health services	2.5.3 Employee Health Promotion and Care		77
	403-4 Worker participation, consultation, and communication on occupational health and safety	2.5.1 Policy Guidelines and Strategy: Management System and Governance Framework		74
	403-5 Worker training on occupational health and safety	2.5.1 Policy Guidelines and Strategy: Capacity Building and Safety Culture		75
	403-6 Promotion of worker health	2.5.3 Employee Health Promotion and Care		77-78
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.5.3 Employee Health Promotion and Care		77-78
	403-8 Workers covered by an occupational health and safety management system	2.5.1 Policy Guidelines and Strategy: Management System and Governance Framework		74
	403-9 Work-related injuries	2.5.2 Incident Response and Continuous Improvement		76
	403-10 Work-related ill health	2.5.2 Incident Response and Continuous Improvement		76

GRI Topic	Requirement	Corresponding Section / Explanation	Omissions Description	Page Number
Voluntary Disclosure Topic				
GRI 101: Biodiversity 2024	101-4 Identification of impacts on biodiversity	1.3.1 Enhancing Climate Resilience		28-30
	101-5 Locations with biodiversity impacts	1.3.1 Enhancing Climate Resilience		28-30
GRI 301: Materials 2016	301-1 Materials used by weight or volume	4.5.2 Green Product Management: Product Recyclability and Environmental Impact		136
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	1.5.1 Water Stewardship		40
	303-4 Water discharge	1.5.1 Water Stewardship		40
GRI 402: Labor / Management Relations 2016	402-1 Minimum notice periods regarding operational changes	2.3.3 Employee Relationship Management: Sound Retirement System and Operational Resilience		65
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.3.1 Global Diverse Talent Strategy		52
	405-2 Ratio of basic salary and remuneration of women to men	2.3.2 Remuneration Policies		58-59
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	2.2 Human Rights Due Diligence		46-47
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.3.3 Employee Relationship Management: Harmonious Labor / Management Relations		60
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	2.2.2 Human Rights Risk and Impact Assessments		47-50
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.2.2 Human Rights Risk and Impact Assessments		47-50
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	4.5.3 Responsible Consumption and Production: Marketing and Safety Labeling		137-138
	417-2 Incidents of non-compliance concerning product and service information and labeling	4.5.3 Responsible Consumption and Production: Marketing and Safety Labeling		137-138
	417-3 Incidents of non-compliance concerning marketing communications	4.5.3 Responsible Consumption and Production: Marketing and Safety Labeling		137-138



Appendix 2 SASB Industry Standards Mapping Table

Industry Standard: Electrical & Electronic Equipment

Topic	Indicator	Type	Measurement Unit	Code	Phihong's Response
Energy Management	1. Total energy consumed	Quantitative	Gigajoules (GJ), Percentage (%)	RT-EE-130a.1	129,652
	2. Percentage grid electricity				93.27
	3. Percentage renewable				6.25
Hazardous Waste Management	4. Amount of hazardous waste generated	Quantitative	Metric tons (t), Percent (%)	RT-EE-150a.1	268.93
	5. Percentage recycled				67.86%
	6. Number and aggregate quantity of reportable spills	Quantitative	Number, Metric tons (t)	RT-EE-150a.2	No hazardous waste spills occurred.
Product Safety	7. Percentage recycled				0
	8. Number of recalls issued	Quantitative	Number, Units	RT-EE-250a.1	0
	9. Total units recalled				0
Product Lifecycle Management	Total monetary losses from legal proceedings associated with product safety	Quantitative	Amount	RT-EE-250a.1	NT\$0
	Percentage of revenue from products containing IEC62474 declarable substances	Quantitative	Percentage of revenue (%)	RT-EE-410a.1	100%
	Percentage of revenue from products with energy efficiency certifications	Quantitative	Percentage of revenue (%)	RT-EE-410a.2	74.6%
	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	Amount	RT-EE-410a.3	NT\$7.308 billion
Material Acquisition	Description of risk management associated with the use of critical materials	Discussion and Analysis	N/A	RT-EE-440a.1	Please refer to 3.6.1 Sustainable Supply Chain Management P.107
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and Analysis	N/A	RT-EE-510a.1	Please refer to 3.4.1 Integrity Management Policy: Integrity Culture Practices P.97
	Total amount of monetary losses from legal proceedings associated with bribery or corruption	Quantitative	Amount	RT-EE-510a.2	0
	Total amount of monetary losses from legal proceedings associated with anti-competitive behavior regulations	Quantitative	Amount	RT-EE-510a.3	0
Topic	Indicator	Type	Measurement Unit	Code	Response
Activity Metrics	Number of units produced, by product category	Quantitative	Units	RT-EE-000.A	Power supply products: 52,115,415 EV energy products: 74,572
	Number of employees	Quantitative	Headcount	RT-EE-000.B	Number of employees: 4,881

