



Voltronic Power 2022

ESG Report and TCFD Highlights



Table of Contents

ENVIRONMENT

▪ Achievements	7
▪ Climate-related scenario analysis	9
▪ Waste Management	15
▪ Water and Biodiversity	17

SOCIAL

▪ Achievements	19
▪ Human Resource Recruitment	20
▪ Remuneration and Benefits	24
▪ Learning and Growth Plan	26
▪ Occupational Safety and Health	27
▪ Employees Human Rights	29

GOVERNANCE

Sustainability Management

▪ Sustainability Performance	32
▪ Awards and Recognitions	33
▪ Stakeholder Communication	34
▪ Commitment and Promotion	37
▪ Responding to UN SDGs	40

Corporate Governance

▪ Organizational Profile	43
▪ Business Ethics	46
▪ External Initiatives	52
▪ Risk Governance	53

SUPPLIER MANAGEMENT

▪ Supplier's Compliance of High Standards	56
▪ Local Supply Chain Management	57
▪ Risk Management	58
▪ Sustainability Engagement	60





Alex Hsieh
Chairman and ESG Executive Committee Chairman

Message From the Chairperson

As the world's premier 100% ODM manufacturer in uninterruptible power supplies (UPS) and PV inverters, Voltronic Power continuously focuses on improving our products' energy efficiency and expanding the lines of green energy products.

Even with COVID-19 impacts such as port congestion, materials shortages, and lockdowns, over the past three years, Voltronic Power still generated 34% annual revenue growth in 2022. Shipments of UPS and solar inverters grew, resulting in a 30% increase in emissions reduction compared to 2021. In 2022, a total decrease of 1,002,145 metric tons of carbon emissions has brought us to achieve 121% of our net zero emissions target. To further contribute to the green energy environment, Voltronic Power developed residential and commercial energy storage systems and new AC and DC EV chargers.

Voltronic Power is responsible for joining hands with all value chain partners and stakeholders to continue taking positive actions on sustainable development issues (Environmental, Social, and Governance). We integrate sustainable development into the company's daily operations, management strategies, and action plans to create a sustainable future. In addition to publishing our annual sustainability reports, we have released the TCFD reports and reviewed our strategies and actions to achieve the following carbon emission reduction goals:

- I . Net Zero Emissions in our operation by 2035.
- II. Net Zero Emissions in the value chain by 2050.

I look forward to continuing to promote sustainable initiatives. Sustainability is a continuous process. With the growth of the company, the responsibility has become increasingly substantial. We uphold the vision of sustainable development and we will continue to uphold our ESG vision as we strive forward with steadfast resolve.

Sustainability

We uphold "Environmental Protection, Common Good, Integrity Governance" as our Sustainability Policies, and build corporate governance and risk management mechanisms to pursue a sustainable environment and fulfill our responsibility as a world citizen.



Environmental Protection

Voltronic Power is committed to environmental factors such as waste water, exhaust gas, noise generated in production. Our discharge shall comply with national and local laws, regulations and other requirements. We strengthen the management of resources and energy, actively promote energy conservation, consumption, reduction and resource recovery activities; prevent and reduce pollution by managing toxic, harmful and dangerous waste discharge. We conduct regular inspections of operation control and implement all staff's propaganda and training to enhance environmental awareness.



Common Good

"Decent Work and Economic Growth", providing equal opportunities for work, equal remuneration and treatment, and "Gender Equality" with appropriate talents is also the "Strategic Goal of the Group's Sustainable Development", the "Group-Wide Strategic Goal", as well as the "Sustainable Development Goal of the United Nations Citizens".



Integrity Governance

Voltronic Power believes in acting ethically and specify that when engaging in commercial activities, directors, supervisors, managers, employees, and mandatories of the business group or persons having substantial control over the business group as substantial controllers, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Reducing carbon emissions is the primary goal of Voltronic Power; therefore, Voltronic Power's main products are green energy products with high efficiency and renewable benefits. To reduce carbon emissions, Voltronic Power focuses on product research, development, manufacture and sales of its green energy products and on improving the efficiency on non-green energy products. Recently developed products include, energy storage systems, EV charger, etc. These products have been develop in hopes to expand our contribution to the green environment.



EV charger (AC EV charger 7kw – 21kw, DC EV charger 20kw – 240kw)



Energy storage system (Integrated solar inverter and Lithium-ion battery into one unit)



Solar Inverter (Hybrid inverter 3kw – 50kw, Off-grid inverter 1kw – 11kw)



ENVIRONMENT

- Achievements
- Climate-related scenario analysis
- Waste Management
- Water and Biodiversity

ACHIEVEMENTS



Selling products to provide customers with ERBs
1,002,145 MtCO₂e

Total greenhouse gas emissions (scope 1, 2 and 3)
826,412 MtCO₂e

121%
of net zero emissions target

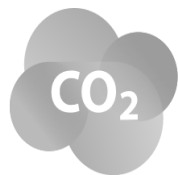
Selling products to provide customers with ERBs MtCO₂e ≥ Total greenhouse gas emissions in the value chain MtCO₂e
Selling products to provide customers with ERBs MtCO₂e ÷ Total greenhouse gas emissions in the value chain MtCO₂e ≥ 100% target

The company's strategy to achieve net zero is to pursue growth of sales revenue = growth of emission reduction benefits of all products sold = realization of the goal of net zero carbon emissions in the value chain. In 2022, selling products to provide customers with 1,002,145 ERBs MtCO₂e > Total greenhouse gas emissions in the value chain 826,412 MtCO₂e. We achieved 121% of the net zero emissions target.



Production Reuse Rate > **80%**

Production Recycling Rate > **70%**



29.38 < 31.7

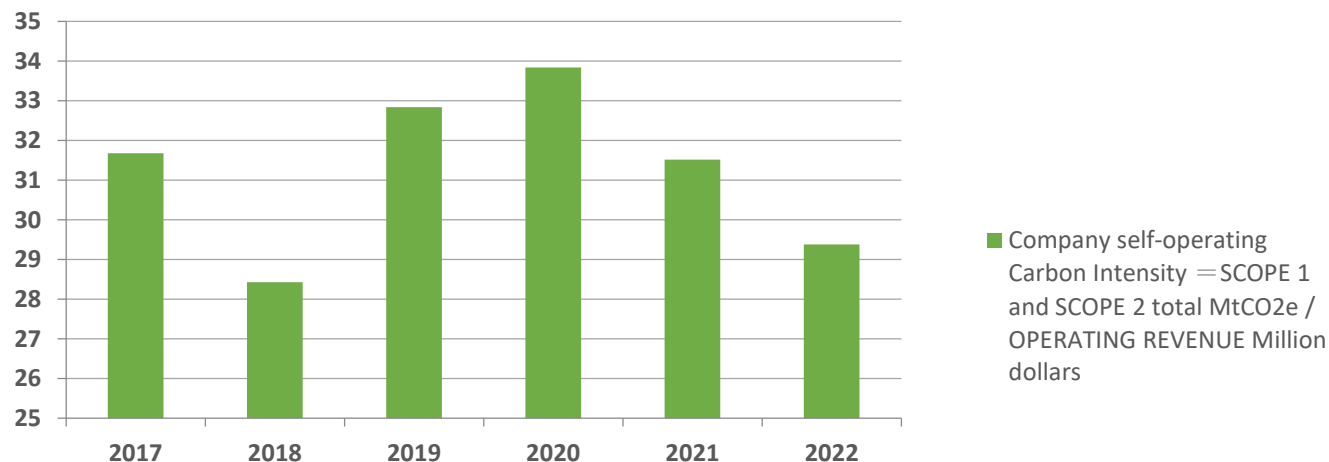
Company self-operating Carbon Intensity = SCOPE 1 and SCOPE 2 total MtCO₂e / OPERATING REVENUE Million dollars



Sustainability Sector

Voltronic Power is part of the sustainability industry. The energy demand for its own operations is mainly electricity (99%). This exceeds the target of IRENA's target KPI > 50%. Therefore, Voltronic Power has set its own operational target as KPI.04 > 98%.

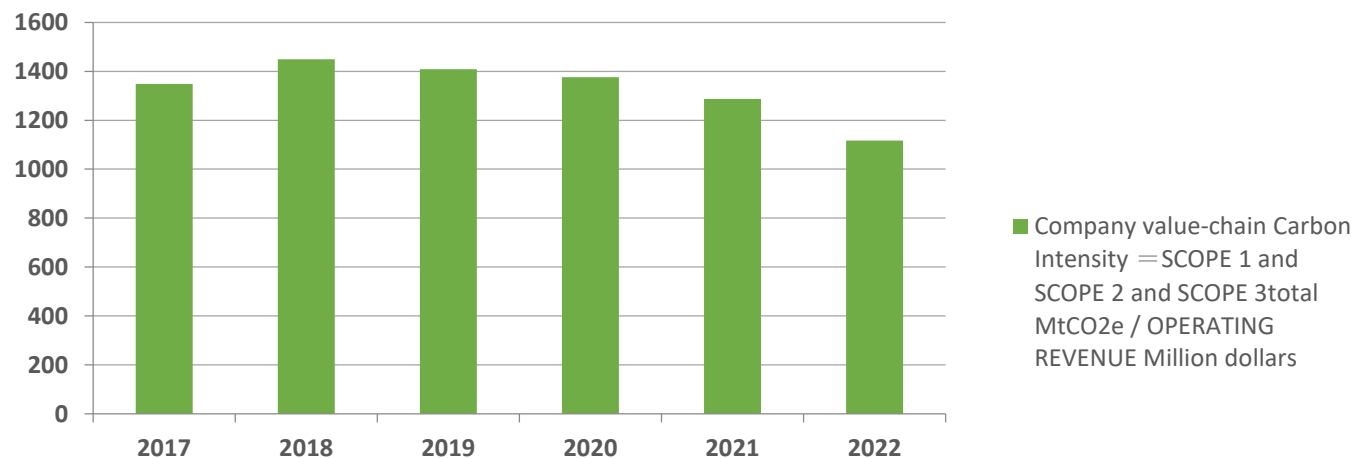
SCOPE 1 DIRECT EMISSIONS and SCOPE 2 INDIRECT EMISSIONS



0.86% ▼

In 2021, Voltronic Power sets **31.7 as the Base Year Carbon Intensity** - the comprehensive average Carbon Intensity self-operation in the past five years (2017 ~ 2021). Its management climate-related risks and opportunities target is **to reduce to 27.9 by 2035 - a decrease of 12%, and a compound annual decrease rate of 0.86%.**

SCOPE 1 DIRECT EMISSIONS and SCOPE 2 INDIRECT EMISSIONS and SCOPE 3 INDIRECT EMISSIONS



1.55% ▼

In 2021, Voltronic Power sets **1366 as the Base Year Carbon Intensity**, the comprehensive average Carbon Intensity of value chain in the past five years (2017 ~ 2021). Its management climate related risks and opportunities target is **to reduce to 1,093 by 2035 - a decrease of 20%, and a compound annual decrease rate of 1.55%.**

CLIMATE-RELATED SCENARIO ANALYSIS



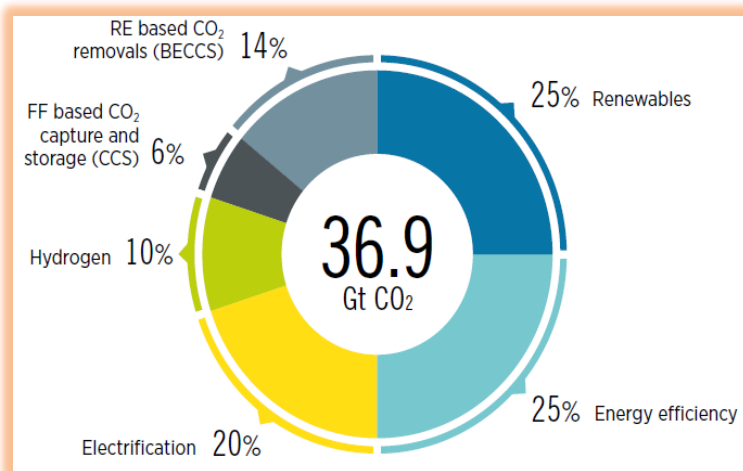
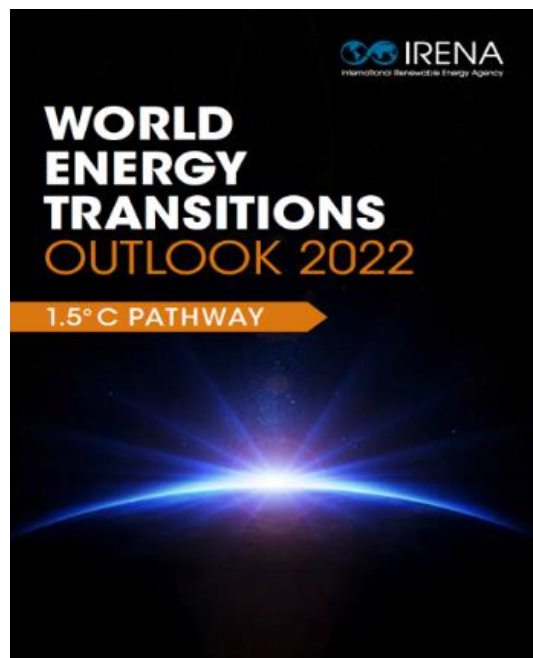
Towards the 2050 goal

IRENA's 1.5°C pathway positions electrification and efficiency as key drivers of the energy transition, enabled by renewables, hydrogen, and sustainable biomass.

This pathway, which requires a massive change in how societies produce and consume energy, would result in a cut of nearly 37 gigatonnes of annual CO₂ emissions by 2050. These reductions can be achieved through significant increases in generation and direct uses of renewables-based electricity, substantial improvements in energy efficiency, the electrification of end-use sectors (e.g. electric vehicles and heat pumps), clean hydrogen and its derivatives, bioenergy coupled with carbon capture and storage, and last-mile use of carbon capture and storage.

According to IRENA's 1.5°C pathway scenario analysis, by 2050, 25% of global CO₂ emissions reductions will depend on energy efficiency, whilst the other 25% will depend on renewables. Being part of the sustainability sector, all products of Voltronic Power are sustainable products with energy efficiency benefits and the PV Inverter also has renewable energy benefits.

Statistics indicate that the products sold by Voltronic Power in 2022 are expected to generate energy efficiency of **310,637** MtCO₂e ERBs and renewables are expected to generate of **691,508** MtCO₂e ERBs for product users, which totals to **1,002,145** MtCO₂e ERBs. In the same year, the total greenhouse gas emissions of Voltronic Power were **826,412** MtCO₂e. All the above data have been obtained from the "Independent Auditor's Assurance Report on the Identified Sustainability and Climate-related Performance Information".



USING CLIMATE-RELATED SCENARIO ANALYSIS

Process for identifying, assessing, and responding to climate-related risks and opportunities



RISK MANAGEMENT COMMITTEE

Understand the content of various international initiatives, reports and evaluation criteria related to climate change, and construct the implementation plan of the company to identify, assess and respond to climate related risks and opportunities.

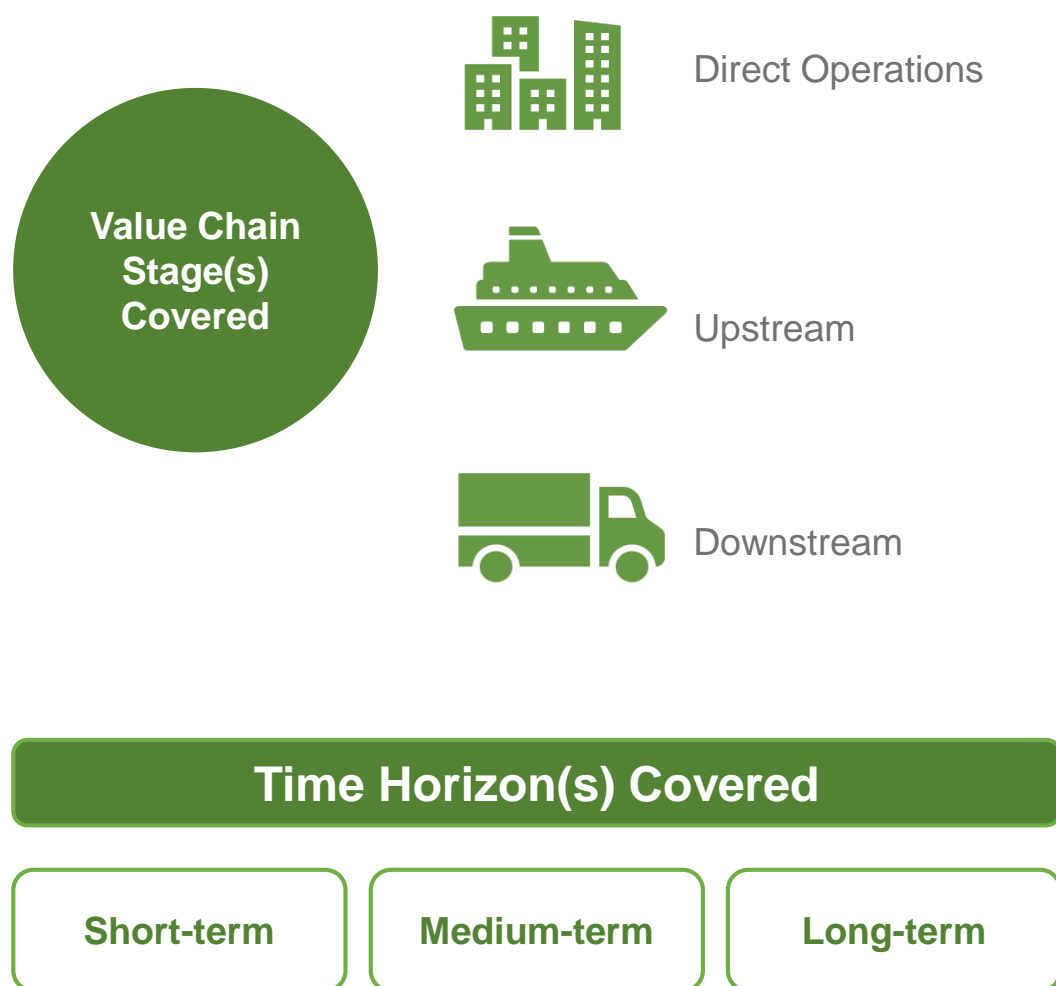
Operate an enterprise risk management program to integrate and manage the transition risks and physical risks of climate change that have potential negative consequences to operations and financial results. Adopt a risk map for assessing the possibility, frequency, vulnerability and impact of major climate change risk events on operations, and defines the risk level and prioritization of risk controls as well as implementing risk management strategies that corresponds to the risk levels.



