

“We create the future now with our collaborative strengths aiming towards a sustainable ecosystem for all.”



Sustainability

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OVERVIEW

MESSAGES

LEADERSHIP

SUSTAINABILITY

FINANCIAL

CORPORATE
INFORMATION

“Building a better future goes beyond just meeting regulations. It’s the engine that drives our innovation and growth. We embed environmental responsibility and social good into our core strategy, actively supporting UN SDGs 9 and 12 to create a sustainable, low-carbon future.”



Laurice S. Dela Cruz
Chief Sustainability Officer



OUR INTEGRATED VALUE CHAIN

Our journey to a sustainable future by 2050 starts with how we leverage our resources. We strategically align our capital, talent, and intellectual capabilities with our core purpose: to improve lives, conserve energy, and elevate quality of life for all. This creates shared value for our stakeholders. We believe our unwavering integrity, customer focus, excellence, and deep concern for others drive positive large-scale impacts for both People and Planet. By 2030, we're committed to ambitious sustainability goals: a 50% reduction in Scopes 1 & 2 greenhouse gas emission intensity and a 25% reduction in Scope 3.

OUR SUSTAINABLE FUTURE - NET ZERO 2050

INPUTS



ENVIRONMENT · SOCIAL · GOVERNANCE



IMPACT



OUTPUT



Financial Capital

- Equity **\$309.7 million**
- Asset **\$993.7 million**
- Debt **\$356.4 million**



Human Capital

- Global headcount **12,659**
- Number of Engineers **1,016**
**Excluding VIA VTS Japan*
- Cadetship Programs Across multiple sites



Social & Relationship Capital

- No. of customers **around 300**
- Number of active suppliers **1,115**
- Continuous collaboration with Government and Academe in various geographies



Manufactured Capital

- **21** Manufacturing plants across nine countries
- Capital expenditure of **\$27.3 million**



Natural Capital

- Electricity **113M KWH**
- Water **1.1M m3**



Intellectual Capital

- Design & Development
- Advanced Engineering
- Patents

Commercial

- New Programs **\$291 million**
 - Mobility – 60%
 - Industrial – 36%
 - Others – 4%



Process & Operations

- Customer Satisfaction **4.39**
- Implementation of Updated Supplier Code of Conduct
- 1,475 Kaizen projects with total cost savings of **\$8.9 million**



People



Planet



Purpose



Prosperity

- Revenues of IMI Customers with ESG Engagements – **\$737 million**
- Manufacturing Value Add – **\$430 million**
- Engagement survey – **89%**
- Turnover Rate – **29.4%**
- Training hours – **629K**
- Recycled Waste – **2.2K metric tons**
- ICT Digital Transformation – **99.76% completion for 2023 projects**
- Number of Nationalities – **12**



Life-Saving Solutions, Energy Efficiency, and Enhanced Quality of Life. Through strong partnerships with global organizations, IMI delivers innovative manufacturing solutions that contribute to a more sustainable future.

Beyond Compliance: Shared Value and Positive Impact. Our commitment extends beyond simply meeting Environmental, Social, and Governance (ESG) requirements. We focus on creating shared value and delivering positive impacts through our services and manufacturing processes.

Our core values of integrity, customer focus, excellence and concern for others are the building blocks of our culture as well as the means to deliver the value to all our stakeholders. The following are our major strategies in each of the ESG pillars.

Environmental

- Carbon neutrality by 2050
- Reduce by 50% the carbon intensity for Scopes 1 and 2 by 2030
- Partnering with companies like Zero Motorcycles and Lithos that serve the electric vehicle ecosystem

Social

- Provide training and development opportunities for all employees
- Maintain a high employee engagement rating
- Ensure a safe and healthy work environment

Governance

- Commit to responsible business practices and to align with standards of Responsible Business Alliance (RBA)
- Uphold strong corporate governance standards across management and sites
- Ensure compliance to all audit requirements in finance, operations, and sustainability

ACTIVITIES AND IMPACT

Compliance with ESG standards continues to evolve towards a more aggressive stance on GHG reduction and social equity driven by growing environmental concerns and government policies. Global companies follow these standards on varied levels depending on their market position. Below are the major ESG activities that we do with our customers and the combined revenues attributable to these customers:

ESG Activities	No. of Customers
Net Zero Commitment	20
Green House Gas (GHG) Data Reporting: Scopes 1, 2, 3	23
Neutrality by 2030	13
Sustainability Audit	8
Third-Party Self-Assessment Questionnaires (SAQ) - Ecovadis Supplier Assurance	16
Carbon Disclosure Project (CDP) Survey Rating	2
Responsible Business Alliance (RBA) Validated Assessment Program (VAP)/RBA Membership	2
Supply Chain Management - Code of Conduct Roll Out	22
Conflict Materials Reporting Template (CMRT) and Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS)	22
TOTAL REVENUES OF CUSTOMERS WITH ESG ENGAGEMENTS	\$737 million

Current sustainability audit and activity requirements suggest that non-compliance with measures and objectives that are important to our major customers may result in major non-conformance findings that may lead to loss of business. Among our top 20 customers, 70% have ongoing ESG engagements with us, while the total revenues of customers with ESG activities with IMI stands at \$737 million, 66% of our total company revenues in 2023.

ESG Roadmap

Our target to reduce emission intensity by 2030 is on track, pending the results of our third-party consultant's assessment and validation of our carbon emission numbers. Alongside this, we are also firming up our Social targets which focus on employee health and safety and a higher than average employee engagement.

	2022	2023	2024	2025	2030
ENVIRONMENT	<input checked="" type="checkbox"/> GHG Reduction Target by 2030	<input checked="" type="checkbox"/> IMI Scope 3 strategy	<input type="checkbox"/> SouthPole Project	<input type="checkbox"/> Validation of carbon emission reduction roadmap	<input type="checkbox"/> 50% Reduction in Scope 1 & 2 GHG <input type="checkbox"/> 25% Reduction in Scope 3 <input type="checkbox"/> Green Energy utilization ≥ 50 %
	<input checked="" type="checkbox"/> Net Zero 2050	<input checked="" type="checkbox"/> ESG awareness initiatives (FC, Plastic free week, etc)	<input type="checkbox"/> Science Based Target Initiative (SBTI)		
	<input checked="" type="checkbox"/> Energy efficiency & PPA initiatives	<input checked="" type="checkbox"/> Sustainability Internal Audits	<input type="checkbox"/> Carbon Disclosure Project (CDP)		
SOCIAL	<input checked="" type="checkbox"/> IPS ESG Awards			<input type="checkbox"/> IMI Initiated Community outreach programs	<input type="checkbox"/> Health & Safe work environment <input type="checkbox"/> Stakeholder collaboration
	<input checked="" type="checkbox"/> Firming up of social targets				
	<input checked="" type="checkbox"/> Training and certification of ESG Team				
GOVERNANCE	<input checked="" type="checkbox"/> IMI Global cascade workshops			<input type="checkbox"/> IMI Supplier sustainability Audits additional 20%	<input type="checkbox"/> Ethical & Sustainable Business Practices aligned with global standards
	<input checked="" type="checkbox"/> ESG KPI on BSC				
	<input checked="" type="checkbox"/> IMI Sustainability Table of Organization	<input checked="" type="checkbox"/> IMI Supplier Code of Conduct	<input type="checkbox"/> SEC new guidelines on sustainability reporting		
	<input checked="" type="checkbox"/> ESG Organizational alignment to business strategies	<input checked="" type="checkbox"/> IMI Supplier Audit procedure	<input type="checkbox"/> IFRS		
	<input checked="" type="checkbox"/> DNV 3rd party Assurance	<input checked="" type="checkbox"/> Supplier Engagement workshops	<input type="checkbox"/> RBA COC Version 8 Audit 20% of top IMI Suppliers		

CARBON INTENSITY





Carbon intensity in manufacturing refers to the amount of carbon dioxide (CO₂) emissions released per unit of production. It is a way to better measure how environmentally impactful the manufacturing process is. IMI will be using this metric in targeting reductions in CO₂ emissions by 2030.

ESG ENGAGEMENT AND COMMUNICATION

One of the most important elements in ensuring employee engagement is communicating the ESG objectives. Continuous training and onboarding, as well as an annual acknowledgment of the company's code of conduct, are required for all employees. We also ensure that we have materials for reference in the various networks we continue to engage with such as universities, government, industry associations, and other events and forums.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

As one of the top 25 EMS providers globally, IMI recognizes the critical role it plays in the transition to a low-carbon future. In 2021, we demonstrated our commitment to climate action by joining Ayala and other subsidiaries in pledging Net Zero emissions by 2050. Additionally, we further strengthened our position by aligning with the Task Force on Climate-Related Financial Disclosures (TCFD) to ensure transparency in our climate-related efforts.

GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS AND TARGETS
 <p>Disclose the organization's governance around climate-related risks and opportunities.</p>	 <p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</p>	 <p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	 <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.</p>
RECOMMENDED DISCLOSURES			
<p>Describe the Board's oversight of climate-related risks and opportunities. <i>IMI Audit Risk Committee has oversight of climate-related risks and opportunities.</i></p> <p>Describe management's role in assessing and managing risks and opportunities. <i>Chief Risk Officer role to be expanded to include the assessment and management of climate-related risks and opportunities.</i></p>	<p>Describe the climate-related risks and opportunities identified by the organization over the short, medium, and long term.</p> <p>Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</p> <p>Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios.</p>	<p>Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>Describe the organization's processes for managing climate-related risks.</p> <p>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>

ALIGNMENT TO EXTERNAL STANDARDS AND FRAMEWORKS

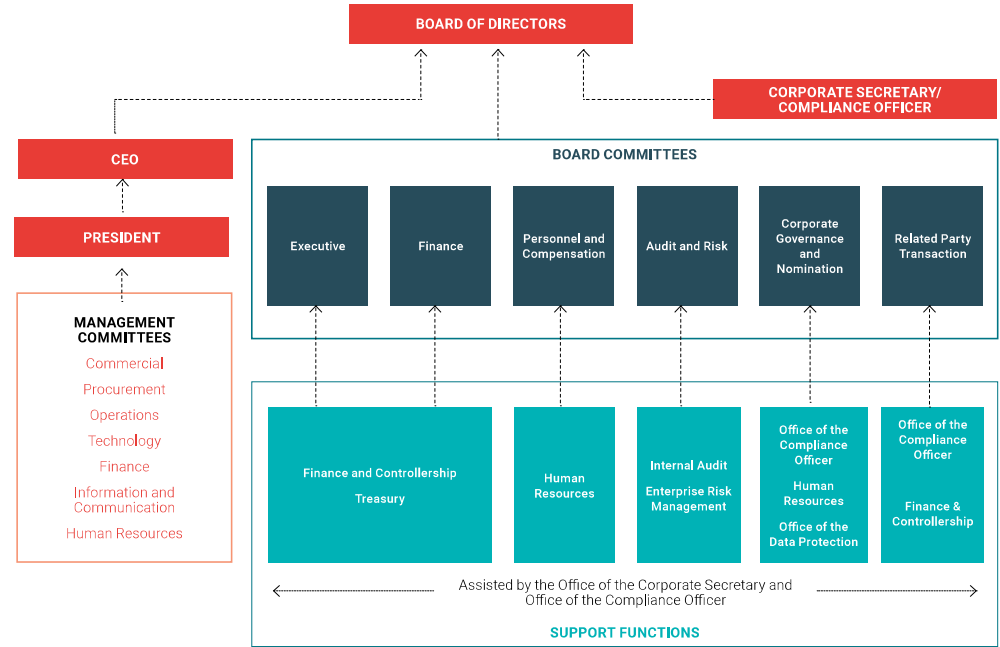
We are committed to the principles and best practices of good corporate governance as embodied in our Corporate Governance Manual, which has been the foundation for the development and implementation of our value-creating activities. The Manual outlines our company's vision, mission, and core values and reinforces accountability, ethical corporate behavior, fairness, and transparency. It is reviewed and updated as necessary to ensure consistency with internal policies, laws, and regulations.

