



**Voltronic Power Technology Corp.**

**2022 Sustainability Annual Report**

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## 1.1 Statement on sustainable development strategy | GRI2-22

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.

Over the past three years, with COVID-19 impacts such as port congestion, materials shortages, and lockdown, 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 and a total decrease of 1,002,145 metric tons of carbon emissions in 2022, already 121% of the net zero emissions target.

Voltronic Power further developed residential and commercial energy storage systems, as well as new products in AC and DC EV chargers, so that Voltronic Power can continue to expand its contribution to the green energy environment.

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, aim at sustainable development, formulate management strategies, implement control and review action plans, and create a sustainable future.

I look forward to continuing to promote sustainable actions. In addition to publishing sustainability reports every year, we also for two consecutive years released the TCFD report and reviewed our strategies and actions actively 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.**

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 move forward firmly. We will continue to uphold our ESG vision as we strive forward with steadfast resolve.



**Hsieh Juor-Ming**

**Chairperson and ESG  
Executive Committee  
Chairperson**

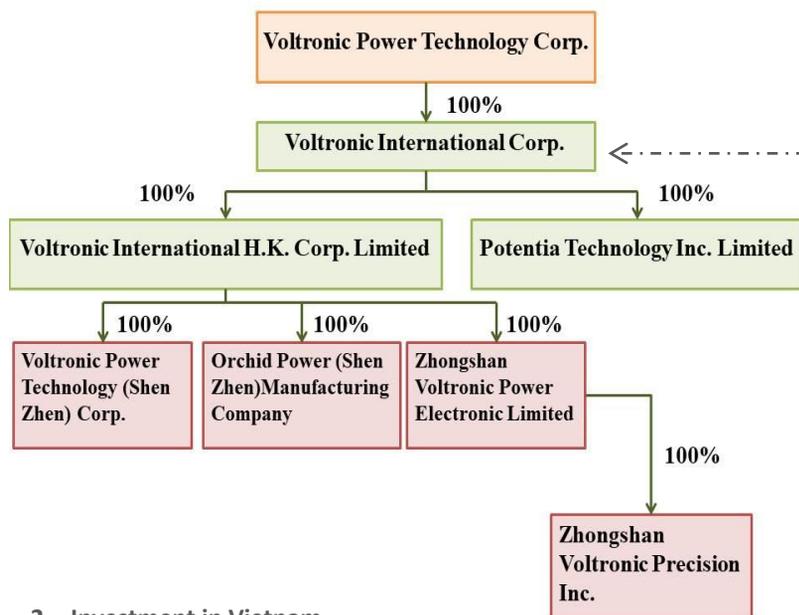
## 1.2 Organizational details | GRI 2-1

Legal name	Voltronic Power Technology Corp.			
Nature of ownership and legal form	VPT is a Company Limited by Shares which established in according to Taiwan Company Act, and got listed for its stocks to public in Taiwan Stock Exchange Corporation, is a privately owned profit incorporated entity.			
The location of headquarters	The location of VPT's headquarters is in Neihu Dist., Taipei, Taiwan. The address is No. 406 Xinhua 1 <sup>st</sup> Road, Neihu District, Taipei ,Taiwan.			
Countries/regions of operation	The countries/regions of operation, including : <table border="1" style="width: 100%; margin-top: 5px;"> <tr> <td>1.Taiwan headquarters and Taipei factory,</td> </tr> <tr> <td>2.China Shenzhen export factory, China Shenzhen domestic factory, the China Zhongshen export factory.</td> </tr> <tr> <td>3.Vietnam factory °</td> </tr> </table>	1.Taiwan headquarters and Taipei factory,	2.China Shenzhen export factory, China Shenzhen domestic factory, the China Zhongshen export factory.	3.Vietnam factory °
1.Taiwan headquarters and Taipei factory,				
2.China Shenzhen export factory, China Shenzhen domestic factory, the China Zhongshen export factory.				
3.Vietnam factory °				

## 1.3 Entities included in the organization's sustainability reporting | GRI 2-2

All entities of VPT's consolidated financial statements, including Taipei headquarters, Taipei factory and the following investment :

### 1、Investment in China



"Voltronic International Corp." and "Voltronic International H.K. Corp. Limited" are investment companies, and "Potenia Technology Inc. Limited" is Paper Company, without substantial operations, so they are not included in the sustainability reporting.

### 2、Investment in Vietnam

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

## 1.4 Reporting period, frequency and contact point | GRI 2-3

The reporting period for, and the frequency of, the sustainability reporting;	1 January 2022 to 31 December 2022 ( annual )
The publication date of the report;	Before June 30th of the reporting period's following year.
The contact point for questions about the report.	

<p>Taiwan contact point  Name: Wang Kuo-Chin  Title: Financial manager  Telephone: +886-2-27918296  Email: investor@voltronic.com.tw</p>	<p>China contact point  Name: Jin Zhi-Xin  Title: Vice General Manager  Telephone: +86-755-86016601  Email: investor@voltronic.com.tw</p>
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**1.5 Restatements of information** | GRI 2-4 : There is no restatement of information made from previous reporting periods.

**1.6 External assurance** | GRI 2-5 、 CSA 1.1.1 、 1.1.2 、 1.1.3

<b>The policy and practice for seeking external assurance</b>	
<p>In order to strengthen the breadth and depth of ESG report, the highest governance body and senior executives began to seek an independent assurance statement by the external Sustainability professional institutions. The policy of seeking the Sustainability professional institutions is to confirm its professionalism, impartiality and independence.</p>	
<b>Sustainability reporting has been externally assured :</b>	
<b>Reference to the external assurance report(s) or assurance statement(s);</b>	Please reference to Appendix X and Appendix XI
<b>That has been assured and the basis,</b>	<p>Sustainability Report 2022 :</p> <ul style="list-style-type: none"> <li>i. the assurance standards used : ISAE 3000</li> <li>ii. the level of assurance obtained : moderate/limited level</li> <li>iii. any limitations of the assurance process : Please reference to Appendix X</li> </ul> <hr/> <p>Identified Sustainability and Climate Change Information 2022 :</p> <ul style="list-style-type: none"> <li>i. the assurance standards used : ISAE 3000&amp;ISAE 3410</li> <li>ii. the level of assurance obtained : Reasonable Assurance Opinion and Limited Assurance Conclusion</li> <li>iii. any limitations of the assurance process : Please reference to Appendix XI</li> </ul>
<b>The relationship between the organization and the assurance provider</b>	Please reference to Appendix X and Appendix XI

**Sustainability Reporting Boundaries**

- Publicly disclose the reporting boundaries or scope of reporting used for sustainability disclosure.
  - All activities consolidated for financial reporting purposes are covered
  - The following percentage of revenues is covered by sustainability disclosure:
    - 75-100%
  - All activities under operational control and/ or majority-owned are covered
- The indicators are covered by sustainability disclosure:
  - Environmental indicators
  - Social indicators

**Sustainability Reporting Assurance**

- Have received an assurance statement by an external assurance specialist (accountants, specialist consultancies).
    - The assurance statement is based on a recognized international or national standard (ISAE 3000, ISAE 3410).
    - The assurance statement contains a "declaration of independence" which specifies that the assurance provider has no conflict of interest in relation to providing the assurance of environmental and / social data for the company which has been assured
    - The scope of the assurance statement clearly indicates that it covers environmental KPIs.
    - The scope of the assurance statement clearly indicates that it covers social KPIs
    - The assurance statement contains a conclusion, i.e. either "reasonable assurance" or "limited assurance"
- Please reference to Appendix X and Appendix Xi

**Sustainability Taxonomies**

- Not applicable. The jurisdiction which our company within is not within the scope of a sustainability taxonomy (European Union, China, ASEAN, South Africa, Columbia).

## 1.7 Value chain and other business relationships | GRI2-6 \ CSA 0.1

<p>The sector Value chain i. activities, products, services, and markets served ii. supply chain iii. the entities downstream and their activities Other relevant business relationships;</p>	<p>VPT is a professional global DMS (Design &amp; Manufacturing Service) provider for UPS, PV Inverter, Energy Storage System, Variable Frequency Drive and EV (is the "Electrical &amp; Electronic Equipment" sector defined by Sustainability Accounting Standards Board) occupies the mid-stream in the industrial supply chain. Design &amp; Manufacturing products based on customers' order requirements are resold to end-users of downstream industries through customer orders, not to strive for own brand name, not to compete against customers, . At present, Voltronic Power has over 300 customers in 135 countries and regions around the world. (Please reference to pages 137 to 165 of the annual report)</p>
<p>Significant changes compared to the previous reporting period</p>	<p>The sales amount of PV Inverter increased by 94%.</p>

### Denominator – Revenues

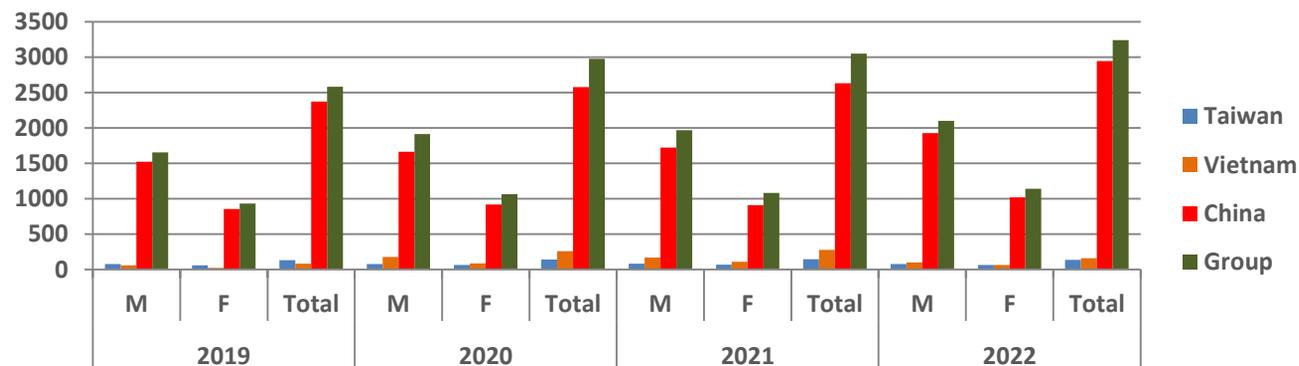
Reporting Currency ○ TWD - New Taiwan Dollar

Fiscal year-end date : 31.12.20XX

Company Data	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022
Revenues ✓ Reported Revenues	NT 12,936,382 thousand	NT 13,652,564 thousand	NT 16,956,682 thousand	NT 22,724,596 thousand
Revenues in US Dollars	US Dollars 431,500 thousand (31.12.2019)	US Dollars 478,552 thousand (31.12.2020)	US Dollars 612,376 thousand (31.12.2021)	US Dollars 740,022 thousand (31.12.2022)
Total Employees	2,580	2,975	3,048	3,238

## 1.8 Employees | GRI 2-7 \ 2-8

### Full-time employees



### Temporary workers employed

Year	Personnel/Hours	Taiwan	Vietnam	China	Group
2019	Personnel	179	78	3466	3,723
	Hours	38,231	5,366	1,591,651	1,635,248
2020	Personnel	110	79	3,303	3,492
	Hours	22,547	5,600	574,713	602,860
2021	Personnel	378	39	6,901	7,318
	Hours	44,539	9,073	1,545,334	1,598,946
2022	Personnel	477	12	7514	8,003
	Hours	54,972	423	1,555,720	1,611,115

Workers who are not employees : no

## 2.1 Corporate Governance | CSA 1.2.1 、 1.2.2 、 GRI 2-9 、 2-10 、 2-11 、 2-12 、 2-13 、 2-14 、 2-15 、 2-16 、 2-17 、 2-18

### Board Independence

We have a publicly available independence statement.