Appendix 3 Climate-related Information Comparison Table (TWSE)

Implementation Status of Climate-related Information

No	Item	Implementation Status	Corresponding Section	Page Number
1	Explain the Board of Directors and management's oversight and governance of climate-related risks and opportunities.	In alignment with the TCFD and TNFD frameworks, Phihong has established a climate and nature governance structure and integrated it into the Company's decision-making and operational management. The Board of Directors serves as the highest decision-making body, with the "Sustainable Development Committee" established under it. This committee is responsible for overseeing the promotion and performance of climate and nature topics, and for incorporating related risk and opportunity assessments into major decisions. The execution level is coordinated by the Sustainable Development Office, which has established the "Climate and Nature Project Promotion Task Force" responsible for identifying, evaluating, and managing risks and opportunities. Each department executes relevant measures according to their duties, and the Chief Sustainability Officer regularly reports achievements to the Board of Directors to ensure the effective operation of the governance mechanism. For the governance and oversight of the Board of Directors, functional committees, and management concerning climate and sustainable risks, please refer to the 2025 Year Sustainable Report section 1.3 Climate Strategy - Governance Mechanism .	1.3.1 Enhancing Climate Resilience: Governance Mechanism	23
2	Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning over the short, medium, and long term.	Phihong categorizes risks and opportunities associated with climate- and nature-related issues by timeframe: short-term (within 2 years), mid-term (2–6 years), and long-term (beyond 6 years). The Sustainable Development Office systematically identifies risks and opportunities by regularly observing international trends and stakeholder opinions. After a cross-departmental questionnaire assessment of the "Likelihood of Occurrence and Degree of Impact" in 2025, six high risks and three key opportunities were selected from 11 risks and 6 opportunities for priority management. Core Risks and Responses: Primarily facing the impact of extreme weather on operations, the transition costs of net-zero policies, and the cost pass-through in the supply chain triggered by carbon pricing. In response, Phihong has established a comprehensive risk identification and response mechanism to fully strengthen the resilience of its value chain. Transformation opportunities and strategies: Centered on low-carbon transformation, through technological innovation, product optimization (such as high-efficiency energy-saving power), and the adoption of renewable energy, we actively integrate into the international green supply chain, turning climate challenges into long-term competitive advantages.	1.3.1 Enhancing Climate Resilience: Climate Risks and Opportunities Assessment	24-26
3	Describe the financial impact of extreme climate events and transition actions.	Our company, coordinated by the Sustainable Development Office, collaborates across departments to promote climate Risk Analysis. Through in-depth interdisciplinary discussions, inventory, and evaluations, guide colleagues to accurately identify potential risks and transition opportunities brought by extreme weather on operations under different climate scenarios, and further quantify the corresponding financial impacts and response costs. For the substantial financial impact of extreme climate events and transition actions, please refer to our 2025 Year Sustainable Report section 1.3 Climate Strategy Scenario Analysis Results , or visit the Company Sustainable official website "Climate Action and Biodiversity" section for detailed descriptions.	1.3.1 Enhancing Climate Resilience: Risk Management	27-29
4	Describe how processes for identifying, assessing, and managing climate risks are integrated into the organization's overall risk management.	Construct a climate and nature risk management mechanism using 4 major steps to identify risks and opportunities, fully integrating them into core strategies. For key topics, we formulate quantitative actions and KPIs, continuously optimizing through the PDCA cycle to strengthen operational resilience. Phihong will respond agilely to International Regulations and market changes, further expanding its sustainability impact across the supply chain. By collaborating with partners to promote low-carbon transitions, we create Sustainable Value and competitive advantages.	1.3.1 Enhancing Climate Resilience: Risk Management	27-29