Importantly, we continuously look to external frameworks to better inform us of the evolving standards of responsibility and sustainability. From this perspective, we are compliant with the Code of Corporate Governance for Publicly-Listed Companies set forth by the Securities and Exchange Commission (SEC), except for the following deviations:

DEVIATIONS FROM THE CODE	EXPLANATION
Executive remuneration not disclosed on an individual basis	For executive remuneration, only the aggregate remuneration of the top five highest-paid officers is disclosed for the protection and privacy of the individual officers.
Notice of annual and special shareholders' meeting not sent at least 28 days before the meeting.	The 2023 definitive information statement was distributed to stockholders on March 27, 2023, at least 25 calendar days before the annual stockholders' meeting on April 20, 2023, in compliance with SEC's required timeline of at least 21 calendar days before the date of the annual stockholders' meeting.
Independent director serving for a term of more than nine years	As discussed in the 2023 definitive information statement, Messrs. Nishimura and Chua have served as independent directors for more than nine years. The corporate governance and nomination committee endorsed their nominations as independent directors notwithstanding the fact that if elected once again, their services as such will exceed the recommended nine-year term provided in the SEC corporate governance code for publicly-listed companies after taking into consideration their commitment and dedication in fulfilling their mandate and their invaluable contribution to board discussions with their expert insights and independent judgment. They were both duly elected by IMI's stockholders' during the 2023 annual stockholders meeting.

Supporting this compliance is an attestation from the company's Chief Executive Officer, Compliance Officer, and the Chief Audit Executive for 2023 on the adequacy of the company's system of internal controls, risk management, compliance, and governance processes. The Attestation is available at www.global-imi.com.

As we seek to improve our practices around processes and controls, we appreciate being consistently recognized for our work on corporate governance. In 2023, we were awarded a 4 Golden Arrow by the Institute of Corporate Directors (ICD) in relation to our 2022 performance based on the ASEAN Corporate Governance Scorecard (ACGS), a globally-benchmarked scoring system designed for improving the corporate governance performance of publicly-listed companies from participating ASEAN countries. The ACGS was jointly developed by the ASEAN Capital Markets Forum (ACMF) and the Asian Development Bank (ADB) to promote regional integration and the ASEAN region as an asset class. The 4-arrow recognition is given to companies that achieved a score between 110 to 119 points out of 130 points. We were named to the list of Golden Arrow awardees for three consecutive years.



BOARD STRUCTURE AND PROCESS

The Board Of Directors

The Board of Directors is the supreme authority in matters governing and overseeing our business. Within their authority under the Revised Corporation Code and other applicable laws and the By-laws of the company, the Directors, acting as a Board, have the fullest powers to regulate the concerns of the company according to their best judgment. They are responsible for promoting and adhering to the principles and best practices of corporate governance, to foster the long-term success of the company and to ensure sustained competitiveness in the global environment in a manner consistent with its fiduciary responsibility. The details of the Board's roles and responsibilities as formalized in its Charter are accessible on our company website.

In performing strategic oversight, the Board formulates and continuously reviews our vision, mission, strategic objectives, policies, and procedures that guide our activities, including the means

to effectively monitor management's performance. To this end, the Board reviews the appropriateness of our vision and mission statement every year. Additionally, they oversee the development and approval of our business objectives and strategy, and monitor its implementation to sustain the company's long-term viability and strength.

The Board also reviews and affirms the adequacy of internal control mechanism and risk management practices, accuracy and reliability of financial reporting, and compliance with applicable laws and regulations, and the proper implementation of the company's Code of Conduct. This includes affirming the true and fair representation of the annual financial statements and adopting an effective succession planning programs for Directors, key officers, and management.

In 2021, we became a supporter to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, which means we commit to increasing

transparency through adopting and reporting consistent disclosure of relevant information on our climate-related risks and opportunities. To carry on this commitment, the Board responsibility extends to managing the risks and opportunities associated with natural resources and climate change, and we continue to develop our understanding and integrate our learnings into our business operations.

In line with our corporate goals, we participate in governance summits and internal councils, as part of Ayala Corporation's (Ayala Corp) oversight controls to put management decisions in check and ensure that we conform to regulatory requirements and global best practices. IMI is also part of Ayala Corp's sustainability council, keeping us abreast of current sustainability matters concerning Ayala Corp as well as learning from shared experiences, which is crucial particularly as sustainability and climate change are developing subject areas with research and practical guidance constantly being produced.

“We have a good number of shared value initiatives, making sure that our business remains innovative, at scale, and profitable while at the same time addressing a social or environmental issue. These include safety electronics in cars, automotive camera, and airbag control to help prevent road accidents, pollution reduction systems to help care for our environment, theft prevention systems for homes and buildings, and medical diagnostic devices.”

Board Composition

It is the responsibility of the Corporate Governance and Nomination Committee to review and monitor the structure, size and composition of the Board and ensure the appropriate mix of competencies of directors that are aligned with the company’s vision, mission, and strategic objectives. The Board is composed of eleven (11) members who are elected individually by stockholders entitled to vote at the annual meeting and shall hold office for one year until their successors are elected in the next annual meeting. Majority of the directors have no executive responsibility and do not perform any work related to the operations (Non-Executive Directors). Among the board members are three independent non-executive directors.

BOARD DIVERSITY POLICY

IMI’s board diversity policy encourages the selection of an appropriate mix of competent Directors, each of whom can add value and independent judgment in the formulation of sound corporate strategies and policies. Diversity includes business experience, age, gender, and ethnicity. By 2025 the Board will strive to be at least 30 percent or two (2) female directors whichever is lower as stated in its board diversity policy with respect to gender.

Lead Independent Director

In 2023, Mr. Edgar O. Chua was appointed Lead Independent Director by the Board. As stated in the Board’s Charter, it is the lead independent director’s role, among others, to act as an intermediary between the Chairman of the Board and the other Directors, when the need arises; to convene and chair the

periodic meetings of the non-executive and the independent directors with the external auditor and head of internal audit, compliance and risk, as needed; and to contribute to the performance evaluation of the Chairman of the Board.

Independent Directors

The Board currently includes three independent directors: Edgar O. Chua, Hiroshi Nishimura, and Sherisa P. Nuesa.

Independent directors, apart from their fees and shareholdings, hold no interests or relationship with the company that may hinder their independence from the company, management, or shareholder which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a Director of the company.

IMI has set a term limit of nine years in accordance with the rules set by the SEC.

As discussed in the 2023 Definitive Information Statement, Messrs. Nishimura and Chua have served the recommended nine-year term for independent directors (reckoned from 2012). The Corporate Governance and Nomination Committee endorsed their nominations as independent directors notwithstanding the fact that if elected once again, their services as such will exceed the recommended nine-year term provided in the SEC Corporate Governance Code for Publicly-Listed Companies after taking into consideration their commitment and dedication in fulfilling their mandate and their invaluable contribution to Board discussions with their expert insights and independent judgment. They are both elected by IMI’s stockholders during

the 2023 annual stockholders meeting. Moreover, none of the directors or senior management have worked for the company’s external auditing firm within the three years immediately preceding the date of their election or appointment.

BOARD PERFORMANCE

Board Meeting And Attendance

The Board meets at least six times each fiscal year, with the schedule of meetings determined and approved before the start of each financial year. As provided in the company’s By-Laws, the presence of at least two-thirds of the number of directors, constitutes a quorum for the transaction of corporate business.

All members of the board, including independent directors are expected to attend and actively participate in all of the Board, Committee and Shareholders

in person or remote communication, such as videoconferencing, teleconferencing or other alternative modes of communication allowed by the Commission. The director should also review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

The Corporate Secretary ensures that the materials are adequate and made available at least five working days before the scheduled meeting to allow the Board with enough time to prepare and make informed decisions.

The Board may, to promote transparency, require at least one independent director in all of its meetings. However, the absence of an independent director shall not affect the quorum requirement if he is duly notified of the meeting.

BOARD COMMITTEES

The Board created six committees as it may deem necessary to support in the performance of its functions in accordance with the By-Laws, Corporate Governance Manual, and Board Charter of the Corporation and to aid in good governance. The Board has delegated specific responsibilities to each of these Committees and these Committees had been formed and are guided by their respective committee charters which are available in the Company’s official website.

Executive Committee

The Executive Committee, in accordance with the authority granted by the Board, or during the absence of the Board, shall act by majority vote of all its members on such specific matters within the competence of the Board of Directors as may from time to time be delegated to the Executive Committee in accordance with the Corporation’s By-Laws, subject to the limitations provided by the Revised Corporation Code.

Finance Committee

The Finance Committee oversees the company’s financial risk management, including the company’s capital structure strategies, mergers, acquisitions and other strategic investments, as well as divestitures of any material operations of the Company, and make appropriate recommendations to the Board of Directors. The Committee also has general oversight responsibility over the company’s treasury activities and policies, including policies with respect to cash flow management, investment of the company’s cash, and financial risk management including the use of derivatives. They are responsible for reviewing and evaluating the financial affairs of the Corporation from time to time and carry out such other duties as may be delegated by the Board of Directors.

Personnel and Compensation Committee

The Personnel and Compensation Committee is responsible for establishing a formal and transparent procedure for developing a policy on director and executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation’s culture, strategy and control environment. The Committee also oversees the annual performance review of each of the members of management appointed by the Board other than the Chief Executive Officer, Chief Operating Officer and President; Recommends and reviews succession plans for members of management and senior executives, except the Chief Executive Officer, Chief Operating Officer and President, and implements a process to ensure appointment of competent, professional, honest, and highly motivated individuals who will add value to the company; Identifies, reviews and evaluates the qualifications, skills and abilities needed for management positions; Assesses the effectiveness of the Board’s processes and procedures in the appointment, election or replacement of senior executives; and establishes a performance management framework that ensures senior officers’ performance is at par with the standards set by the Board.

Corporate Governance and Nomination Committee

The Committee reviews and monitors the structure, size, and composition of the Board and makes recommendations to ensure compliance with applicable laws, rules and regulations as well as the Corporation’s By-Laws, Board Charter and Corporate Governance Manual. The Committee also assesses the company’s needs to identify the best mix of competencies of directors that would be aligned with the company’s vision, mission and strategic objectives; Identifies, reviews and evaluates the qualifications and disqualifications, skills, and abilities that would result in a proper mix of competent Directors, including the Chief Executive Officer, Chief Operating Officer and President; for this purpose, the Committee may make use of professional search firms or other external sources of candidates to search for qualified candidates to the Board; Develops, updates, and recommends to the Board policies for considering nominees for Directors to ensure that all nominations to the Board are fair and transparent; Assesses the effectiveness of the Board’s processes and procedures in the election or replacement, and recommends and reviews succession plans for members of the Board, including for the Chief Executive Officer, Chief Operating Officer and President; Oversees the implementation of the corporate governance framework and periodically reviews the said framework; Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance.

Audit and Risk Committee

The Audit and Risk Committee is expected, through the provision of checks and balances, to bring positive results in supervising and supporting the management of the Corporation. The Committee, through the Global Internal Audit (GIA) department of the company, monitors and evaluates the adequacy and effectiveness of the corporation’s internal control system, integrity of financial reporting, and security of physical and information assets. The Committee also performs oversight functions over the company’s internal and external auditors and reviews and monitors management’s responsiveness to the auditors’ findings and recommendations. The Committee is also responsible in the development, evaluation and oversight of the implementation of enterprise risk management plans to ensure that it’s relevant, comprehensive and effective. It also provides oversight over management’s activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation.

Related Party Transaction Committee

The Committee was assigned by the Board to review all material RPTs for endorsement to the Board to ensure that these are at arm’s length, the terms are fair, and they will inure to the best interest of the company and its subsidiaries or affiliates and their shareholders. The Committee ensures that related party transactions are reviewed, approved, and disclosed in accordance with its policy consistent with the principles of transparency and fairness. The Committee also oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

Board Remuneration

In accordance with the company's By-Laws, each director is entitled to receive fees and other compensation from the company for his services as director. The Compensation Committee's duties and responsibilities as defined in its charter are to recommend to the Board remuneration package for directors, and provide oversight over remuneration of senior management and other key personnel, ensuring that compensation is consistent with the company's culture, strategy and control environment, and aligns with the long-term interests of the company and its stakeholders. In no case will the total yearly compensation of directors exceed five percent (5%) of the net income before income tax of the company during the preceding year.

Executive directors Arthur R. Tan and Jerome S. Tan, who are the company's CEO and President, respectively, do not receive remuneration for attending Board meetings.

Non-executive and independent directors receive a per diem of ₱100,000 for each Board meeting attended and a per diem of ₱20,000 for each Committee meeting attended.