#### Independence Statement

Members of independent directors must comply with the independence regulations of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” which are adopted pursuant to the Securities and Exchange Act. So all of the independent director in Taiwan List Company need to sign the Declaration of the Independent Director before becoming a qualifying candidate. Please refer to the official standard format of TWSE as the website:

<http://www.twse.com.tw/staticFiles/listed/manual/ff8080816a66b410016a9a187dc9013c.doc?ts=1559028215853>

We comply with the following corporate governance code or stock exchange rules

Taiwan - Taiwan Stock Exchange

### Board Type

We have two-tier board (with SUPERVISORY BOARD -Audit Committee)		
First-tier board	Directors' status	Number of members
SUPERVISORY BOARD -Audit Committee	Independent directors	4
Audit committee is composed of four independent directors, which shall carry out: 1, the functions of the Supervisor Board; 2, the approval of financial reports; 3, the pre-examination of major resolutions of the board of directors.		
Second-tier board	Directors' status	Number of members
MANAGEMENT BOARD-Board of Directors	Independent directors	4
	Other non-executive directors	2
	Executive directors	2
Total size of both boards		8
Board of Directors is composed of four independent directors, two non-executive directors, and two executive directors.		
Note. Four independent directors are members of both the Supervisor Board -Audit Committee and the Board of Directors.		

### Governance structure and composition

Highest governance body	Corporate Governance and Sustainability Committee
Responsibility	Responsible for decision making on and overseeing the management of the organization's impacts on the economy, environment, and people.
Composition	Composed of three independent directors (one female and two male), with tenure of three years.
Set up Corporate Governance Manager.	

### Nomination and selection of the highest governance body

Nomination and selection processes	All members are independent directors. The Nomination Committee and any shareholder holding 1% or more of the total shares shall/can submit roster of independent director candidates, which shall be reviewed by the board of directors in accordance with the law, and have the roster of independent director candidates and their education background and past work experience published in a public notice. And four independent directors will be selected from the roster of candidates by the shareholders' meeting with tenure of three years. The Board of Directors will then appoint three of the independent directors to form the Corporate Governance and Sustainability Committee.
Nomination and selection criteria	Including but not limited the following are taken into consideration: i. views of stakeholders (including shareholders); ii. diversity; iii. independence; iv. competencies relevant to the impacts of the organization.

Chair of the highest governance body : Is independent director , who during the two years before being elected or during the term of office may not have been or be any of the following: 1. An employee of the company or any of its affiliates; 2. A director or supervisor of the company or any of its affiliates; therefore, is definitely not a senior executive in the organization.

**Role of the highest governance body in overseeing the management of impacts** : Developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development; supervises the senior executives to implement and manage the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development, as well as negotiate with stakeholders; regularly report to the board of directors. Regularly review the annual sustainability report every year.

**Delegation of responsibility for managing impacts** : The highest governance body had delegated CEO to organize a management team responsible for managing impacts on the economy, environment, and people acts.

**Role of the highest governance body in sustainability reporting** : The highest governance body is responsible for regularly reviewing and approving the reported information, including the organization's material topics.

**Conflicts of interest The organization** : The members of the highest governance body are all independent directors and must comply with the " Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", the Regulations ensure complete prevented the conflicts of interest to stakeholders, including but not limited to: i. cross-board membership; ii. cross-shareholding with suppliers and other stakeholders; iii. existence of controlling shareholders; iv. related parties, their relationships, transactions, and outstanding balances.

**Communication of critical concerns** : The critical concerns communicated to the highest governance body during the reporting period are: 1. Annual corporate governance plan; 2. The company's greenhouse gas inventory and verification schedule; 3. Annual sustainability report.

**Collective knowledge of the highest governance body** : At least six hours of sustainability courses are held every year to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.

**Evaluation of the performance of the highest governance body** : The highest governance body is a Board Committee, according to the "Rules for Performance Evaluation of Board of Directors and Board Committees", shall be subject to internal performance evaluation at least once a year and shall be conducted by an external independent professional institution at least once every three years.

## 2.2 Board-Board of Directors | CSA 1.2.3 、 1.2.4 、 1.2.5 、 1.2.6 、 1.2.7 、 1.2.8

### Non-Executive Chairperson/ Lead Director

○ Role of chairperson ( Management Board-Board of Directors ) and CEO is joint; however, the chairperson of Audit Committee (the Supervisory Board , composed of all four independent directors) and Corporate Governance and Sustainability Committee(Highest Governance Body, composed of three independent directors ) must be independent directors; currently, Li Jianran is the independent lead director of Audit Committee and Corporate Governance and Sustainability Committee.

### Board Diversity Policy

- Has a formal board diversity policy specifically includes the following:  Gender  Race or Ethnicity  Nationality, country of origin or cultural background
- According to VPT's Corporate Governance Best Practice Principles and the organizational regulations of the Nominating Committee, it is clearly required that the composition of the board of directors shall be determined by taking diversity into consideration in the process of nomination, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:1, Basic requirements and values: Gender, age, nationality, and culture;2, Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:1, Ability to make operational judgments;2, Ability to perform accounting and financial analysis;3, Ability to conduct management administration;4, Ability to conduct crisis management;5, Knowledge of the industry;6, An international market perspective;7, Ability to lead;8, Ability to make policy decisions.

### Board Gender Diversity

○ Number of female directors:

VPT's Supervisory Board-Audit Committee is composed of four independent directors, two of whom is female.

VPT's Board consists of four independent directors , two non-executive directors and two executive directors. Two independent director and one executive director are women.

VPT pays attention to gender equality of the board of directors and strengthening corporate governance. The target of female directors' proportion of all directors is not less than 33%, currently 37.5%.

### Board Effectiveness

	Indicators/measures
Board Meeting Attendance Number of meetings attended in percentage last fiscal year.	<input type="checkbox"/> Average board meeting attendance: 85.71% of meetings of board of directors. 100% of meetings of supervisory board. <input type="checkbox"/> Minimum of attendance for all members required, at least (in75%)
Board Mandates Number of other mandates of the board of directors/ supervisory board members.	<input type="checkbox"/> Number of non-executive/ independent directors with 4 or less other mandates:6 Passuello Fabio, Cheng Ya-Jen, Lee Chien-Jan, Wang Hsiu-Chi, Liao Kuei-Fang , Ho Yun-Hsuan
Board Performance Review Performance assessment of board of directors/ supervisory board members.	<input type="checkbox"/> Regular self-assessment of board performance. The Regulations Governing Evaluation of Performance of Board of Directors and the evaluation results on the board's performance are disclosed at the section of Corporate Governance on our official website at http: <a href="http://www.voltronicpower.com.tw">http://www.voltronicpower.com.tw</a> . <input type="checkbox"/> Regular independent assessment of board performance. Specify or provide supporting documents: The Regulations Governing Evaluation of Performance of Board of Directors and the evaluation results on the board's performance are disclosed at the section of Corporate Governance on our official website at http: <a href="http://www.voltronicpower.com.tw">http://www.voltronicpower.com.tw</a> .
Board Election Process	<input type="checkbox"/> Board members are elected and re-elected on an every three years basis.

### Board Average Tenure

○ VPT has a two-tier board structure, the term of independent directors and non-executive directors is three years and all directors are eligible for re-election for in accordance with the Company Law and the Articles of Association. Since VPT publicly listed up to December 2022, the average term (including re-election term) of independent directors and non-executive directors has been : 6 years

### Board Industry Experience

Number of independent or non-executive members with industry experience :	2
List the independent or non-executive directors included in the above count:	FSP Group Representative: Cheng Ya-Jen 、 Passuello Fabio

## 2.3 Remuneration | GRI 2-19 、 2-20 、 2-21 、 CSA 1.2.9 、 1.2.10 、 1.2.11 、 1.2.12 、 1.2.13 、 1.2.14 、 1.2.15

### Remuneration policies

Highest Governance Body	fixed pay
Senior Executives	i. fixed pay and variable pay; ii. performance pay; iii. Stock incentive tools; iv. clawbacks ( applicable to CEO and Deputy General Manager of Business ) ; v. retirement

### Process to determine remuneration

An Independent Remuneration Committee composed of three independent directors:

- 1, Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors, supervisors, and managerial officers.
- 2, Periodically assessing the degree to which performance goals for the directors, supervisors, and managerial officers have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards.

### CEO Compensation - Success Metrics

- Company has pre-defined financial returns and relative financial metrics relevant for Chief Executive Officer's variable compensation.
  - ☐ Financial Returns : Use shareholder equity remuneration, that is, earnings per share (EPS).
  - ☐ Relative Financial Metrics : Use the total amounts of dividends, bonuses and additional paid-in capitals shall be distributed per share each year.

### CEO Compensation - Long-Term Performance Alignment

- Has guidelines on deferred bonus, time vesting, and performance period for the CEO's variable compensation.

#### Deferral of Bonus for Short-term CEO Compensation

The short-term incentive of CEO shall be made in accordance with the company's performance appraisal methods as proposed by the Remuneration Committee and decided by the board of directors, then be paid in accordance with the provisions of the Company Law, the Articles of Incorporation and the company's management regulations. If there trigger the reason or necessity for the short-term compensation deferred payment, directly deferred, is not particularly deferred in the form of shares or stock options.

#### Performance Period for Variable CEO Compensation

In principle, the variable compensation of CEO shall be assessed and distributed according to the performance results of the previous year. If the clawback policy assessment is triggered, the company shall clawback the relevant variable compensation from the CEO; and the assessment period of the related clawback policy assessment is 2 years, so that the longest performance period covered by the executive compensation plan is 3 years.

- ☐ Has a clawback provision in place : The financial returns metric used by the company for the CEO's variable compensation is shareholder equity remuneration, that is, earnings per share (EPS).For example, according to the EPS of the FY X0, to assess and pay the due variable compensation to CEO in the FY X1. It occurs within two years after the payment of variable compensation, that the existence of facts in FY X0 (e.g. receivables arising from sales), but actually happens in FY X1 or FY X2 years (e.g. bad debt losses of previous receivables), which has a significant impact on the EPS of FY X0, at that time, it is necessary to reassess the FY X1 due variable compensation to the CEO, and to clawback the remuneration from the CEO in respect of the difference in the assessment of the variable remuneration.

#### Time Vesting for Variable CEO Compensation

The longest time vesting period for variable CEO compensation: In principle, it's one year.

### Management Ownership

- CEO and other executive officers hold company shares

Position	Name(s)	Multiple of base salary
Chief Executive Officer	Hsieh Juor-Ming	—
Average across other executive committee members owning shares	Wang Chia-Yi Chin Chih- Hsin Lu Yu- Cheng	—
Please reference to page 23 of the FY 2022 Annual Report		

### Management Ownership Requirements

- There is no specific stock ownership requirements for the CEO and other members of the executive committee.

### Government Ownership

- No governmental institutions own more than 5% of the total voting rights.

### Family Ownership

- Family members individually own more than 5% of the voting rights. Total % of voting rights of the company:

members	names	Shareholding relationship	Number of shares held	Shareholding ratio
Founder	Hsieh Juor- Ming	Personal holding	11,052,484	12.59%
		Holdings through Ming Fang International Investment Co., Ltd.	670,078	0.77%
Founder's wife	Chen Tsui-Fang	Holdings through Open Great International Investment Limited Company	3,310,359	3.77%
		Personal holding	622,357	0.71%

**Annual total compensation ratio & CEO-to-Employee Pay Ratio**

○ Not applicable. Although the company tracks the ratio of the median or mean employee compensation or the total annual compensation of the Chief Executive Officer, but it is not disclosed based on the consideration of the company's business secrets.

**3.1 Policy commitments | GRI 2-23 \ 2-24**

**Policy commitments**

Commitments for responsible business conduct	i. Commitments reference to the authoritative intergovernmental instruments; ii. Commitments stipulate conducting due diligence; iii. Commitments stipulate applying the precautionary principle; iv. Commitments stipulate respecting human rights;
Specific policy commitment to respect human rights	i. The internationally recognized human rights that the commitment covers; ii. The categories of stakeholders, including at-risk or vulnerable groups, gives particular attention to in the commitment;
The level at which each of the policy commitments was approved	The most senior level
The extent to which the policy commitments apply to	Apply to all the organization’s activities and to its business relationships.
The policy commitments are communicated	The policy commitments are regularly communicated to workers, business partners, and other relevant parties.