No	Item	Implementation Status	Corresponding Section	Page Number
5	When using scenario analysis to assess resilience to climate change risks, the description of the scenarios, parameters, assumptions, analytical factors, and major financial impacts should be provided.	Phihong conducted short-, medium-, and long-term scenario analysis and quantitative assessment of climate and nature risks, and formulated countermeasures: Transition Risks: The Impact of Carbon Pricing and Net-Zero Targets This scenario analysis assumes a 42% carbon reduction by 2030 and net-zero by 2050, assessing the financial impacts of maintaining the status quo (BaU) versus adopting a transition strategy. In the 2050 net-zero scenario, the financial impact of the BaU scenario as a percentage of revenue is 0.04% in the Short-Term, 0.57% in the Mid-Term, and 1.70% in the Long-Term. If a Transition Strategy is adopted, these can be effectively reduced to 0.02%, 0.17%, and 0.71%, respectively. Subsequently, we will enhance energy efficiency, expand the procurement and deployment of green energy, and evaluate the adoption of internal carbon pricing to support decision-making. Physical Risk: Long-Term Warming and Extreme Weather Challenges Long-Term Warming Risks: In the SSP5-RCP 8.5 deteriorating scenario, the financial impact due to increased electricity costs reaches a maximum of 0.144% as a percentage of revenue. Improve factory thermal insulation, introduce Smart energy-saving systems, and dynamically track temperature and electricity prices to optimize planning. Extreme Weather Events: Conduct a five-level risk assessment for heavy rainfall and high temperatures. Under the long-term RCP 8.5 scenario, the extreme rainfall risk at the PHT plant reaches a maximum of Level 5 (High Risk), while the other plants fall between Level 2 and Level 3. Countermeasures include regular assessments of natural disaster vulnerability, establishing response procedures, and enhancing insurance coverage for assets in high risk areas to improve operational resilience. For the main financial impact, please refer to our 2025 Year Sustainable Report section "1.3 Climate Strategy Scenario Analysis Results," or visit the "Climate Action and Biodiversity" section on the Company Sustainable official website.	1.3.1 Enhancing Climate Resilience: Risk Management	28-30
6	If there is a transition plan to manage climate-related risks, describe the content of the plan, and the targets and indicators used to identify and manage physical and transition risks.	(1) Transition plan for climate-related risks. - Green Operations and Energy Transition: Reduce reliance on fossil fuels and improve energy efficiency through the deployment of in-house solar energy, the purchase of green energy certificates, and the introduction of smart energy management systems in factories. - Product Low-Carbon Innovation: The group applies Gallium Nitride (GaN) technology to develop a new generation "Power-tool Charger" DIY power-tool charger. Through material optimization and multifunctional integration, it significantly reduces the life cycle carbon footprint. (2) Targets and Indicators of Climate-Related Management - Carbon Emissions and Energy: Including Scope 1+2 emissions reduction, annual renewable energy generation, and the proportion of EVs in official vehicles, etc. - Water Intensity Reduction: 20% (Base Year: 2021) - Waste Generation Intensity Reduction: 10% (Base Year: 2022)	1.3.1 Enhancing Climate Resilience: Targets and Indicators	31
7	If internal carbon pricing is used as a planning tool, the basis for price determination should be described.	Phihong introduced internal carbon pricing (ICP) starting in October 2025, internalizing carbon costs into operational and investment decisions to enhance energy management and equipment investment efficiency, while aligning with international net-zero trends. In setting the carbon price, a shadow carbon price of NT\$3,000 per ton is established based on a comprehensive analysis of global carbon markets, national carbon fee regimes, supply chain net-zero requirements, and the company's decarbonization pathway. This serves as a basis for Energy Management and investment evaluation, reflecting expected future carbon costs. ICP has been integrated into the equipment investment and change process, simultaneously considering economic benefits, energy efficiency, carbon impact, and lifecycle costs in decision-making. It is reviewed and adjusted annually to ensure its scientific validity and competitiveness.	1.4.1 Energy Management Mechanism	35
8	If climate-related targets are set, a description should be provided of the activities covered, the Scope of greenhouse gas emissions, the planning timeframe, and the annual progress in achieving the targets. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, the source and amount of the offset reductions or the number of RECs should be specified.	Our company actively responds to Climate Change by formulating a Vision for carbon management, net-zero emissions, and resource recycling policies. Since 2022, the "ESG Sustainable Vision Initiative" with 2030 as the target year has been officially launched. Climate-related targets are regularly tracked and supervised by the Sustainable Development Office on a monthly basis to ensure implementation progress. For the planning schedule and the latest progress on greenhouse gas reduction, please refer to point 9; for other target implementation achievements, please refer to the 2025 Sustainable Report, Chapter 1 Climate Strategy - detailed information on Targets and Indicators.	1.3.1 Enhancing Climate Resilience: Targets and Indicators	31
9	Please refer to the following Table 1 and Table 2 for the Greenhouse Gas Inventory, verification status, reduction targets, strategies, and specific action plans.	Please refer to the following Table 1 and Table 2.	Appendix 3: Tables 1 and 2	148-149

Table 1: Recent two years of Greenhouse Gas Inventory and verification information.