In 2023, the following directors received gross remuneration as follows:

Non-Executive and Independent Directors	Gross Remuneration (In ₱)
Delfin L. Lazaro*	720,000
Alberto M. de Larrazabal	920,000
Jose Ignacio A. Carlos	720,000
Rafael C. Romualdez	1,080,000
Jaime Z. Urquijo	800,000
Hiroshi Nishimura	1,060,000
Sherisa P. Nuesa	940,000
Edgar O. Chua	1,060,000
Roland Joseph L. Duchâtelet**	-
Total	₱7,300,000

* Resigned from the Board effective November 24, 2023.

**Mr. Duchâtelet waived his director's fees for the meetings attended.

None of the non-executive directors and independent directors have been contracted and compensated by the company for services other than those provided as a director.

Board And Board Committee Membership

Stockholders, Board, Board Committee Meetings, and Directors' Attendance For The Year Ended December 31, 2023

DETAILS	MEMBERSHIP AND ATTENDANCE							
	Stockholder & Board		Board Committee					
	AS	BOD ¹	EC ²	ARC	FC	CGNC	RPTC	PCC
NO. OF MEETINGS	1	6	3	7	8	6	2	1
Delfin L. Lazaro ³ Non-Executive Director	C 1/1	C 6/6	-	-	C 1/1	-	-	-
Arthur R. Tan Executive Director	- 1/1	VC 6/6	C 3/3	-	-	-	-	-
Jerome S. Tan Executive Director	- 1/1	M 6/6	-	-	-	-	-	-
Jose Ignacio A. Carlos Non-Executive Director	- 1/1	M 5/6	-	-	-	-	-	M 1/1
Rafael C. Romualdez Non-Executive Director	- 1/1	M 6/6	M 2/3	M 6/7	M 6/8	-	M	-
Alberto M. de Larrazabal Non-Executive Director	- 1/1	M 5/6	M 3/3	-	M 7/8	-	M	M 1/1
Jaime Z. Urquijo Non-Executive Director	- 1/1	M 5/6	-	-	C 5/7	-	-	-
Roland Joseph L. Duchâtelet Non-Executive Director	- 1/1	M 6/6	M 3/3	-	-	-	-	-
Hiroshi Nishimura Independent Director	- 1/1	M 6/6	-	M 7/7	-	M 6/6	C	-
Sherisa P. Nuesa Independent Director	- 1/1	M 6/6	-	-	-	C 6/6	-	C 1/1
Edgar O. Chua Independent Director	- 1/1	M 6/6	-	C 7/7	-	M 6/6	M	-

C - Chairman | VC - Vice Chairman | M - Member | AS - Annual Stockholder | BOD - Board of Directors | EC - Executive Committee | ARC - Audit and Risk Committee | FC - Finance Committee | CGNC - Corporate Governance and Nomination Committee | RPTC - Related Party Transaction Committee | PCC - Personnel and Compensation Committee

1 In 2023 and during the incumbency of the director.

2 The actions of the Executive Committee were taken via digital/electronic means.

3 On November 24, 2023, Mr. Lazaro resigned as director and Chairman of the Board and was replaced by Mr. De Larrazabal

Performance Assessment

In a landscape of rising competitive and regulatory pressures, oversight from a strong and effective board goes a long way in guiding the company to success. As such, the Board engages in an annual process of self-assessment and evaluation of the performance of the Board, its Committees, the individual members, the CEO and the President to measure the effectiveness of the company's governance practices and identify areas for improvement, and to adopt new methodologies towards further strengthening the company's corporate governance standards. Every three years, an independent consultant is appointed to assist in the evaluation process of the Board. AON plc facilitated the 2023 board evaluation exercise.

Each director was requested to complete a self-assessment form which included criteria such as: Part I: Board effectiveness; Part II: Committee effectiveness; Part III: Individual effectiveness; and Part IV: President and CEO effectiveness.

The board assessment survey resulted to a favorable overall perception on board effectiveness. The evaluation report also included relevant comments of the Board members that would help in enriching and improving board effectiveness to carry out its responsibilities.

Training of Directors

Prior to assuming office, all new directors are required to undergo at a minimum an eight-hour orientation program on the company's business and corporate structure, vision and mission, corporate strategy, Articles, By-Laws and Corporate Governance Manual, Board and Committee Charters, and SEC-

mandated topics on corporate governance and other relevant matters essential for the effective performance of their duties and responsibilities. This ensures that directors are equipped with the knowledge and skills required to perform their roles effectively.

Directors shall likewise attend at least once a year, a four-hour annual continuing training program involving courses on corporate governance matters relevant to the company. It is the responsibility of the Compliance Officer to ensure that each director has undergone the necessary trainings for the year.

Trainings and seminars were administered by Institute of Corporate Directors, an accredited training provider of the Securities and Exchange Commission.

As part of the Board's commitment to climate governance, the board and management team attend annual integrated summits held by Ayala Corporation, which covers materials on climate action and sustainability.

On October 3, 2023, the Board's Agenda 2023: Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit was held which included sessions on Sustainability, Governance and Risk Management.

Prior to this, the Integrated CG, RM and Sustainability Summit conducted by the Ayala Group in collaboration with the Institute of Corporate Directors (ICD) was held on October 18, 2022. These summits have been held since 2014 in an effort to supplement continuous education.

Corporate Governance Programs Attended in 2023

Director	Program	Training Institute	Date of Training
Delfin L. Lazaro Chairman of the Board	ICD Masterclass: The Third Series – Session 4 "Transforming Companies with Digital-Disruption-Ready Board of Directors"	Institute of Corporate Directors (ICD)	October 27, 2023 (through Zoom Webinars)
	ICD Masterclass: The Third Series - Session 5 "Disruptive Health Innovations"	Institute of Corporate Directors (ICD)	November 24, 2023 (through Zoom Webinars)
Arthur R. Tan Vice Chairman of the Board and CEO Jerome S. Tan President Alberto M. de Larrazabal Jaime Z. Urquijo Roland Joseph L. Duchâtelet Edgar O. Chua Jose Ignacio A. Carlos Rafael C. Romualdez Hiroshi Nishimura	The Board's Agenda 2023: Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit	Institute of Corporate Directors (ICD)	October 3, 2023 (through Zoom Webinars)
Sherisa P. Nuesa	ICD Masterclass: The Third Series – Session 4 "Transforming Companies with Digital-Disruption-Ready Board of Directors"	Institute of Corporate Directors (ICD)	October 27, 2023 (through Zoom Webinars)
	Advanced Corporate Governance Training	Institute of Corporate Directors (ICD)	December 4, 2023 (through Zoom Webinars)

Management Oversight

The Management Committee ensures that everything the organization does supports its vision, purpose and aims. The Committee sets the strategic direction to guide and direct the activities of the organization. The members are responsible for ensuring that all decisions are taken in the best interests of the organization and that their roles are carried out effectively.

Management also support and implement the Board's strategic goals and objectives, as such play a crucial role in delivering upon the Board's vision for addressing the risks and opportunities associated with climate change.

Management Committee

Through the Enterprise Risk Management department, management is informed of both internal and external large-scale climate risks and opportunities that could affect the company. This can range from natural calamities and events to climate-related risk and opportunities.

Name	Position
Arthur R. Tan	Chief Executive Officer
Jerome S. Tan	President
Mary Ann S. Natividad	Chief Commercial Officer
Eric de Candido	Chief Operations Officer
Ernest Ang	Chief Procurement Officer
Rosalyn O. Tesoro	Chief Information Officer and Data Protection Officer
Nick Davey	Chief Technology Officer
Margarita V. Del Rosario	Chief Human Resource Officer (OIC)
Laurice S. Dela Cruz	Chief Finance Officer and Compliance Officer * also serves as Chief Risk Officer / Chief Sustainability Officer

The Chief Sustainability Officer (CSO) is primarily accountable for climate oversight and disclosure.

ACCOUNTABILITY AND AUDIT

External Auditors

The Audit Committee has the primary responsibility to recommend the appointment and removal of the external auditor. The external auditors are directly accountable to the Audit Committee in helping ensure the integrity of the company's financial statements and financial reporting process. Their responsibility is to assess and provide an opinion on the conformity of the audited financial statements with Philippine Financial Reporting Standards and the overall quality of the financial reporting process. The Audit Committee oversees the work of the external auditors and ensures that they have unrestricted access to records, properties, and personnel to enable performance of the required audit.

The Committee meets with the external auditors without the presence of the management team to discuss any issues or concern. To ensure that the external auditor maintains the highest level of independence from the company, both in fact and appearance, the Audit Committee had approved all audit, audit-related, and permitted non-audit services rendered by the external auditor. Non-audit services expressly prohibited by regulations of the SEC were awarded to other audit firms to ensure that the company's external auditor carries out its work in an objective manner.

During the Annual Stockholders' Meeting last April 20, 2023, the shareholders re-appointed Sycip, Gorres, Velayo and Co. (SGV & Co.) as the company's external auditor for the year 2023, with Ms. Cyril Jasmin B. Valencia as the lead engagement partner. The audit partner principally handling the company's account is rotated every five years in accordance with Securities and Exchange Commission (SEC) regulations.

The aggregate fees billed for the current year and each of the last two years for professional services rendered by SGV & Co.:

	2023	2022	2021
Audit and Audit-related fees*	5.32	5.43	4.65
Tax Fees	-	-	-
All other fees**	1.02	0.13	0.06
TOTAL	6.34	5.56	4.71

In ₱Millions

***Audit and Audit-Related Fees.** This category includes the audit of annual financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years, including the review of the audit work of the other independent auditors and any additional scope identified during the course of the audit. The fees are exclusive of out-of-pocket expenses incidental to the independent auditors' work.

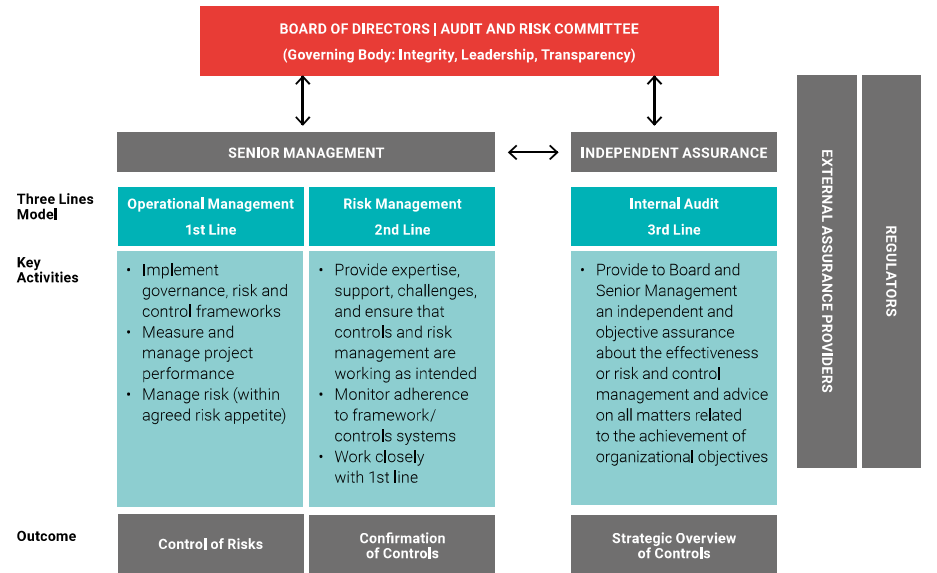
** **All Other Fees.** This category includes other services rendered by SGV & Co. such as agreed-upon procedures, validation of votes during Annual Stockholders' meetings and integrated report assurance requirements.

GLOBAL INTERNAL AUDIT

Global Internal Audit (GIA) serves as a vital support in the effective discharge of the Board of Directors' Audit and Risk Committee (ARC) oversight role and responsibilities. Its main role is to undertake independent and systematic review of the system of internal controls, risk management, governance, and compliance, with the view to provide reasonable assurance that the system of internal control is adequate and continue to operate effectively in all material aspects.

Through its Chief Audit Executive, Lorlyn Arceo, GIA reports functionally to the Board's Audit and Risk Committee, with the operations governed by an Internal Audit Charter that is reviewed on an annual basis, presented to senior management, and approved by ARC and the Board, ensuring its independence and objectivity. Periodically, the Committee also meets the Chief Audit Executive without the presence of Management.