ESG EXECUTIVE COMMITTEE

Invite the Risk Management Committee and the Climate Change Management Committee to hold a cross-committee "Climate Change Risk and Opportunity identifying meeting" to identify the main short-term, medium-term and long-term risks and opportunities (e.g. transformation risks, entity risks and risk management strategies) and conduct corresponding strategies and financial impact assessment.

Formulate the annual climate related risk and opportunity management strategy and plan objectives according to the climate change governance strategy and plan, and submit them to Climate Change Management Committee for implementation after being approved by the Board of Directors, who are also responsible for supervising the implementation performance of the Climate Change Management Committee.



Management Process

Integrated into multi-disciplinary company-wide risk management process

Integrated into multi-disciplinary company-wide risk management processes: a documented process where climate-related risks and opportunities are identified and assessed in an integrated way in the company's centralized enterprise risk management program covering all possible types/sources of risks and opportunities

Frequency of Assessment

Annually



ESG Executive
Committee



Risk Management
Committee



Climate Change
Management Committee

Risk: Emerging regulation (policy developments that attempt to constrain actions that contribute to the adverse effects of climate change or policy developments that seek to promote adaptation to climate change)

Primary climate-related risk driver: <ul style="list-style-type: none">Increased pricing of GHG emissionsEnhanced emissions-reporting obligationsMandates on and regulation of existing products and services		Primary potential financial impact: <ul style="list-style-type: none">Increased operating costs (e.g., higher compliance costs, increased insurance premiums)Write-offs, asset impairment, and early retirement of existing assets due to policy changes		
In the value chain the risk driver occurs: <ul style="list-style-type: none">Direct operationsUpstreamDownstream	Time horizon: <ul style="list-style-type: none">Short-termMedium-termLong-term	Likelihood: <ul style="list-style-type: none">Virtually certain (99–100%)	Magnitude of impact: <ul style="list-style-type: none">Low	Relevance & inclusion: <ul style="list-style-type: none">Relevant, always included
Company - specific description: Net zero emissions is the trending issue faced by global enterprises. The inventory, certification and/or assurance, reporting of GHG emissions, and the preparation, announcement and registration of the ESG Report and Climate-related Financial Disclosure report are the obligations of global enterprises. The net zero emissions of the value chain involves the risk driving of upstream, direct operations and downstream. Therefore, the complete inventory of GHG emissions and low-carbon intensity products of the value chain are the trend of regulatory requirements from now to the future.				
Is able to provide a potential financial impact figure? <ul style="list-style-type: none">Yes, an estimated range	Potential financial impact figure (currency) <ul style="list-style-type: none">NT 10 million to NT 20 million		Type of financial impact <ul style="list-style-type: none">Increased indirect (operating) costs	
Explanation of financial impact figure: The approach was employed to calculate the figure: see the following "Description of response and explanation of cost calculation" The figures used in calculation: Statistics of the actual expenses incurred in the year and be calculated according to the following assumptions. Any assumption the figure is dependent on: Assumed that the development trend of emerging regulation fees in the future is twice of the current.				
Cost of response to risk: NT 10 million to NT 20 million				
Description of response and explanation of cost calculation: Not happened or neither found that there is of any event that may lead to the write-offs, asset impairment, and early retirement of existing assets due to the current and future emerging regulation, so there is no such financial impact. In addition, the company’s primary business is professional DMS (Design & Manufacturing Service), and its operating income is DMS income, there are not happened and neither found operating costs due to increased pricing of GHG emissions in the current and future emerging regulation. The possible costs are listed above in the "Company - specific description." Emissions-reporting obligations and the mandates on and regulation of existing products and services are summary statistics.				

Opportunity: Products and Services (opportunities related to innovation and development of new low-emission and climate adaptation products and services).

Primary climate-related opportunity driver:

- Development and/or expansion of low emission goods and services
- Development of climate adaptation and insurance risk solutions
- Development of new products or services through R&D and innovation
- Ability to diversify business activities
- Shift in consumer preferences

Primary potential financial impact:

- Increased revenue through demand for lower emissions products and services
- Increased revenue through new solutions to adaptation needs (e.g., insurance risk transfer products and services)
- Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

In the value chain the opportunity driver occurs:

- Direct operations
- Downstream

Time horizon:

- Short-term
- Medium-term
- Long-term

Likelihood:

- Virtually certain (99–100%)

Magnitude of impact:

- High

Relevance & inclusion:

- Relevant, always included

Company - specific description: All sustainable products have Energy Efficiency ERBs. PV Inverters have Energy Efficiency and Renewables ERBs. Energy Storage System and EV Charger are emerging sustainable products. . Expanding the production and sale of these products is our most important goal.

Is able to provide a potential financial impact figure?

- Yes

Potential financial impact figure (currency)

- annual OPERATING REVENUE will increase by 1,257 million (NT) in the future
- annual PROFIT FROM OPERATIONS will increase by 214 million (NT) in the future

Explanation of financial impact figure (the approach that was employed to calculate the figure, the figures used in calculation, and any assumption the figure is dependent on):

The growth rate of OPERATING REVENUE in each of the past four years was 13.39%, 5.53%, 24.20% and 34.02% respectively, of which the minimum 5.53% was taken as the growth rate of annual OPERATING REVENUE of the future. It is estimated that the annual OPERATING REVENUE will increase by 1,257 million (NT) in the future (Note: this figure is only for the purpose of “TCFD Report information” and not for the purpose of “Publication of Financial Forecasts information”).

The PROFIT FROM OPERATIONS rate of each year in the past five years was 19%, 20%, 20%, 17% and 23% respectively, of which the minimum 17% was taken as the net PROFIT FROM OPERATIONS rate for the future years, multiplied by the estimated increase annual OPERATING REVENUE for the future years, the annual PROFIT FROM OPERATIONS will increase by 214 million (NT) in the future (Note: this figure is only for the purpose of “TCFD Report information” and not for the purpose of “Publication of Financial Forecasts information”).

Cost to realize opportunity: The total annual OPERATING COSTS and OPERATING EXPENSES will increase by 1,043 million (NT) in the future (Note: this figure is only for the purpose of “TCFD Report information” and not for the purpose of “Publication of Financial Forecasts information”).

Strategy to realize opportunity and explanation of cost calculation: The increase annual OPERATING COSTS and OPERATING EXPENSES in the future are calculated by deducting the increase annual PROFIT FROM OPERATIONS in the future from the increase annual OPERATING REVENUE in the future.

Analysis of the company's financial statements for the last five years:

Item	2018	2019	2020	2021	2022
OPERATING REVENUE	NT11,408 Million	NT12,936 Million	NT13,652 Million	NT16,957 Million	NT22,725 Million
OPERATING COSTS	NT8,303 Million	NT9,151 Million	NT9,634 Million	NT12,646 Million	NT15,588 Million
GROSS PROFIT (%)	NT3,105 Million (27%)	NT3,785 Million (29%)	NT4,018 Million (29%)	NT4,311 Million (25%)	NT7,137 Million (31%)
PROFIT FROM OPERATIONS (%)	NT2,117 Million (19%)	NT2,557 Million (20%)	NT2,730 Million (20%)	NT2,925 Million (17%)	NT5,288 Million (23%)

Waste Management

Voltronic Power carries out effective management to achieve waste reduction goals. The removal, disposal, and recycling of waste adhere to local regulations. According to the environmental protection law of the people's Republic of China and other applicable environmental protection laws and regulations, the industrial waste (liquid) formed in the production process of the company, shall not be arbitrarily discharged, discarded or transferred. Thus, to abide these laws, Voltronic Power entrusts a legitimate waste processing company that handles all industrial waste (liquid).

THE OBLIGATIONS OF VOLTRONIC POWER

All the industrial waste (liquid) formed in the process of production together with the packaging shall be disposed by the legitimate professional institution that had signed contract, and shall not be disposed by itself or by any other third party within the validity period of the contract. Voltronic Power provides a written notice in advance to notify the legitimate professional institution of the specific collection time, place, and the specific waste (liquid) quantities.

Voltronic Power shall store all kinds of industrial waste (liquid) by classification. The waste shall not be mixed with other debris, in order for the legitimate professional institution to dispose the waste safely. The industrial waste (liquid) in bags or bottles shall be identified and stored using technical codes for labels in accordance with the requirement of industrial waste (liquid) packaging.

Industrial waste (liquid) shall be disposed in a centralized manner, and Voltronic Power shall provide the necessary conditions for the legitimate professional institution to collect and ship the waste, for example, access to the road and workspace and loading machinery.

EP - Waste

Waste Disposed	Unit	FY2019	FY2020	FY2021	FY2022	Target
A) Total waste generated	Metric tons	4,917	4,899	5,518	3,798	< 4,000
B) Total waste used/recycled/sold	Metric tons	4,425	4,409	4,966	3,225	
TOTAL WASTE DISPOSED (A-B)	Metric tons	492	490	624	573	< 600
Data Coverage (as % of denominator)	Percentage of operations	100%	100%	100%	100%	

EP - Hazardous Waste

Waste Disposed	Unit	FY2019	FY2020	FY2021	FY2022	Target
Hazardous Waste Generated	Metric tons	4.10	1.45	2.41	2.95	< 3
Data Coverage (as % of denominator)	Percentage of operations	100%	100%	100%	100%	

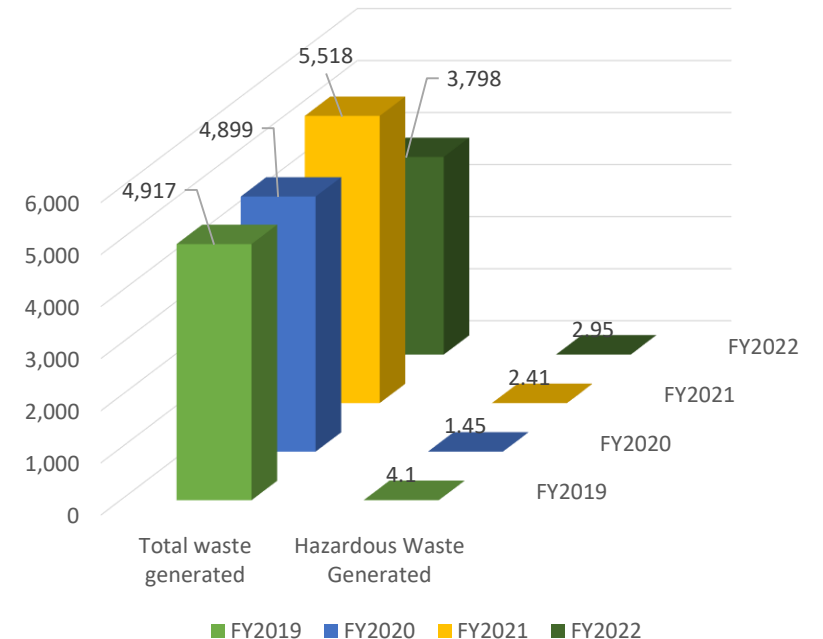
Additional Information

- Voltronic Power does not have any waste pollution incident.
- As a professional OEM/ODM manufacturer specializing in Uninterruptible Power Systems and Solar Inverters worldwide, our products not only meet customer requirements but also meet the quality standards, safety standards and environmental protection regulations of the corresponding regions, such as EU RoHS directives, REACH regulations and WEEE directives.

Waste by type and disposal method

(Waste disposed 573 metric tons f + Hazardous waste generated 2.95 metric tons) ÷ operating income 740 million US dollars=0.7783 (metric tons/million US dollars)

Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable(metric tons):



Water

The offices and factories in Taiwan, China, and Vietnam are located in the industrial district/zone. As we do not consume water during production, water consumption is only for drinking purposes. The domestic water sources are from the municipal water supply and we contract with the relevant industrial district water supply; therefore, we do not pollute the water. However, the company still raises awareness of all employees' on water conservations.

EP – Water Consumption

Water Consumption	Unit	FY2019	FY2020	FY2021	FY2022
A. Withdrawal: Total municipal water supplies (or from other water utilities)	Million cubic meters	0.104518	0.116858	0.169671	0.192330
B. Withdrawal: Fresh surface wa-ter (lakes, rivers, etc.)	Million cubic meters	0	0	0	0
C. Withdrawal: Fresh groundwater	Million cubic meters	0	0	0	0
D. Discharge: Wa-ter returned to the source of extraction at similar or higher quality as raw water ex-tracted	Million cubic meters	0	0	0	0
E. TOTAL NET FRESH WATER CONSUMPTION (A+B+C-D)	Million cubic meters	0.104518	0.116858	0.169671	0.192330
Data Coverage (as % of denominator)	percentage of opera-tions	100%	100%	100%	100%

Biodiversity

- Biodiversity policy: operating locations should be located in commercial or industrial areas, and are strictly prohibited in protected areas, restored habitats or other areas of high biodiversity value.
- Green policy: green drainage, green windbreak.
- Base water conservation policy: permeable pavement, landscape storage, seepage pool, storage, infiltration, opens space.
- Daily energy conservation policy: management of wind direction and airflow, air-conditioning and cooling systems, energy and light sources.
- Carbon dioxide reduction policy: simple architectural modeling and interior decoration, reasonable structure, lightweight system and structure.
- Waste reduction policy: earthwork balance, construction automation, dry compartment, air pollution prevention and control.
- Water resources policy: water saving equipment, rainwater reuse.
- Sewage and garbage improvement policy: rain diversion of sewage, garbage collection site improvement.
- Indoor health and environment policy: indoor pollution control, indoor air purification equipment, floor and basement moisture prevention, noise control and vibration sound control.
- Operational sites owned, leased, managed in, or adjacent to, all are more than 5 km away from the protected areas or areas of high biodiversity value outside protected areas. There is no any significant impact of activities, products, and services on biodiversity.