The company has established a greenhouse gas mechanism according to the ISO 14064-1:2018 Greenhouse Gas Inventory Standard published by the International Organization for Standardization (ISO). Starting in 2021, the company has conducted annual inventories of GHG emissions from individual entities, and since 2022, it has included the GHG emissions of subsidiaries in the consolidated financial reports. It is expected that by 2027, the inventory and data verification will be fully completed, enabling a comprehensive understanding of the Group's GHG usage and emissions, and verifying the effectiveness of reduction actions.

The company's greenhouse gas disclosure schedule is planned as follows (for listed companies with a capital of less than 5 billion NTD):

Item \ Year	2022-2023	2024	2025	2026	2027	2028	2029
Planning and Implementation	Inventory	PHT、PHC、PHP、PHV	ZTM	ZCM	United States, Japan, Netherlands	United Kingdom	
	Assurance	PHT、PHC、PHP、PHV	ZTM	ZCM	United States, Japan, Netherlands		United Kingdom
Regulatory Requirements	Disclosure	Inventory Data (individual)			Inventory Data (consolidated)		Assurance Data (consolidated) Assurance Data (merged)

The Greenhouse Gas Inventory data for the recent two years is based on the operational control approach, summarizing the GHG emissions of the company and its subsidiaries in the consolidated financial reports, as well as the implementation of assurance. The description is as follows (for related verification statements, please refer to the Pihong ESG official website [Sustainability Management Policy and Certifications](#)):

Scope 1

2024					2025				
Included Entities	Total Emissions	Intensity	Assurance institution	Assurance Status	Included Entities	Total Emissions	Intensity	Assurance institution	Assurance Status
Pihong Technology Co., Ltd. (PHT)	40.7892	0.0038	AFNOR Asia Ltd	Complete third-party verification (reasonable assurance) in accordance with ISO 14064-1.	Pihong Technology Co., Ltd. (PHT)	23.0842	0.0023	AFNOR Asia Ltd	Complete third-party verification (reasonable assurance) in accordance with ISO 14064-1.
Consolidated subsidiaries (including PHC, PHP, PHV, ZTM, ZCM)	1,018.1349	0.0934			Consolidated subsidiaries (including PHC, PHP, PHV, ZTM, ZCM)	491.4780	0.0502		
Total	1,058.9241	0.0972			Total	514.5662	0.0525		

Scope 2

2024					2025				
Included Entities	Total Emissions	Intensity	Assurance institution	Assurance Status	Included Entities	Total Emissions	Intensity	Assurance institution	Assurance Status
Pihong Technology Co., Ltd. (PHT)	818.0640	0.0751	AFNOR Asia Ltd	Complete third-party verification (reasonable assurance) in accordance with ISO 14064-1.	Pihong Technology Co., Ltd. (PHT)	730.1496	0.0746	AFNOR Asia Ltd	Complete third-party verification (reasonable assurance) in accordance with ISO 14064-1.
Consolidated subsidiaries (including PHC, PHP, PHV, ZTM, ZCM)	19,652.0395	1.8032			Consolidated subsidiaries (including PHC, PHP, PHV, ZTM, ZCM)	18,757.6173	1.9148		
Total	20,470.1035	1.8783			Total	19,487.7669	1.9894		

◎
 Scope 3

2024					2025				
Included Entities	Total Emissions	Intensity	Assurance institution	Assurance Status	Included Entities	Total Emissions	Intensity	Assurance institution	Assurance Status
Phihong Technology Co., Ltd. (PHT)	603.5071	0.0554	AFNOR Asia Ltd	Complete third-party verification (reasonable assurance) in accordance with ISO 14064-1.	Phihong Technology Co., Ltd. (PHT)	566.8293	0.0579	AFNOR Asia Ltd	Complete third-party verification (limited assurance) in accordance with ISO 14064-1.
Consolidated subsidiaries (including PHC, PHP, PHV, ZTM, ZCM)	2,018.4047	0.1852			Consolidated subsidiaries (including PHC, PHP, PHV, ZTM, ZCM)	2,973.5637	0.3035		
Total	2,621.9118	0.2406			Total	3,540.3930	0.3614		