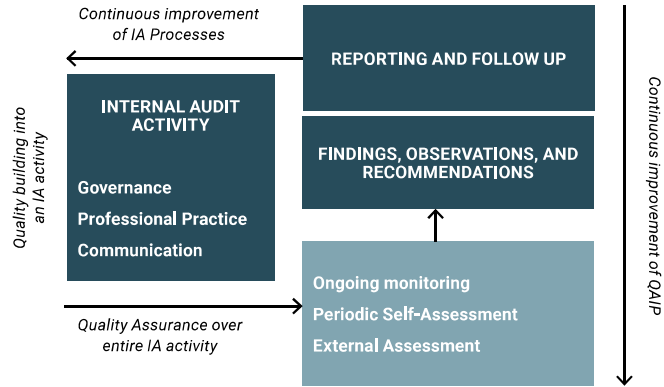
GIA adopts the Institute of Internal Auditors' Three Lines Model to establish clear lines of defense against risks and promote accountability and collaboration, as well as to avoid duplication of efforts across different levels and functions within IMI.



Ayala Group Chief Audit Executives Forum: IMI's Chief Audit Executive Lorlyn Arceo (3rd from left) attended the forum together with other Chief Audit Executives from ACEN, Globe, Ayala Corporation, GCash, and ACI among other AC subsidiaries.

In addition, GIA activities conform with the Core Principles and International Standards for the Professional Practice of Internal Auditing, Definition of Internal Auditing and the IIA Code of Ethics, comply with the Code of Corporate Governance for publicly listed companies and are continuously improved through the Quality Assurance and Improvement Program (QAIP).

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM (QAIP) FRAMEWORK



In carrying out its mandate, GIA adopts a risk-based audit approach with coverage of the most critical processes/systems in its annual internal audit plan mapped out with assurance and advisory reviews. The internal audit plan and any changes thereto are reviewed and approved by the ARC and are reassessed quarterly to consider emerging risks, dynamic business, market, industry, and customer conditions to allow maximum and timely coverage of key risk areas.

On a quarterly and annual basis, and as needed, GIA reports the status of the approved audit plan, reviews results including recommendations and the implementation status of Management's committed risk mitigation action plans to ensure timely resolution. Further, the report includes status of quality assurance improvement program initiatives, resource management, competencies, and trainings of the staff

to ensure effectiveness of the internal audit function and that resources are appropriate, sufficient, and effectively deployed to the areas of highest risks.

All members of GIA are free from any relationships or conflicts of interest, which could impair their objectivity and independence, and this is confirmed annually, in all audit projects/reviews. Moreover, on an annual basis, and as needed, members of Global IA also confirm to the company's mandated annual compliance declaration to Code of Conduct and related governance policies and procedures including conflict of interest.

As of 2023, the audit team has an average of nineteen (19) years audit experience with various professional qualifications, namely Certified Public Accountant, Certified Risk Manager, Lead Auditor Certifications

in Business Continuity Management System, Quality Management System, Information Security Management System, Environmental Management System, Lean Six Sigma, Verband der Automobilindustrie (VDA) 6.3 Process Audit, Qualified Persons in Industrial Regulatory Affairs (QPIRA), and affiliations to the Institute of Internal Auditors and Association of Certified Fraud Examiners.

In strengthening key stakeholders' relationship and value add proposition, GIA participates in key management and operations meetings and business reviews, coordinates with other internal and external assurance providers to optimize audit efficiencies and effectiveness, and secures Executive Management input in support and alignment to corporate strategies and business goals.

We make timely and accurate disclosures on all material matters regarding the company, including financial information, performance, ownership, and governance of the company.

DISCLOSURE AND TRANSPARENCY

We make timely and accurate disclosures on all material matters regarding the company, including financial information, performance, ownership, and governance of the company.

The company discloses the names of all related parties, degree of relationship, nature and value of significant RPT. Details are found in Note 31 to the Consolidated Financial Statements and are also made available on the company's website.

OWNERSHIP STRUCTURE

As of December 31, 2023, IMI's outstanding common shares were held as follows:

Name of Shareholder and Beneficial Owner	Total Share Outstanding*	% to Total Share
AC Industrial Technology Holdings, Inc.	1,153,725,046	52.03%
Resins, Inc.	291,785,034	13.16%
Shares owned by the Public	728,173,695	32.84%
AC, ESOWN, Directors and Officers	43,609,440	1.97%
TOTAL	2,217,293,215	100.00%

*Based on the Public Ownership Report as of December 31, 2023

No RPTs classified as financial assistance to entities other than wholly owned subsidiaries were entered into in 2023. There were also no cases of noncompliance with the laws, rules, and regulations pertaining to significant or material RPTs in the past three years.

POLICY ON INSIDER TRADING

To protect the shareholders of the company, all directors, officers, consultants and employees, including their immediate family members living in the same household, who may have knowledge of material non-public information about the company are strictly prohibited from trading IMI shares during the trading blackout period.

IMI updated its Insider Trading Policy in 2021 to clarify the definition of Covered persons and to reiterate the reporting obligations of the covered persons as indicated in the revised policy.

RELATED PARTY TRANSACTIONS

RPTs are transactions which may include sales and purchases of goods and services to and from related parties that are concluded at normal commercial terms consistent with the principles of transparency and fairness. To promote good corporate governance and the protection of the shareholders and minority investors, the company has adopted a policy to ensure that its RPTs are at arm's length, their terms fair, and will inure to the best interest of the company and its Subsidiaries or affiliates and their shareholders. As per policy, the company or a related party or any of its subsidiaries or affiliates, as the case may be, shall disclose material RPTs to the RPT Committee for review and approval prior to entering into the transaction, unless it is considered as a pre-approved RPT. Material RPTs are transactions that meet the threshold values – \$1 million or five percent (5%) of the company's consolidated assets based on its latest audited financial statements, whichever is lower. The RPT policy can be found in the company's website.

The blackout period starts from five trading days before and two trading days after the disclosure of quarterly and annual financial results for structured disclosures. While for non-structured disclosures, the blackout period is two trading days after disclosure of any material information other than the quarterly and annual financial results. The Compliance officer issues a black-out period notice via e-mail before the release of structured reports or disclosure of other material information to ensure compliance with the policy.

It is the company's policy that all directors and reportable officers must report all acquisitions and disposals, or any changes in their shareholdings in the company within three trading days from the transaction date, two days earlier than the five-day disclosure requirement of the PSE. All other officers and employees must submit a quarterly report on their trades of company securities to the Compliance Officer.

CHANGES IN SHAREHOLDINGS

Reported trades in IMI securities of the directors and officers in 2023:

	Security	Number of Shares			
		As of Jan 1, 2023	Acquired/ Assigned	Disposed of	As of Dec. 31, 2023
DIRECTORS					
Arthur R. Tan	Direct	1,955,452	-	-	1,955,452
	Indirect	19,268,100	-	-	19,268,100
Jerome S. Tan	Indirect	2,884,733	-	-	2,884,733
Alberto M. de Larrazabal	Direct	100	-	-	100
Edgar O. Chua	Direct	100	-	-	100
Sherisa P. Nuesa	Direct	112,807	-	-	112,807
	Indirect	390,578	-	-	390,578
Jose Ignacio A. Carlos	Direct	1	-	-	1
Rafael C. Romualdez	Direct	1	-	-	1
Hiroshi Nishimura	Direct	115	-	-	115
	Indirect	712,463	-	-	712,463
Jaime Zobel de Ayala Urquijo	Direct	100	-	-	100
Roland Joseph L. Duchâtelet	Direct	1,000	-	-	1,000
OFFICERS					
Laurice S. De la Cruz	Indirect	157,221	-	-	157,221
Eric De Candido	Indirect	-	-	-	-
Mary Ann S. Natividad	Direct	75,204	-	-	75,204
	Indirect	1,360,036	-	-	1,360,036
Rosalyn O. Tesoro	Indirect	34,505	5,000	-	39,505
Anthony Raymond P. Rodriguez	Direct	-	-	-	-
Solomon M. Hermosura	Indirect	15	-	-	15
Rosario Carmela G. Austria	Direct	-	-	-	-
TOTAL		26,952,531	5,000	-	26,957,531

WHISTLE BLOWER POLICY

The Policy applies to all directors, officers, employees, and stakeholders. The Policy provides a process whereby employees and other stakeholders of IMI will report in good faith, instances of actual and suspected non-compliance with the Code of Conduct, and in a manner that is outside the normal chain of commands that preserves confidentiality. It encourages an atmosphere that allows individuals to exercise their obligations to responsibly disclose violations of law and serious breaches of conduct and ethics covered by the Code of Conduct through IMI's reporting channels. It provides the process which protects the whistleblowers from retaliation or reprisals by adverse disciplinary or employment penalties as a result of having disclosed wrongful conduct.

Whistleblowers may report, among others, conflicts of interest; misconduct or policy violations; theft, fraud, or misappropriation; falsification of documents; financial reporting concerns; and any act of retaliation taken against persons covered by the policy.

The whistleblower may choose the manner by which he or she may be contacted without compromising his or her anonymity. It can be through a face-to-face meeting with any member of the Committee or the Human Resource Department (HRD) at the option of the employee or stakeholder, through email imi-integrityhotline@global-imi.com, or through hotline 0917-629-7074 and 0917-557-9323.

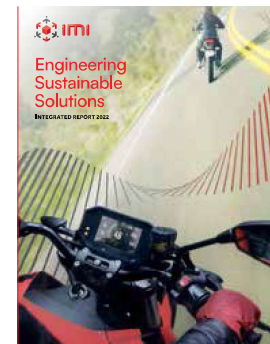
STAKEHOLDER RELATIONS**Shareholder Meeting and Voting Procedures**

Notice of Annual Stockholders' Meetings is sent to all shareholders at least twenty eight (28) days before the meeting by adopting SEC-allowed alternative modes of distributing the notice and other meeting materials. The notice includes the agenda and a detailed explanation on the same, the allowed means of participation and voting, and sets the date, time, place for validating proxies, which must be done at least five business days prior to the meeting.

Each outstanding common share of stock entitles the registered holder to one vote.

In response to the challenge brought about by the pandemic, the company has held its virtual stockholders' meeting since 2020. The company ensures that its shareholders has active participation through attendance by remote communication, voting *in absentia* using the enhanced Voting *in Absentia* and Shareholder (VIASH) System, voting through proxy forms assigning the Chairman as proxy, and sending their questions and comments through the company's established communication channels. Shareholders who notified the company of their participation in the meeting by remote communication were included in the determination of quorum as well as those who voted in absentia, either electronically or through proxy.

The requirements and procedure for electronic voting in absentia are included in the Notice and the Definitive Information Statements (Annex "C") which is sent to the stockholders at least 21 calendar days prior to the date of the meeting. The company also provides non-controlling or minority shareholders the right to nominate candidates for board of directors and to propose items for inclusion in the meeting agenda.



2022 Integrated Report

Annual Stockholders' meeting held in April 20, 2023

**Dividend Policy**

Dividends declared by the company on its shares of stocks are payable in cash or in additional shares of stock. The payment of dividends in the future will depend upon the earnings, cash flow, and financial condition of the company and other factors. There are no other restrictions that limit the payment of dividends on common shares.

Cash dividends are subject to approval by the company's Board of Directors, but no stockholder approval is required. Property dividends, which may come in the form of additional shares of stock, are subject to approval by both the Board of Directors and the stockholders of the company. In addition, the payment of stock dividends is likewise subject to the approval of the SEC and PSE.

Shareholder and Investor Relations

The company maintains strong and transparent relationships with its investors and encourages active participation and regular communication with various stakeholders. Through the Investor Relations team, information requirements of the investing public and minority shareholders are fully disclosed to securities regulators on time.

After the release of quarterly financial results, the company management team conducts briefings for the media, investors, and credit analysts. Since 2020, these briefings have been done virtually through the online app Zoom.

Presentation materials used in the briefings are posted in the company's official website <https://www.global-imi.com/investors>

Typically, the company conducts roadshows two or three times a year to engage potential investors from other regions.

IMI Code of Conduct

The company's official website provides information on its compliance to Corporate Governance, matters related to the Board, and investor relations program. www.global-imi.com

Striving for Excellence: A Commitment to Continuous Improvement

Trust is paramount in today's business environment. Our dedication to achieving and maintaining various ISO and industry certifications provides our customers with the confidence that we operate at the highest levels of quality, environmental responsibility, and information security.