SOCIAL

- Achievements
- Human Resource Recruitment
- Remuneration and Benefits
- Learning and Growth Plan
- Occupational Safety and Health
- Employees Human Rights

Achievements



100%

Taiwan region employees
complete their health check in
2022



1/3

Or more of all directors are
female



< 2 per year

The Lost-Time Injury
Frequency Rate (LTIFR) and
the Occupational Illness
Frequency Rate (OIFR) of
employees

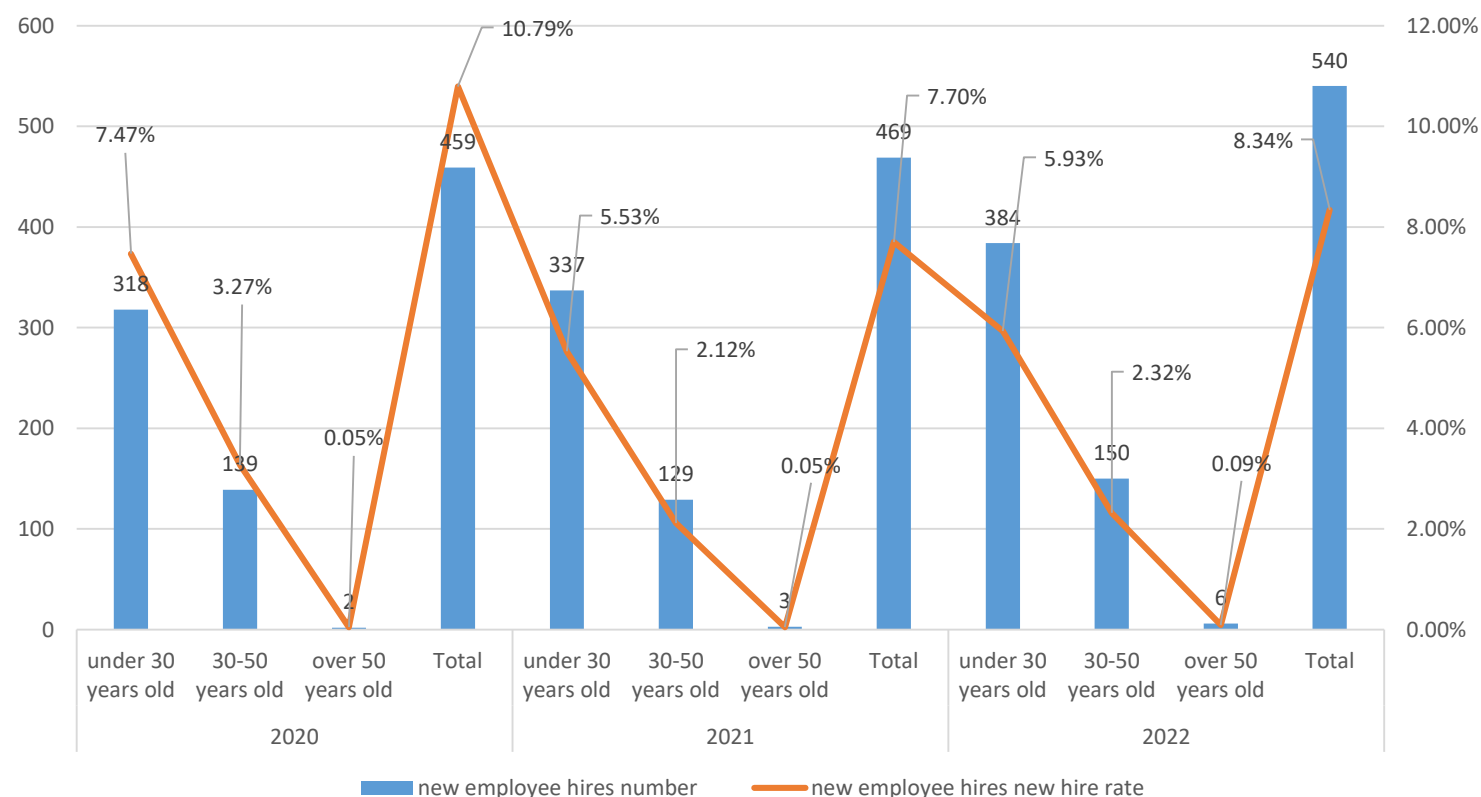


Zero

Child labor in 2019, 2020,
2021, and 2022

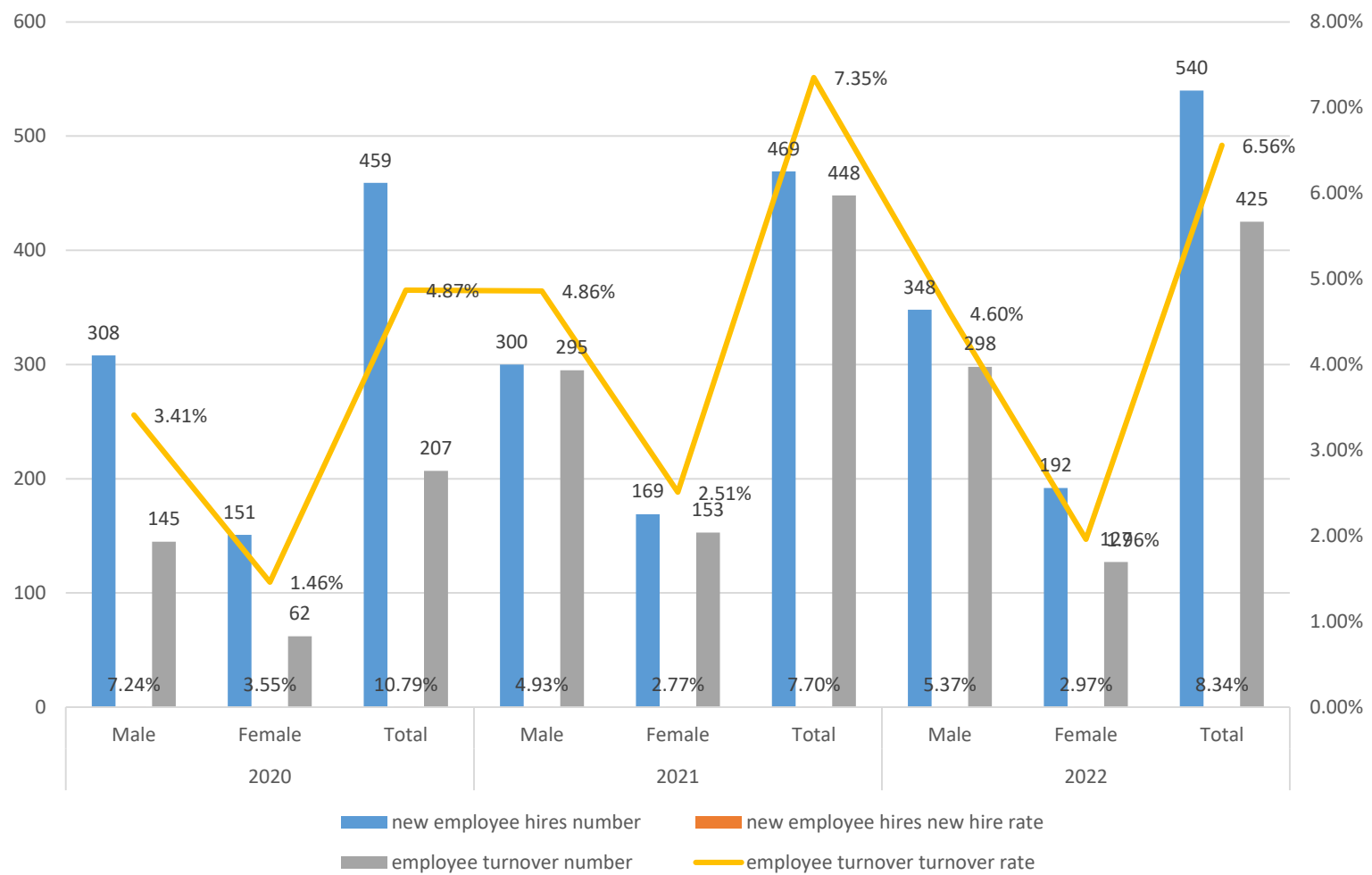
Human Resource Recruitment

In 2020 ~ 2022 year, the monthly average number and rates of new employee hires and employee turn-over of Voltronic Power's significant locations of operation (by age group)



year	Age Group	new employee hires		employee turnover	
		number	new hire rate	number	new hire rate
2020	under 30 years old	318	7.47%	126	2.96%
	30-50 years old	139	3.27%	79	1.86%
	over 50 years old	2	0.05%	2	0.05%
	Total	459	10.79%	207	4.87%
2021	under 30 years old	337	5.53%	321	5.27%
	30-50 years old	129	2.12%	125	2.05%
	over 50 years old	3	0.05%	2	0.03%
	Total	469	7.70%	448	7.35%
2022	under 30 years old	384	5.93%	308	4.76%
	30-50 years old	150	2.32%	115	1.77%
	over 50 years old	6	0.09%	2	0.03%
	Total	540	8.34%	425	6.56%

In 2020~2022 year, monthly average number and rates of new employee hires and employee turnover of Voltronic Power’s significant locations of operation (by gender)



year	Gender	new employee hires		employee turnover	
		number	new hire rate	number	turnover rate
2020	Male	308	7.24%	145	3.41%
	Female	151	3.55%	62	1.46%
	Total	459	10.79%	207	4.87%
2021	Male	300	4.93%	145	4.84%
	Female	169	2.77%	62	2.51%
	Total	469	7.70%	207	7.35%
2022	Male	348	5.37%	298	4.60%
	Female	192	2.97%	127	1.96%
	Total	540	8.34%	425	6.56%

Diversity of governance bodies and employees

Workforce Breakdown: Gender

Diversity Indicator	Percentage (0-100%)
Share of women in total workforce (as % of total workforce)	35.73%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	29.51%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	33.82%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	20%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	80%
Share of women in STEM-related positions (as % of total STEM positions) STEM : Science 、 Technology 、 Engineering 、 Mathematics	3.67%

Workforce Breakdown: Race/ Ethnicity & Nationality

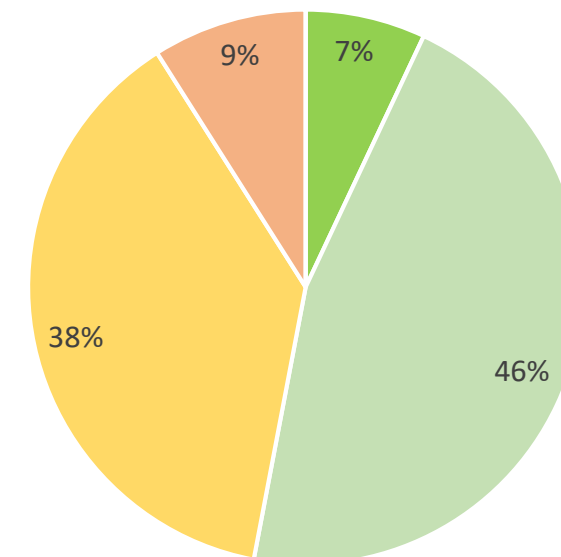
Breakdown based on Nationality	Share in total workforce (as % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
Category name : Taiwan	4.14%	19.67%
Category name : China	90.95%	64.48%
Category name: Vietnam	4.91%	15.85%

Employee Turnover Rate

	2020	2021	2022
Total Employee Turnover Rate	6.87%	14.70%	13.52%
Voluntary Employee Turnover Rate	6.62%	13.71%	13.24%

In order to improve the company's performance and efficiency, we need to understand employee's engagement with the company. The line managers have to find management loopholes, reflecting the humanistic concern of the company and the employees. Meanwhile, we also encourage employee engagement and create a satisfactory working environment and working atmosphere for employees. Therefore, Voltronic Power conducted the Employee Engagement Survey every year by randomly selecting 15% of the total employees in the company. The questionnaires were distributed anonymously and in 2022, 53% of employees actively participated in the survey. The results are as shown in the right.

2022 Employee Engagement Survey



■ Very Satisfied ■ Satisfied ■ Neutral ■ Dissatisfied ■ Very Dissatisfied

Employee engagement	Unit	2020	2021	2022	What was target for FY2022?
Employee Engagement	% of actively engaged employees	66%	62%	53%	>60%
Data Coverage	% of total employees	20%	15%	15%	

Remuneration and Benefits

Voltronic Power's employees remuneration policies are based on the industry competitive environment, company operational performance, and market benchmark trends. The pay level strategy also takes into account the compensation recommendations at the managerial level, the team performance, individual potential, and performance achievements. The goal is to attract, retain, and motivate outstanding colleagues, without allowing personal factors such as gender, race, nationality, age to influence their compensation decisions.

Full-time employee Benefits

For the Taiwan Region : Social insurance and retirement benefits (including labor insurance, national health insurance, and labor pension), travel allowance, year-end party, year-end bonus, Labor Day gifts, the Mid-Autumn Festival gifts, weddings allowance, funerals allowance, hospitalization allowance, fertility allowance, emergency relief allowance, and family entertainment allowances. The Employee Welfare Committee was tasked to care for the employees and their families.

For the China Region: According to the provisions of the Social Security Bureau, full-time employees are entitled for - five social insurances and one housing fund for the urban household benefit (including endowment insurance, mid-Year-end and end-of-year preparations, unemployment insurance, industrial injury insurance, maternity insurance, and housing provident fund); New Three Insurances for rural household (including pension insurance, medical insurance and industrial injury insurance). The Welfare Committee Management Guidelines were established to improve the quality of employees' livelihood and enhance affinity and team-building. Annual activities includes:

- a) Organization of community activities, and the allocation of funding allowance within budget
- b) Year-end party
- c) Within the budget, plan the distribution of New Year gifts and bonuses
- d) The initiation and organization of employees' emergency cash relief
- e) Organizations and activities that contribute to employee solidarity

For the Vietnam Region: Enjoy social security, medical insurance and unemployment insurance in accordance with local government laws.

Basic Salary and Remuneration from Women to Men Ratio

Voltronic Power's core employees remuneration policy, is "equal pay for equal work," regardless of gender. The ratios of the standard basic salary to the local legal minimum wage are 100%; the ratio of basic salary and remuneration of men to women is one to one.

In the Taiwan Region, under the provisions of Employment Gender Equality Act, gender discrimination is strictly prohibited. Male employees and female employees are hired with the same basic salary. In the China Region, following the provisions of Labor Law of the People's Republic of China, workers have the right to receive equal remuneration for work, in addition to meet the legal minimum salary provided by the local governments. Male employees and female employees are hired with the same basic salary.

At Executive level, the ratio of basic salary and remuneration of men to women is one to one, and the same goes for management and non-management level (production and administration). The same ratio applies for other cash incentives.



Parental Leave

For the Taiwan Region, under the Labor Standards Act, the Employment Gender Equality Act, and Regulations for Implementing Unpaid Parental Leave for Raising Children, employees can request for maternity leave, paternity leave or parental leave.

For the China Region, female employees who meet the provisions of National Marriage and Family Planning laws can request maternity leave for childbirth, for a total of 98 days - 15 days before and 83 days after childbirth. Pregnant employees with early childbirth can combine the two without restriction. The days increase with a difficult birth or complication, increase maternity leave by another 30 days.

Any additional childbirth afterward will add 15 extra days of vacation. If one were to meet the late childbirth policy, an additional 15 days is added. If one were to receive the Preferential Treatment For One Child status, within three months after the birth, the maternity leave would increase 35 days. The males can have paternity up to 25 days before and after the birth of their child/children. Salary will be compensated, as usual, but without the production performance bonus and environmental allowance.

For the Vietnam Region, employees can apply for production leave, paternity leave and parental leave in accordance with the local governmental law.

Year	Item		Male	Female	Total
2020	A	The number of qualified to apply for parental leave in 2020	105	51	156
	B	The number of actually to apply for parental leave in 2020	0	0	0
	C	The number of returned to work after parental leave ended in 2020	0	0	0
2021	A	The number of qualified to apply for parental leave in 2021	47	68	115
	B	The number of actually to apply for parental leave in 2021	0	5	5
	C	The number of returned to work after parental leave ended in 2021	0	1	1
2022	A	The number of qualified to apply for parental leave in 2022	45	73	118
	B	The number of actually to apply for parental leave in 2022	1	2	3
	C	The number of returned to work after parental leave ended in 2022	0	1	1

Note: The number of qualified to apply for parental leave, estimate by the number of who had applied maternity leave or paternity leave from 2020 to 2022.

Learning and Growth Plan

Voltronic Power provide employees with education and training programs to further develop their knowledge and skills, such as, to build up their professional abilities, to increase the work efficiency and ensure work quality, and to achieve the sustainable operation and development goals of Voltronic Power.



Introduce the company profile, management rules and regulations, salary, welfare, advocacy of occupational safety and health and other relevant regulations and so on.



Invite professional consultants to the company every week, to give professional guidance on the hardware design of the product industry, the components, circuits, etc.



Participate in the application to Ministry of the Interior Taiwan of Research and Development Substitute Services quota to bear the construction of potential industrial research and development environment since 2014

Employee Development Programs Examples

Employee Development Program	Description of business benefits	Quantitative impact of business benefits	% of FTEs that participated in this program
Through regular meeting reviews and training, marketing department employees can develop business and maintain customer capabilities, and combine with key performance indicators of employees.	Increase revenue	Sales revenue grew by 34.02% in 2022.	FTEs in marketing departments: 100% Participation
Taiwan's R&D de-partment: Invite professional consultants to the company every week, to give professional guidance on the hardware design of the product industry, the components, circuits, etc..."	Enhancing R&D capabilities	Continuous development of new products every year	FTEs in Taiwan R&D departments: 60% participation

Human Capital Return on Investment

Employee Development Program	2019	2020	2021	2022
a) Total Revenue Currency : NT	12,936,382	13,652,564	16,956,682	22,724,596
b) Total Operating Expenses Currency	10,386,279	10,922,090	14,032,118	17,436,829
c) Total employee related expenses	1,585,483	1,670,297	2,290,087	3,078,264
Resulting HC ROI (a - (b-c)) / c	261%	263%	228%	272%
Total FTEs	2,580	2,975	3,048	3,238

Occupational Safety and Health

Taiwan Region: In accordance with the provisions of the Occupational Safety and Health Act, Voltronic Power, through labor management meetings, establishes a healthcare management system that covers “prevention” to “treatment and tracking.” Based on this system, the company carefully selects high-quality health examination centers for employees. All Taiwan Region employees complete their health check in 2022.

China Region: In accordance with relevant health laws and regulations, Voltronic Power implemented regular employees’ health check.