**Embedding policy commitments**

Embeds each of policy commitments for responsible business conduct throughout activities and business relationships

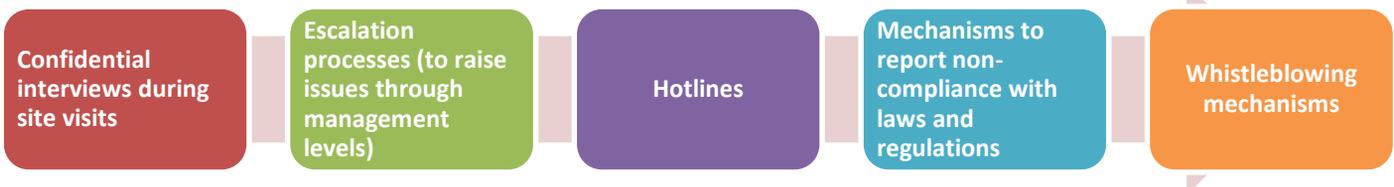
- Allocates responsibility to implement the commitments across different levels;
- Integrates the commitments into organizational strategies, operational policies, and operational procedures;
- Implements commitments with and through business relationships;
- Training provides on implementing the commitments.

**3.2 Negative impacts | GRI 2-25 \ 2-26**

**Processes to remediate negative impacts**

- Commitments to provide for and/or cooperate in the remediation of negative impacts that identifies it has caused or contributed to;
- Has established grievance mechanisms;
- Has established other processes to provide for and/or cooperate in the remediation of negative impacts that identifies it has caused or contributed to;

**Mechanisms for seeking advice and raising concerns**



### 3.3 Compliance with laws and regulations | GRI 2-27

The total number of significant instances of non-compliance with laws and regulations during the reporting period

- i. instances for which fines were incurred;
- ii. instances for which non-monetary sanctions were incurred;

The total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period

- i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period;
- ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods;

0

### 3.4 Membership associations | GRI 2-28

Taiwan Electrical and Electronic Manufacturers' Association



Taipei Computer Association



### 4.1 Approach to stakeholder engagement | GRI 2-29

possible stakeholder groups	reasons for exclusion	stakeholder groups
Civil society	The Taiwan and China and Vietnam factories of Voltronic Power does not exist "Civil society".	—
Customers	—	Customers
Employees, other workers, and their trade unions	—	Employees and their trade unions
Local communities	—	Local communities
Shareholders and providers of capital	—	Shareholders and providers of capital
Suppliers	—	Suppliers

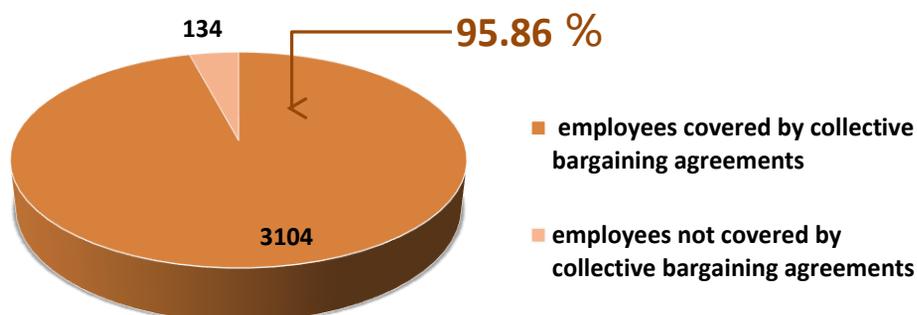
The stakeholder groups engaged are

- Customers
- employees
- local communities
- shareholders and providers of capital
- suppliers

Stakeholder group	Key topics and concerns	VPT's responsibilities	Communication channels and response methods
Customers	<ul style="list-style-type: none"> <li>- Market Presence</li> <li>- Customer Privacy</li> <li>- Non-discrimination</li> <li>- No Forced or Compulsory Labor</li> <li>- No Child Labor</li> <li>- Anti-corruption</li> <li>- Compliance</li> </ul>	<ul style="list-style-type: none"> <li>- Provide high-quality products and services that are the best on the market.</li> <li>- Provide services that include design, manufacturing, logistic support, and comprehensive solutions. Improve level of customer satisfaction.</li> <li>- Establish long-term close relationships with customers based on mutual trust and commercial partnership.</li> <li>- Inform all employees of the need to adhere to confidentiality agreements and principles that should be followed when facing the media.</li> </ul>	<ul style="list-style-type: none"> <li>- Cooperate with customers' production and environmental, requirements, responsibilities, and inspections. Assist with preventions and improvements.</li> <li>- Train employees and enforce rules for information disclosure when facing the media.</li> <li>- Reporting Sustainability Annual Report</li> </ul>

Employees	<ul style="list-style-type: none"> <li>– Market Presence</li> <li>– Non-discrimination</li> <li>– No Forced or Compulsory Labor</li> <li>– Occupational Health and Safety</li> <li>– Training and Education</li> <li>– Compliance</li> </ul>	<ul style="list-style-type: none"> <li>– Ensure and respect human rights.</li> <li>– Personnel development.</li> <li>– Legal and fair assessment and treatment.</li> <li>– Safe and healthy working environment.</li> <li>– Personnel welfare and health promotion.</li> </ul>	<ul style="list-style-type: none"> <li>– Convene supervisor and supervisee communication meetings.</li> <li>– Staff mailbox and message board.</li> <li>– Provide free employee health check.</li> <li>– Reporting Sustainability Annual Report</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>– Jobs and employment opportunities</li> <li>– Local environmental protection</li> <li>– Compliance</li> </ul>	<ul style="list-style-type: none"> <li>– Job creation and employment opportunities</li> <li>– Compliance with environmental regulations</li> </ul>	<ul style="list-style-type: none"> <li>– Give priority to local recruitment</li> <li>– Compliance with environmental regulations</li> <li>– Reporting Sustainability Annual Report</li> </ul>
Shareholders and providers of capital	<ul style="list-style-type: none"> <li>– Market Presence</li> <li>– Economic Performance</li> <li>– Investment</li> <li>– Anti-corruption</li> <li>– Labor/Management Relations</li> <li>– Compliance</li> </ul>	<ul style="list-style-type: none"> <li>– Comply with the most updated regulations and policies from competent authorities. Swiftly respond to and adjust corporate information disclosure formats and content to conform to regulatory requirements.</li> <li>– Appropriately provide immediate, concurrent, and accurate company information. Do our best to disclose investment information.</li> <li>– Maintain a long-term and stable dividend policy. Provide appropriate investment returns.</li> <li>– Steadily build company financial strategy. Maintain good company credit and operational performance.</li> </ul>	<ul style="list-style-type: none"> <li>– Annual regular meeting of shareholders.</li> <li>– Take part in Institutional Investor Conference seventeen times in 2022</li> <li>– Quarterly financial report and monthly operational information announcements.</li> <li>– Disclose immediate material information on TWSE MOPS as well as the company website.</li> <li>– According to the announcement of material events, in addition to disclose on TWSE MOPS as well as the company website, also depending on the situation requires, occasionally issue press release or convene a press briefing.</li> <li>– Set up email address and contact phone on company website to establish a smooth communication channel between the investor and the company.</li> <li>– Establish a specifically juristic person investors relationship department to hold regular face-to-face communication meetings or telephone conferences with domestic or abroad juristic person Investors.</li> <li>– Reporting Sustainability Annual Report</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>– Market Presence</li> <li>– Supplier Environmental Assessment</li> <li>– Supplier Assessment for Labor Practices</li> <li>– Supplier Human Rights Assessment</li> <li>– Compliance</li> </ul>	<ul style="list-style-type: none"> <li>– Legal and fair transactions.</li> <li>– Understanding of environmental safety and health considerations and specification details.</li> <li>– Understand and assist Voltronic with implementation of social responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>– Sign an environmental protection commitment letter.</li> <li>– Request and audit suppliers' products, environment and responsibilities, and cooperate with preventive and continuous improvement.</li> <li>– Reporting Sustainability Annual Report</li> </ul>

#### 4.2 Collective bargaining agreements | GRI 2-30



# Linkages between International norms and ISO 26000



## ISO 26000 : the core content



## The Seven Core Subjects

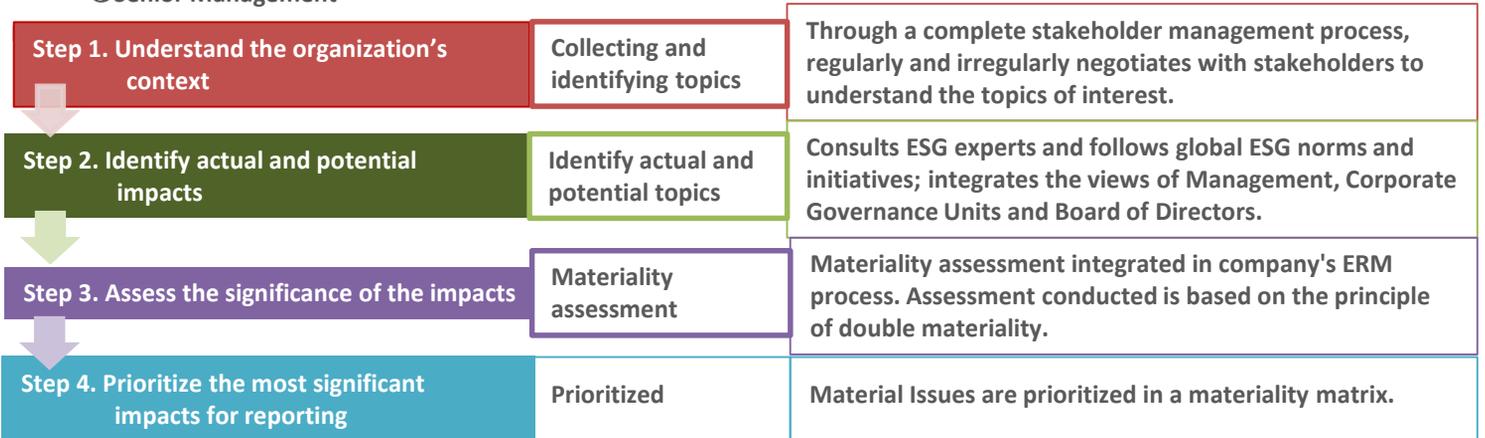


## 5.1 Process to determine material topics | CSA 1.3.1 · GRI 3-1

### Materiality Analysis

○ Publicly disclose this information.