Note 1: Total Emissions (metric tons of CO₂e)

Note 2: Intensity = metric tons CO₂e / NT\$ million in revenue

Table 2: Reduction targets, strategies, and specific action plans for Greenhouse Gas Reduction

Reduction targets	Short-term: By 2030, achieve a 42% reduction in absolute Scope 1 and Scope 2 GHG emissions, using 2021 as the base year; and reduce Scope 3 carbon intensity by 51.6%, using 2022 as the base year. The targets were officially approved by SBTi in March 2024, and through continuous climate information disclosure and the promotion of charging infrastructure, we are actively responding to the Paris Agreement's 1.5° C warming control target. Medium and long-term: Through Greenhouse Gas Inventory, implementing energy-saving and carbon reduction measures, actively creating energy and promoting green energy transactions, and adopting new low-carbon production technologies and externalizing low-carbon technologies, comprehensively implementing green operations to accelerate the achievement of the 2050 net-zero carbon target.
Strategy	Phihong establishes Green Operations strategies with three core pillars: "Source Carbon Reduction, Energy Transition, and Low-Carbon Innovation." - Energy Transition Promotion: Implement solar power system installations, gradually increase the ratio of renewable energy, and accelerate the electrification of official vehicles. - Deepen intelligent energy efficiency: Introduce the Energy Management System (EMS) at the factory level, implement lean production, and control unit energy consumption to maximize equipment efficiency. - Nurture Low-Carbon Innovation: Introduce third-generation semiconductor Gallium Nitride (GaN) and other low-carbon technologies to optimize product life cycle design and collaborate with the supply chain towards net zero.
Specific action plans	- Phihong incorporates climate and nature-related risks and opportunities into its core decisions, driving low-carbon transformation and environmental sustainability. The Company has set commitments to net-zero emissions and biodiversity protection, reducing environmental impact through forward-looking management and technological innovation. - Phihong formally introduced internal carbon pricing (ICP) in October 2025, internalizing carbon costs and incorporating them into operational and investment decisions. By establishing a shadow carbon price of NT\$3,000 per metric ton, it accurately reflects expected future carbon costs, thereby strengthening energy management and enhancing green equipment investment efficiency. - Promote Energy Saving Initiatives, covering Scope in lighting, air conditioning, ventilation, Green energy, and smart management control, achieving a cumulative electricity savings of 2,562,114 kWh. - Continue to drive energy transition, increase the ratio of renewable energy use, and reduce reliance on fossil fuels through the establishment of solar energy systems and the procurement of green energy; meanwhile, introduce smart energy management systems to optimize processes and enhance energy efficiency. - In terms of products, focusing on low-carbon design and high-performance technology, we have incorporated third-generation semiconductors such as GaN and SiC to develop high-efficiency charging products, reducing energy consumption and carbon footprint. - Collaborating with the supply chain to promote carbon reduction actions, implementing carbon inventories and reduction management, driving the value chain towards a comprehensive low-carbon transformation.

Appendix 4 Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Disclosure Item	Report section	Page Number	Note
Paragraph 2 of Article 3 Risk assessment of environmental, social, and corporate governance, and the establishment of relevant performance indicators to manage the identified material topics.	Material Topic Identification and Management	12-18	
Paragraph 3 of Article 3 The disclosure report description corresponds to the GRI Standards Content Index, and the report specifies whether each Disclosure Item has obtained third-party assurance or verification.	Appendices 1. GRI Content Index Table Appendices 8. Third-Party Independent Assurance Opinion Statement	140-144 、 154	
Paragraph 3 of Article 4 Enhance the Disclosure of Sustainable Indicators by Industry	Appendices 2. SASB Industry Standard: Electrical & Electronic Equipment	145	
Paragraph 1 of Article 4 Special Chapter on the Disclosure of Climate-related IT	1.3 Climate Strategy (TCFD & TNFD) Appendices 3. Climate-related Information Mapping Table (TWSE)	23-31 、 146-147	