*Certifications as of December 31, 2023

ISO 9001:2015 Quality Management Systems	IATF 16949:2016 Automotive Quality Management Systems	ISO 14001:2015 Environmental Management Systems	ISO 13485:2016 Quality Management Systems for Medical Devices	ISO 45001:2018 Occupational Health and Safety	ISO/IEC 27001:2013 Information Security Management Systems
<ul style="list-style-type: none"> IMI PH Laguna (EMS 1, ATC Lab) IMI PH Laguna (EMS 2, Camera, Captive, Power Module) IMI PH Laguna (Warehousing and Testing) IMI CN- Chengdu IMI CN- Jiaxing IMI CN- Kuichong IMI CN- Pingshan IMI Bulgaria IMI Serbia IMI Czech Republic IMI USA Via optronics (Suzhou) Co., Ltd. 	<ul style="list-style-type: none"> IMI PH Laguna (EMS 2, Camera, Captive, Power Module) IMI PH Laguna (Warehousing and Testing) IMI CN- Chengdu IMI CN- Jiaxing IMI CN- Kuichong IMI CN- Pingshan IMI Bulgaria IMI Serbia IMI Czech Republic IMI Mexico Via optronics GmbH- Nürnberg, Germany Via optronics (Suzhou) Co., Ltd. 	<ul style="list-style-type: none"> IMI PH Laguna (EMS 1, ATC Lab) IMI PH Laguna (EMS 2, Camera, Captive, Power Module) IMI PH Laguna (Warehousing and Testing) IMI CN- Chengdu IMI CN- Jiaxing IMI CN- Kuichong IMI CN- Pingshan IMI Bulgaria IMI Serbia IMI Czech Republic IMI Mexico Via optronics (Suzhou) Co., Ltd. 	<ul style="list-style-type: none"> IMI PH Laguna (EMS 1, ATC Lab) IMI PH Laguna (EMS 2, Camera, Captive, Power Module) IMI PH Laguna (Warehousing and Testing) IMI CN- Kuichong IMI USA 	<ul style="list-style-type: none"> IMI CN- Chengdu IMI Serbia 	<ul style="list-style-type: none"> IMI PH Laguna (EMS 1, ATC Lab) IMI PH Laguna (EMS Camera, Captive, Power Module) IMI PH Laguna (Warehousing and Testing)
ANSI ESD S20.20:2021 Protection of Electrical and Electronic Parts	IEC 16340-5-1:2016 Electrostatics	PNS ISO/IEC 17025:2017 General Requirements & Standards for Calibration and Testing	<ul style="list-style-type: none"> IMI PH Laguna (EMS 2, Camera, Captive, Power Module) IMI PH Laguna (Warehousing and Testing) 	<ul style="list-style-type: none"> IMI PH Laguna (EMS 2, Camera, Captive, Power Module) IMI PH Laguna (Warehousing and Testing) 	<ul style="list-style-type: none"> ATC Laboratory IMI PH - Laguna

IMI is committed to responsible growth that prioritizes environmental, social, and governance (ESG) factors. This commitment extends beyond compliance to driving impactful initiatives that create a sustainable future for our company, our stakeholders, and the communities we touch.

This section outlines our strategic roadmap for ESG integration across all levels of our operations. Here, we delve into four key areas, where we are implementing initiatives to address the social, economic, environment, digital infrastructure, and supply chain pillars:

- Accountability and Collaboration:** We explore how we foster an ownership culture of sustainability through collaboration and transparent reporting.
- Digital Roadmap:** We unveil our strategic plan for digital transformation, highlighting how it contributes to our overall sustainability vision.
- Industrial Production System (IPS):** We showcase how this system, including the annual IPS event, drives continuous improvement in quality, efficiency, and environmental impact across production and operations.
- Sustainability Supplier Audits:** We detail our commitment to extending our sustainability focus throughout the supply chain by conducting audits of our top suppliers.

These initiatives represent a significant step forward in our journey toward a more sustainable future. By focusing on these key areas, IMI aims to maximize its positive impact while minimizing its environmental footprint, creating long-term value for all our stakeholders.

ACCOUNTABILITY & COLLABORATION

Our culture journey adopts accountability and collaboration as our way of life in IMI, establishing this through global programs and activities that aim to promote and embed these practices into daily activities and interactions of employees. From understanding our culture benchmarks to identifying our standards and ensuring common understanding across the organization, to applying accountability and collaboration principles, this culture journey brought the global team of IMI more aligned, united, and focused on its common goals and objectives—creating the future through products and innovations.

Building a Culture of Accountability:

- Set Clear Expectations:** Clearly define goals, roles, and responsibilities for everyone on the team. This ensures everyone understands what is expected of them and how their work contributes to the overall project or objectives and goals. Use the SMART goal framework (Specific, Measurable, Achievable, Relevant, and Time-bound) to create well-defined goals.
- Regular Feedback and Recognition:** Provide timely and constructive feedback to team members. This helps them course-correct, identify strengths and areas for improvement, and stay motivated. Recognize and appreciate achievements to reinforce desired behaviors and celebrate successes.
- Open Communication:** Encourage open and honest communication where team members feel comfortable discussing challenges, asking questions, and seeking help. This fosters trust and transparency, allowing for early identification and resolution of issues.
- Empowerment and Ownership:** Delegate tasks and empower team members to take ownership of their work. This increases their sense of responsibility and accountability for the outcome.



Accountability & Collaboration Course and Sessions



Culture Toolkit Material Example



Global Achievements and Events Aligned with Accountability and Collaboration

Enhancing Collaboration:

- Teamwork and Shared Goals:** Structure work to encourage teamwork and collaboration. Set shared goals that require collective effort and celebrate team achievements to foster a sense of “we’re in this together.”
- Effective Communication Channels:** Establish clear communication channels that are accessible and efficient. This could involve project management tools, communication platforms, or even dedicated team huddles.
- Active Listening and Respectful Discussions:** Encourage active listening and respectful discussions where all team members feel valued and heard. This fosters an environment where diverse perspectives and ideas are welcome.
- Shared Knowledge and Recognition of Expertise:** Promote knowledge sharing and collaboration by creating opportunities for team members to learn from each other’s expertise. Recognize individual strengths and encourage team members to seek help from peers when needed.

DIGITAL TRANSFORMATION - Building a Sustainable Future Through Digital Transformation

Our digital transformation journey has taken a significant leap forward by integrating initiatives and programs that directly support our ESG and sustainability goals. By leveraging new technologies and business workflows, we aim to optimize, automate, and modernize operations, ultimately creating value through innovation, enhanced customer experience, and improved efficiency.



STRATEGIES	COMPONENTS (and %Weight of Effort/Resource)	2021	2022	2023	2024	2025	BEYOND
Supply Chain Management Excellence	<ul style="list-style-type: none"> Next Generation ERP (60%) Global Costing Tool (20%) Consolidated Business Planning (20%) 	100%	100%	100%	0%	0%	0%
Collaborative Integrated Product Lifecycle	<ul style="list-style-type: none"> Production Change Management (50%) Product Lifecycle Management (50%) 	100%	100%	100%	0%	0%	
Operations Management Excellence	<ul style="list-style-type: none"> Maintaining Legacy Trace (20%) Global MES (40%) Quality Management System (25%) IIOT (10%) Enterprise Technology Reports, Workflow (5%) 	100%	100%	99.8%	0%	0%	0%
Advancing on Automation: RPA, AI, ML	<ul style="list-style-type: none"> Robotics Process Automation (RPA) (70%) Artificial Intelligence / Machine Learning (30%) 	100%	100%	100%	0%	0%	
Enabling Digital Workforce / Digital Culture	<ul style="list-style-type: none"> New HRIS (20%) • Maintain Current HRIS (20%) Workforce Learning & Devt (20%) Productivity Tools (40%) 	100%	90%	100%	0%	0%	
Strategic Decision Making thru Big Data / Analytics	<ul style="list-style-type: none"> Localized Analytics (30%) Analytical Operation (30%) Analytical Enterprise (30%) Data Driven Enterprise (10%) 	100%	98%	99%	0%	0%	
Adaptive & Agile Enterprise Content Mgmt (ECM)	<ul style="list-style-type: none"> ECM Strategy (20%) • Contract Mgmt System (15%) Define Main ECM platform (50%) Data Leakage Protection (15%) 	100%	100%	100%	0%		
Operational Excellence in ICT	<ul style="list-style-type: none"> Infrastructure Mgmt (30%) Cyber Hygiene (20%) Software Development (15%) IT Asset Management (10%) Service Request Fulfillment (10%) Incident & Problem Management (10%) Mature ICT Community (5%) 	100%	100%	99%	0%	0%	
Strengthening Info Security and IT Governance	<ul style="list-style-type: none"> ISMS-ISO27001 & TISAX (50%) ICT Planning Mgmt Framework (15%) Performance Management (10%) Risk Mgmt & Privacy Compliance (25%) 	100%	100%	100%	0%	0%	



2014-2019	2020-2021	2022	2023	2024	2025
<ul style="list-style-type: none"> Global SAP ECC 6.0 Roll-out (PH, CN, BG, CZ, MX) Office 365 SAP ECC 6.0 (Serbia, PSI) SMARTGEP Buy Manager Data Privacy Compliance (DPA) Wombat SAP ECC 6.0 (Cebu) SOC/SIEM Secure Email Gateway 	<ul style="list-style-type: none"> AWS Landing Zone (Cloud) Robotics Process Automation (RPA) QLIK (Analytics) Consolidated Planning (Anaplan) Contract Management (Concord) MS Teams, One-Drive ISO27001 Certification (PH) Business Process Re-Engineering Change Control Management System Global Replication (SAP Data Intelligence) Cyber Security Posture (Security Scorecards) Start Global MES Development Develop/Migrate applicationstivity -Naas Revamp IMI Web Global MES (US) 	<ul style="list-style-type: none"> ISO 27001 Certification (PH) SAP ERP on Cloud (Rise) Global Replication (SAP Data Intelligence) Next Generation HCM Enterprise Hub through APIs Maximize investments on RPA, ANAPLAN, o365 Global IT Risk Assessment/Data Privacy Review Data Intelligence Global Costing Tool (Assessment) Sales Information System Global MES (CZ) Enterprise Content Management (SharePoint on-cloud) 	<ul style="list-style-type: none"> ISO27001/TISAX Certification (EU,CN, MX) Global Costing Tool (Implementation) Strengthen IT governance across all sites Increase cyber-risk posture Implement Data Lake Continue with RPA Deployments Global MES (PH-Automotive & Power Module)/China Industry 4.0 via IIoT Strategize on HANA Migration CN/CZ SAP Migration 	<ul style="list-style-type: none"> Global HCM Product Lifecycle Management (PLM) Commence Global Business Blueprint (SAP HANA Migration) Global MES (MX2, Serbia) RPA Projects IIoT Deployments AI, Chatbots, etc. 	<ul style="list-style-type: none"> Global HCM Deployment Continuation Global Business Blueprint (SAP HANA Migration) Global MES (MX1, Bulgaria) RPA Projects IIoT Deployments AI, Chatbots, etc. Start HANA Migration (per site)

DIGITAL TRANSFORMATION ROADMAP

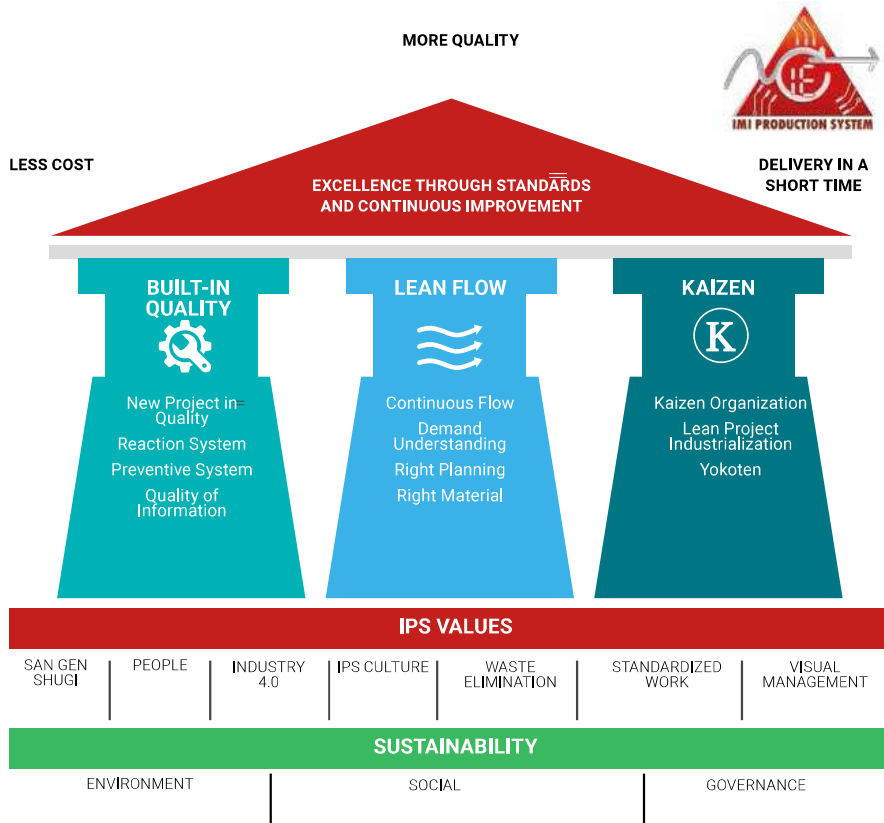
CONTINUOUS IMPROVEMENT THROUGH IMI PRODUCTION SYSTEM (IPS) – IMI’s Commitment to Excellence and Sustainability

At IMI, achieving operational excellence goes hand-in-hand with sustainable practices. This commitment is built on a strong foundation of quality principles and frameworks.