- Materiality analysis conducted/reviewed:
  - Once every 2 or more years
- Material Issues are prioritized in a materiality matrix
- Materiality assessment integrated in company's ERM process
- Assessment conducted is based on the principle of double materiality
- Materiality assessment process verified by a third-party assurance provider
- Materiality assessment results signed off by:
  - Senior Management

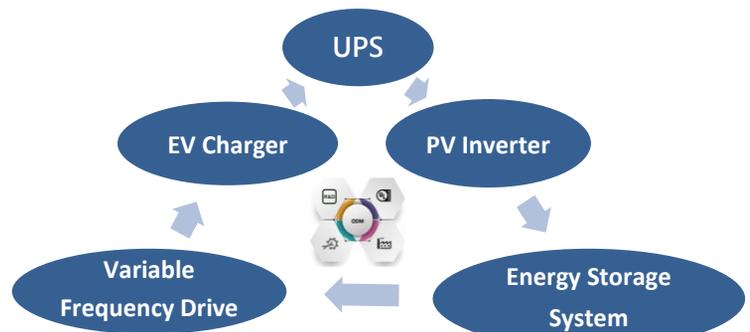
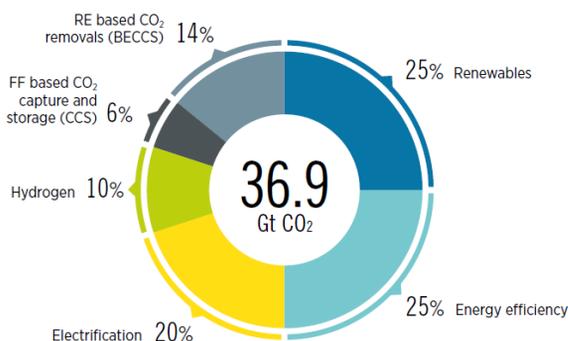


## 5.2 List and Management of material topics | CSA 1.3.2 · 1.3.3 · 1.3.4 · 1.3.5 · GRI 3-2 · GRI 3-3

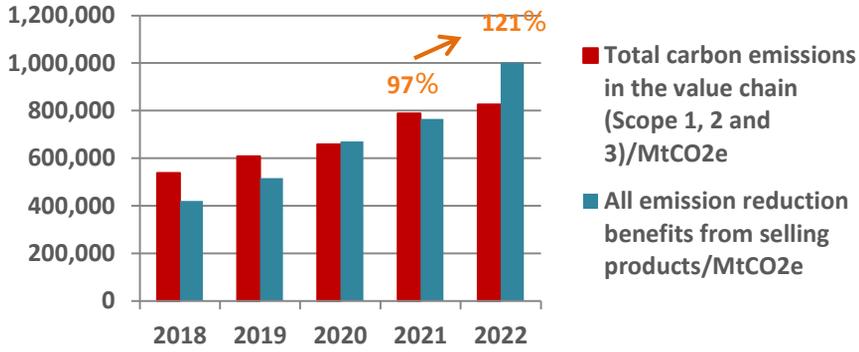
### Material Issues for Enterprise Value Creation | List of material topics | Management of material topics

○ Publicly reports on materiality analysis conducted to identify key issues for long-term value creation.

	Material Issue 1	Material Issue 2	Material Issue 3
The material opportunity impacting the business:	○ Sustainable Products & Services	○ Responsible Marketing & Labelling	○ Innovation Management
Business Case	We use IRENA's WORLD ENERGY TRANSITIONS OUTLOOK 2022 1.5° C PATHWAY scenario analysis, by 2050, the Global CO <sub>2</sub> emissions reductions by 25% will depend on Energy Efficiency and 25% on Renewables. All products of VPT have Energy Efficiency benefits, and PV Inverter has both Energy Efficiency and Renewables benefits, called sustainability products, Energy Storage System and Electric Vehicle Charger are emerging sustainable products. So, VPT can be called the Sustainability Sector.		
Business Impact	○ Revenue	○ Revenue	○ Revenue
Business strategies	We identify opportunity : Products and Services ( opportunities related to innovation and development of new low-emission and climate adaptation products and services. ), expanding the innovative R&D, production and sale of these products is our most important goal.		



**Materiality Metrics for Enterprise Value Creation | List of material topics | Management of material topics**

	Material Issue 1	Material Issue 2	Material Issue 3								
Material Issue	○ Sustainable Products & Services	○ Responsible Marketing & Labelling	○ Innovation Management								
Target/Metric	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border: 1px solid blue; padding: 5px; width: 30%;">Selling products to provide customers with ERBs MtCO<sub>2</sub>e</div> <div style="font-size: 2em; margin: 0 10px;">≥</div> <div style="border: 1px solid red; padding: 5px; width: 30%;">Total greenhouse gas emissions in the value chain MtCO<sub>2</sub>e</div> </div> <p style="text-align: center; margin: 5px 0;">➔ Achieve the goal of net zero carbon emissions in the value chain</p> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border: 1px solid blue; padding: 5px; width: 30%;">Selling products to provide customers with ERBs MtCO<sub>2</sub>e</div> <div style="font-size: 2em; margin: 0 10px;">÷</div> <div style="border: 1px solid red; padding: 5px; width: 30%;">Total greenhouse gas emissions in the value chain MtCO<sub>2</sub>e</div> </div> <div style="border: 1px solid orange; padding: 5px; margin-left: 20px; width: 100px; text-align: center;">Target ≥100%</div>										
Target Year											
Progress	 <p style="text-align: right; margin-top: 10px;"> <span style="color: red;">■</span> Total carbon emissions in the value chain (Scope 1, 2 and 3)/MtCO<sub>2</sub>e  <span style="color: blue;">■</span> All emission reduction benefits from selling products/MtCO<sub>2</sub>e         </p>										
Executive Compensation	<p style="text-align: center;"><b>Provide incentives for climate change actions</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #c00000; color: white; padding: 5px;"> <b>Chief Executive Officer (CEO)</b>  <input checked="" type="checkbox"/> <b>Recognition</b>  <input type="checkbox"/> Emissions reduction  <input type="checkbox"/> Energy reduction  <input type="checkbox"/> Supply chain engagement  <input type="checkbox"/> R&amp;D and Manufacture and Sale of Sustainability Products             </td> <td style="background-color: #d9534f; color: white; padding: 5px;"> <b>Other Named Executive Officers</b>  <input checked="" type="checkbox"/> <b>Monetary Recognition</b>  <input type="checkbox"/> Emissions reduction  <input type="checkbox"/> Energy reduction  <input type="checkbox"/> Supply chain engagement  <input type="checkbox"/> R&amp;D and Manufacture of Sustainability Products             </td> <td style="background-color: #f19400; color: white; padding: 5px;"> <b>Business Unit Managers Business Unit Employees</b>  <input checked="" type="checkbox"/> <b>Monetary Recognition</b>  <input type="checkbox"/> Sale of Sustainability Products             </td> <td style="background-color: #0070c0; color: white; padding: 5px;"> <b>R&amp;D Unit Employees</b>  <input checked="" type="checkbox"/> <b>Monetary Recognition</b>  <input type="checkbox"/> R&amp;D of Sustainability Products             </td> </tr> <tr> <td style="background-color: #800000; color: white; padding: 5px;"> <b>Manufacture Unit Employees</b>  <input checked="" type="checkbox"/> <b>Monetary Recognition</b>  <input type="checkbox"/> Manufacture of Sustainability Products             </td> <td colspan="3" style="text-align: center;">  </td> </tr> </table>			<b>Chief Executive Officer (CEO)</b> <input checked="" type="checkbox"/> <b>Recognition</b> <input type="checkbox"/> Emissions reduction <input type="checkbox"/> Energy reduction <input type="checkbox"/> Supply chain engagement <input type="checkbox"/> R&D and Manufacture and Sale of Sustainability Products	<b>Other Named Executive Officers</b> <input checked="" type="checkbox"/> <b>Monetary Recognition</b> <input type="checkbox"/> Emissions reduction <input type="checkbox"/> Energy reduction <input type="checkbox"/> Supply chain engagement <input type="checkbox"/> R&D and Manufacture of Sustainability Products	<b>Business Unit Managers Business Unit Employees</b> <input checked="" type="checkbox"/> <b>Monetary Recognition</b> <input type="checkbox"/> Sale of Sustainability Products	<b>R&amp;D Unit Employees</b> <input checked="" type="checkbox"/> <b>Monetary Recognition</b> <input type="checkbox"/> R&D of Sustainability Products	<b>Manufacture Unit Employees</b> <input checked="" type="checkbox"/> <b>Monetary Recognition</b> <input type="checkbox"/> Manufacture of Sustainability Products			
<b>Chief Executive Officer (CEO)</b> <input checked="" type="checkbox"/> <b>Recognition</b> <input type="checkbox"/> Emissions reduction <input type="checkbox"/> Energy reduction <input type="checkbox"/> Supply chain engagement <input type="checkbox"/> R&D and Manufacture and Sale of Sustainability Products	<b>Other Named Executive Officers</b> <input checked="" type="checkbox"/> <b>Monetary Recognition</b> <input type="checkbox"/> Emissions reduction <input type="checkbox"/> Energy reduction <input type="checkbox"/> Supply chain engagement <input type="checkbox"/> R&D and Manufacture of Sustainability Products	<b>Business Unit Managers Business Unit Employees</b> <input checked="" type="checkbox"/> <b>Monetary Recognition</b> <input type="checkbox"/> Sale of Sustainability Products	<b>R&amp;D Unit Employees</b> <input checked="" type="checkbox"/> <b>Monetary Recognition</b> <input type="checkbox"/> R&D of Sustainability Products								
<b>Manufacture Unit Employees</b> <input checked="" type="checkbox"/> <b>Monetary Recognition</b> <input type="checkbox"/> Manufacture of Sustainability Products											

**Material Issues for External Stakeholders | List of material topics | Management of material topics**

○ Conducted an assessment of positive and/or negative impacts on external stakeholders resulting from business operations, products & services and/or supply chain.

	Impact 1	Impact 2
Material Issue for External Stakeholders	○ Sustainable Products & Services	○ Product / Service Quality & Safety
Cause of the Impact	Business value chain: <input type="checkbox"/> Operations <input type="checkbox"/> Products/Services <input type="checkbox"/> Supply chain Business activity coverage: ○100% of business activity	
External stakeholder(s)/ impact area(s) evaluated	<input type="checkbox"/> Consumers/ end-users	

Topic relevance on external stakeholders	<input type="checkbox"/> Materiality of externalized impact on stakeholders assessed. Due to the fact that all products of VPT have Energy Efficiency benefits, and PV Inverter has both Energy Efficiency and Renewables benefits , called sustainability products. Therefore, the business operations, products & services of VPT play a key role in whether the entire value chain can achieve net zero emissions. Type of impact: <input type="radio"/> Positive <input type="checkbox"/> Information is publicly available.
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**Materiality Metrics for External Stakeholders | List of material topics | Management of material topics**

	Impact 1	Impact 2
Material Issue for External Stakeholders	<input type="radio"/> Sustainable Products & Services	<input type="radio"/> Product / Service Quality & Safety
Output Metric	<input type="checkbox"/> Quantitative output metric/s linked to material issue : The same as <b>Materiality Metrics for Enterprise Value Creation.</b>	
Impact Valuation	<input type="radio"/> Access to product/service with positive impact provided	
Impact Metric	<input type="checkbox"/> Quantitative impact metric linked to material issue : The same as <b>Materiality Metrics for Enterprise Value Creation.</b> <input type="checkbox"/> Information is publicly available	

**6.1 Risk Governance | CSA 1.4.1 、 1.4.2 、 1.4.3**

**Risk Governance**

- Have people, departments and committees are responsible and accountable for enterprise risk management in terms of risk appetite & tolerance as well as risk monitoring & reporting and are available in the public reporting.

	Name and position	Reporting line
Highest ranking person with dedicated risk management responsibility on an operational level (not CEO)	name: Lu Yu- Cheng position: Senior Manager	Report to CEO regularly and irregularly, then report to the Audit Committee and the Board of Directors periodically ( at least once a quarter ) by CEO.
Highest ranking person with responsibility for monitoring and auditing risk management performance on an operational level (not CEO)	name: Jin Zhi-Xin position: Vice General Manager	Report to CEO regularly and irregularly, then report to the Audit Committee and the Board of Directors periodically ( at least once a quarter ) by CEO.

- Number of non-executive members of board of directors/supervisory board — audit committee with expertise in (enterprise) risk management. Specify number of non-executive directors : Four independent directors and two non-executive directors, totally six directors.
- Regular risk management education for non-executive directors ensured. Six hours of training courses are held every year. The course content is selected from the courses of internal control internal 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.,
- The risk management function is structurally independent of the business lines. The highest ranking person with dedicated risk management responsibility on an operational level and the highest ranking person with responsibility for monitoring and auditing risk management performance on an operational level, all are reporting to CEO regularly and irregularly, and then reporting to the audit committee and the board of directors periodically by CEO, the risk management function is structurally independent of the business lines.