Left Image: Health Check in China

Right Images: Annual fire drill in 2022 in Taiwan and China



Occupational safety education and training in Taiwan in 2022; The training time per capita is 1 hour

All health and safety related issues of Voltronic Power' employees operate according to related local laws and regulations. Here is a list of the number of work-related fatalities for employees and contractors and company's lost-time injury frequency rate for employees (per one million hours worked):

Fatalities	2019	2020	2021	2022
Employees	0	0	0	0
Contractors	-	-	-	-

Lost Time Injury Frequency Rate (LTIFR)- Employees

LTIFR	Unit	2019	2020	2021	2022
Employees	n/million work h	3.29	1.85	1.64	0.93
Data coverage	Employees	100%	100%	100%	100%
LTIFR=(Number of lost-time injuries) / (Total hours worked in accounting period) x 1,000,000					

Occupational Illness Frequency Rate (OIFR) - Employees

OIFR	Unit	2019	2020	2021	2022
Employees	n/million work h	1.26	1.18	0.49	0.62
Data coverage	Employees	100%	100%	100%	100%
OIFR=(Number of occupational Illness) / (Total hours worked in accounting period) x 1,000,000					

Employees Human Rights

Responsibility Policy of Respecting Human Rights

Voltronic Power complies with the labor laws and regulations in various countries and regions, supporting and abiding by international human rights conventions. Such as the “International Bill of Human Rights”, the Guiding Principles of Business and Human Rights of the United Nations and the “International Labor Organization’s Declaration on Fundamental Principles and Rights at Work.” We created the “Voltronic Power’s Responsibility Policy of Respecting Human Rights”, which guarantees the followings:

- a) Freedom of association and collective bargaining;
- b) Free choice of employment and prohibition of forced labor;
- c) Equal employment and equal remuneration for men and women for the same work;
- d) Prohibition of the use of child labor;
- e) Reasonable working conditions (including wages, working hours, recess, vacation, and occupational health and safety).

For suppliers and partners, the special section of "Labor Requirements" in the "Supplier Corporate Social Responsibility Management Agreement" requires that suppliers should implement social responsibility management in accordance with the SA8000 international standard of social responsibility:

- | | |
|---|--|
| (a) Respect for human rights | (g) Labor contracts |
| (b) Prohibit the use of child labor | (h) Protection of young workers and female workers |
| (c) Prohibit forced or compulsory labor | (i) Punishment measures |
| (d) Working hours and rest | (j) No discrimination behavior |
| (e) Basic wage guarantee and social insurance | (k) Respect for employees' right to freedom of association |
| (f) Establish a system to protect employees' rights and interests | and equal consultation |

Human Rights Risk Identification and Due Diligence Process

Issue Collection Channels: The trends of international human rights issues and reports, laws, regulations, complaints, and employee satisfaction surveys. This data includes fundamental human rights, working environment, health, and safety. Relevant issues were identified and link to possible “stakeholders” of human rights issues, including government agencies, investors, suppliers, employees, customers, etc. and discuss with the corresponding departments and stakeholders to identify human rights issues that have negative impacts on different stakeholders in the company. Particular attention should be paid to any specific human rights impact on individuals belonging to high-risk, vulnerable, or marginalized groups, as well as to the different risks faced by men and women.

Relevant human rights issues with significant negative impacts are compiled into a human rights issue risk matrix using two axes: 'likelihood of occurrence' and 'degree of impact.'

Human rights due diligence is conducted based on prioritizing human rights risk issues. This involves confirming whether these human rights risks have occurred or could potentially occur.

Additionally, the reasons and sources contributing to these human rights risks, whether they have been caused or exacerbated by the company or whether the company's involvement is solely due to third party relationships, human rights risk identification and due diligence investigations are performed on an annual basis.

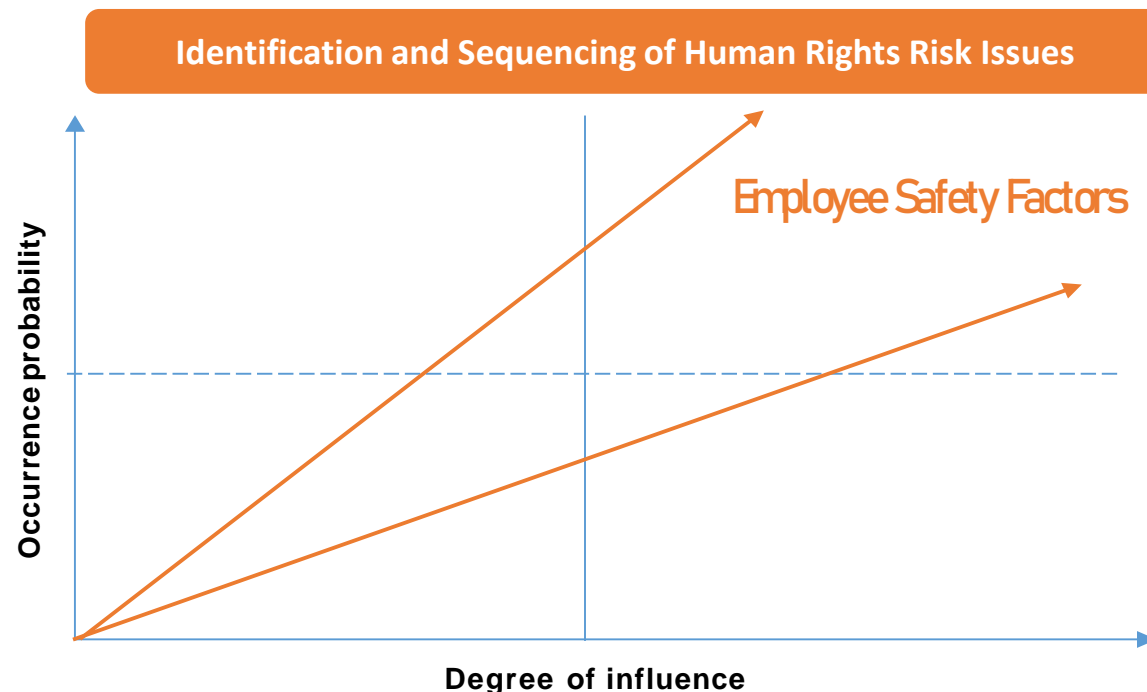
The Channels for Employee Suggestions or Complaints

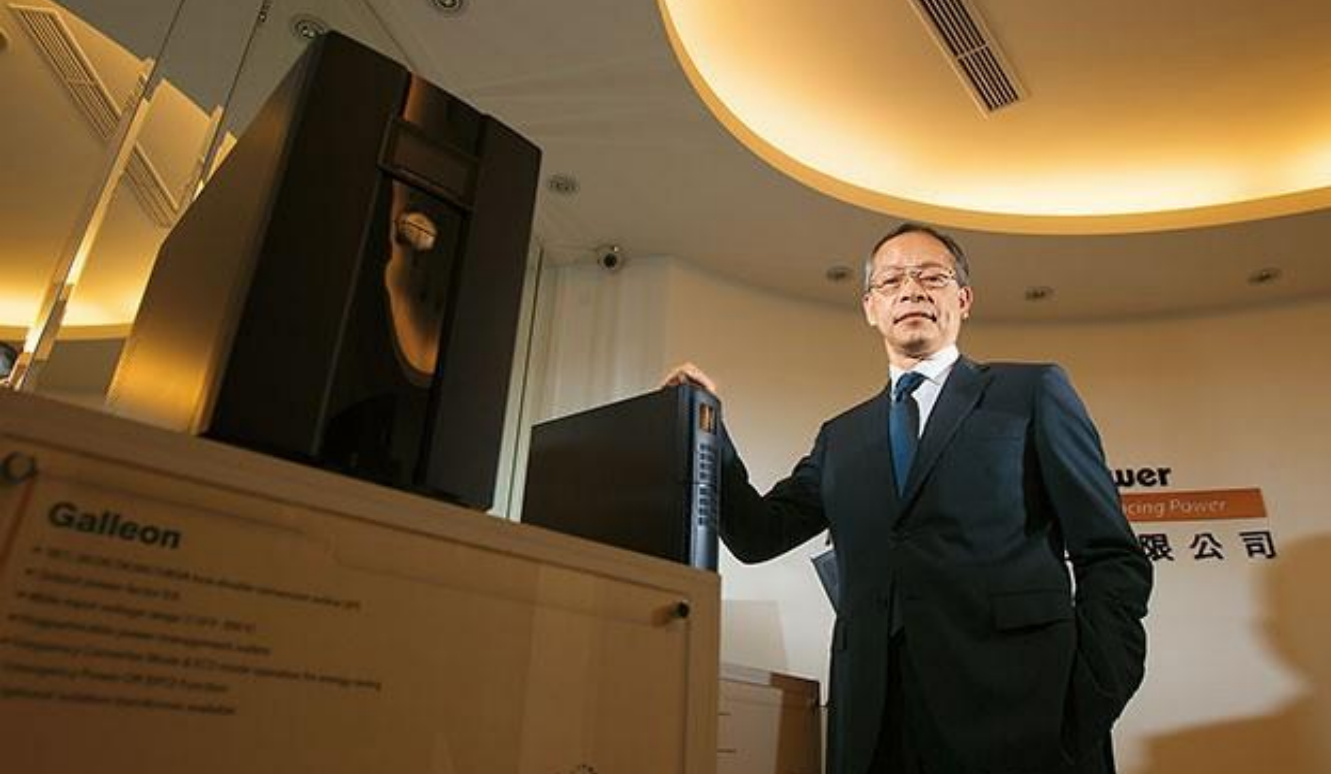
Employee Opinion Box (Anonymous)

This channel is used for those who want to propose new policies or share unfair situations that happen in the work space. Information in the box are all anonymous. Topics of employee suggestions include dormitory environment, workshop discipline, work clothes and so on. The human resources department regularly checks the opinion box (once every two weeks). Reasonable and feasible suggestions would be addressed promptly and solutions are shared on the bulletin board.

Employee Complaint (Named)

This channel is for complaints related to an individuals interests. There complaints are not anonymous and a direct response is expected. Some examples include matters concerning personal salary, leave, and perceived instances of unfair treatment. Urgent matters requiring immediate resolution should be channeled through this channel.





GOVERNANCE

Sustainability Management

- Sustainability Performance
- Awards and Recognitions
- Stakeholder Communication
- Commitment and Promotion
- Responding to UN SDGs

Corporate Governance

- Organizational Profile
- Business Ethics
- External Initiatives
- Risk Governance

Sustainability Performance

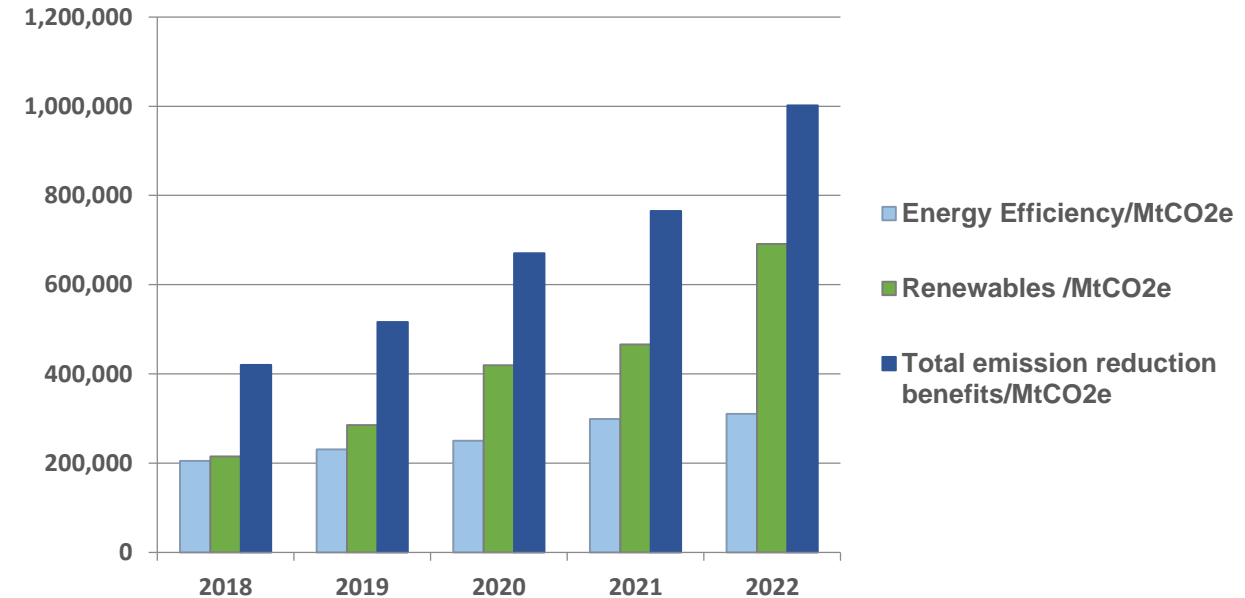
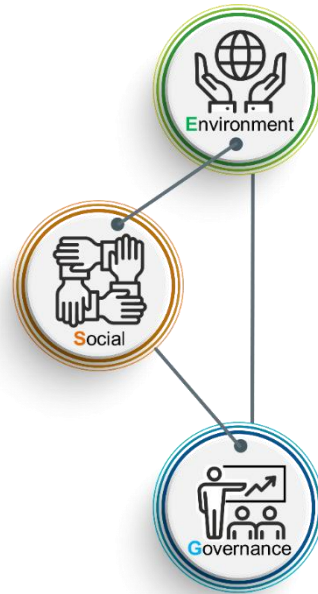
1,002,145 Metric Tons
Emission reduction benefits

160,000 KWh saving
Induction lighting for factory facility

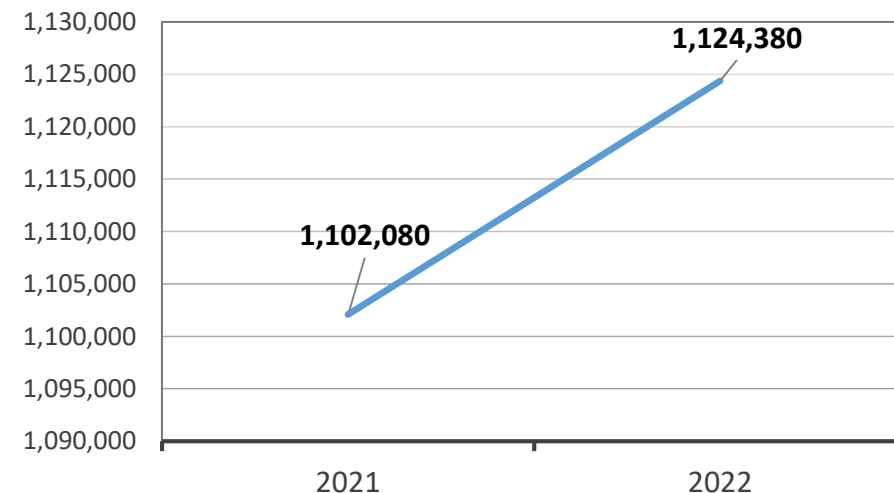
1,124,380 KWh saving
Energy Recycle through CPFU

8,900 Hours
Safety training provided to all employees

90%
Corporate actual paper recovery and recyclable rate



Energy Recycle through CPFU



Awards and Recognitions



FY2016, 2017, 2018, 2019 and 2021 top 5% ranking in Taiwan Corporate Governance Evaluation by Taiwan Stock Exchange



Ranked 13th among the top 50 companies in the survey of operating performance



2014/3/31 Stock listed in Taiwan Stock Exchange. Included in the MSCI Global Small Cap Index

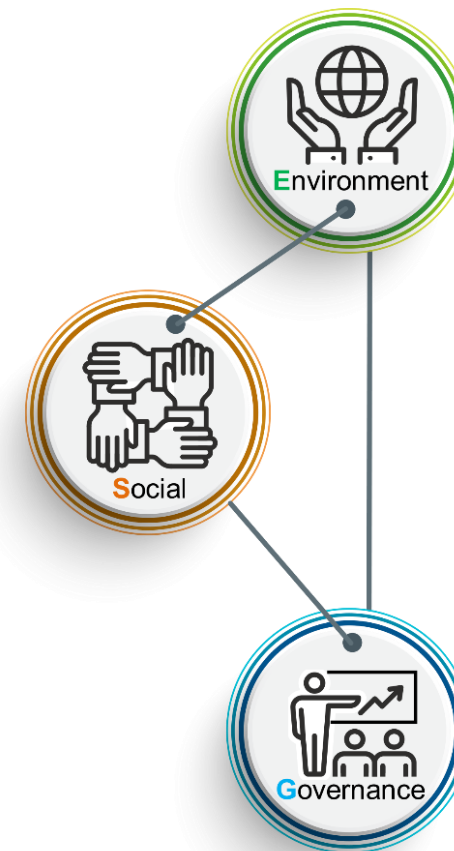


Included in the FTSE TWSE Taiwan Mid-Cap 100 Index



FTSE4Good
TIP Taiwan ESG Index

Voltronic Power has been selected as a constituent of the FTSE4Good TIP Taiwan ESG Index confirmed by FTSE Russell.