Appendix 5 Sustainable Disclosure Indicators - Electronic Components Industry

No	Indicator	Indicator Type	Unit	Response
1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantitative	Gigajoule (GJ), Percentage (%)	129,652GJ, 93.27%, 6.25%
2	Total water withdrawal and total water consumption	Quantitative	Thousand cubic meters (M3)	267.073 M3
3	Weight of hazardous waste generated and recycling rate	Quantitative	Metric tons (t), Percentage (%)	Weight: 268.93 t Recycling rate: 67.86%
4	Description of occupational injury types, number of cases, and injury rate	Quantitative	Percentage (%), Number	Number of people: 11 (all general occupational accidents) Injury rate: 0.22%
5	Disclosure of product life cycle management, including the weight of end-of-life products and e-waste and the percentage of recycling	Quantitative	Metric tons (t), Percentage (%)	Weight: 2,719.55 t Recycling rate: 95.73%
6	Description of risk management associated with the use of critical materials	Qualitative Description	N / A	Please refer to 3.6.1 Sustainable Supply Chain Management
7	Total monetary losses resulting from legal proceedings related to anti-competitive behavior	Quantitative	NT	NT\$0
8	Output of main products by product category	Quantitative	Units	Power supply products: 52,115,415 EV energy products: 74,572



Appendix 6 United Nations Global Compact (UNGC) Alignment Table

The UN Global Compact is a set of 10 universal principles designed for companies' operational strategies and policies, encompassing areas such as human rights, labor, environmental protection, and anti-corruption. Although Phihong is not a signatory of the United Nations Global Compact, it consistently monitors global ESG trends and promotes related initiatives.

field	The principles of the UN Global Compact	Phihong's Practice	Corresponding Section	Page Number
Human Rights	1. Companies should support and respect internationally recognized human rights.	Phihong regards its colleagues as the cornerstone of Sustainable Development. We align comprehensively with international indicators such as the "Universal Declaration of Human Rights" and the "United Nations Guiding Principles on Business and Human Rights" to prevent human rights risks, and implement our commitment across the two core dimensions of "internal workplace governance" and "external value chain dissemination."	2.2.1 Human Rights Management Policies	46
	2. Companies should ensure that they are not involved in any incidents of human rights violations.		2.2.2 Human Rights Risk and Impact Assessments	47-48
Labor	3. Companies should support the freedom of assembly and association for labor and genuinely recognize the right to collective bargaining	1. Internal Workplace Governance: Building a Dignified and Inclusive Environment - Diversity, Equity, and Remuneration Justice: Practice equal pay for equal work and remuneration justice with recruitment and promotion systems strictly adhering to the principle of zero discrimination. - Respect human rights and labor dignity: Strictly prohibit forced labor and child labor, ensure the freedom of lawful association, and fully implement a zero-tolerance policy for workplace harassment. - Diverse Complaint and Transparent Communication: Establish diverse and anonymous complaint channels with robust privacy protection, strengthening two-way dialogue to deepen labor-management communication.	2.3.3 Employee Relationship Management	60
	4. Eliminate all forms of Forced Labor.		2.2.1 Human Rights Management Policies	46
	5. Effectively abolish child labor.		2.2.1 Human Rights Management Policies	46
	6. Eliminate employment and occupational discrimination.		2.2.1 Human Rights Management Policies	46
Environmental	7. Businesses should support the adoption of preventive measures to address environmental challenges.	Develop high-performance green products to enhance application efficiency and strengthen green connections with customers. - Committed to developing green manufacturing processes, promoting source improvement to reduce waste and energy consumption. - Establish an energy management mechanism to promote energy saving and carbon reduction, and reduce pollution emissions. - Improve resource utilization efficiency, Resource Recovery and Reuse of the Circular Economy.	4.2 Green R&D and Innovation	122-128
	8. Take proactive measures to promote and strengthen corporate environmental responsibility.		4.3 Design Low-Carbon Products	129-132
	9. Encourage the development and promotion of environmentally friendly technology.		4.4 Transitioning to a Circular Economy	133-134
Anti-Corruption	10. Enterprises should strive to oppose all forms of corruption, including extortion and bribery.	- Promote legal compliance advocacy and ethical education and training to establish a concept of compliance. - Improve the regulations and systems for Integrity Management. - Implement Integrity Management and Establish an Anti-bribery Management Mechanism - Identify high risk violations of integrity in business activities at each plant and set preventive measures.	3.4.1 Integrity Management Policy: Integrity Culture Practices	97-100

Appendix 7 External Organizational Participation (GRI 2-28)

