

Paiho Shih Holdings Corporation

Biodiversity and No Deforestation Commitment

Paiho Shih Holdings Corporation places great importance on its environmental responsibilities. In promoting environmental sustainability, the Company and its subsidiaries not only actively implement energy-saving and GHG emission-reduction measures to mitigate climate change but also recognize that ecological conservation and biodiversity are key actions in achieving environmental sustainability. Paiho Shih is committed to taking actions that integrate green development, biodiversity, and forest conservation and restoration. Through these actions, we aim to enhance environmental and social well-being and to support the United Nations Sustainable Development Goal (SDG) 15 Life on Land, which advocates the conservation, restoration, and sustainable use of terrestrial ecosystems, the prevention of land degradation, and the protection of biodiversity.

Paiho Shih is committed to taking action within its own operations and encourages its supply chain (or value chain) partners to respond and participate in reducing negative environmental impacts, preventing deforestation, and promoting the positive value for the environment and biodiversity. Under the governance and oversight of senior executives, and with implementation led by the corporate sustainability task force, Paiho Shih fulfills its commitment to environmental and ecosystem protection.

Corporate Commitments and Implementation Guidelines:

1. Paiho Shih and its supply chain (or value chain) partners shall comply with all applicable international and local laws and regulations. The Group shall avoid establishing operational sites or manufacturing facilities within or adjacent to areas of globally or nationally important biodiversity.
2. Paiho Shih and its supply chain (or value chain) partners shall avoid operational activities that may damage or adversely affect protected forests or species. All operations must ensure that activities do not involve deforestation and must refrain from development in forest-covered areas, high conservation value areas, or peatlands.
3. When operations involve land-use changes, such as plant construction, site layout adjustments, or utilization of open land, Paiho Shih shall assess potential ecological value losses and implement mitigation measures to achieve No Net Loss.
4. If operational activities must take place near critical biodiversity areas, Paiho Shih and its supply chain (or value chain) partners shall follow a sequential approach: avoid, minimize, restore, and offset for impacts to reduce ecological impact.
5. Paiho Shih actively supports biodiversity conservation initiatives and conducts biodiversity risk assessments.
6. Paiho Shih promotes awareness of biodiversity conservation, no deforestation, and forest protection among employees, shareholders, customers, business partners, and supply chain (value chain) stakeholders to enhance their understanding of

environmental and ecological protection.

7. Paiho Shih cooperates with supply chain (or value chain) partners and external stakeholders to jointly support biodiversity conservation, forest preservation, and ecological protection.

8. Paiho Shih requires all supply chain partners (including both Tier-1 and non Tier-1 suppliers) to comply with this Commitment according to its *Supplier Code of Conduct*.

9. Paiho Shih shall not knowingly procure from suppliers involved in activities that cause biodiversity loss, deforestation, or violations of environmental regulations.

Chairman: CHENG Kuo-Ian
Paiho Shih Holdings Corporation
20/01/2025