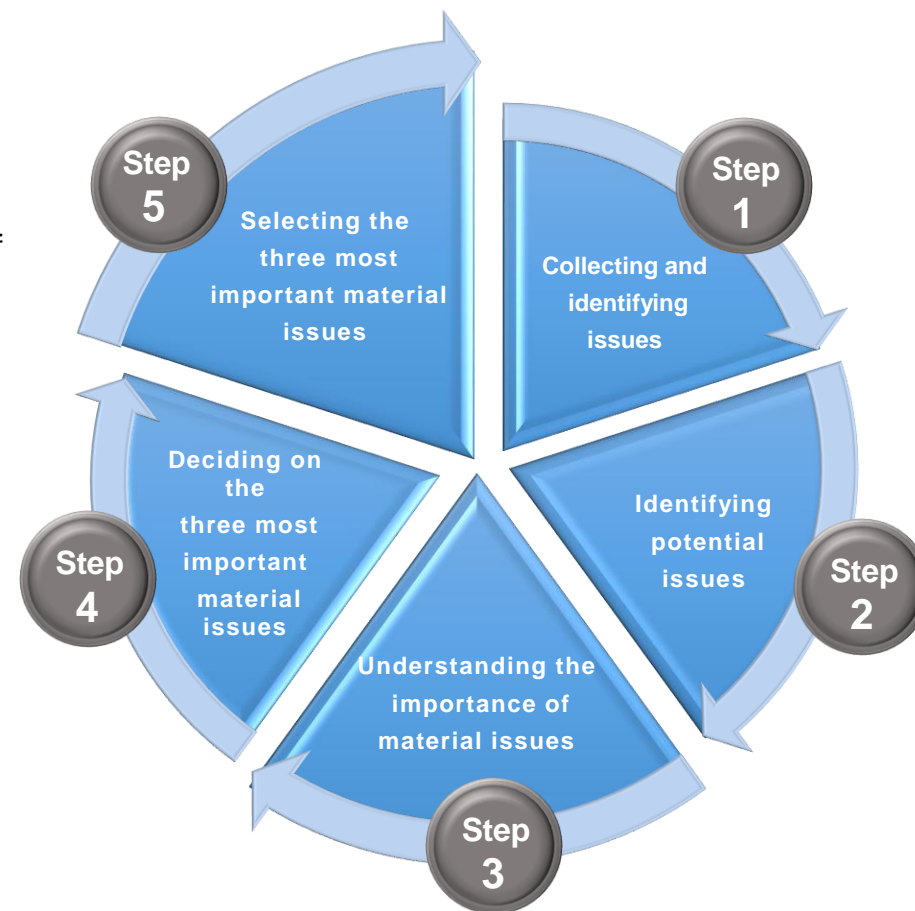
Stakeholder Communication

Materiality Analysis Process

Voltronic Power publicly discloses materiality analysis, including the most updated issues and a description of the process. Through a complete stakeholder management process, Voltronic Power regularly and irregularly negotiates with stakeholders to understand their interests and concerns. We consult with ESG experts and follows global ESG norms and initiatives and we integrate the views of management and those of Corporate Governance Units and Board of Directors to understand the important material issues. The materiality issues of sustainable development of Voltronic Power are identified and reviewed on corporate operations, to create the long-term value of the company's sustainable development. The diagram illustrates the process. The current three most important material issues are: Climate Strategy, Innovation, Risk and Crisis Management.

Important Material Issues for Stakeholders

- | | |
|--|--|
| <input checked="" type="checkbox"/> Risk and Crisis management | <input checked="" type="checkbox"/> Supplier management |
| <input checked="" type="checkbox"/> Climate Strategy | <input checked="" type="checkbox"/> Occupational Health and Safety |
| <input checked="" type="checkbox"/> Innovation | <input checked="" type="checkbox"/> Compliance Anti-corruption |
| <input checked="" type="checkbox"/> Market Presence | <input checked="" type="checkbox"/> No Forced or Compulsory Labor |
| <input checked="" type="checkbox"/> Customer Privacy | <input checked="" type="checkbox"/> Economic Performance |
| <input checked="" type="checkbox"/> No Child Labor | |








Materiality Analysis and Value Creation

We have conducted a materiality analysis and provide the three most material issues that have the greatest impact on company's business and the generation of long-term value. we also indicate how these issues impact company's business and serve as sources of long term value creation for our company.

	Material Issue 1 Climate strategy	Material Issue 2 Innovation	Material Issue 3 Risk and crisis management
Brief rationale for why this issue is material to company's business	As temperatures rise above the the pre-industrial level of 1.5 degrees Celsius, Voltronic share the same objectives as the Paris Climate Change Agreement. In response to climate change, energy conservation and carbon reduction, Voltronic Power is committed to developing InfiniSolar for a long time, combining solar system, AC utility, and battery power source to supply continuous power, and prioritizing the use of the cheapest and most economical power supply to benefit society.	Although Voltronic Power has been devoting itself to the development of InfiniSolar for eight years, it is necessary to research and develop new solutions. Therefore, Voltronic Power has set the goal that a new series of InfiniSolar must be developed every year providing larger storage capacity and better operational convenience.	Because Voltronic Power's customers are located in 135 countries and regions around the world, the sales revenues are mostly in US dollars and most of the raw materials are purchased in (RMB) from China, which all are different from the Reporting Currency (NT) of Voltronic Power, there is the risk of exchange rate fluctuation. In additional, due to the continuous growth of Voltronic Power the volume of data and information has been steadily increasing. Under the framework of electronic processing systems, information security risks hold paramount importance for Voltronic Power
Company's primary business strategies, initiatives or products that address this issue	We strive to combine solar system, AC utility, and battery power source to supply continuous power, and prioritizing the use of the cheapest and most economical power supply to assist public utilities, enterprises of all types and family communities in various countries and regions to achieve the goal of energy conservation and carbon reduction.	A new series of InfiniSolar is developed every providing larger storage capacity and better operational convenience	For exchange rate fluctuation risks, a quarterly sensitivity and stress test shall be conducted; if necessary, report to Board of Directors and to select appropriate hedging tools. We will also equip information systems with robust and secure firewalls; backup databases to hard drives and tapes regularly; conduct simulation drill irregularly; and ensure information security from time to time.
Long-Term Target/ Metric	Sales revenue and sales volume from InfiniSolar will grow by an average of 5% annually over the next five years.	In the next five years, a new series of InfiniSolar, which must meet the market demand, will be developed every year.	Ongoing annually
Target Year	From the base period of 2018 to 2023, sales revenues and sales volume increased by 25% compared with 2018.	Coming 5 years	Ongoing annually
Executive Compensation	This target is used as one of the KPIs to determine the various compensation of executive committee members. With a score of 1 to 5, the growth rate is 1% to 5%, with corresponding scores.	A new series of InfiniSolar, which meets the market requirement is developed every year, with 5 points, otherwise is 0	

Stakeholder Engagement

	Key topics and concerns	Voltronic's Responsibilities	Communication channels and response methods
Customers 	<ul style="list-style-type: none"> – Market Presence – Customer Privacy – Non-discrimination – No Child Labor – Anti-corruption – Compliance 	<ul style="list-style-type: none"> – Provide high-quality products and services that are the best on the market. – Improve level of customer satisfaction. – Establish long-term close relationships with customers based on mutual trust and commercial partnership. 	<ul style="list-style-type: none"> – Cooperate with customers' production and environmental, requirements, responsibilities, and inspections. Assist with preventions and improvements. – Train employees and enforce rules for information disclosure when facing the media. – Annual report on corporate social responsibility
Employees 	<ul style="list-style-type: none"> – Market Presence – Non-discrimination – No Forced or Compulsory Labor – Occupational Health and Safety 	<ul style="list-style-type: none"> – Ensure and respect human rights. – Personnel development. – Legal and fair assessment and treatment. – Safe and healthy working environment. – Personnel welfare and health promotion. 	<ul style="list-style-type: none"> – Convene supervisor and supervisee communication meetings. – Staff mailbox and message board. – Provide free employee health check. – Annual report on corporate social responsibility
Local Communities 	<ul style="list-style-type: none"> – Jobs and employment opportunities – Local environmental protection – Compliance 	<ul style="list-style-type: none"> – Job creation and employment opportunities – Compliance with environmental regulations. 	<ul style="list-style-type: none"> – Give priority to local recruitment – Compliance with environmental regulations – Annual report on corporate social responsibility – Convene supervisor and supervisee communication meetings.
Shareholders and Providers of Capital 	<ul style="list-style-type: none"> – Market Presence – Economic Performance – Investment – Anti-corruption – Labor/Management Relations 	<ul style="list-style-type: none"> – Comply with the most updated regulations and policies from competent authorities. – Maintain a long-term and stable dividend policy. Provide appropriate investment returns. 	<ul style="list-style-type: none"> – Annual regular meeting of shareholders. – Take part in Institutional Investor Conference (Take part in Institutional Investor Conference 17 times in 2022) – Quarterly financial report and monthly operational information announcements. – Annual report on corporate social responsibility
Suppliers 	<ul style="list-style-type: none"> – Market Presence – Supplier Human Rights Assessment – Labor/Management Relations 	<ul style="list-style-type: none"> – Legal and fair transactions. – Understanding of environmental safety and health considerations and specification details. – Understand and assist Voltronic with implementation 	<ul style="list-style-type: none"> – Sign an environmental protection commitment letter. – Request and audit suppliers' products, environment and responsibilities, and cooperate with preventive and continuous improvement. – Annual report on corporate social responsibility

Commitment and Protection

Voltronic Power observes international regulations as well as national and regional laws, creates values for sustainable development to protect the rights of interested parties, promotes good corporate governance, and abides by the policies. We make donations to charities with thoughtful care to support those in disaster rescue and assistance to the underprivileged and vulnerable groups. In 2017, the Company donated household fire alarm devices to the Fire Department to support of their effort to safeguard a secure living environment. We actively participate in the green energy exhibitions and lobbying for policy support for renewable energy in Taiwan and overseas. We participated in tradeshow such as CeBIT in Germany, Computex in Taipei, Renewable Energy India Expo, and Solar Energy Show in many countries. The Employee Benefits Committee offers subsidies to educational initiatives or health management efforts to the employees. The Company has voluntarily prepared CSR reports. In the Annual Report of 2017, we faithfully complied with the Global Reporting Initiative (GRI) 2016 standards promulgated by the Global Sustainability Standards Board(GSSB), focusing on the "Core option." We also supplement with "BLOOMBERG ESG SURVEY Disclosure Score" for additional disclosure toward the core standards. The contents of the 2018 to 2022 annual report are supplemented and disclosed respectively with reference to "Sam - Corporate Sustainability Assessment " and "S&P - Corporate Sustainability Assessment 2022".

In terms of SDG13 "Climate Action", in 2019 Voltronic Power signed a declaration in support of the Paris Agreement to achieve net zero carbon emissions by 2050. In order to fulfill the responsibilities and obligations of becoming major international customers' supplier, Voltronic Power added the following carbon emission reduction targets in 2020 :

- By 2035, to be carbon-neutral and net zero emission in our operations
- By 2050, to have a net-zero supply chain.

Our Commitments

01

We made the "Best Practice Principles for CSR" to follow by actualizing Corporate Governance

02

We have set up the Remuneration Committee, that will make both our employees' salaries and remuneration and our business operations grow together to be in compliance with CSR.

03

We focus on greenhouse gas management toward the targets of energy saving & carbon reduction with wholehearted dedication toward research & development energy conserving products.

04

Our company adheres to all the laws and regulations governing employment.

05

We pay attention to the health and safety of our employees and work environment.

Climate Change Governance and Management Framework

Board of Directors

Supervise overall climate change actions (SDG13) and related risks and opportunities actions (SDGs12, 7 and 8)

Sustainability Committee

Responsible for the related matters of sustainability(including Environment 、 Social and Governance), consists of three independent directors, and regularly report the relevant necessary matters (including climate change actions) to board of directors.

Climate Change Management Committee

Chaired by CEO, leads all management teams to manage climate change risks and opportunities actions.

◎ The Key Points of the Board of Directors' Climate Change Supervision

Board of Directors

Supervise the Company's ESG Governance Strategies and Actions

Review the 2022ESG report and the 2022 TCFD report

Audit Committee

Supervise the Company's overall operational risks (including climate change risks)

Review the prioritization of risk controls against climate change risks (including but not limited to electricity shortage, natural disaster), and build software / hardware control measures.

Compensation Committee

Evaluate and implement performance-based compensation plan for management related to ESG (including climate change) achievements

Review and plan on the issuance of employee Restricted Stock Awards (RSAs), in order to attract and retain employee and to link their compensation with ESG achievements (including climate change management).
The RSAs was approved by the Board on February 24, 2022, and had be adopted at Annual Shareholder's Meeting in June 2022.

◎ Provide incentives for climate change actions

Chief Executive Officer (CEO)

Recognition

- Emissions reduction
- Energy reduction
- Supply chain engagement
- R&D and Manufacture and Sale of Sustainability Products



Other Named Executive Officers

Monetary
Recognition

- Emissions reduction
- Energy reduction
- Supply chain engagement
- R&D and Manufacture of Sustainability Products



Business Unit Managers Business Unit Employees

Monetary
Recognition

- Sale of Sustainability Products



R&D Unit Employees

Monetary
Recognition

- R&D of Sustainability Products

Manufacture Unit Employees

Monetary
Recognition

- Manufacture of Sustainability Products

© The board's oversight of climate-related risks and opportunities.

Board of Directors

- Review the annual ESG report and TCFD report regularly every year.
- Regularly approve the annual climate related risk and opportunity management strategy and plan objectives formulated by the ESG Executive Committee every year (including but not limited to major plans of action, risk management policies, annual budgets and business plans, setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, and climate-related issues)
- The Climate Change Management Committee will implement the annual climate related risk and opportunity management strategy and plan, and the annual performance results shall be reported to the Board of Directors by the ESG Executive Committee.
- The report of the Climate Risk Management Committee on the ever-changing risk environment, the focus of the Company's enterprise risk management, and risk assessment and mitigation efforts faced by the company, shall be reported to the board of directors by the Audit Committee.
- Regularly approve the performance-based compensation plan proposed by the Compensation Committee for management related to ESG (including climate change)) achievements.

ESG Executive Committee

- Be responsible for formulating and implementing the company's short, medium and long-term climate change Governance Strategies and plans.
- Formulate the annual climate related risk and opportunity management strategy and plan objectives according to the climate change governance strategy and plan, and submit them to the Climate Change Management Committee for implementation and supervision after being approved by the Board of Directors.

© Management's role in assessing and managing climate-related risks and opportunities

Climate Change Management Committee

- The Company has assigned climate-related responsibilities to management-level :
 - Set up a Climate Change Management Committee, chaired by the CEO, to lead all management teams to manage climate change risks and opportunities actions. All management teams include business department, management department, finance department, R & D department, marketing department, procurement department, information department, production and manufacturing department of each plant, audit office, corporate governance etc.
 - The Committee is responsible for implementing the annual climate-related risk and opportunity management strategy and plan objectives from the ESG Executive Committee that is approved by the Board of Directors.
 - The Committee meets quarterly to review the implementation progress of the annual climate-related risk and opportunity management strategy and plan objectives. Difficulties or other suggestions will be immediately reported to the ESG Executive Committee for assistance.
 - The annual performance results of the Committee shall be submitted in an annual report to the ESG Executive Committee to report to the Board of Directors.

Responding to the UN SDGs

The most relevant goal of the Voltronic Power Group-wide Strategy on the Sustainable Development of UN Citizens is to focus on the issue of global climate change. As a global professional ODM/OEM manufacturer of Uninterruptible Power Systems and Solar inverters, Voltronic Power has the right product portfolio that enables the user to save energy, increase efficiency, and reduce carbon emissions. In addition to formulating the climate change strategy and the action plan, in conjunction with the financial opportunities arising from implementing the program, it can provide decent work and economic growth, providing equal opportunities, fair remuneration and treatment, and gender equality.

Material Goals of Voltronic Power

Economic

- Economic Performance
- Market Presence
- Indirect Economic Impacts
- Procurement Practice

Social

- Employment
- Labor/Management Relations
- Occupational Health and Safety
- Training and Education
- Diversity and Equal Opportunity
- Non-discrimination
- Child Labor
- Forced or Compulsory Labor

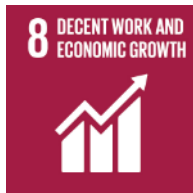
Environmental

- Materials
- Energy
- Water
- Biodiversity
- Emissions
- Effluents and Waste
- Environmental Compliance
- Supplier
- Environmental Assessment

Responding to UN SDGs



SDGs Practice and Development Goals



Continuous sales revenues growth and work opportunities.

Business/Social/Environmental Benefit Achievement

- In 2022 sales revenue grew by 34.02%
- In 2022 employee salaries and benefits grew by 34.42%.



The company's organization consists of a large proportion of senior female directors and senior managers.

Business/Social/Environmental Benefit Achievement

- A quarter or more of all directors are female (and at least one female non-independent director and one female independent director).
- Females in top management positions, i.e., maximum two levels away from the CEO (as a percentage of total senior management positions), are one-third or more.



Due to the global impact of the COVID-19 pandemic, "Good Health and Well-being health and Public Health" is also the "Strategic Goal of the Group's Sustainable Development", the "Group-Wide Strategic Goal", as well as the "Sustainable Development Goal of the United Nations Citizens".