Phihong actively participates in international climate initiatives, echoing the Paris Agreement's 1.5° C target, pledging to achieve net-zero emissions by 2050, and promoting a carbon reduction strategy covering Scope 1, 2, and 3, implementing it in operations and across the value chain. In 2024, we passed verification for science-based carbon reduction targets under the SBTi framework and continued disclosing climate and water resources risks through CDP. We received double B ratings in climate change and water security, demonstrating robust environmental governance performance. At the same time, Phihong endorsed the TCFD and established a climate risk management mechanism, further introducing the TNFD framework to expand into natural capital management, continuously strengthening the depth of sustainable governance and aligning with international standards. The core actions for key External Climate Initiatives and participation are as follows:

Climate Initiative Category	Key Actions and Achievements	Sustainable Impact Indicator
Net Zero Emissions (Net Zero)	Announcing the 2050 Net-Zero Vision, covering Scope 1, 2, and 3 across the entire value chain.	Advancing toward Carbon Neutral Operational Transformation
Science-Based Carbon Reduction Target (SBTi)	Officially validated the target in 2024, aligning with the 1.5° C warming pathway.	Scientific validation, data-driven
Environmental Disclosure (CDP)	Received double B management level recognition in 2025 for Climate Change and Water Security.	Global Investor Information Transparency
Financial disclosure (TCFD/TNFD)	In 2022, Phihong signed the TCFD; in 2025, it officially introduced the TNFD framework and disclosed relevant information.	Financial resilience and natural capital management

In addition to climate action, Phihong actively participates in various ESG-related organizations and initiatives. Through collaboration and exchanges with international and local platforms, the Company grasps sustainability trends and strengthens stakeholder connections while internalizing external best practices into corporate governance and operational strategies. This continuous effort enhances corporate resilience and long-term competitiveness, steadily advancing towards sustainable development goals.

Phihong Global Sustainability Initiatives and Organizational Participation Overview

Aspect	Initiative Organizations or Conventions	Nature of Participation	Phihong (Taiwan)	Phihong (Dongguan)	Phihong (Vietnam)	Zerova
Environment (E)	Task Force on Climate-related Financial Disclosures (TCFD)	Initiative Signatory	●	●	●	●
	Taskforce on Nature-related Financial Disclosures (TNFD)	Initiative Signatory	●	●	●	●
	International Carbon Disclosure Project (CDP)	Disclosure response	●	●		●
	Science Based Targets initiative (SBTi)	Target verification	●	●	●	●
	Taiwan E-Intelligent Vehicle & Green Energy Tech Association (TEGA)	Member				●



Aspect	Initiative Organizations or Conventions	Nature of Participation	Phihong (Taiwan)	Phihong (Dongguan)	Phihong (Vietnam)	Zerova
Social (S)	Global Reporting Initiative (GRI)	Application of Standards	•	•	•	•
	Responsible Business Alliance (RBA) Code of Conduct	Member / Compliance	•	•	•	•
	Eden Social Welfare Foundation	Charity and Philanthropy Donor	•			
	Muhsiang Children's Home, Taoyuan City	Charity and Philanthropy Donor	•			
	Step30 International Ministries	Charity and Philanthropy Donor	•			
Governance (G)	Sustainability Accounting Standards Board (SASB)	Application of Standards	•	•	•	•
	Taiwan Corporate Sustainability Forum (TCSF)	Members	•			
	Taiwan Industrial Holding Association	Member	•			
	BCSD Taiwan	Supporter	•			•
	The Institute of Internal Auditors, R.O.C	Alignment with professional governance guidelines.	•			•
Economic	Taiwan Electrical and Electronic Manufacturers' Association	Member	•			
	Taiwan Plastics Industry Association	Member	•			
EV Infrastructure Initiative (EV Focus)	Open Charge Alliance	Member	•			
	CharIN Alliance	Member				•
	CHAdeMO Association, Japan	Member				•
	Taiwan Advanced Automotive Technology Development Association (TADA)	Member	•			

Appendix 8 Third-Party Independent Assurance Opinion Statement



Independent Assurance Statement

PHIHONG TECHNOLOGY CO., LTD. 2025 SUSTAINABILITY REPORT

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and PHIHONG TECHNOLOGY CO., LTD. (hereinafter referred to as PHIHONG) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA is not involved in the preparation process of the sustainability report of PHIHONG.

RESPONSIBILITIES

PHIHONG is responsible for reporting its economic, environmental, and social operating activities and performance in Taiwan and overseas operating locations in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.