These are the pillars that underpin our approach:

- **Quality Mindset:** We foster a culture of quality by applying San Gen Shugi (a Japanese philosophy for workplace improvement) and the Golden Triangle (Standard–Measure–Improve).
- **Customer Focus:** We continuously strive to improve the customer experience.
- **Operational Efficiency:** We utilize LEAN methodologies to eliminate waste, optimize costs, and ensure efficient operations.

This foundation allows us to achieve excellence while minimizing environmental impact. The three pillars of IPS founded on IPS Values and Sustainability help us achieve success and deliver excellence through standards and continuous improvement.



Measurable Success

We implement continuous improvement through Kaizen across all our factories. During the year, these initiatives totaled 1,332 projects, which generated a combined savings of \$3.6 million, demonstrating the tangible impact of our employee-driven innovation on operational efficiency.

IPS Global Convention

IPS Global Convention is an annual event organized by IMI’s Global Industrial Excellence Group which aims to showcase the success story of the best Kaizen projects per region. In 2023, three categories and winning teams came from China (Jiaying, Chengdu) and the Philippines.



The 3rd IPS Global Convention, where regional winners totaling 12 teams across IMI global sites competed for the title of BEST KAIZEN Project for 2023.



SUSTAINABLE PROCUREMENT – Integrating Sustainability Throughout Our Supply Chain

IMI operates across a diverse range of services and markets globally. Recognizing this reach, we pursue ESG initiatives throughout our sourcing network and supply chain.

Collaboration for Sustainability:

- **Customer Focus:** We work closely with customers to understand their sustainability expectations and best practices, ensuring our partnerships reflect these values. In turn, we work with our suppliers to ensure that they are aligned to IMI and our customers’ expectations.
- **Supplier Engagement:** We clearly communicate our sustainability expectations to our business partners and conduct due diligence checks. The IMI Supplier Code of Conduct was updated and disseminated for acknowledgment of all IMI suppliers focusing on our top suppliers ranked based on spend.

Accountability and Compliance:

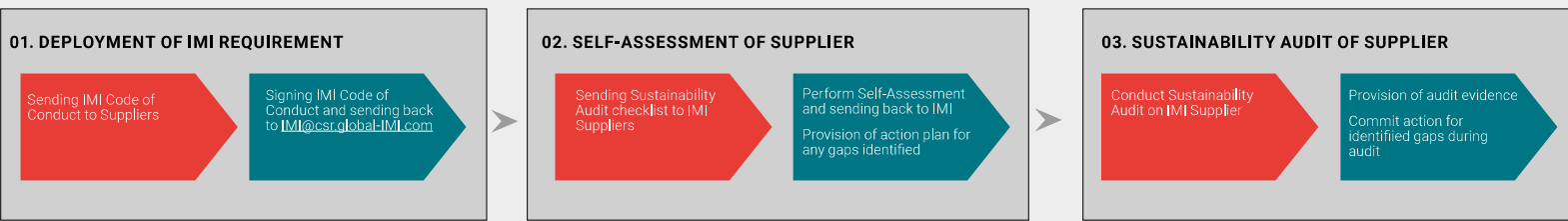
- **Supplier Audits:** We hold ourselves and our suppliers accountable through annual audits. IMI employs a hybrid audit process involving online and onsite sustainability audits.
- **Training and Support:** IMI supplier roadshow and engagement activities are scheduled in 2024 which will include the RBA Code of Conduct that covers labor, ethics, environment, and more.
- **Risk Management:** Through our supplier code of conduct, we help suppliers develop a risk-based approach and understand their role in achieving IMI’s and its customers’ long-term goals.

This comprehensive approach ensures a sustainable and responsible supply chain that aligns with IMI’s values and customer expectations.

SUPPLIER SUSTAINABILITY AUDIT

A separate supplier audit and validation for sustainability will ensure implementation of, and alignment with, the standards of the RBA Code requirements as well as establish responsible supply chains. For 2024, IMI will aim to conduct sustainability audits of 20% of our top 150 suppliers.

IMI CODE OF CONDUCT FOR SUPPLIERS



IMI CODE OF CONDUCT & SUSTAINABILITY FRAMEWORK

MANAGEMENT SYSTEMS

- Ensure compliance to RBA standards and the four pillars (Labor, Ethics, Health & Safety, Environment)
- Company Commitment
 - Management Accountability and Responsibility
 - Legal Customer Requirements
 - Risk Assessment and Risk Management
 - Improvement Objectives
 - Training
 - Communication
 - Worker Feedback and Participation
 - Audits and Assessment
 - Corrective Action Process
 - Documentation and Records
 - Supplier Communication
 - Collaboration with Government & Academe



LABOR

- Treat employees with dignity and respect**
- Freely Chosen Employment
 - Child Labor Avoidance
 - Working Hours
 - Wages and Benefits
 - Humane Treatment
 - Non-Discrimination
 - Freedom of Association

ETHICS

- Uphold the highest standards**
- Business Integrity RBA Requirements
 - No Improper Advantage
 - Disclosure of Information
 - Intellectual Property
 - Fair Business, Advertising and Competition
 - Protection of Identity and Retaliation
 - Responsible Sourcing of Minerals
 - Privacy
 - Insider Trading

HEALTH AND SAFETY

- Maintain a safe and healthy work environment**
- Occupational Safety
 - Emergency Preparedness
 - Occupational injury and illness
 - Industrial Hygiene
 - Physically Demanding Work
 - Machine Safeguarding
 - Sanitation, Food and Housing
 - Health and Safety Communication

ENVIRONMENT

- Protect the environment**
- Environmental Permits and Reporting
 - Pollution Prevention and Resource Reduction
 - Hazardous Substances
 - Waste and Solid Waste
 - Air Emissions
 - Product Content Restrictions
 - Water Management
 - Energy Consumption and Greenhouse Gas Emission Energy

IMI
IMI SUPPLIER

POLICY ON CONFLICT MINERALS

The following list outlines the measures we have put in place to avoid contributing to conflict and human rights abuses.

- **Sourcing from responsible suppliers:** We only purchase minerals and metals from smelters that comply with the Responsible Business Alliance (RBA) standards or have demonstrably clean supply chains, free from conflict minerals in the Democratic Republic of Congo (DRC) and surrounding countries.
- **Transparency:** We collect information about the origin of minerals and metals from our suppliers each year using a standardized reporting template. This information is then shared with our customers through our dedicated customer support team.
- **Verification and accountability:** We verify the responsible sourcing practices of our suppliers by referencing the publicly available list of compliant smelters maintained by the Responsible Minerals Initiative (RMI). If any discrepancies are identified, we work with our suppliers to address them and ensure they are sourcing responsibly.
- **Supplier engagement:** We hold our suppliers accountable for upholding responsible sourcing practices within their own operations and supply chains. This is explicitly stated in our contractual agreements and IMI Supplier Code of Conduct.

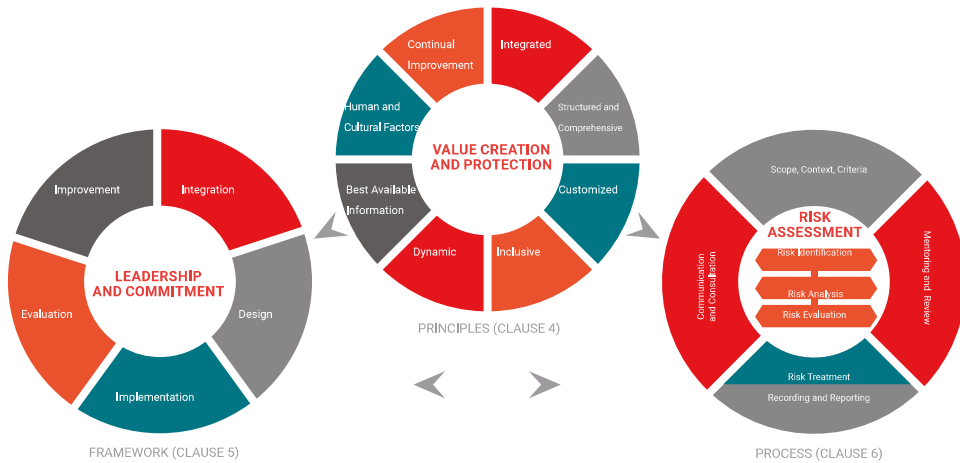
2024 and Beyond

Our third-party consultant is in the process of completing the assessment and validation of our carbon emission numbers. The findings from this will enable us to map out our detailed emissions and project our yearly progress towards 2030. As part of this effort, we will prepare IMI to become compliant and eventually certified with the Responsible Business Alliance's (RBA) evaluation. On supply chain and procurement, we are working to hold engagement workshops for our top suppliers with the aim of influencing them to align with our Code of Conduct and apply it to their own supply chain, thus collectively driving the positive change across the value chain. On energy consumption, we plan to install solar panels to further reduce our reliance on fossil fuels, in addition to increasing our usage of renewable energy from the grid.

ENTERPRISE RISK MANAGEMENT POLICY AND FRAMEWORK

In the pursuit of long-term sustainability, our company has established a robust enterprise-wide risk management policy and framework founded on ISO 31000. This risk management framework guides our proactive identification, assessment, and mitigation of potential risks.

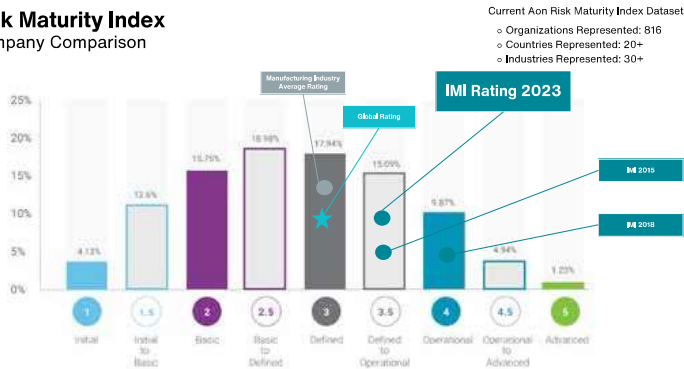
As part of this strategy, our Enterprise Risk Management (ERM) program helps safeguard our future by addressing internal and external risks that could affect our operations, financial health, and overall success.



RISK MATURITY

In 2023, IMI together with the other business units in the Ayala group underwent risk maturity assessment conducted by AON which analyzed IMI's risk management capabilities and practices. The assessment focused on corporate governance, management decision processes, and risk management practices. A workshop was conducted with IMI Executive Management and used structured questions that are align with nine characteristics of risk maturity as defined by AON's Risk Maturity Index. IMI's risk maturity was rated at 3.5 which is above the global and manufacturing industry average. As a global enterprise, IMI was described to have defined policy for risk management and is making efforts to consistently deploy risk management principles.

Risk Maturity Index Company Comparison



RISK REPORTING

We have clear reporting structures that establish ownership and accountability across all operations. We emphasize quality and encourage risk-based thinking at all levels to identify and manage top risks.

The Audit and Risk Committee (ARC) oversees our internal controls and risk management framework, including assessing the company's exposure to climate-related risks as outlined by the Task Force on Climate-Related Financial Disclosures (TCFD).

The ARC's role includes:

- Analyzing and providing guidance on significant financial and non-financial risks, along with mitigation strategies including climate related risk.
- Assessing climate-related hazards, their likelihood and potential impact, and reviewing corresponding risk reduction plans.
- Monitoring the company's overall risk management activities and evaluating the effectiveness of implemented plans.

The Chief Risk Officer (CRO) ensures regular internal reporting on the effectiveness and outcomes of the risk management framework. The ERM leader supports the CRO by:

- Collaborating with site risk owners and designated risk leads on initiatives to strengthen the framework, including managing climate-related risks.
- Reporting progress to the ARC on a quarterly basis.