Business/Social/Environmental Benefit Achievement

- Implementing employee health checks and management, providing employees with free health examinations.



Continuous sales of high energy-saving carbon reduction products to assist users in energy-saving carbon reduction.

Business/Social/Environmental Benefit Achievement

- In 2022 sales revenue grew by 34.02 %
- The products sold by Voltronic Power in 2022 are expected to provide Energy Efficiency 310,637 MtCO₂e ERBs · Renewables 691,508 MtCO₂e ERBs for product users, with a total 1,002,145 MtCO₂e ERBs .
- The products of Voltronic Power comply with the local product environmental regulation requirements
- Voltronic Power is developing the combination of UPS and green energy applications, aiming to provide more efficient power generation, power protection and power backup.
- In order to promote green energy, Voltronic Power is looking into how solar photovoltaic applications can be used in solar energy utilization, power transformation and green building life.
- **Voltronic Power is developing the most new generation Intelligent Solar Inverter–Infini Solar Super 4KW, which can effectively and flexibly use solar energy, city electricity and battery power in different application environments. It achieves the highest efficiency of UPS.**
- Voltronic Power is developing a 1MW solar Energy Storage System in the Zhongshan factory in China to improve its energy efficiency. It is expected to be completed by the end of 2024.
- Voltronic Power provides free EV charger for employees to encourage electric vehicles to reduce environmental pollution
- Voltronic Power invested over 100 million NT to implement an automated storage & retrieval system. This "lights-out" warehouse helps improve efficiency and productivity, save space, reduce human errors, enhance safety, data tracking and analysis, and reduce the use of lighting equipment



Energy storage system (left)
Free EV Chargers for employees (right)

The impact on sales growth

	Unit	2019	2020	2021	2022
Total R&D spending	million USD	18.90	19.42	21.69	29.50
Number of R&D positions	FTES	410	476	499	519
R&D Spending as % of sales	% of sales	4.38%	4.21%	3.55%	3.99%

Item	FY2019	FY2020	FY2021	FY2022	Four years average
Growth percentage of sales revenues	13.40%	5.54%	24.20%	34.02%	77.16%/4 = 19.29%
Increase percentage of R&D spending	35.62%	1.39%	4.64%	50.70%	92.35%/4 = 23.09%



Automated storage & Retrieval System

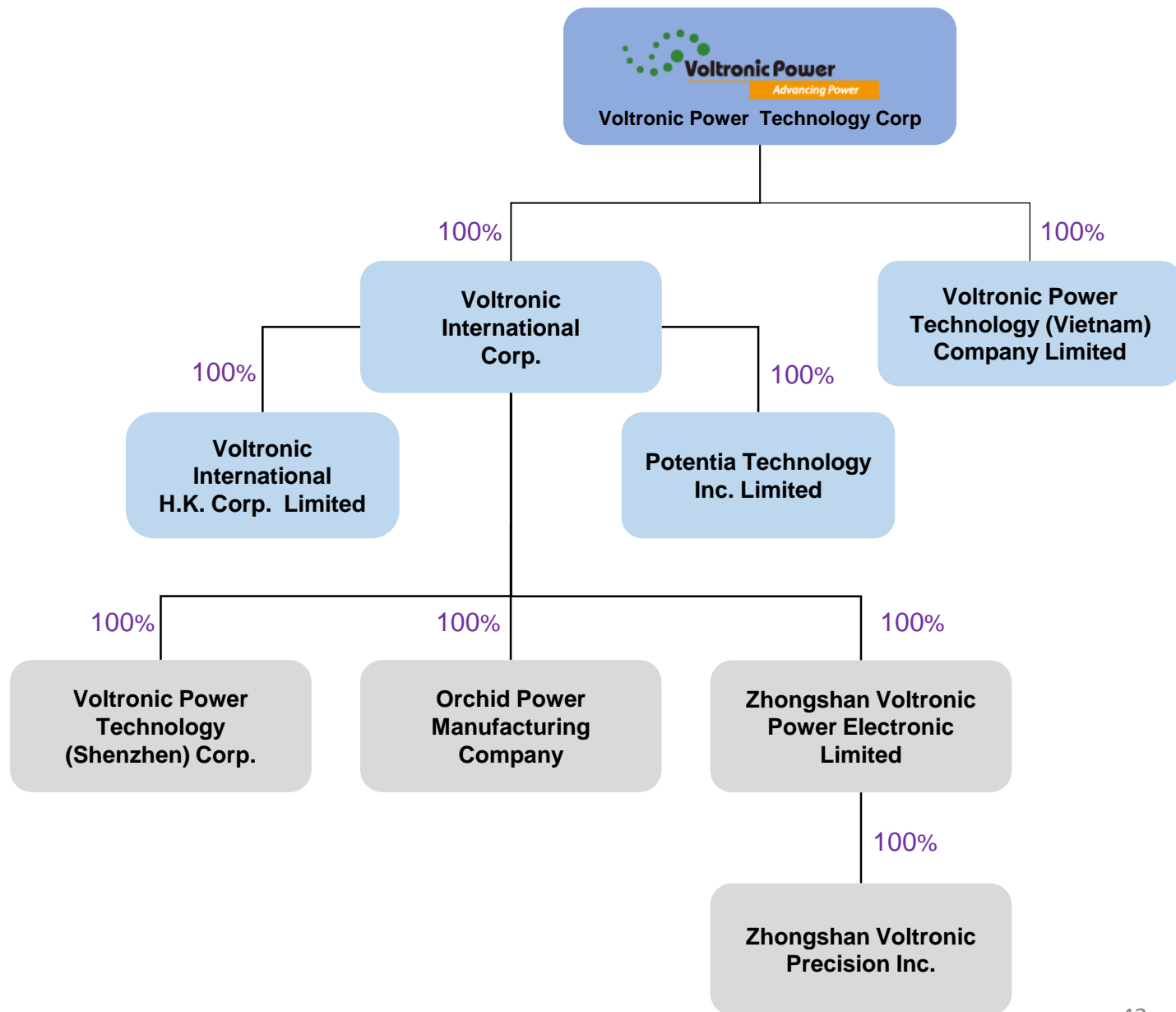
Organizational Profile

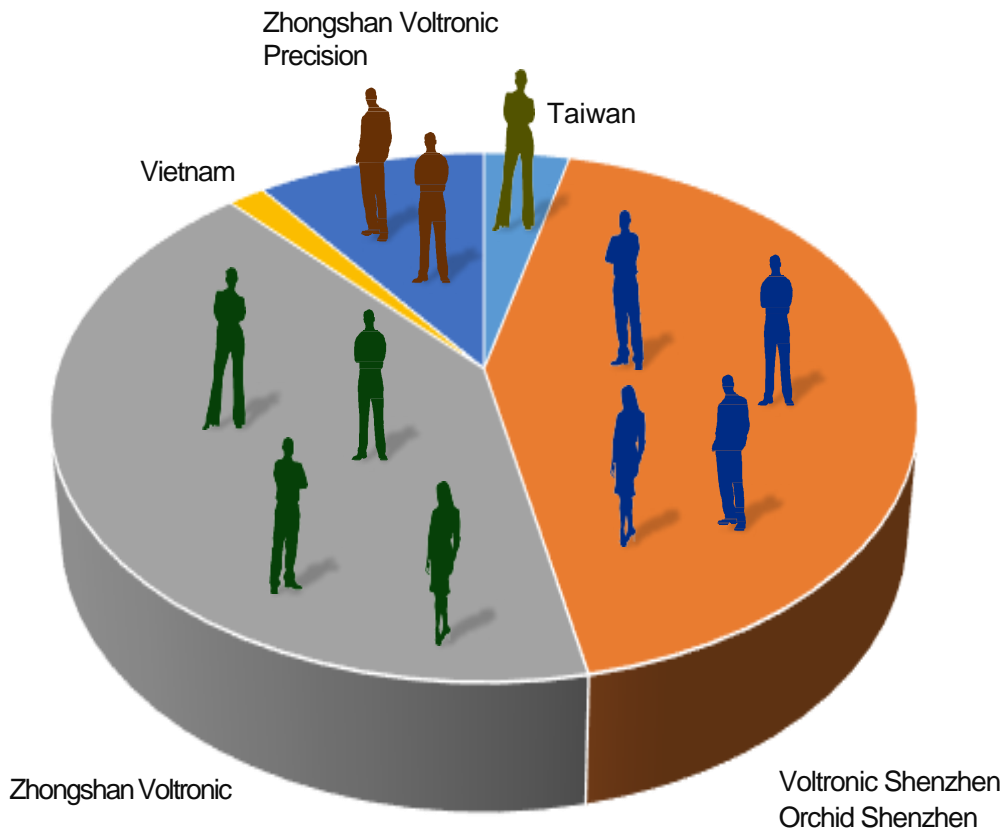
Ownership

The Taiwan headquarters of Voltronic Power Technology Corp. is a Company limited by shares, which was established in accordance with the Taiwan Company Act, and was listed for its stocks to the public in Taiwan Stock Exchange Corporation on March 31, 2014.

Voltronic Power Technology (Vietnam) Company is a subsidiary directly invested by Voltronic Power Technology Corp. and established in Vietnam with 100% shareholding.

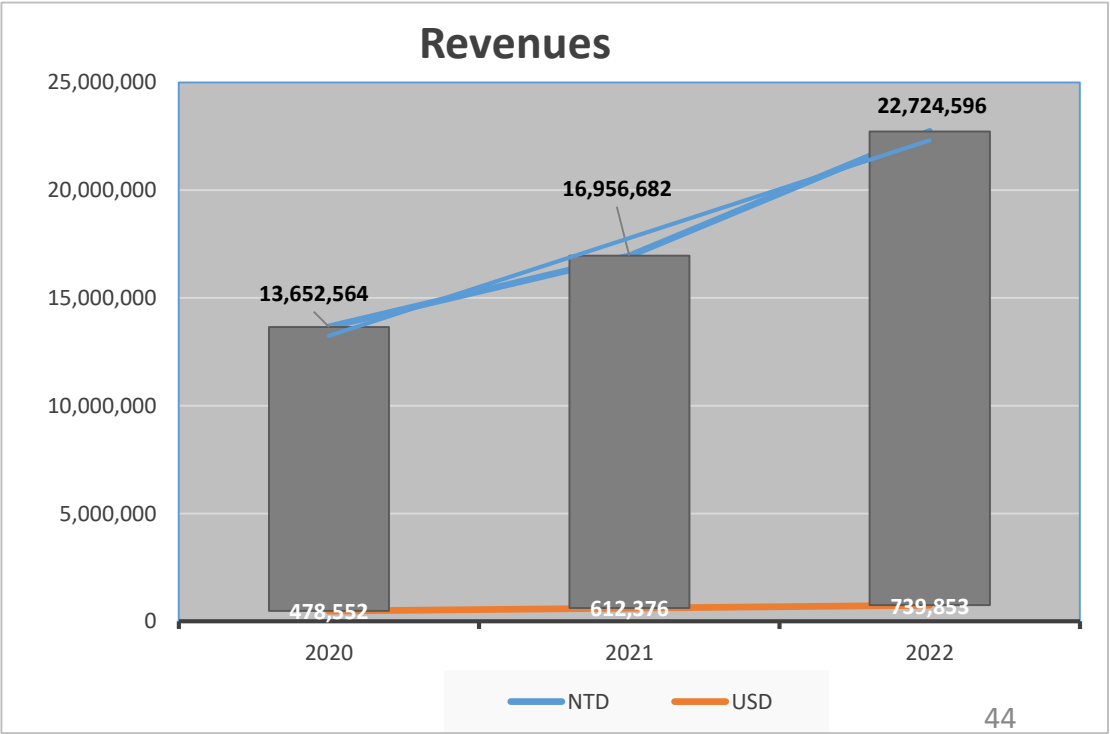
The China Shenzhen export factory (Voltronic Power Technology Shenzhen Corp.), China Shenzhen domestic factory(Orchid Power Shenzhen) manufacturing company), China Zhongshan export factory (Zhongshan Voltronic Power Electronic Limited) and the China Zhongshan Voltronic Precision Inc. are established as the subsidiaries under the Taiwan headquarters.





3,238 Employees

	Employees
Voltronic Shenzhen	939
Orchid Shenzhen	20
Zhongshan Voltronic	1,567
Vietnam	159
Zhongshan Voltronic Precision	419
Taiwan	134
TOTAL	3,238



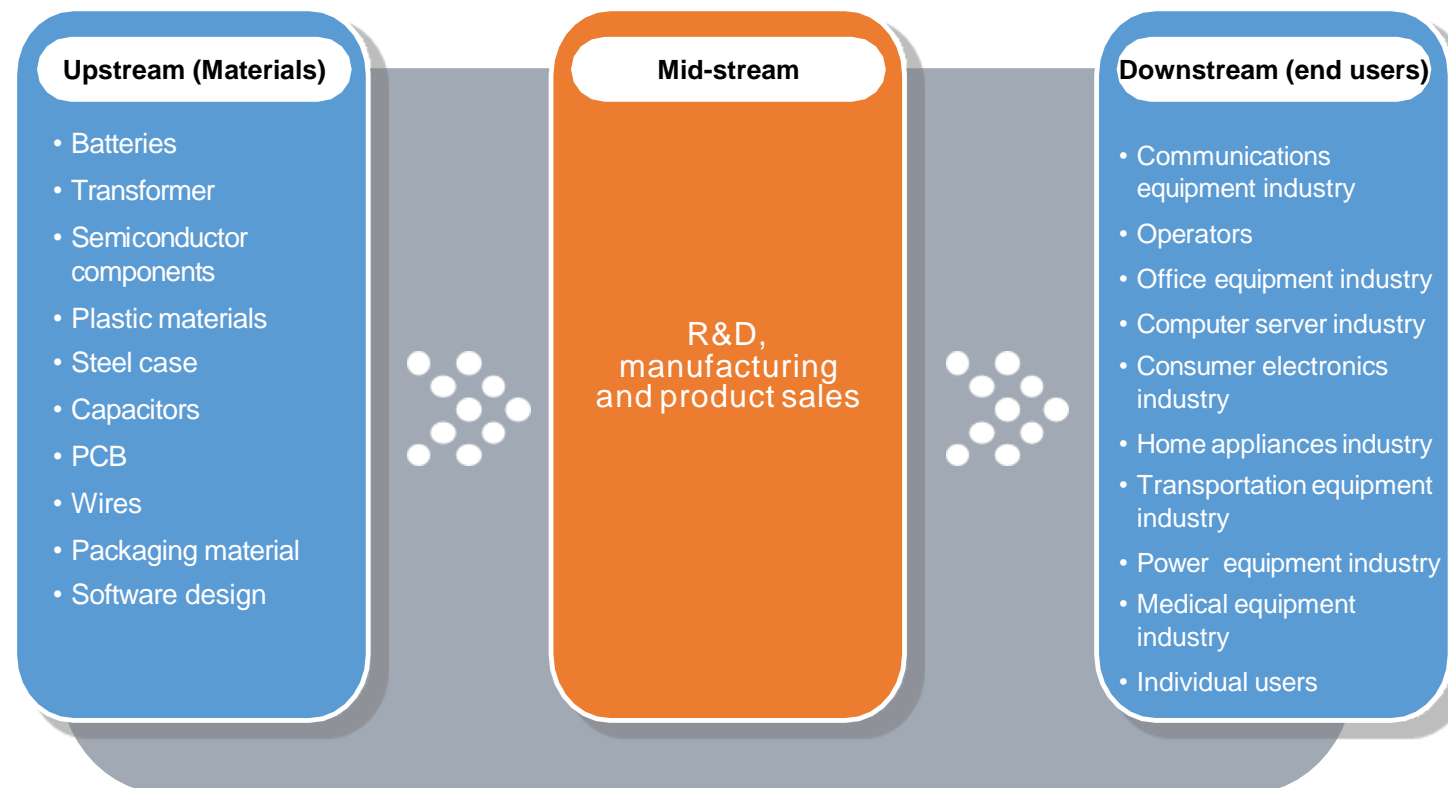
Supply Chain Relationships

Voltronic Power receives clients' projects, specializing in the R&D, design, and product manufacturing services of UPS, and PV inverters. Our upstream components are batteries, transformer, semiconductor electronic components, cabinet, PCB, etc. Amongst these components, battery constitutes the highest proportion of product cost.

The Company carefully selected quality suppliers through a selection process. We have excellent relationships with our suppliers and the supplies are stable without the risks of price fluctuation or supply shortage.

Voltronic Power also engages in the mid-stream of the industrial supply chain. R&D products are based on customer order requirements and adds value to the end-users in downstream industries. At present, Voltronic Power has over 350 clients worldwide. Our portfolio is well-diversified with relatively low risks.

The figure depicts the product correlation amongst our company's' up, mid, and downstream



Business Ethics

Voltronic Power requires all employees to conduct themselves with the utmost integrity, that ethical employment principles shall be abided by the employees. At Voltronic Power, we expect our customers, suppliers, business partners, and anyone or entity that have business contacts with us to support and adhere to the same principles.