**Risk Management Processes**

- Has risk management processes in place

Risk Review	<input type="checkbox"/> Publicly report on risks identified including a description of the risk, its likelihood and magnitude of the potential impact The process includes the following elements: <ul style="list-style-type: none"> <li><input type="checkbox"/> Description of risk appetite or risk tolerance levels for at least two risk categories/ types</li> <li><input type="checkbox"/> Prioritization of identified risks</li> <li><input type="checkbox"/> Description of mitigating actions for at least two risks identified.</li> </ul>	
Sensitivity Analysis and Stress testing	Perform sensitivity analysis or stress testing on financial risks and/ or non-financial risks <ul style="list-style-type: none"> <li><input type="checkbox"/> Sensitivity analysis or stress testing on financial risks</li> <li><input type="checkbox"/> Sensitivity analysis or stress testing on non-financial risks</li> </ul>	<input checked="" type="checkbox"/> This data is publicly available. Please reference to Voltronic Power Technology Corp. and Subsidiaries Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report pages 52 to 55.
Review of company's risk exposure on a regular basis	Review company's risk exposure on a regular basis. <ul style="list-style-type: none"> <li><input type="radio"/> At least yearly</li> </ul>	
Audit of the risk management process in the last two years	Conduct an audit of the risk management process. <ul style="list-style-type: none"> <li><input type="checkbox"/> Yes, we have conducted an internal audit</li> </ul>	

### Emerging Risks

Two important long-term (3-5 years+) emerging risks that identified as having the most significant impact on the business in the future, and mitigating actions has taken in light of these risks.

	Emerging Risk 1	Emerging Risk 2
Name of the emerging risk	Risk of Labor Shortage	Tariff risk in the US-China trade war
Category	<input type="radio"/> Societal	<input type="radio"/> Economic
Description	The current production positions of Voltronic Power are almost in China. Due to the vigorous economic development and service industry in China, causing the shortage of direct labor universally of China's production industry.	Due to the US-China trade war, the United States imposed high tariffs on products from China.
Impact	If there is a shortage of direct labor, it may lead to the failure of delivery on time, which will affect customers' satisfaction.	If the United States imposes high tariffs on products from China, it will be detrimental to the sales business to the United States.
Mitigating actions	<ol style="list-style-type: none"> <li>1. Employ dispatched workers and temporary workers</li> <li>2. Strengthen the automation of some production processes</li> <li>3. Improve standardized operating procedures for all production processes</li> </ol>	Set up Taiwan Taipei factory and Vietnam factory, mainly producing and selling products to the United States.

## 6.2 Risk Culture | CSA 1.4.4

In order to promote and enhance an effective risk culture throughout the organization, VPT has formulated "Risk and Crisis Management Operational Principles of Voltronic Power Technology Corp." Please reference to Appendix I

Financial incentives which incorporate risk management metrics.

For senior executives, the relevant risk management assessment metrics are as follows:

Whether to proceed risk and crisis identification

Whether to proceed risk and crisis analysis

- Whether to proceed risk and crisis assessment
- Whether to develop risk and crisis management plans
- Whether to supervise the implementation of risk and crisis management plans
- Whether to proceed the assessment of risk and crisis management plan implementation
- Handling and reporting of emergency risks and crisis events

The above risk management assessment metrics are part of the KPIs that determine the variable compensation of senior executives.

- For line managers, the relevant risk management assessment metrics are as follows:

- Advocacy and training of risk and crisis management plans
- Daily operational implementation of risk and crisis management plans
- Emergency crisis exercise of risk and crisis management plans
- Handling and reporting of emergency risks and crisis events

The above risk management assessment metrics are part of the KPIs that determine the variable compensation of line managers.

- Focused training throughout the organization on risk management principles:

For senior executives, they should be trained in the contents, procedures and implementation methods of the Company's Risk and Crisis Management Operational Principles, formulate annual Risk and Crisis Management Plan(RCMP), hold regular and irregular meetings to review the implementation of the RCMP, and track improvement when necessary.

For line managers, advocate annual RCMP and provide necessary training, line managers then advocate the annual RCMP and provide necessary training to their employees.

- Inclusion of risk management criteria in the HR review process for employee evaluations

- Measures allowing individual employees to proactively identify and report potential risks throughout the organization, :

Individual employees are encouraged to proactively identify and report potential risks throughout the organization. If the potential risks are verified and controlled in time, bonuses will be awarded to the individual employees according to their benefits. Individual employees can proactively identify and report potential risks to their line managers, or to senior executives, can also use mailboxes or hotline.

- Measures allowing continuous improvement in risk management practices through the involvement of employees in structured feedback process:

The implement of the annual Risk and Crisis Management Plan, the company uses some risk management assessment metrics as part of the KPIs for senior executives and line managers to determine their variable compensation. Hope to implement and continuously improve risk and crisis management.

In addition, employees how to cooperate with the implementation of the annual Risk and Crisis Management Plan will be as part of their performance appraisal. Employees also will be asked for their views on the annual Risk and Crisis Management Plan during period appraisal, encouraging employees to participate in the structured feedback process and continuously improve risk and crisis management.

- Incorporating risk criteria in the product development or approval process

## 7.1 Business Ethics | CSA 1.5.1 、 1.5.2

### UN Global Compact Membership

✓ No, we are not a signatory/participant.

### Codes of Conduct

- Group-wide (including subsidiaries) codes of conduct are publicly available and specifically include the following:

- Corruption and bribery ( details of GRI 205: Anti-corruption )
- Discrimination ( details of GRI 406: Non-discrimination )
- Confidentiality of information ( details of GRI 418 : Customer Privacy )
- Conflicts of interest ( details of GRI 205: Anti-corruption )

- Antitrust/anti-competitive practices ( details of GRI 206 : Anti-competitive Behavior )
- Money-laundering and/or insider trading/dealing ( details of GRI 205: Anti-corruption )
- Environment, health and safety ( details of GRI 403 : Occupational Health and Safety )
- Whistleblowing ( details of GRI 205: Anti-corruption )

## 7.2 Corruption & Bribery | CSA 1.5.3

- Group-wide (including subsidiaries) anti-corruption and bribery policy is publicly available and specifically includes the following:
  - Bribes in any form (including kickbacks) on any portion of contract payments or soft dollar practices
  - Direct or indirect political contributions : VPT has never made direct or indirect political contributions.
  - Charitable contributions and sponsorship : VPT does not make charitable donations and sponsorship in the name of enterprises.

Please reference to Appendix II Anti-Bribery & Corruption (ABC) Compliance Policy

## 7.3 Codes of Conduct : Systems/Procedures | CSA 1.5.4

The mechanisms are in place to assure effective implementation of company's codes of conduct (e.g. compliance system) :

- Responsibilities, accountabilities and reporting lines are systemically defined in all divisions and group companies
- Dedicated help desks, focal points, ombudsman, hotlines
- Compliance linked to employee remuneration
- Employee performance appraisal systems integrates compliance/codes of conduct
- Disciplinary actions in case of breach, i.e. warning, dismissal, zero tolerance policy

## 7.4 Reporting on breaches | CSA 1.5.5

- VPT publicly reports that no breaches have occurred during the most recent reporting cycle

## 8.1 Policy Influence | CSA 1.61 、 CSA 1.62 、 CSA 1.63

### Contributions & Other Spending

- Not applicable. We have never made contribution or political donation in the name of company.

### Largest Contributions & Expenditures

- Not applicable. We have never made contribution or political donation in the name of company.

### Lobbying and Trade Associations - Climate Alignment

- Not applicable: We have never participated in any Climate Alignment Lobbying and Trade Associations .

## GRI 201: Economic Performance 2016

### 1. Topic management disclosures

The Direct economic value generated – Revenues of VPT, were from net sales of recurring operating activities and some from financial investment income. Employee wages and benefits were in accordance with relevant Labor laws and regulations, the measures for performance appraisal. Dividends to all shareholders were in accordance with the dividend policy stipulated in the Articles of Incorporation. Loan interests to all banks were according to the interest rate and terms of the loan contracts. Payments to government subjected to local Government laws and regulations.

VPT's Employees' compensations, Directors' Compensation and dividends to Shareholders were in accordance with the Articles of Incorporation which enacted according to the Law, and by a resolution adopted by a majority vote at a meeting of Board of Directors otherwise at a meeting of Shareholders . No "Change of Control Benefits/Golden Parachute Agreements" \ no "Say On Pay Provision".

VPT, the offices and factories of Taiwan Region located in industrial district, the offices and factories of China Region also located in industrial districts ,the offices and factories of Vietnam Region also located in industrial districts; in water consumption only for employees living water ; in terms of our own operation, the greenhouse gas emission sources are mostly the carbon emissions (CO<sub>2</sub>) generated by the purchased power required for the company's operation. For the climate change strategy of VPT, please refer to the Voltronic Power Technology Corp. 2022 TCFD Report.

VPT's pension plans for employees all are defined contribution, subject to the applicable laws and regulations, regularly contribute. In 2022, we receive tax relief benefits of NT \$225,495 thousand and NT \$13,742 thousand from the China government and the Vietnam government respectively.

### 2.Topic disclosures

#### 9.1 Direct economic value generated and distributed | GRI 201-1

Unit: NT \$ thousand

item	FY2020		FY2021		FY2022	
	amount	percentage	amount	percentage	amount	percentage
Direct economic value generated: Revenues	13,652,564	100%	16,956,682	100%	22,724,596	100%
Economic value distributed:						
– Operating costs	(9,251,793)	(67.77%)	(11,849,402)	(69.88%)	(14,634,727)	(64.40%)
– Employee wages and benefits	(1,670,297)	(12.23%)	(2,182,716)	(12.87%)	(2,802,102)	(12.33%)
– Payments to providers of capital (Dividends and Interest)	(1,967,296)	(14.41%)	(2,054,355)	(12.12%)	(3,817,672)	(16.80%)
– Payments to government (Taiwan)	(266,082)	(1.95%)	(407,170)	(2.40%)	(696,879)	(3.07%)
– Payments to government (China)	(186,325)	(1.36%)	(123,963)	(0.73%)	(273,274)	(1.20%)
Economic value retained	310,771	2.28%	339,076	2.00%	499,942	2.20%
2020 Dividends to shareholders, NT1,967,296thousand from the direct economic value : Revenues generated in year 2020, NT 87,435 thousand from the additional paid in capital, totaling NT 2,054,731 thousand.						
2021 Dividends to shareholders, all are from the direct economic value.						
2022 Dividends to shareholders, all are from the direct economic value.						

#### 9.2 Financial implications and other risks and opportunities due to climate change | GRI 201-2

For complete content, please refer to the Voltronic Power Technology Corp. 2022 TCFD Report.



Opportunity Disclosure

Identified climate-related opportunities with the potential to have a substantive financial or strategic impact on business

Details of opportunities identified with the potential to have a substantive financial or strategic impact on business

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

<b>Primary climate-related opportunity driver :</b> – 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			<b>Primary potential financial impact :</b> – 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		
<b>In the value chain the opportunity driver occurs :</b> – Direct operations – Downstream	<b>Time horizon :</b> – Short-term – Medium-term – Long-term	<b>Likelihood :</b> – Virtually certain (99–100%)	<b>Magnitude of impact :</b> – high	<b>Relevance &amp; inclusion</b> – Relevant, always included	
<b>Company - specific description :</b> All products have Energy Efficiency ERBs, PV Inverter has Energy Efficiency and Renewables ERBs, called Sustainability products. Energy Storage System and EV Charger are emerging Sustainability products. Expanding the innovative R&D, production and sale of these products is our most important goal.					
<b>Is able to provide a potential financial impact figure? - Yes</b>		<b>Potential financial impact figure (currency)</b> - annual OPERATING REVENUE will increase by 1,257 million (NT) in the future - annual PROFIT FROM OPERATIONS will increase by 214million (NT) in the future			
<b>Explanation of financial impact figure (The approach was employed to calculate the figure, The figures used in calculation, Any assumption the figure is dependent on) :</b> 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 in the future. It is estimated that the annual OPERATING REVENUE will increase by 1,257million (NT) in the future <b>(This figure is only for the purpose of “TCFD Report information” and not for the purpose of “Publication of Financial Forecasts information”, please read it carefully.)</b>					
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 <b>(This figure is only for the purpose of “TCFD Report information” and not for the purpose of “Publication of Financial Forecasts information”, please read it carefully.)</b>					
<b>Cost to realize opportunity :</b> The total annual OPERATING COSTS and OPERATING EXPENSES will increase by 1,043 million (NT) in the future <b>(This figure is only for the purpose of “TCFD Report information” and not for the purpose of “Publication of Financial Forecasts information”, please read it carefully.)</b>					
<b>Strategy to realize opportunity and explanation of cost calculation :</b> 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.					