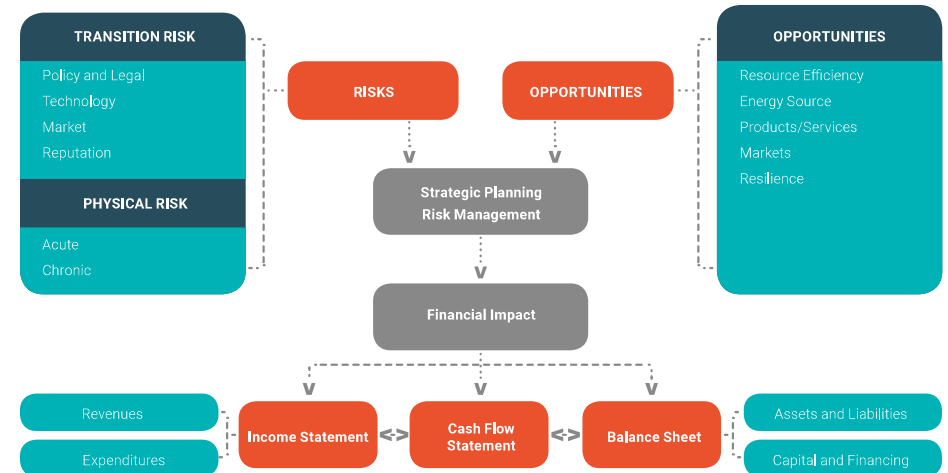
IMI Integrates Climate Risk into Risk Management

To ensure our risk management approach considers the latest climate-related factors, IMI leverages several resources alongside our updated ISO 31000-based processes:

- Globally Recognized Reporting Frameworks:** These frameworks provide standardized methods for tracking our climate action projects, enhancing transparency and accountability.
- Customer ESG and Climate Initiatives:** We factor in our customers' environmental, social, and governance (ESG) priorities and climate action goals to align our practices.
- Industry-Specific Climate Information:** We utilized publicly available publications that address climate change impacts specific to our industry sector.
- Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations:** We integrate TCFD recommendations to ensure a comprehensive assessment of climate-related risks and opportunities.
- Internal Assessments:** Our internal climate risk assessments, integrated reports, opportunity profiles.
- Benchmarking with Peers:** We also consider Carbon Disclosure Project (CDP) reports from other manufacturers within our industry to learn from their approaches and identify industry trends.

By incorporating these diverse resources, IMI strengthens its risk management framework to address the evolving landscape of climate-related risks and opportunities.

CLIMATE-RELATED RISKS, OPPORTUNITIES, AND FINANCIAL IMPACT



TOP RISKS 2023

With the EMS industry's dynamic and competitive business landscape, a skilled and engaged workforce is more critical than ever. Recognizing talent acquisition and retention as our top risk in 2023, we have prioritized proactive initiatives to foster a positive work environment, invest in employee development, and cultivate a strong employer brand. This strategic focus is crucial for ensuring the long-term sustainability and success of our organization.

#1: Talent – Recruitment and Retention

Challenge: Difficulty attracting and retaining qualified employees, leading to staffing shortfalls and unbalanced workforce composition.

Contributing Factors:

Lingering Pandemic Effects: The emergence of telecommuting and work-from-home arrangement increased voluntary employee departures and continued to impact the EMS industry, including IMI.

Knowledge Loss: The departing engineers sometimes leave without proper knowledge transfer due to lack of immediate replacements, creating knowledge gaps that hinder operations.

Competitive Landscape: Competitors offering higher salaries and establishing facilities near IMI sites pose a significant challenge in retaining talent.

Our Response:**Compensation and Benefits Review:**

We are evaluating our compensation packages and benefits to stay competitive in the current market.

Work-Life Balance Initiatives: We are continuously exploring and implementing flexible work arrangements that cater to a diverse range of employee needs and preferences. Various livelihood seminars and webinars were also conducted as well as community engagement activities.

Professional Development Opportunities:

We are investing in programs and resources to support professional development and career advancement for our employees.

Mentorship Programs: We have established mentorship and cadetship programs to facilitate knowledge transfer and employee engagement.

Improved Work Culture: We are actively working to foster a positive and inclusive work culture that attracts and retains top talent, this includes IMI Accountability and Collaboration project.

New Recruitment Channels: We are exploring new and innovative channels to reach and attract qualified candidates. Collaboration and Best Practices: We are collaborating with partners, industry associations, and other Ayala/ACI business units to identify and implement best practices in talent recruitment and retention.

#2 Capital Availability & Funding

Challenge: Market volatility, inflation, fluctuating exchange rates, and rising interest rates created uncertainty in the investment climate, making it difficult to attract investors.

Contributing Factors:

Company performance: Investors seek companies with a proven track record and a clear path to profitability. Companies facing financial difficulties might find it more difficult to raise capital.

ESG considerations: Many investors are increasingly interested in supporting companies that prioritize environmental, social, and governance (ESG) factors

that do not demonstrate commitment to these areas may face challenges attracting capital.

Our Response:**Revenue Growth:**

- **Price Increases:** Implement strategic price increases considering market conditions and customer elasticity.
- **Sales Expansion:** Explore new markets, customer segments, or product lines to increase revenue streams
- **Improved Receivables Management:** Implement stricter credit policies, offer early payment discounts, and improve collection processes to accelerate cash inflows from outstanding receivables.

Cost Reduction

- **Operational Efficiency:** Streamline processes, eliminate waste, and renegotiate contracts with suppliers for better pricing or terms. This may involve process automation, reducing unnecessary overhead costs, and implementing lean manufacturing principles.

Addressing ESG considerations is key:

- **Transparency and disclosure:** Companies seeking to attract ESG-focused investors need to be transparent about their ESG practices and performance. This may involve publishing sustainability reports and outlining their ESG goals and strategies.
- **Investor alignment:** Understanding and aligning IMI's company's ESG efforts with the specific priorities of target investor base can attract capital.

#3: Sourcing and Procurement Risk

Challenge: Difficulty securing alternative parts promptly due to limitations of existing suppliers, potentially jeopardizing our ability to meet customer commitments.

Contributing Factors:

Regional Conflicts: Regional conflicts in Europe and the Middle East resulting in increased cost in freight and logistics, and energy.

Raw material scarcity: Shortages of certain raw materials can hinder production.

Supplier limitations: Low availability of supply or extended lead times from primary suppliers can create delays.

Global market constraints: Limited supplier capacity can make it challenging to obtain necessary components.

Price fluctuations: Rising raw material prices increase production costs.

Sourcing competition: Competition for limited materials can drive up prices and make acquisition difficult.

Our Response:**Building strong supplier relationships:**

Based on our shared value ethics, good practice, and commitment to RBA Code of Conduct, we foster long-term partnerships with suppliers to secure consistent access to materials and capacity.

Robust supplier network: We maintain a diverse network of qualified suppliers to provide options in case of disruptions.

Supply chain monitoring: We continuously monitor supply chain performance and identify potential risks early on.

Sourcing diversification: We explore alternative suppliers and diversify our sourcing strategies to reduce reliance on any single source.

Regional focus: We develop regional sourcing strategies to optimize logistics and mitigate risks specific to each region.

Global supply chain organization: We established a dedicated team to manage our global supply chain efficiently.

Predictive analytics: We use technology to anticipate and proactively address potential supply chain disruptions.

#4: Geopolitical & Regulatory Risk

Challenge: Changes in foreign policy, including military conflicts, civil wars, terrorist attacks, and other events, can significantly disrupt global and regional stability, impacting our operations in various ways.

Examples in 2023:

Russia-Ukraine Conflict: This ongoing conflict has had widespread repercussions, affecting the global economy, increasing energy costs, disrupting logistics, and putting additional strain on supply chains.

Other Geopolitical Events: The Israel-Palestine Conflict and the Red Sea Crisis also contributed to these challenges.

Our Response:

Supply Chain Diversification: We are actively diversifying our supply chain to mitigate risks associated with any single source or region.

Geopolitical Awareness: We maintain a high level of awareness of ongoing geopolitical developments to anticipate potential disruptions.

Contingency Planning: We regularly adjust our contingency plans to address evolving geopolitical situations and ensure business continuity.

To effectively manage geopolitical risks, we:

Ensure continuity of supply: We strive to maintain uninterrupted supply chains despite potential disruptions.

Maintain profitability: We aim to minimize the negative impact of geopolitical events on our financial performance.

Protect stakeholder and investor interests: We prioritize the well-being of our stakeholders and investors by making responsible decisions in the face of geopolitical risks.

#5: Sales and Marketing Risk

Challenge: Inability to effectively develop and implement a sales and marketing strategy that maximizes revenue, market share, and return on investment while retaining customer loyalty.

Challenges in 2023:

Slow market growth: The consumer electronics market experienced sluggish growth in 2023.

Limited customer acquisition: We faced difficulties acquiring new significant customers.

Customer retention challenges: We encountered difficulties retaining existing customers.

Order delays: Customers deferred orders to 2024.

Low consumer demand: Consumer demand in the consumer electronics market was low.

Our Response:

Innovation and product improvement: IMI Technology Group prioritizes product and service innovation, focusing on design for manufacturability and aligning advanced manufacturing programs with market technology roadmaps. This approach enhances our business development and strengthens our unique value proposition, setting us apart from competitors.

ESG focus: We are developing an ESG roadmap towards carbon neutrality and leveraging this as a competitive advantage. This strategy differentiates us from competitors and appeals to sustainability-conscious customers and investors.

By implementing these strategies, we aim to: Maximize revenue and market share:

We want to achieve strong financial performance and gain a larger market presence within the EMS industry.

Increase return on investment: We strive to ensure that our sales and marketing efforts deliver a positive return for shareholders. Attract and retain customers: We aim to attract new customers and build strong, lasting relationships with existing ones.

#6: Climate Change Risk

Challenge: Climate change poses both physical and transition risks that could significantly impact our business.

Physical Risks: Extreme weather events such as tropical cyclones, heat waves, and cold snaps can damage infrastructure, disrupt operations and supply chains, and lead to financial losses.

Transition Risks: The shift towards a low-carbon economy could disrupt our business model, customers, and markets if we fail to adapt.

Our Response:**Physical Risk Mitigation:**

- **Disaster response planning:** We have established plans to respond effectively to climate-related disasters and minimize their impact.
- **Facility risk assessment:** We are continuously assessing and managing the climate-related risks associated with our facilities.
- **Supplier collaboration:** We collaborate with suppliers to understand and address their climate-related risks, ensuring continuity in the supply chain.

Transition Risk Management:

Climate strategy: We have adopted a comprehensive climate strategy that includes:

- **Reducing greenhouse gas emissions:** We are actively working to reduce our carbon footprint through various projects such as solar panel installation, transition of company vehicles from internal combustion to electronic vehicles, and more.
- **Transitioning to renewable energy:** We are exploring and implementing renewable energy sources to power our operations. In 2023, IMI Serbia contracted for 100% green energy, while IMI Philippines contracted for 10%
- **Improving energy efficiency:** We are continuously seeing ways to optimize energy use across our operations.
- **Collaboration with customers:** We are working with customers to support their climate action initiatives.
- **Innovation and product development:** We are leveraging our strengths in design for manufacturability and advanced manufacturing programs to develop products and services that are competitive in a low-carbon economy.

This section delves into the key metrics that chart our progress towards achieving our sustainability goals and strategic objectives. We measure performance across environmental, social, and governance factors, ensuring transparency and accountability in our journey towards a more sustainable future. By continuously monitoring these metrics against our established commitments, we gain valuable insights into our effectiveness and identify areas for continued improvement.

According to the Greenhouse Gas (GHG) Protocol, representing the most commonly used international accounting tool, GHG emissions are categorized into three scopes / groups.

Scope 1 Emissions
Represent direct GHG emissions emanating from sources owned or controlled by IMI (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles).

Scope 2 Emissions
Characterized by indirect GHG emissions resulting from IMI's energy usage generated at the company's facilities. Scope 2 emissions are associated with the buying of various forms of energy (e.g., electricity, heat, steam etc.).

Scope 3 Emissions
Represent all other indirect emissions that occur within the value chain of a company.