Any possible violation of the ethical employment principles shall be immediately report to the supervisors, if necessary, directly to the general manager. Employees who report breach violation of the ethical employment principles shall be investigated. The company shall provide due protection to avoid enduring unfair retaliation or treatment.

Anti-Corruption

Voltronic Power's employees understand that he or she would not engage, either directly or indirectly, in any activity (Conflict of Interest) which might adversely affect the Company or its affiliates, including ownership of a material interest in any supplier, contractor, distributor, subcontractor, customer or other entity with which the Company does business or accepting any tangible payment, service, loan, gift, trip, entertainment, or other favor from a supplier, contractor, distributor, subcontractor, customer or other entity with which the Company does business.

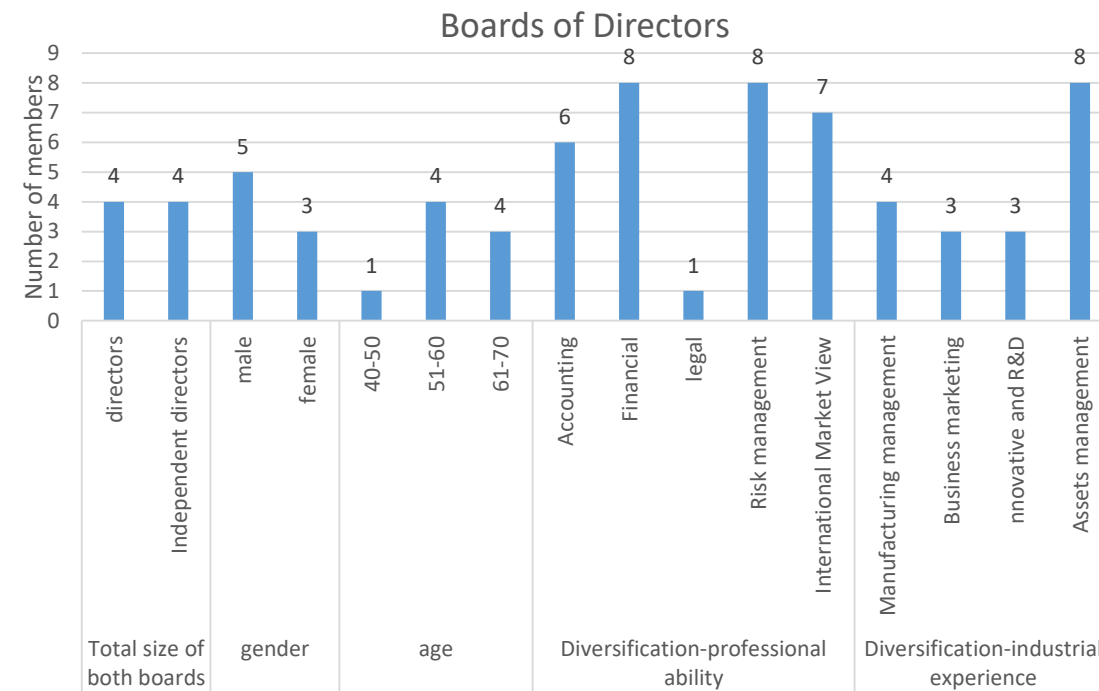
The company attaches great importance to the loyalty and integrity of employees, and the work rules clearly stipulate that "employees shall not use their positions to benefit themselves or other."

Governance Structure – Board of Directors

The board of directors is one of the two core institutions in Voltronic Power’s corporate governance organizational structure. As stated in the Articles of Incorporation, the board is comprised of eight directors, four of which are independent. The shareholders’ meeting elects them from among the candidates. A candidate nomination system was adopted (in the shareholders’ meeting convened on May 24, 2016, with amendments to the Articles of Incorporation, the election of all directors including non-independent directors, shall be elected from the list of nominees). According to the Company Law and the Articles of Incorporation, the terms of all directors (including independent directors, non-independent directors, executive directors, non-executive directors) are three years. However, he/she may be eligible for re-election as there is no “Classified Board System”.

The percentage of total registered shares owned by the directors and supervisors will be tallied according to the provisions of the securities regulatory authority. Liability insurance will be issued for all directors and supervisors and reporting to the Board. In 2022, there were eight directors - three were female directors and five were male directors.

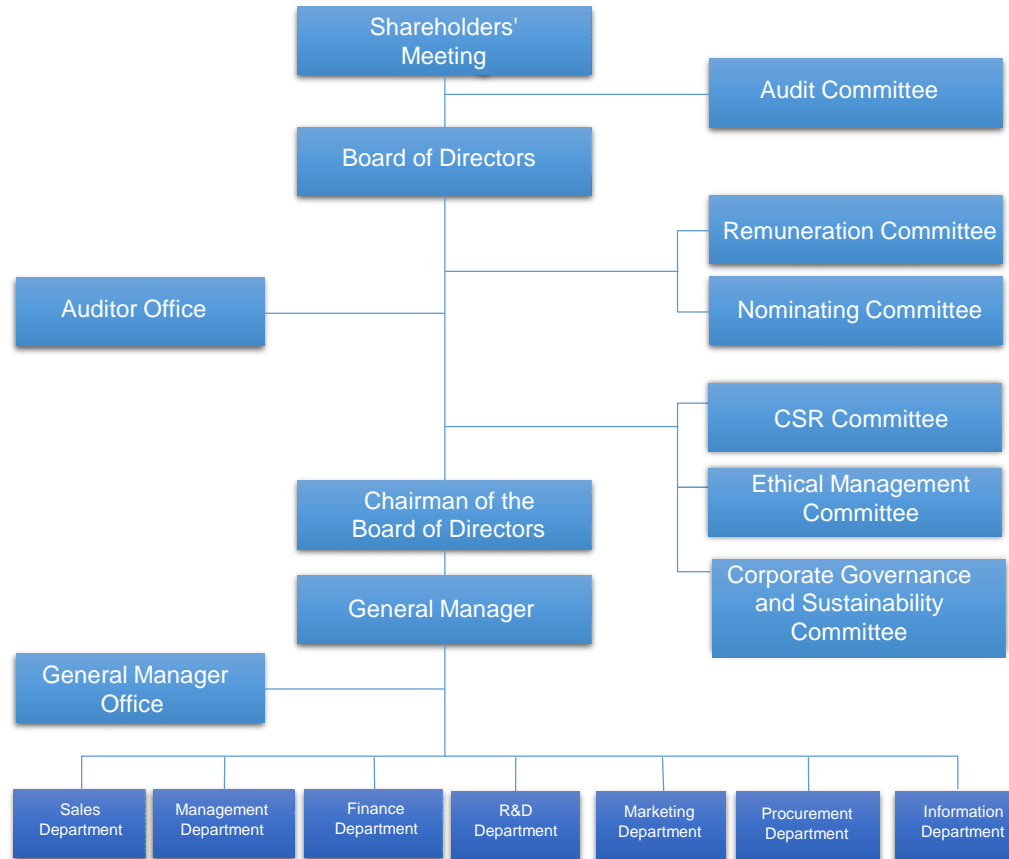
Age of the Youngest Director is 38 years old, age of the Oldest Director is 75 years old, the Board average age is 59 years old. According to the provisions of the Taiwan Company Law, the director must be at least 20 year of age and can make juridical decisions. There were four independent directors and two non-executive directors on the Board, the chairman of the Board was elected by the Board of Directors. The chairman of the Board shall internally preside the shareholders’ meeting, the meeting of the Board of Directors, and shall externally represent the company. Because the chairman of the Board is also CEO in duality, so Voltronic Power voluntarily appoints four independent directors which are more than required by the laws. Finally, the Audit Committee was comprised entirely by independent directors.



Title	Name	(Selected Education, Past Positions & Current Positions at Non-profit Organizations)
Director	Hsieh Chuo-Ming	<p>Education & Professional qualifications: Department of Business Management, Tatung University</p> <p>Current Position: Voltronic Power Technology Corp. - Chairman cum General Manager Voltronic International Corp., Voltronic International H.K. Corp. Limited, Potential Technology Inc. Limited – Director Zhongshan Voltronic Power Electronic Limited, Voltronic Power Technology (Shen Zhen) Corp., Orchid Power (Shen Zhen) Manufacturing Company</p>
Director	Open Great International Investment Limited Company representative: Chen Tsui-Fang	<p>Education & Professional qualifications: Department of Public Finance and Taxation, Takming Junior College of Commerce</p> <p>Current Position: Voltronic Power Technology Corp. - Special Assistant of General Manager Open Great International Investment Limited Company – Chairman</p>
Director	Passuello Fabio	<p>Education & Professional qualifications: University degree in Electrical Engineering</p> <p>Current Position: Director and Manager Director of RPS SpA.</p>
Director	Chuan Han Enterprise Co., Ltd. representative: Cheng Ya-Jen	<p>Education & Professional qualifications: Tatung University</p> <p>Current Position: FSP Technology Inc. - Chairman 3Y POWER TECHNOLOGY INC. - Chairman 3Y POWER TECHNOLOGY INC. - Responsible person AMACROX TECHNOLOGY CO., LTD .- Director AMACROX GMBH-responsible person FSP Technology Inc. (Wuxi Quanhuan) - Director FSP TECHNOLOGY INC. (Wuxi Zhonghan) - Director FSP Technology Inc. (Shenzhen Zhonghan) - director FSP –Powerland Technology Inc. – Director FSP Generation Technology Inc. (Jiangsu) - – Director FSP TECHNOLOGY USA INC. - Responsible person Haohan Electronic Technology Inc.-(Ji'an)- Director Hsiang Tsan Investment Co., Ltd., - Supervisor</p>

Title	Name	(Selected Education, Past Positions & Current Positions at Non-profit Organizations)
Independent director	Li Chien-Jan	<p>Education & Professional qualifications: Ph.D. Program in Accountancy of National Chengchi University</p> <p>Current Position: Full-time professor, Department of Accountancy, National Taipei University Director of Accounting Research and Development Foundation and committee member of Accounting Standards Board Commission member of Public Functionary Disciplinary Sanction Commission Committee member of Securities Listing Review Committee Independent director of Copartner Tech Corp. Independent director of L&K Engineering Co, Ltd. Chairman of Fly-Hawk Accounting Education Director of Taiwan Institute of Ethical Business and Forensics, and committee member of its Corporate Governance Committee</p>
Independent director	Liao Kuei-Fang	<p>Education & Professional qualifications: Department of Accounting, Tamkang University</p> <p>Current Position: Partner of Synergy & Co., CPAS Director of Hsieh Chi Enterprise Management Consulting Co., Ltd..</p>
Independent director	Wang Hsiu-Chi	<p>Education & Professional qualifications: Master of Rider University</p> <p>Current Position: Adjunct Professor, Department of Accountancy, National Taipei University Director of Feiyuan Accounting Education Foundation</p>
Independent director	Sam Ho	<p>Education & Professional qualifications: Master of Laws, National Chung Cheng University</p> <p>Current Position: Attorney at Law, HHC & Partners</p>

Organization Structure



The incumbent directors all have rich operating or academic experience; the Board of Directors shall meet at least quarterly. In 2022, the Board of Directors convened in a total of 7 Boards meetings . The director's attendance is as follows, Board Meeting average attendance was 85.71%, and the number of Directors with attendance less than 75% was one.



Audit Committee

Voltronic Power's Audit Committee is comprised of four members:
Independent Director Mr. Lee Chien-Jan Independent Director Ms. Wang Hsiu-Chi
Independent Director Ms. Liao Gui-Fang Independent Director Mr. Sam Ho



Remuneration Committee

Voltronic Power's Remuneration Committee is comprised of four members:
Independent Director Mr. Lee Chien-Jan Independent Director Ms. Wang Hsiu-Chi
Independent Director Ms. Liao Gui-Fang



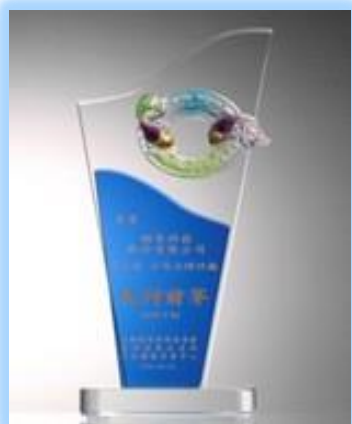
Nomination Committee

Voltronic Power's Remuneration Committee is comprised of three members:
Independent Director Mr. Lee Chien-Jan Former Independent Director Mr. Yang Ching-His
Independent Director Ms. Wang Hsiu-Chi



Corporate Governance and Sustainability Committee

Voltronic Power's Corporate Governance and Sustainability Committee
is comprised of four members:
Independent Director Mr. Lee Chien-Jan Independent Director Ms. Wang Hsiu-Chi
Independent Director Mr. Sam Ho

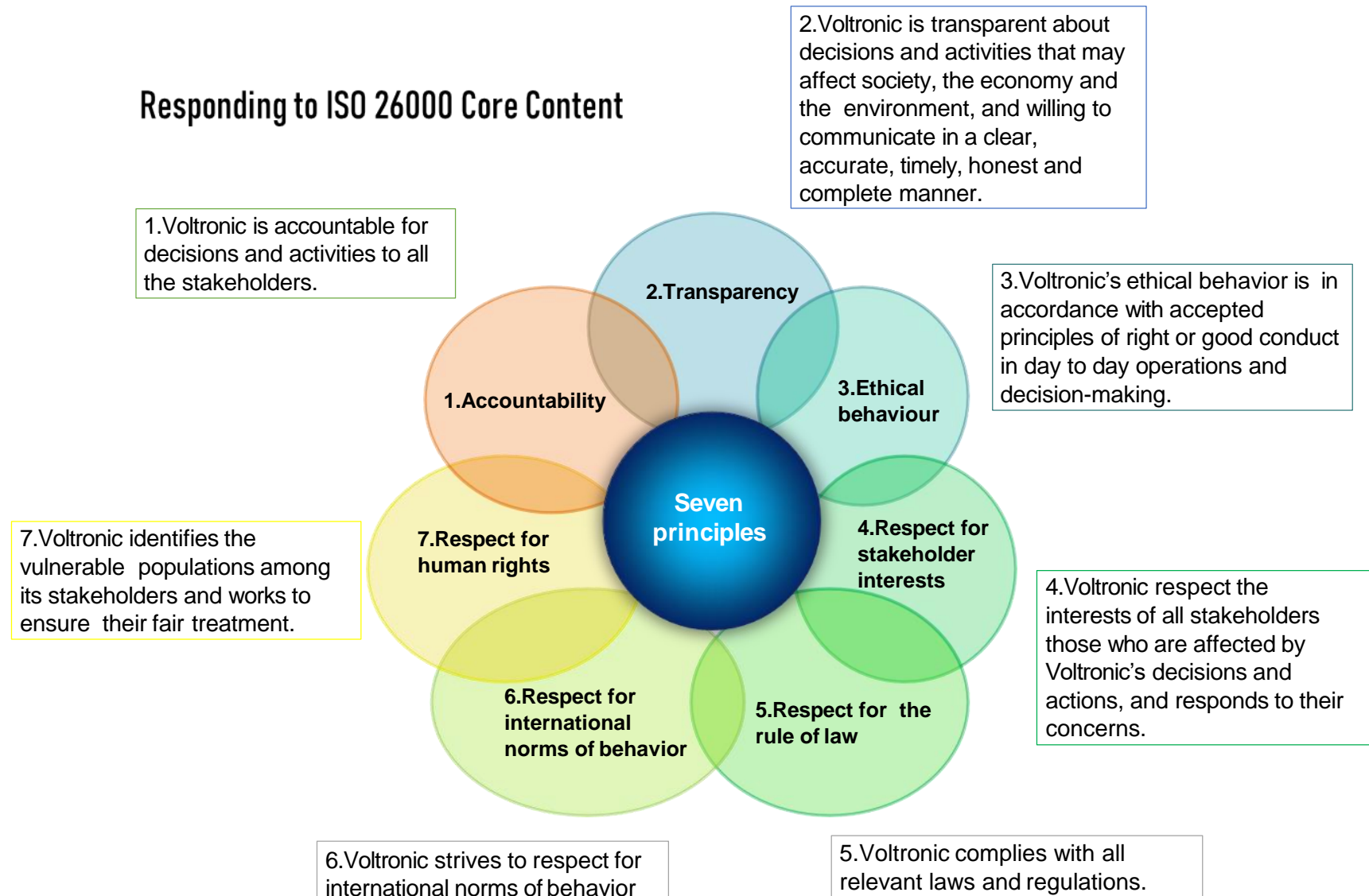


Voltronic Power Technology Corp. was ranked as top 5% in FY 2016, 2017, 2018, 2019 and 2021 by the Corporate Governance Evaluation amongst all the companies listed on the Taiwan Stock Exchange.

External Initiatives

ISO 26000 Social Responsibility Guidance promotes the consensus of social responsibility domain. Responding to the core content of ISO 26000, we clarify our social responsibility and help our company to transfer principles to effective actions. We are also the member of Taiwan Electrical and Electronic Manufacturers' Association and Taipei Computer Association. We are devoted to do the best practice of social responsibility in the global world.