AFNOR ASIA is responsible for providing an independent assurance statement to PHIHONG and its stakeholders in accordance with the described scope and method. This statement is for PHIHONG use only and is not responsible for any other purpose.

SCOPE AND CRITERIA

The assurance scope of the agreement between PHIHONG and AFNOR ASIA includes:

- The scope of assurance operation is consistent with the scope disclosed in the "PHIHONG TECHNOLOGY CO., LTD. 2025 SUSTAINABILITY REPORT".
- AFNOR ASIA performs assurance operation according to the Type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating PHIHONG's compliance with the AA1000 Accountability Principles (2018).
- The assurance operation includes reviewing and evaluating PHIHONG's relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
 - GRI Standards.
 - Task Force on Climate-related Financial Disclosures
 - Sustainability Accounting Standards Board Standards

METHODOLOGY

- The Report is reported in accordance with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Standards for general disclosure and specific topic disclosure.
- The verification team interviewed relevant personnel to confirm the communication and response




mechanism for stakeholders and the decision-making process for material topics, but did not directly contact external stakeholders.

- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.

CONCLUSION

AA1000 Accountability Principles

Inclusivity

PHIHONG has followed the AA1000 Stakeholder Engagement Standard and referenced relevant international reporting guidelines. In the Report, it uses the same identification logic as in 2024, focusing on seven core stakeholders from 12 categories: shareholders/investors, customers, employees, suppliers (including contractors), communities, government agencies, and non-profit organizations. The organization engages in consultations with stakeholders through diverse communication channels and applies the results of these consultations to decision-making processes on material topics, demonstrating its commitment to the principle of inclusivity.

Materiality

PHIHONG has followed the GRI 3: Material Topics 2021, with its senior management team conducting a Double Material assessment to identify, adjust, and update 12 material topics. The Report reveals the positive and negative impacts of each material topic and the corresponding management solutions, showcasing the organization's response strategies and performance improvement efforts.

Responsiveness

PHIHONG has regularly and irregularly disclosed information on the organization's economic, governance, environmental, and social performance through the Report, its official website, and other public information channels, enabling stakeholders to understand and assess the organization's governance and management performance. Overall, it has met the principle of responsiveness.

Impact

PHIHONG has implemented a data-driven measurement strategy to set quantifiable targets for its operational and decision-making of material topics, demonstrating its monitoring and measurement of impact. Through regular tracking of operational performance and progress by a dedicated unit (Sustainability Office), and continuous disclosure via Report and the official website, appropriate information is provided to stakeholders to understand the organization's sustainability efforts. Overall, it continues to demonstrate good practices consistent with the principles of impact management.




Global Reporting Initiative Sustainability Reporting Standards

Based on the results of the review, it is confirmed that the general disclosures, specific topic disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. In the future, the organization can continue to compile information on material topics and operational performance through cross-departmental and cross-regional cooperation, in accordance with domestic and international reporting requirements, and disclose sufficient sustainability information to stakeholders.

Task Force on Climate-related Financial Disclosures

Based on the results of the review, the Report has revealed the impact of climate change on the organization's operations, as well as measures to address risks and opportunities. In the future, the organization can continue to monitor and update climate situation information, and continuously assess the potential financial impact of its response strategies and actions.

Sustainability Accounting Standards Board Standards

Based on the results of the review, the Report has disclosed relevant information based on the Sustainability disclosure topics & metrics and activity metrics of the SASB Standards. In the future, the organization can continue to collect and report data in accordance with the SASB Standards, through cross-regional and cross-departmental cooperation, to provide valuable information to investors.

ASSURANCE OPINION

AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by PHIHONG and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization. We have summarized the contents of the Report to provide a fair view of PHIHONG's relevant operations and specific performance. We believe the focuses on economic, social, and environmental indicators in PHIHONG in 2025 are well represented.

ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a Moderate level. The scope and methods are as described in this statement.

For and on behalf of AFNOR :



Dr. August Tsai
The Director for Certification and Assessment
Jul.27.2026

Verification team: Chung Pen Chen (Lead Verifier), Jheng-Hao Jhan (Verifier).
AFNOR Asia Ltd. - 28F-2, No. 102, Chung Ping Rd., Taoyuan, Taiwan
Tel : +886 3 220 0066, Fax : +886 3 220 7889
<https://statement.afnor.com.tw/>



AA1000
Licensed Report
000-84/V3-4YRYO



PHIHONG

2025

SUSTAINABILITY REPORT