Analyze the company's financial statements for the last five years:

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

### 9.3 Defined benefit plan obligations and other retirement plans | GRI 201-3

VPT's pension plans for employees all are defined contribution, subject to the applicable laws and regulations, regularly contribute, so there is no undefined benefit obligation or retirement plan liabilities.

### 9.4 Financial assistance received from government | GRI 201-4

In 2022, we receive tax relief benefits of NT \$225,495 thousand and NT \$13,742 thousand from the China government and the Vietnam government respectively.

## GRI 202: Market Presence 2016

#### 1. Topic management disclosures

VPT abides by the local Laws and Regulations of all significant locations of operation, all the entry level employees of the business group, regardless of gender, the ratios of standard entry level wage compared to local minimum wage all are 100% (including) above. VPT formulates senior management localized training and development policy, the proportions of senior management hired from the local community at significant locations of operation all are 70% (including) above.

#### 2. Topic disclosures

#### 10.1 Ratios of standard entry level wage by gender compared to local minimum wage |GRI 202-1

All the entry level employees of the business group, regardless of gender, the ratios of standard entry level wage compared to local minimum wage all are 100% (including) above.

#### 10.2 Proportion of senior management hired from the local community |GRI 202-2

The definition of "senior management" used by the business group as "manager" rank (including) above personnel, the proportion of senior management hired from the local community ( the geographical definition of "local" of the business group is according to the nationality ) as following :

significant locations of operation	FY2019	FY2020	FY2021	FY2022
Taiwan Region	100%	100%	100%	100%
China Region	89%	87%	84%	85%
Vietnam Region	no senior management			

## GRI 203: Indirect Economic Impacts 2016

#### 1. Topic management disclosures

VPT's Taiwan Region Offices and Factories located in the industrial district, China Region Offices and Factories located in the industrial districts, , Vietnam Region Offices and Factories located in the industrial districts, abide by those industrial district management codes, therefore the "local communities" is not the engaged stakeholder group to VPT, so the issue of development and impact of infrastructure investments and services supported is not applicable to VPT.

#### 2. Topic disclosures

#### 11.1 Infrastructure investments and services supported |GRI 203-1 : nil

#### 11.2 Significant indirect economic impacts |GRI 203-2 : nil

## GRI 204: Procurement Practices 2016

#### 1. Topic management disclosures

VPT, the Taiwan Region's procurement is mainly for services procurement, and the China Region's procurement is mainly for raw materials procurement, the proportions of spending on local suppliers (the geographical definition of "local" of the business group is according to the nationality) all are 80% (including) above.

## 2. Topic disclosures

### 12.1 Proportion of spending on local suppliers | GRI 204-1

significant locations of operation	2019	2020	2021	2022
Taiwan Region	100%	100%	100%	100%
China Region	82%	85%	85%	93%
Vietnam Region	note	5%	9%	7%

note : Vietnam Region started operation in October 2019, and all raw materials are imported.

### GRI 205: Anti-corruption 2016

#### 1. Topic management disclosures

VPT has formulated the 'Anti-Bribery & Corruption (ABC) Compliance Policy', please reference to Appendix II. Has Promoted the "Money Laundering Control Regulations" and has formulated the "Administrative Measures for Preventing Insider Trading", please reference to Appendix III.

##### Employment Ethics Norm

VPT requires all employees shall be integrity, in the employment ethical principles enumerate the behaviors that shall be abided by the employees.

Those principles, in addition to all the employees shall to comply with, looking forward to the VPT's customers, suppliers, business partners and other all walks of life that having business contacts, understanding and support.

Once found the employees have any possible violation of the employment ethical principles, shall report to the supervisors, if necessary, directly report to the general manager. Employees who denounce any breach behavior of the employment ethical principles and therefore participate in the course of the review, the company shall give them protection to avoid suffering unfair revenge or treatment.

##### Avoiding conflicts of interest

Employees shall avoid any conflict or possible influence between personal interests and the company interests. Therefore, when employees aware to face the situations, such as: employees or their dependents/next of kin who have employment relationship, direct or indirect financial interest relationship with any VPT's suppliers, customers or competitors; employees or their dependents/next of kin who engage in activities outside the company caused directly business competition against VPT ; anything that might interfere with employees of their own work and responsibility; without permission to use company's resources to engage in their own activities outside the company; shall immediately take initiative and full report to descript the situations that any personal interests are contradicted with the interests of the company.

#### 2. Topic disclosures

##### 13.1 Operations assessed for risks related to corruption | GRI 205-1

All of VPT's operations assessed for risks related to corruption and the significant risk identified is purchasing potential corruption risk.

##### 13.2 Communication and training about anti-corruption policies and procedures | GRI 205-2

Please reference to Appendix II 'Anti-Bribery & Corruption (ABC) Compliance Policy'.

##### 13.3 Confirmed incidents of corruption and actions taken | GRI 205-3

Past Cases

The company did not have confirmed cases of corruption & bribery during the past four fiscal years.

Ongoing cases

The company is not currently involved in any ongoing corruption & bribery cases.

## GRI 206: Anti-competitive Behavior 2016

### 1. Topic management disclosures

The Management Discussion and Analysis (MD&A) of VPT as : VPT is mainly engaged in the professional global DMS (Design & Manufacturing Service) of UPS, PV Inverter, Energy Storage System, Variable Frequency Drive and EV Charger, occupies the mid-stream in the industrial supply chain, R&D products based on customer order requirements are resold to end-users of downstream industries through customer orders. Do not do self-brand, do not compete with customers, so that there will be no anti-competitive behavior, nor anti-trust, and monopoly behavior.

### 2. Topic disclosures

#### 14.1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | GRI 206-1 \

RT-EE-510a.1 \ RT-EE-510a.2 \ RT-EE-510a.3

Past Cases

VPT did not incur any fines or settlements related to anti-competitive practices in the past four fiscal years.

Ongoing Cases and Contingent Liabilities

Is company currently involved in any ongoing investigations related to anti-competitive practices?

VPT is not involved in any ongoing investigations related to anti-competitive practices.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and Analysis	n/a	RT-EE-510a.1
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption : 0	Quantitative	Reporting currency	RT-EE-510a.2
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations : 0	Quantitative	Reporting currency	RT-EE-510a.3

## GRI 207: Tax 2019

### 1. Topic management disclosures

#### 15.1 Tax Management Policy | GRI 207-1 \ 207-2 \ 207-3

VPT's tax strategy is to declare and pay various taxes in accordance with the tax laws and regulations of the countries where its main operation is located; no unethical or illegal acts or concerns have occurred.

Other non-Profit-seeking Enterprise Income Tax, including but not limited to Withholding Tax, Goods Tax, Value-added Tax, Housing Tax, Land Tax, etc., shall be submitted by the accounting supervisor of each operation location to the top management of each operation location for payment.

For the declaration and payment of income tax for Profit-seeking Enterprise Income Tax in each operating location, certified public accountants or tax agents in each region are entrusted to certify and report.

For the declaration and payment of various taxes of VPT, if the local tax collection authority where VPT operates needs to communicate, it shall entrust qualified accountants or tax agents in various regions to communicate on its behalf.

Related-party transactions of multinational enterprises shall be handled in accordance with the " OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations". If the tax laws and regulations of each place of operation require the preparation of transfer pricing reports, qualified accountants or tax agents in each region shall be entrusted to make assurance to report.

All taxes (especially the Profit-seeking Enterprise Income Tax) in the main location of operation are finally incorporated into the consolidated financial statements, which are signed by the head office's chief accountant, CEO and chairman of the board of directors, shall be subject to the consent of the Audit Committee for approval, and be submitted to the board of directors for a resolution, audited and certified by CPA, reported to the competent authority, and submitted to the general meeting of shareholders for recognition.

### 2. Topic disclosures

#### 15.2 Country-by-country reporting | GRI 207-4

Item	Taiwan	China	Vietnam
Names of the resident entities;	Voltronic Power Technology Corp.	1.Voltronic Power Technology (Shen Zhen) Corp. 2.Orchid Power (Shen Zhen) Manufacturing Company “ 3.Zhongshen Voltronic Power Electronic Limited. 4.ZhongShan Voltronic Precision Inc.	Voltronic Power Technology (Vietnam) Company Limited
Primary activities of the organization;	Operation headquarters, R & D, Manufacturing, Sales, Procurement, Warehousing	R & D, Manufacturing, Sales, Procurement, Warehousing	R & D, Manufacturing, Procurement, Warehousing
Number of employees, and the basis of calculation of this number;	134 at the end of the period	2,945 at the end of the period	159 at the end of the period
Revenues from third-party sales;	NT20,264million	NT2,461million	0
Revenues from intra-group transactions with other tax jurisdictions;	0	NT18,612million	NT1,148million
Profit/loss before tax;	NT5,130million	NT1,794million	NT124million
Tangible assets other than cash and cash equivalents;	NT2,590million	NT4,010million	NT357million
Corporate income tax paid on a cash basis;	NT680million	NT334million	NT12million
Corporate income tax accrued on profit/loss;	NT697million	NT262million	NT11million
Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax.	Temporary Difference	Temporary Difference	Temporary Difference
The time period covered by the information reported : From January 1 to December 31, 2022			

## 16.1 IT Security/Cybersecurity Governance | CSA1.8.1

The company has a director on the board with relevant background in IT engaged on the cybersecurity strategy process and someone in the Executive Management team who oversees the company's cybersecurity strategy :

Board Responsibility

Board Member	Indicate the Board member's membership in the committee which oversees cyber security strategy
Name of board member : Hsieh Juor-Ming Relevant experience and previously held positions : Hsieh Juor-Ming is the sole founder of the company and currently the Chairperson and CEO of the company. All	<input type="radio"/> Risk committee

operations related to the company's factory building, production and manufacturing, business marketing, computer system and information security are under his overall supervision.

Executive Management Responsibility

Chief Information Security Officer (CISO) / Chief Security Officer (CSO)

## 16.2 IT Security / Cybersecurity Measures

### |CSA1.8.2

The company has implemented policies and procedures for all employees, please reference to Appendix IV " VPT's Information Security Policies"

- An information security/cybersecurity policy is internally available to all employees.
- Information security/cybersecurity awareness training.
- A clear escalation process which employees can follow in the event an employee notices something suspicious is in place.
- Information security/cybersecurity is part of the employee performance evaluation (e.g. disciplinary actions).

### 16.3 IT Security/ Cybersecurity Process & Infrastructure |CSA1.8.3

Incident Response

We have business continuity / contingency plans and incident response procedures in place .

We test them at least semi-annually

#### Certification

IT infrastructure and information security management system certified to ISO 27001.

Yes, the following percentage of our IT infrastructure has been certified:100%

#### Breaches

We collect data on information security/cybersecurity breaches.



	<b>2022</b>
Total number of information security breaches	0
Total number of clients, customers and employees affected by the breaches	0

## 17.1 R&D Spending |CSA1.9.1

	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%

## 17.2 Open Innovation |CSA1.9.2

Not applicable. VPT is a professional DMS manufacturer of Uninterruptible Power Systems and Inverters in the world. It has strong R&D capability and R&D team, so doesn't adopt approaches to profit from or contribute to external knowledge to complement in-house R&D.

## 17.3 Product Innovations |CSA1.9.3

Type of product innovation	Share of revenue (in %)
Differential gross margin	Differential in FY 2022 (in %)
Specify the average number of years after launch (X), during which designate a product as "new":	7 years
Newly commercialized products or services launched during the previous X years (please refer to the information button for further explanation / guidance)	13%
Significantly improved products or services launched during the previous X years	—
Unchanged or minimally changed products or services	87%
Total (must equal 100%)	100%
Difference in gross margin between new / significantly improved products and unchanged products	10%

Measures the impact of R&D spending on financials:

Measure the impact on sales growth. Specify:

Because the impact of R&D spending on sales growth should be averaged over several years, the average growth percentage of sales revenues in the four years from 2019 to 2022 is 19.29%, the average increase percentage of R&D spending in the four years from 2019 to 2022 is 23.09%.