Responding to ISO 26000 Core Content



Risk Governance

Management Approach

We have four independent directors and two non-executive directors, totally six directors in the audit committee with expertise in risk management. Six hours of training courses are held every year. The course content is selected from the courses on internal control and audit, corporate governance regulations, securities management regulations, the impact of international economic and trade development trends on enterprise operation, risk identification and management of enterprise operation, risk and turnaround of climate change etc.

At the operational level, the highest-ranking individuals with dedicated risk management responsibilities, as well as those responsible for monitoring and auditing risk management performance at the operational level, provide regular and ad hoc reports to the CEO. Subsequently, the CEO presents these reports periodically to the Audit Committee and the Board of Directors. The risk management function is structurally independent from the business lines.

Risk and Crisis Management Operational Principles

Voltronic Power Technology Corp has defined risk and crisis management as one of the three most material issues for sustainable development.

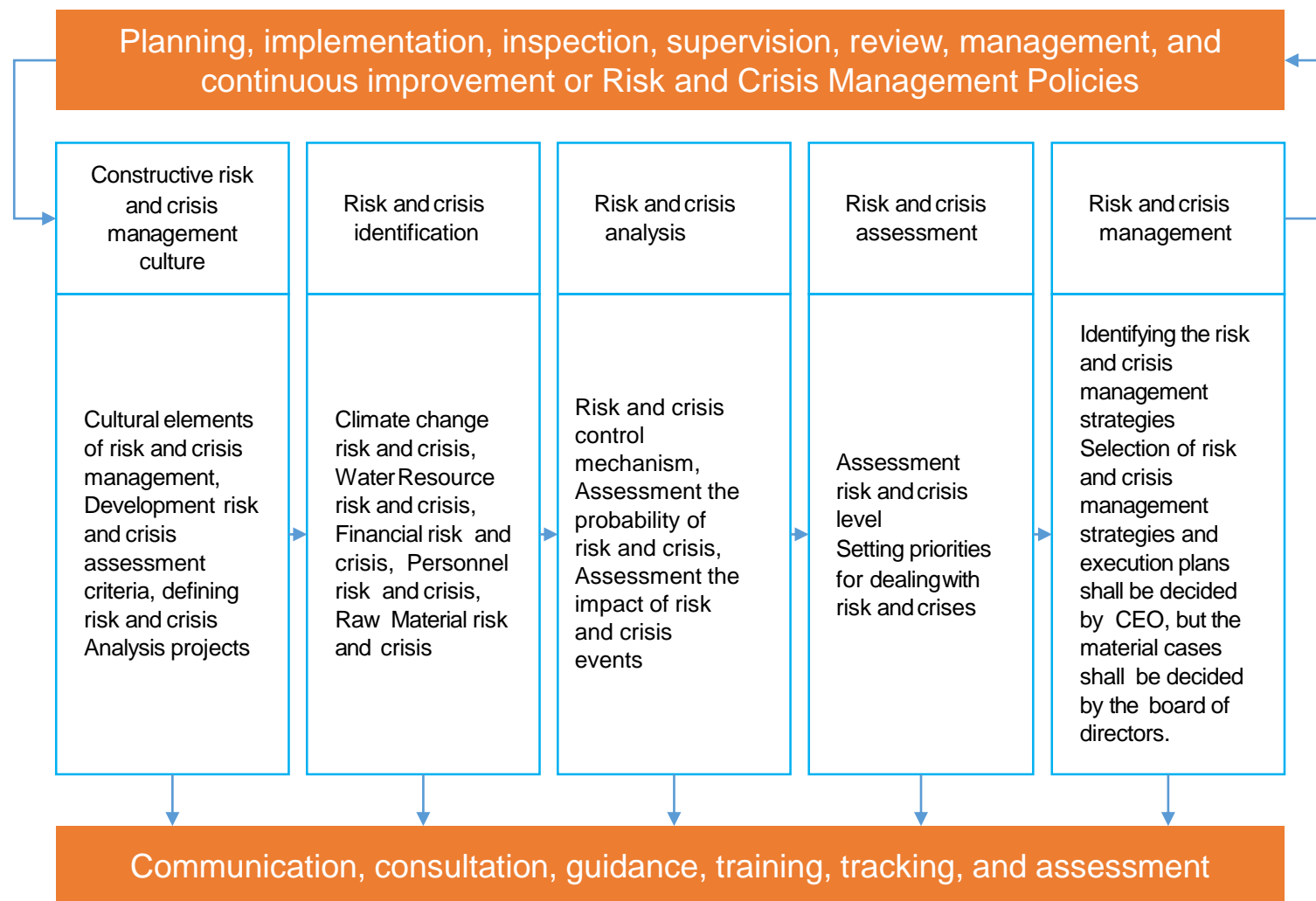
To promote risk management policies, establish crisis management mechanisms, cultivate a heightened awareness among colleagues, and implement effective risk and crisis management, the company aims to enhance the efficiency of risk management and crisis handling. This aligns with the company's goal of achieving sustainable development.

The operational framework of risk and crisis management of the company and all departments include: risk and crisis identification, analysis, assessment, handling; planning, implementation, inspection, supervision, review, management and continuous improvement of risk and crisis management policies; as well as communication, consultation, guidance, training, tracking and assessment.

Individual employees are encouraged to identify and report potential risks throughout the organization proactively. If the potential risks are verified and managed effectively, the individual will be rewarded according to their contribution. Reports could be turned in through line managers, or to senior executives using mailboxes or the hotline.

The company uses certain risk management assessment indicators as part of the KPIs for senior executives and line managers to determine their variable compensations. This is intended to facilitate and continuously enhance risk and crisis management. Furthermore, the company also considers employee cooperation in the implementation of the annual "Risk and Crisis Management Plan" as part of the performance assessment for employees.

During regular employee assessments, their opinions regarding the annual "Risk and Crisis Management Plan" are sought. Encouraging employees to engage in a structured feedback process, the company aims to foster continuous improvement in risk and crisis management practices.





SUPPLIER MANAGEMENT

- Supplier's Compliance of High Standards
- Local Supply Chain Management
- Risk Management
- Sustainability Engagement

Supplier's Compliance of High Standards



100%

raw materials compliance with the requirements of EU Restriction of Hazardous Substances (RoHS) directive



100%

raw materials compliance with the requirements of EU REACH. Act on SVHC-Substances of Very High Concern.



100%

non-use of conflict mineral raw materials.



Zero

revenue from products containing minerals from conflict affected and high-risk areas

Local Supply Chain Management

Our management of the supply chain is not only to measure the impact on production, service, and operation but also to consider the effect of corporate social responsibility and corporate reputation. Voltronic Power follows relevant regulations and GRI statements as the basis of supply chain management. Labor rights, environmental protection, health, and safety of the supply chain is the control point of sustainability to help to identify supplier risks. Based on the evaluation results, improvement measures are formulated for high-risk suppliers to help reduce the risk and establish a sustainable partnership.

Requirements to Suppliers

Suppliers shall comply with the provisions of environmental laws, regulations, and technical standards (e.g. ROHS, prevention and control of pollution, waste disposal). The supplier shall act following requirements of Voltronic Power to provide the related documents associated with specific environmental protection investigation or protection.

Suppliers shall implement ethical management throughout the entire supply chain- both upstream and downstream. To improve the core competitiveness of our suppliers, they only have to focus on obtaining the most competitively priced products and engage in pure trading actions. Actions, such as, offering direct or indirect rebate, commission, facilitating payment, or any other means to provide any improper benefits, are strictly prohibited.

Supply Chain Management

Supplier Sustainability Specification	Supply Chain Management	Supplier Management
Supplier Corporate Social Responsibility Management Agreement	Localization of Supply Chain Procurement	Investigation, evaluation and selection of new suppliers
Content Management of Prohibited Substances in Green Products	Identification of high-risk suppliers	Critical tier 1 Supplier Management
EU REACH SVHC-Substance of Very High Concern Management	Environmental, Quality, Safety and Health Certification Requirements for Key Suppliers	Critical non-tier 1 Supplier Management
Code for the Management of the conflict minerals	High Risk Supplier Counseling	Non-Critical Supplier Management

Supply Chain Management Commitment

- I. Establish a supply chain aiming at sustainable development.
- II. Manage supplier quality, cost, delivery time, service and sustainability.
- III. Lead suppliers to do their best in social responsibility, labor rights and interests, environmental protection, safety and health.
- IV. Ensure that products and supply chains do not use conflict minerals.

Risk Management

Supply Chain Sustainability Risk

To build a sustainable supply chain, Voltronic Power identifies economic, environmental, and social dimensions risk-projects based upon suppliers' locations, purchasing amounts, and suppliers' production process. Using threats, impact, and vulnerabilities as measuring tools, Voltronic Power defines and analyzes suppliers' risk levels. To further understand the suppliers' risks, a sustainability risk questionnaire survey will be conducted with critical suppliers. After the completion of the survey, a risk assessment will be carried out to identify at-risk suppliers. This would be followed by an on-site audit for critical suppliers at high risk. Suppliers with high risks have to propose mitigation plans and ensure that their risks can be effectively controlled and contained. The Validity Auditing Process (VAP) of RBA (Responsible Business Alliance Code of Conduct) will be required.

Sustainability risk assessment scope and targets

The right table indicates the scope of the sustainability risk assessments performed for Tier 1 and critical non-tier one suppliers. On-site audits, questionnaires, external sustainability agencies audit, stakeholder information, external databases, etc., are all acceptable types of assessments.

Type of Supplier	Number of suppliers assessed in the last 3 years	Percentage of suppliers in that category assessed in the last 3 years (based on total number of suppliers in that category provided in "Awareness" question)(Values should not exceed 100%)	Description of target
Tier 1 suppliers	113	100%	Continue to achieve 100% raw materials compliance with the requirements of EU Restriction of Hazardous Substances (RoHS) directive and the requirements of EU REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) Act on SVHC-Substances of Very High Concern. Continue to achieve 100% non-use of conflict mineral raw materials. Target year: Annually Ongoing
Critical non-tier 1 suppliers	11	100%	Continue to achieve 100% raw materials compliance with the requirements of EU Restriction of Hazardous Substances , RoHS · directive and the requirements of EU REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) Act on SVHC-Substances of Very High Concern. Continue to achieve 100% non-use of conflict mineral raw materials. Target year: Annually Ongoing

Sustainability High Risk

The assessment factors of Voltronic Power for high risk of sustainability are as follows:

1. Economy:

- Quality, Cost and Delivery Time
- Business Ethics
- Compliance with Regulations
- Critical Rare Metals Supply
- Only Source of Supply

2. Environmental aspects:

- Environmental management system
- Climate change
- Water resources management
- Waste and air pollution management

3. Social aspects:

- Safety and health
- Labor rights
- Conflict minerals management

Type of Supplier	Number of suppliers classified as highrisk	Percentage of total suppliers in that category classified as high-risk (based on total number of suppliers in that category provided in "Awareness" question). The values should not exceed 100%.
Tier 1 suppliers	0	0
Critical non-tier 1 suppliers	0	0

Ongoing Sustainability Monitoring

Type of Supplier	Percentage assessed annually	Percentage assessed at least once every 3 years	Total (should not exceed 100%)
Critical suppliers (tier 1 and non-tier 1)	40%	60%	100%
Suppliers with high sustainability risk. If has not identified any suppliers with high sustainability risks, please ensure that "0" is marked in applicable fields	0	0	0

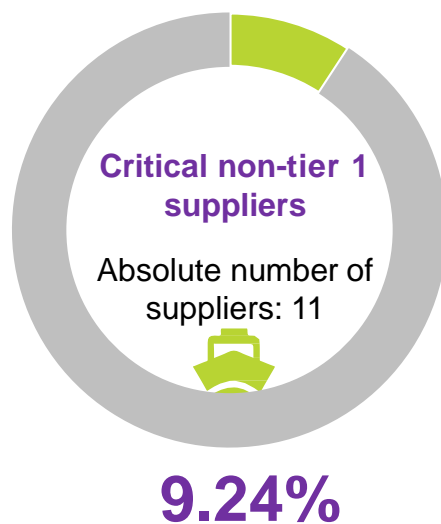
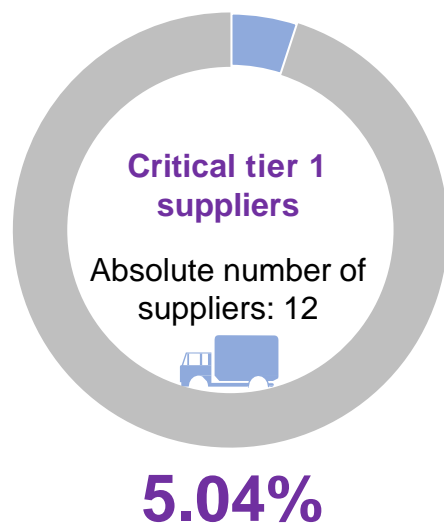
Sustainability Engagement

Voltronic Power Supply Chain Management Norms

In 2022, there were 722 suppliers for Voltronic Power, including 13 critical Tier 1 supplier and 17 critical non-tier one suppliers. 93% of the purchasing amount was locally purchased, and 7% was imported from abroad.

Voltronic Power follows supply chain management standards and the management matrix. This includes new supplier evaluation, supplier management, supplier audit, and guidance, to help suppliers become green supply chains and reduce the risk to the supply chain sustainability.

Definition of critical suppliers Share of total procurement spent (%)



Voltronic Power ensures that sustainability is integrated into supplier selection and retention decisions, and stipulates that suppliers must meet the minimum 70-point threshold of the “ESG assessment for CSR checklist.”

1. Supplier Corporate Social Responsibility Management Agreement
2. Prohibited Substances Contents Guarantee for Green Products (GP)
3. EU REACH SVHC-Substances Limitation Guarantee
4. Conflict Minerals Management Survey
5. Supplier Corporate Social Responsibility Inspection

This diagram helps explain the tiers



Quantitative KPIs and Targets

	KPI	Target linked to the KPI
KPI 1	KPI: raw materials compliance with the requirements of EU Restriction of Hazardous Substances (RoHS) directive.	Target: Continue to achieve 100% raw materials compliance with the requirements of EU Restriction of Hazardous Substances (RoHS) directive Target year: Annually Ongoing.
KPI 2	KPI: raw materials compliance with the requirements of EU REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) Act on SVHC-Substances of Very High Concern.	Target: Continue to achieve 100% raw materials compliance with the requirements of EU REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) Act on SVHC-Substances of Very High Concern. Target year: Annually Ongoing.
KPI 3	KPI: raw materials compliance with the requirements of Conflict Mineral Management Specification	Target: Continue to achieve 100% non-use of conflict mineral raw materials. Target year: Annually Ongoing.



Appendix

- List of the identified sustainability and climate-related performance information (KPIs)

Category	Selected KPIs	Management's Measurement and Reporting Criteria	FY 2022	FY 2021	GRI CSA disclosure	Level of assurance
Energy Consumption	The energy consumption	a. Energy consumption within the organization b. Energy consumption outside of the organization c. Energy intensity	24,822 MWh	21,742 MWh	GRI 302-1 CSA 2.3.1	Reasonable
Water Consumption	Total water withdrawal	a.Total water withdrawal from all areas in megaliters	0.192330 megaliters	0.169671 megaliters	GRI 303-3 GRI 303-4 GRI 303 5 CSA 2.5.1	Reasonable
Emissions	Direct (Scope 1) GHG emissions	a. Gross direct (Scope 1) GHG emissions in metric tons of CO ₂ equivalent. b. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all. c. Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent.	258 MtCO ₂ e	175 MtCO ₂ e	GRI 305-1 CSA 2.2.1	Reasonable
Emissions	Energy indirect (Scope 2) GHG emissions	a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO ₂ equivalent	21,486 MtCO ₂ e	19,129 MtCO ₂ e	GRI 305-2 CSA 2.2.2	Reasonable
Emissions	Energy indirect (Scope 3) GHG emissions	a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO ₂ equivalent.	804,667 MtCO ₂ e	768,882 MtCO ₂ e	GRI 305-3 CSA 2.2.3	Limited
Emission Reduction Benefits	Emission reduction benefits of selling goods	All products have Energy Efficiency ERBs, PV Inverter has Energy Efficiency and Renewables ERBs.	1,002,145 MtCO ₂	765,310 MtCO ₂		Limited
Waste	Waste Disposal	Company's total solid waste disposed (i.e. not recycled, reused or incinerated waste for energy recovery) for the part of company's operations	573 Mt	624 Mt	GRI 306 CSA 2.4.1	Limited
Waste	Hazardous Waste	Company's direct hazardous waste generation for the part of company's operations	2.95 Mt	2.41 Mt	CSA 2.4.2	Reasonable
Occupational Health and Safety	Lost-Time Injury Frequency Rate (LTIFR) - Employees	Company's lost-time injury frequency rate for employees (per one million hours worked)	0.93	1.64	CSA 3.5.4	Reasonable
Occupational Health and Safety	Occupational Illness Frequency Rate (OIFR) - Employees	Company's occupational illness frequency rate for employees (per one million hours worked)	0.62	0.49	GRI 403-10	⁶² Reasonable