

PAN-INTERNATIONAL INDUSTRIAL CORP.

Biodiversity and No Deforestation Commitment

Preamble

Pan-International Industrial Corp. (hereinafter referred to as "the Company") recognizes that biodiversity is the foundation of the stable functioning of Earth's ecosystems and an essential element of sustainable business operations. With manufacturing facilities worldwide, the Company understands that facility operations, raw material extraction, and supply chain activities may affect local ecosystems. The Company is committed to prudently managing related risks, proactively taking action to conserve biodiversity, and fostering harmonious coexistence with local communities and ecosystems.

Scope of Application

This policy applies to all operational sites across the Pan-International Group—including the Taiwan Headquarters, as well as global manufacturing bases and operating subsidiaries in Mainland China, Malaysia, the United States, and other regions. Furthermore, we extend the principles of this policy throughout our supply chain and to our business partners, and encourage them to comply with the relevant requirements.

Commitments and Principles

1. **Regulatory Compliance:** Adhere strictly to international standards, as well as local laws and regulations governing biodiversity conservation, wildlife protection, and land use across all operating locations.
2. **Facility Operations and Land-Use Management:** Conduct biodiversity risk assessments during the planning phases of new construction and expansions, as well as at existing facilities, to evaluate potential impacts on adjacent natural habitats, water bodies, and ecologically sensitive areas. Prioritize avoiding development in or adjacent to areas of high ecological value or protected areas (such as IUCN Protected Area Categories I–IV, UNESCO World Heritage sites, and other critical habitats). Where avoidance is not feasible, implement appropriate management measures for priority areas identified through risk assessments in accordance with the Mitigation Hierarchy ("Avoid, Minimize, Restore, Offset"), with the long-term objective of achieving No Net Loss (NNL) and a Net Positive Impact (NPI) on biodiversity.
3. **Supply Chain and Raw Material Management:** Promote responsible sourcing for metals, plastics, and chemical raw materials required for production processes. Avoid using raw materials sourced from regions where ecologically sensitive habitats are degraded, or where illegal logging or illegal mining occurs. Require suppliers to uphold relevant biodiversity conservation principles. Suppliers and value-chain partners must avoid conducting operational activities that could cause significant negative impacts within or adjacent to globally or nationally recognized Key Biodiversity Areas (KBAs).
4. **Pollution Prevention and Ecological Protection:** Implement stringent controls over air emissions, wastewater discharges, and chemical management across facility sites to prevent pollutants from

dispersing into surrounding water bodies, soil, and ecological environments, thereby minimizing adverse impacts on local flora and fauna populations.

5. **Water Stewardship and Aquatic Ecosystem Conservation:** Assess the impact of industrial water consumption on local water resources and watershed ecology. Actively implement water-saving initiatives and wastewater recycling/reuse to relieve ecological pressure on surrounding aquatic systems.
6. **Climate Change and Ecological Resilience:** Regard greenhouse gas (GHG) reduction and energy efficiency enhancements as integral components of biodiversity conservation, thereby mitigating the impacts of climate change on ecosystems and species habitats.
7. **No Deforestation Commitment:** Comply with international and local forestry-related laws and standards. Abide by the principles of "No Deforestation, No Peat, and No Exploitation" (NDPE), commit to "No clearance of High Carbon Stock (HCS) forests and High Conservation Value (HCV) areas," and strive toward the target of maintaining No Net Deforestation, actively safeguarding HCV and HCS forest ecosystems.
8. **Habitat Maintenance and Green Landscaping:** Promote green landscaping and the planting of native species within facilities and surrounding grounds to enhance local microhabitats. Participate in or support local ecological conservation and restoration initiatives tailored to regional ecological characteristics.
9. **Stakeholder Engagement and Community Collaboration:** Maintain open communication and active engagement with stakeholders, including local governments, environmental organizations, and community groups. Respect indigenous and local ecological knowledge and conservation priorities, and participate in or support pertinent conservation projects when appropriate.
10. **Transparent Disclosure and Continuous Improvement:** Disclose biodiversity risk assessment results and management progress annually in corporate sustainability reports. Continually refine governance and management methodologies in alignment with international disclosure frameworks, such as the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations.
11. **Training and Employee Engagement:** Raise employee awareness regarding the significance of biodiversity and encourage active participation in environmental conservation and educational initiatives.

Implementation and Governance

This policy comes into effect following review and approval by the Sustainability Committee and formal signing by the Chairman. Driven by the Sustainability Committee, Environmental, Health, and Safety (EHS) and relevant departments at each facility are responsible for assessing biodiversity risks within their jurisdiction and executing corresponding management measures. Furthermore, this policy shall be reviewed and updated periodically to adapt to evolving legal developments and the latest requirements of international biodiversity frameworks.