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%

Measure the impact on EBIT growth:

Statistics show that the four-year average EBIT growth percentage from 2019 to 2022 is 28.31%, and the average R&D spending increase percentage from 2019 to 2022 is 23.09%.

Item	FY2019	FY2020	FY2021	FY2022	Four years average
growth percentage of EBIT	15.93%	1.29%	9.09%	86.92%	113.23%/4 = 28.31%
increase percentage of R&D spending	35.62%	1.39%	4.64%	50.70%	92.35%/4 = 23.09%

Measure the impact on EBIT margin:

Statistics show that The ratio of R&D spending to EBIT and the benefit multiples of R&D spending

Item	FY2019	FY2020	FY2021	FY2022	Four years average
The ratio of R&D spending to EBIT	21.66%	21.68%	20.80%	16.77%	20.23%
The benefit multiples of R&D spending : ( EBIT + R&D spending ) / R&D spending	5.62	5.61	5.81	6.96	6

## 17.4 Process Innovations | CSA1.9.4

No process innovations have been introduced in the past 3 years.

## 18.1 Environmental Policy & Commitments | CSA 2.1.1

- We have a public environmental policy, and it defines the following elements.
  - Commitment and oversight to implementation of environmental management policy and/or improving environmental performance. The highest committing decision-making body:
    - Executive management
  - Roles and responsibilities for implementing environmental management policy
  - Ensuring compliance with relevant environmental laws and regulations
  - Commitment to continuous improvement of environmental performance
  - Commitment to set targets and objectives to reduce environmental impacts
  - Measures to raise internal and external stakeholders' awareness of environmental management policy and environmental impacts
  - Training for employees to understand the impacts of their work activities on the environment

Please reference to Appendix V.

## 18.2 Coverage of Environmental Management Policy | CSA 2.1.2

- Our public environmental policy covers the following:
  - Production operations and business facilities
  - Products and services
  - Distribution and logistics
  - Management of waste
  - Suppliers, service providers and contractors

Please reference to Appendix V.

## 18.3 EMS: Certification/ Audit/ Verification | CSA 2.1.3

- Our Environmental Management System (EMS) is certified / audited / verified. Indicate what the coverage figures below are based on (e.g. % of operations, revenues, employees, etc.):

Certification / Audit / Verification	Description	Coverage (% of sales amount)
Our EMS is verified through international standards (e.g. ISO 14001, JIS Q 14001, EMAS certification)	Specify and attach relevant examples of certification documents: The verified international standards and relevant certification documents, are such as annexes. Please reference Appendix V	100%
Third party certification / audit / verification by specialized companies		—
Internal certification /audit / verification by company's own specialists from headquarters		—
Total (should not exceed 100%)		100%

## 18.4 Return on Environmental Investments | CSA 2.1.4

- Our EMS allows us to track capital investments, expenses, cost savings and avoidance from environmental investments for all or a part of our business.

Currency: NT	FY2019	FY2020	FY2021	FY2022
Capital Investments	13,120,000	3,010,181	2,756,000	4,059,728
Operating Expenses	3,450,000	3,574,608	3,865,700	1,773,841
Total Expenses (= Capital Investment + Operating Expenses)	16,570,000	6,584,789	6,621,700	5,833,569
Savings, cost avoidance, income, tax incentives, etc.				
% of operations covered Indicate the basis for the coverage (revenue, production volume, employees, etc.): employees	100%	100%	100%	100%

## 18.5 Environmental Violations | CSA 2.1.5

- The company has not paid any significant fines (> USD \$10,000) related to environmental or ecological issues in the past four fiscal years.

## GRI 301: Materials 2016

### 1. Topic management disclosures

VPT is mainly engaged in the professional global DMS (Design & Manufacturing Service) of UPS, PV Inverter, Energy Storage System, Variable Frequency Drive and EV Charger . That is to accept the customers' projects, according to customers' requirement, design or assembly products into the finished products, and then transport them to the designated areas of the customers. In the manufacturing of products, the use of batteries, transformers, plastic materials, steel cases and so on raw materials (approximately accounted for 50% of the cost of total raw materials) as well as green packaging materials (including corrugated paper, cardboard, cartons, paper pallets, wood etc., all are recyclable or reusable, no use of ozone depleting substances), all are recyclable, but the recycling behaviors are by the customers.

### 2. Topic disclosures

#### 19.1 Materials management | GRI 301-1、301-2、301-3

The Paper Consumption (paper used by the company for printing, packaging, office use, etc.) in China Region, Taiwan Region and Vietnam Region were:

FY	China	Taiwan	Vietnam	Total	Paper Recycled
2019	4,873mt	25mt	43mt	4,941mt	The actual recovery and recyclable rate was about 90%,4,447mt
2020	2,225mt	39mt	702mt	2,966mt	The actual recovery and recyclable rate was about 90%,2,669mt
2021	2,061mt	2,540mt	839mt	5,440mt	The actual recovery and recyclable rate was about 90%, 4,896mt
2022	2,759mt	27mt	797mt	3,584mt	The actual recovery and recyclable rate was about 90%, 3,225mt

## GRI 302: Energy 2016

### 1. Topic management disclosures

According to IRENA's 1.5°C pathway :

**KPI.04**

The share of direct electricity in total final energy consumption must increase from 21% in 2019 to over 50% by 2050.

21%



>50%



The VPT's self-operating carbon emissions (SCOPE 1 and SCOPE 2) are also managed using the share of direct electricity in total final energy consumption. The energy consumption (Scope 1 and Scope 2) of VPT's own operation, almost all (> 99%) is the outsourcing electricity which needed for the company operation, all are local municipal power supply.

### 2. Topic disclosures

#### 20.1 Energy Management | GRI 302-1、302-2、302-2、302-2、302-2、CSA 2.3.1、RT-EE-130a.1

The energy consumption (Scope 1 and Scope 2) of VPT's own operation, almost all (> 99%) is the outsourcing electricity which needed for the company operation, all are local municipal power supply. The total Energy Consumption :

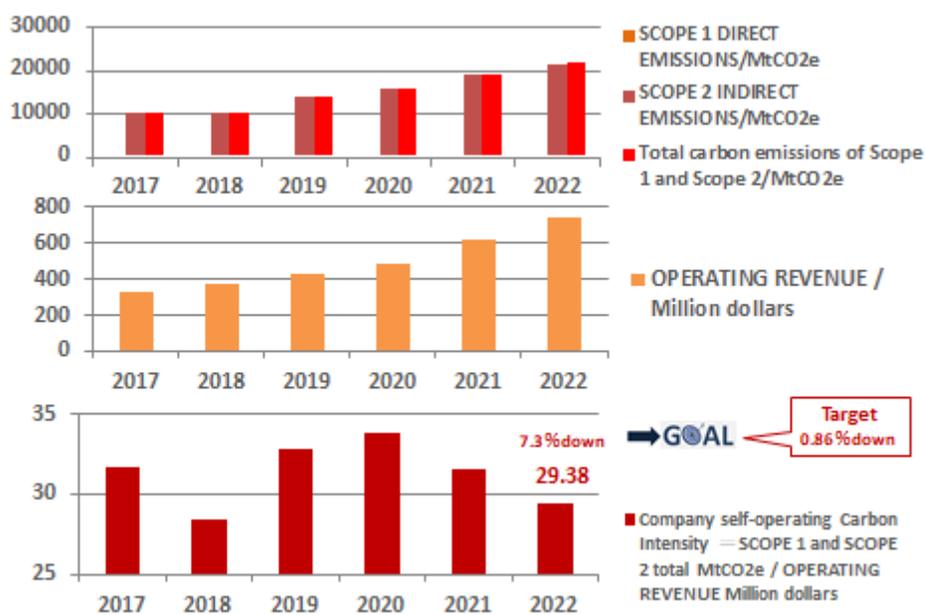
Total energy consumption	Unit	FY 2018	FY 2019	FY 2020	FY 2021
Total non-renewable energy consumption	MWh	16,184	18,346	21,962	24,822
Total renewable energy consumption	MWh				
Data coverage (as % of denominator)	percentage of: Operations	100%	100%	100%	100%

VPT didn't use Renewable Energy in manufacturing. VPT didn't use Coal/Lignite, Natural Gas, Crude Oil/Diesel in manufacturing.

VPT is mainly engaged in the professional global DMS (Design & Manufacturing Service) of UPS, PV Inverter, Energy Storage System, Variable Frequency Drive and EV Charger, occupies the mid-stream in the industrial supply chain, R&D products based on customer order requirements are resold to end-users of downstream industries through customer orders, therefore, VPT purchasing raw materials from upstream of the industry chain, and then selling the products to customers, does not require additional energy consumption outside of the organization.

VPT adopts the following indicator for managing self-operating carbon emissions (SCOPE 1 and SCOPE 2 ): Company self-operating Carbon Intensity = SCOPE 1 and SCOPE 2 total MtCO<sub>2</sub>e / OPERATING REVENUE Million dollars. In 2021, VPT 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 the Target Year of 2035, a decrease of 12%, and a compound annual decrease rate of 0.86%.

The products of VPT comply with the local product environmental regulation requirements of the customers' region, and actively develop the combination of UPS and green energy applications, to provide more efficient power generation, power protection and power backup, all are important development trends for UPS. To use solar photovoltaic applications in solar energy utilization, power transformation and green building life, in order to convey green energy. VPT research and development 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, and achieves the highest efficiency of UPS. In FY 2022 the sales volume of VPT provides customers with carbon emission reduction statistics please refer to 2022 TCFD Report.



**PUBLIC REPORTING**

The data is publicly available.

**THIRD-PARTY VERIFICATION**

The data has been third-party verified in the most recent financial year reported. Please reference to Appendix XI.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Energy Management	(1) Total energy consumed : 89,538GJ (2) percentage grid electricity : 98.8% (3) percentage renewable : 0%	Quantitative	Gigajoules (GJ), Percentage (%)	RT-EE-130a.1
1 GJ = 0.27778 MWh 24,821,949kWh ÷ 1000 = 24,822MWh ÷ 0.27778 = 89,538GJ				

**GRI 303: Water and Effluents 2018**

**1. Topic management disclosures**

**21.1 Water Resource Management | GRI 303-1 、 303-2**

VPT's offices and factories in Taiwan , China and Vietnam all are located in industrial district office buildings, and in manufacturing without consumption of water resources (i.e., no industrial water demand), only domestic water demand of employees, and the domestic water sources all are municipal water supply, the withdrawal and discharge shall be in accordance with the municipal water supply regulations.

**2. Topic disclosures**

**21.2 Water Consumption |GRI 303-3 、 303-4 、 303-5 、 CSA 2.5.1**

Regional water withdraw	FY2019	FY2020	FY2021	FY2022
Taiwan(Million cubic meters)	0.002617	0.003907	0.004266	0.005595
China (Million cubic meters)	0.101301	0.105004	0.159153	0.182074
Vietnam(Million cubic meters)	0.000600	0.007947	0.006252	0.004661
Total (Million cubic meters)	0.104518	0.116858	0.169671	0.192330
Water consumption intensity (Million cubic meters / million USD revenue)	0.2422%	0.2442%	0.2772%	0.2599%

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 water (lakes, rivers, etc.)	Million cubic meters	0	0		
C. Withdrawal: Fresh groundwater	Million cubic meters	0	0	0	0
D. Discharge: Water returned to the source of extraction at similar or higher quality as raw water extracted (only applies to B and C)	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 operations	100%	100%	100%	100%

#### PUBLIC REPORTING

The data is publicly available.

#### THIRD PARTY VERIFICATION

The data has been third-party verified in the most recent financial year reported. Please reference Appendix XI.