Summary of GHG Emissions (tons CO₂-e)

	Scope 1	Scope 2	Scope 3
2023	3,592	62,811	4,310
2022*	1,837	72,771	6,293
2021*	3,121	87,685	6,503

*Revised the GHG emission calculation

Scope 1 (tons CO₂-e)

	Asia	Europe	USA	TOTAL
2023	2,274	165	1,153	3,592
2022*	1,195	210	432	1,837
2021*	1,342	1,424	355	3,121

*Revised the GHG emission calculation

Scope 2 (tons CO₂-e)

	Asia	Europe	USA	TOTAL
2023	46,938	7,817	8,056	62,811
2022*	56,200	8,757	7,814	72,771
2021*	66,686	9,101	11,899	87,685

*Revised the GHG emission calculation

Scope 3 (tons CO₂-e)

	Asia	Europe	USA	TOTAL
2023	1,124	160	3,026	4,310
2022*	1,464	290	4,539	6,293
2021*	3,260	210	3,032	6,503

*Revised the GHG emission calculation. Current scope 3 data is based on total Methane and Nitrous Oxide emission and fuel consumption from outsourced vehicles only.

IMI partnered with South Pole to establish a comprehensive baseline accounting and validation process for 2021 GHG emissions (Scopes 1, 2, and 3). This initiative demonstrates our commitment to ESG and climate goals and signifies a significant step towards improved GHG accounting and disclosure. This also helps us prepare for our eventual submission to SBTi. The full and updated GHG of IMI shall be disclosed after this project.

Energy Management

IMI is committed to a sustainable future, and energy management is a key pillar of that commitment. We focus on developing and implementing strategies to reduce our environmental impact and operational costs through efficient energy use.

ENERGY CONSUMPTION -Electricity from the Grid (million KWh)

	ASIA	EUROPE	USA	TOTAL
2023	74	20	19	113
2022	*88	*23	18	128
2021	*103	*23	18	144

*Corrected—We deducted the energy consumption from renewable sources.

Reduction is largely attributed to the energy consumption from renewable sources in Serbia.

2023 Energy from renewable sources (million KWh)

IMI Site	Philippines	China	Bulgaria	Serbia	Czech Republic	Mexico	TOTAL
Non-renewable	39.9	34.5	16.7	0	3.2	18.7	113
Renewable	4.4	0	0	3.3	0.17	0	7.9
Total Electricity Consumption	44.3	34.5	16.7	3.3	3.4	18.7	120.9
Renewable % share	10%	0%	0%	100%	5%	0%	12.8%

Percentage share of electricity derived from renewable sources.

ENERGY CONSUMPTION

12%

decrease in energy consumption in 2023 from the previous year, largely attributed to energy consumption from renewable sources in Serbia and....



IMI Serbia with over 50,213 sqm of factory space is using 100% green energy.

METRICS AND TARGETS

Waste Management

Our initiatives to mitigate the impact of waste generation and waste disposal are as follows:

- Continue and sustain the waste reduction programs from upstream waste sources by implementing the 4Rs method: Reduce, Reuse, Recycle, and Replace material that are not hazardous to environment
- Initiate the redesign of equipment and processes to reduce material consumption
- Continue the recycling recovery and treatment of all wastes to zero out the disposal from municipal landfill

Hazardous ('000kg)

	ASIA	EUROPE	USA	TOTAL
2023	299	208	49	556
2022	439	314	98	851
2021	310	318	97	725

Non-Hazardous RECYCLED ('000kg)

	ASIA	EUROPE	USA	TOTAL
2023	820	676	750	2,247
2022	791	624	806	2,220
2021	650	535	696	1,880

Non-Hazardous RESIDUAL ('000kg)

	ASIA	EUROPE	USA	TOTAL
2023	265	1.9	145	413
2022	356	73	194	623
2021	390	71	182	643

IMI Group Human Capital

As the world transforms into knowledge-based economies, we recognize that a diverse, equitable, and inclusive human capital strategy is vital. Our 12,000+ strong workforce, spanning a multicultural and global community, is our most valuable asset. They provide the strength, resilience, innovation, and creativity that enable us to deliver value to our customers and stakeholders. We foster a corporate culture that prioritizes Diversity Equity & Inclusion (DE&I), attracting and retaining top talent from all backgrounds. This commitment extends to our ESG practices, ensuring responsible business conduct that aligns with the Responsible Business Alliance (RBA) standards. By investing in our people and upholding strong ESG principles, we empower our employees to develop the multi-level skills needed to thrive in the evolving knowledge economy.

Headcount

	Asia	Europe	USA	TOTAL
2023	63%	23%	14%	12,659
2022	60%	27%	13%	14,076
2021	65%	23%	12%	14,455

IMI EMPLOYEE ENGAGEMENT SCORE

89%

90% Ayala Norm
92% PH Norm
84% Global High Tech Manufacturing and Global Manufacturing High Tech Semiconductor Norm

STRENGTHS



- Customer Focus
 - Company Image and Competitive Position
 - Sustainable Engagement
- Top 3 highest scores among the categories*

Gender Diversity in Management Committee

	Male	Female	TOTAL
2023	5	4	9
2022	5	4	9
2021	5	4	9

Gender Diversity

	Male	Female
2023*	37%	63%
2022	38%	62%
2021	39%	61%

*IMI Global employees 12,043 excluding VIA Optronics

GENDER DIVERSITY IN MANAGEMENT

4 of 9

Female Management Committee officers

GENDER DIVERSITY COMPANY-WIDE

63%

of employees are female

Age Diversity

	Below 30	30-50	Over 50
2023*	24%	63%	13%
2022	26%	62%	12%
2021	27%	62%	11%

*IMI Global employees 12,043 excluding VIA Optronics

Training Hours

	Asia	Europe	USA	TOTAL
2023*	85%	11%	4%	629K
2022	89%	6%	5%	853K
2021	87%	7%	6%	837K

























*

Occupational Health and Safety

	2021	2022	2023
Total number of non-disabling injuries	42	34	20
Total number of disabling injuries	5	9	6
Total number of fatalities	0	0	1
Safe manhours (million hours)	32.2	48.3	28.9

Decline in safemanhours due to manpower reduction

SASB Index – Sustainability Issues and Topics For EMS Manufacturing

MATERIAL TOPICS	ACCOUNTING METRICS	GRI	SDGS	PAGE NUMBER (S)
ENVIRONMENT	<ul style="list-style-type: none"> GHG Emissions Air Quality Energy Management Water Management Waste & Hazardous Materials Ecological Impact 	302, 303, 305, 306	     	42-43 , 70-73
HUMAN CAPITAL	<ul style="list-style-type: none"> Labor Practices Employee Health & Safety Employee Engagement, Diversity & Inclusion 	401, 402, 403, 404, 405, 406, 407, 408, 409	     	73 ,76-79
BUSINESS MODEL AND INNOVATION	<ul style="list-style-type: none"> Product Design & Life Cycle Management Business Model Resilience Supply Chain Management Materials & Resource Efficiency Physical Impact of Climate Change 	301, 307, 308, 414	    	62-65
LEADERSHIP AND GOVERNANCE	<ul style="list-style-type: none"> Business Ethics Competitive Behavior Management of Legal & Regulatory Requirements Critical Incident Risk Management Systemic Risk Management 	202, 203, 204, 205, 206, 207, 307, 308	      	8-22 , 46-56

UN Sustainable Development Goals



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- Saving Lives
- Improving Lives
- Saving Energy



Ensure sustainable consumption and production patterns

- Reduce
- Reuse
- Recycle

IMI Focused SDGs



IMI Supported SDGs

Materiality

Industry-Specific Sustainability Accounting Standards

Companies in the same industry tend to share similar business models and resource usage, which means they also face similar sustainability challenges and opportunities. The Sustainability Accounting Standards Board (SASB) addresses this by developing industry-specific accounting standards for sustainability factors.

What SASB Standards Offer

- Focus on Financially Material Issues:** SASB standards target a specific set of environmental, social, and governance (ESG) issues that can significantly impact a company's financial performance within a particular industry.
- Investor-Friendly:** These standards provide investors with consistent and comparable data on these financially important sustainability factors, allowing them to compare companies within the same industry more effectively.
- Cost-Effective and Streamlined:** By focusing on industry-specific issues, SASB reduces unnecessary reporting and highlights the most relevant sustainability information for each company.

How IMI Uses SASB

IMI, an electronics manufacturer, utilizes SASB standards specifically for the Electronic Manufacturing Services & Original Design Manufacturing Industry (SICS™ #TC0101). This helps them report on the most relevant sustainability factors for their industry.

Compatibility with Other Frameworks

SASB standards can be used alongside other sustainability reporting frameworks, such as GRI Standards. They can also be a helpful tool for implementing broader sustainability principles outlined by organizations like the Task Force on Climate-Related Financial Disclosures (TCFD) and the International Integrated Reporting Council (IIRC).

IMI Code of Conduct – Our ESG and Sustainability Framework

The IMI Code of Conduct and Sustainability Framework serves as cornerstone of our commitment to Environmental, Social, and Governance (ESG) principles for our stakeholders. We leverage the Responsible Business Alliance (RBA) Code of Conduct as a guiding force, focusing on its four core pillars: Labor, Ethics, Health and Safety, and Environment all under one Management System. By adhering to these principles, we ensure responsible and sustainable business practices throughout our operations and supply chain.



ENVIRONMENT

ENVIRONMENT
Protect the environment

- Environmental Permits and Reporting
- Pollution Prevention and Resource Reduction
- Hazardous Substances
- Waste and Solid Waste
- Air Emissions
- Product Content Restrictions
- Water Management
- Energy Consumption and Greenhouse Gas Emission Energy




SOCIAL

LABOR
Treat employees with dignity and respect

- Freely Chosen Employment
- Child Labor Avoidance
- Working Hours
- Wages and Benefits
- Humane Treatment
- Non-Discrimination
- Freedom of Association

HEALTH AND SAFETY
Maintain a safe and healthy work environment

- Occupational Safety
- Emergency Preparedness
- Occupational injury and illness
- Industrial Hygiene
- Physically Demanding Work
- Machine Safeguarding
- Sanitation, Food and Housing
- Health and Safety
- Communication



GOVERNANCE

ETHICS
Uphold the highest standards

- Business Integrity RBA Requirements
- No Improper Advantage
- Disclosure of Information
- Intellectual Property
- Fair Business, Advertising and Competition
- Protection of Identity and Retaliation
- Responsible Sourcing of Minerals
- Privacy
- Insider Trading

MANAGEMENT SYSTEMS
Ensure compliance to RBA standards and the four pillars

- Company Commitment
- Management Accountability and Responsibility
- Legal Customer Requirements
- Risk Assessment and Risk Management
- Improvement Objectives
- Training
- Communication
- Worker Feedback and Participation
- Audits and Assessment
- Corrective Action Process
- Documentation and Records
- Supplier Communication
- Collaboration with Government & Academe



IMI CODE OF CONDUCT & SUSTAINABILITY FRAMEWORK

IMI recognizes the significant role we play in the communities we call home. We go beyond simply operating facilities by proactively engaging with local residents, institutions, and organizations.

IMI understands the importance of addressing local concerns, and our CSR efforts are targeted to make a positive impact. Through open communication and collaboration, we contribute to the well-being of our communities, fostering sustainable growth together. This commitment reflects our deep awareness of the interconnectedness between IMI's success and the health of the society in which we operate.

IMI PHILIPPINES



1. IMI PH Top 2 outstanding tax payer awardee
2. Lenten Talk Series in observance of Holy Week 2023
3. IMI University and De La Salle University signed a memorandum of understanding to bridge the gap between academia and industry through joint programs.
4. Tree planting activity
5. Volunteers for the Brigada Eskwela program, a school and community partnership program preparing public schools for the upcoming school year
6. Managers' Forum with CEO Arthur R. Tan
7. IMI Philippines partnered with UPLB College of Engineering for student internships, research, and job placement.



IMI CHINA



1



2



3



4



5

1. Medical volunteers providing assistance to the local community
2. Celebrating International Women's Day
3. Implementation of Lean Manufacturing
4. Visiting and providing supplies for the elderly
5. Supporting local labor union sports club activities

IMI CZECH REPUBLIC

Supported a local orphanage with essential supplies such as diapers, wet wipes, and clothes



IMI BULGARIA



Engaging with our communities by supporting local events such as a folk dance festival



Participating at an event at the University of Sofia, the oldest institution of higher education in the country

IMI MEXICO

Health and Wellness Week – Activity that encourages healthy Habits, work-life balance or IMIers.

Topics include: "Healthy Ways to Cope with Stress," "Defibrillator training," "First-contact psychological care," and "Tips for healthy eating".