## GRI 304: Biodiversity 2016

### 1. Topic management disclosures

#### 22.1 Biodiversity management | GRI 304-1 、 304-2 、 304-3 、 304-4 、 CSA2.7.1 、 2.7.2 、 2.7.3

We have completed a biodiversity risk assessment.

The processes used for identifying and assessing dependency- and impact-related biodiversity risks covering the elements below .

- We publicly report on the process steps of our biodiversity risk assessment
- Use of location-specific approach
- References to methodologies or frameworks used for assessment
- Integrated into multi-disciplinary company-wide risk management processes
- Dependency-related biodiversity risks considered in risk assessment
- Impact-related biodiversity risks considered in risk assessment
- We publicly report on the scope of our biodiversity risk assessment
  - Own operations
- We publicly report on the biodiversity-related risks which were identified.

No biodiversity-related risks

We have formulated the "Biodiversity Risk Assessment Guideline", in which we have made "Biodiversity Commitment" and "No Deforestation Commitment". Please refer to Appendix VI.

### 2. Topic disclosures

#### 22.2 Biodiversity risk assessment results | GRI 304-1 、 304-2 、 304-3 、 304-4

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. There is no issue of " Habitats protected or restored " or " IUCN Red List species and national conservation list species with habitats in areas affected by operations ".

## GRI 305: Emissions 2016

### 1. Topic management disclosures

The Emissions Aspect includes Indicators on greenhouse gas (GHG) emissions as well as ozone-depleting substances, NO<sub>x</sub>, SO<sub>x</sub>, and other significant air emissions.

The GHG emissions are based on the reporting requirements of the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard' (GHG Protocol).

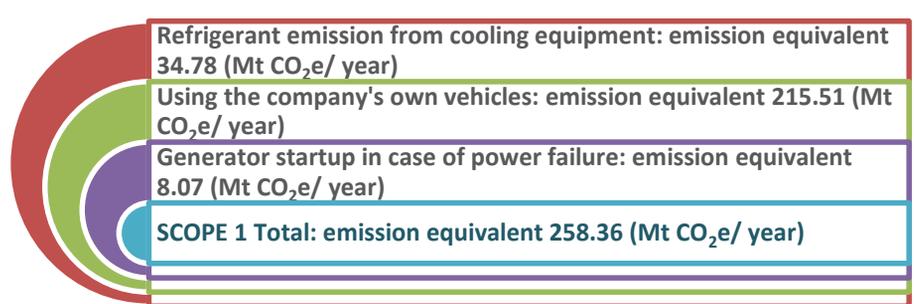
For relevant emission management approach, please refer to the 2022 TCFD Report.

### 23.1 GHG emissions | GRI 305-1 、 305-2 、 305-3 、 CSA 2.2.1 、 2.2.2 、 2.2.3 、 2.2.4

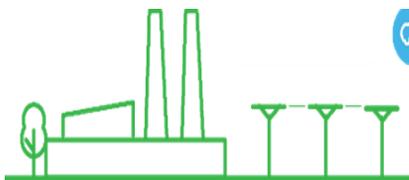


#### SCOPE 1 DIRECT EMISSIONS

EMISSION SOURCE : All direct emissions within the operational control of VPT



VPT has no direct greenhouse gas emissions in the manufacturing process. The direct emission in Scope 1 of VPT is only the CO<sub>2</sub> emission from the use of refrigerant in cooling equipment, the use of the company-owned vehicles and the use of generators in case of power failure, which accounts for a fairly small proportion of the overall greenhouse gas emission.



#### SCOPE 2 INDIRECT EMISSIONS

EMISSION SOURCE : Indirect emissions generated from purchased electricity, heat, steam or cooling.



Scope 2 greenhouse gas emission source of VPT is only the CO<sub>2</sub> emission generated by the purchased power (municipal power supply) required by the company's operation and production. The greenhouse gas emission in Scope 2 is the main greenhouse gas emission source of VPT's self-operation.

FY 2020 Purchased power (municipal power supply): emission equivalent 15,835( Mt CO<sub>2</sub>e/ year)

FY 2021 Purchased power (municipal power supply): emission equivalent 19,129( Mt CO<sub>2</sub>e/ year)

FY 2022 Purchased power (municipal power supply): emission equivalent 21,486 ( Mt CO<sub>2</sub>e/ year)

Purchased goods and services	V
Capital goods	V
Fuel- and energy- related activities	X
Upstream transportation and distribution	V
Waste generated in operations	V
Business travel	V
Employee commuting	V
Upstream leased assets	X
Downstream transportation and distribution	V
Processing of sold products	X
Use of sold products	V
End-of-life treatment of sold products	V
Downstream leased assets	X
Franchises	X
Investments	X



#### SCOPE 3 INDIRECT EMISSIONS

EMISSION SOURCE : All other indirect emissions from sources such as business travel, waste management, and the value chain.

#### Volatile Organic Compounds Emissions

There is no obvious direct volatile organic compounds (VOC) emissions for the part of company's operations, and the air in the workplace is regularly tested by the local Preventive Health Care Institutes, and all testing items meet the standard values.

V : VPT has the Emission

X : VPT has no the Emission

Category	Category description	FY2022
1.Purchased goods and services	Includes all upstream (i.e., cradle-to-gate) emissions from the production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products).	21,879
2.Capital goods	Includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company in the reporting year. Emissions from the use of capital goods by the reporting company are accounted for in either scope 1 (e.g., for fuel use) or scope 2 (e.g., for electricity use), rather than in scope 3.	4,658
4. Upstream transportation and distribution	Emissions from transportation and distribution of products when purchasing components and raw materials from tier 1 suppliers.	148
5.Waste generated in operations	Includes emissions from third-party disposal and treatment of waste generated in the reporting company's owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater.	11
6.Business travel	Includes emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars.	44
7. Employee commuting	Includes emissions from the transportation of employees between their homes and their worksites. Emissions from employee commuting may arise from: <ul style="list-style-type: none"> <li>• Automobile travel</li> <li>• Bus travel</li> <li>• Rail travel</li> <li>• Air travel</li> <li>• Other modes of transportation (e.g., subway, bicycling, walking).</li> </ul>	710
9.Downstream transportation and distribution	Includes emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting company.	125
11. Use of sold products	Includes emissions from the use of goods and services sold by the reporting company in the reporting year. A reporting company's scope 3 emissions from use of sold products include the scope 1 and scope 2 emissions of end users. End users include both consumers and business customers that use final products.	776,592
12.End-of-life treatment of sold products	Includes emissions from the waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life. This category includes the total expected end-of-life emissions from all products sold in the reporting year.	500
<b>Total</b>		<b>804,667</b>

Our data is publicly available.  Our data has been third-party verified in the most recent financial year reported. Please see Appendix XI.

## 23.2 Reduction of GHG emissions | GRI 305-4 \ 305-5

**Company Value Chain Carbon Intensity test : SCOPE 1 DIRECT EMISSIONS , SCOPE 2 INDIRECT EMISSIONS and SCOPE 3 INDIRECT EMISSIONS**

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>SCOPE 1 DIRECT EMISSIONS</b>	94*	126*	143	175	258
	MtCO <sub>2</sub> e				
<b>SCOPE 2 INDIRECT EMISSIONS</b>	10,461	14,043	15,835	19,129	21,486
	MtCO <sub>2</sub> e				
<b>SCOPE 3 INDIRECT EMISSIONS</b>	527,479	593,899	642,383	768,882	804,667
	MtCO <sub>2</sub> e				
<b>SCOPE 1 and SCOPE 2 and SCOPE 3 total</b>	<b>538,034</b>	<b>608,068</b>	<b>658,361</b>	<b>788,186</b>	<b>826,411</b>
	<b>MtCO<sub>2</sub>e</b>	<b>MtCO<sub>2</sub>e</b>	<b>MtCO<sub>2</sub>e</b>	<b>MtCO<sub>2</sub>e</b>	<b>MtCO<sub>2</sub>e</b>
<b>OPERATING REVENUE</b>	371.2	431.5	478.6	612.4	740
	Million dollars				
<b>Company Value Chain Carbon Intensity **</b>	<b>1,449</b>	<b>1,409</b>	<b>1,376</b>	<b>1,287</b>	<b>1,117</b>

**18.2% down**

\*Has not been third-party verified

\*\*Company Value Chain Carbon Intensity = SCOPE 1 and SCOPE 2 and SCOPE 3 total MtCO<sub>2</sub>e / OPERATING REVENUE Million dollars

In 2021, VPT 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 1093 by the Target Year of 2035, a decrease of 20%, and a compound annual decrease rate of 1.55%.**

**Target 1.55% down**

## 23.3 Emissions of ozone-depleting substances and other significant air emissions | 305-6 、 305-7 :

none

### GRI 306: Waste 2020

#### 1. Topic management disclosures

### 24.1 Waste significant waste-related impacts and management | GRI 306-1 、 306-2

#### Waste

VPT carries out effective management and continues to achieve waste reduction target. The removal, disposal and recycling of waste, according to local regulations, properly to handle and record.

According to the environmental protection law of the people's Republic of China and the 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, shall be concentrated disposal in accordance with the laws. VPT entrusts a legitimate professional institution that qualified disposal of industrial waste (liquid), exclusively disposes all of VPT's industrial waste (liquid).

#### The obligations of VPT

1. All the industrial waste (liquid) formed in the process of production together with the packaging shall be disposed by the legitimate professional institution which had signed contract" the legitimate professional institution ", and shall not be disposed by itself or by any other third party within the validity period of the contract. VPT shall be in advance by written to notice the legitimate professional institution of the specific collection time, place , collecting waste (liquid) specific quantities.
2. VPT shall store all kinds of industrial waste (liquid) by classification, do a good mark, cannot mixed with other debris, in order to the legitimate professional institution to dispose and ensure the safety of the disposal. The industrial waste (liquid) in bags or bottles shall be in accordance with the requirement of industrial waste (liquid) packaging, identification and storage technical codes to paste the labels.
3. VPT shall display that will be disposed industrial waste (liquid) in a centralized manner, and provide the necessary conditions for the legitimate professional institution to collect, including approach road, work space, loading machinery required for loading, in order to facilitate the legitimate professional institution for shipment.
4. VPT commitments and guarantees that the industrial waste (liquid) provided to the legitimate professional institution to collect, does not appear abnormal situation as follows :
  - I . There exist types of industrial waste (liquid) which are not included in the attachments of the contract. [In particular, which containing explosive substances, radioactive substances, PCBs ( polychlorinated biphenyls ) , cyanide and so on highly toxic substance.] ;
  - II. Labels are not standardized or wrong ; packing damage or seal is not strict ; the water content of sludge is over 85% (or free water drop out) ;
  - III. Two or more types of industrial waste (liquid) are mixed into the same container, or hazardous waste (liquid) and non-hazardous waste (liquid) mixed into the same container.
  - IV. Other abnormal conditions of violations of industrial waste (liquid) transport packaging of national standards, industry standards and general technical conditions.

#### The obligations of the legitimate professional institution

1. Within the valid period of the contract, the legitimate professional institution shall have required qualifications, conditions and facilities to dispose industrial waste (liquid), and ensure that the license, business license and other applicable documents valid and effective.
2. The legitimate professional institution shall self-own vehicles and handling personnel, and according to the negotiation plan to collect the industrial waste (liquid) of VPT, and ensures that does not affect VPT's normal production and operating activities.
3. The collection and transportation vehicles, the drivers and the handling personnel of the legitimate professional institution shall take civilized operations in VPT's factory districts. When the operations are completed, will clean the operational ranges, and abide by the applicable environmental and safety regulations adopted by VPT.

## Company product recycling and scrapping

In accordance with the requirements of the EU WEEE Directive, at the beginning of product design, the recovery and scrapping of products after the end of their service life, VPT should comply with the objectives of the WEEE Directive concerning recovery, reuse or recycling.

After the service life of VPT's products is over, customers can recycle, reuse or recycle most of the components of VPT's products. VPT participates in product recycling and scrap assessment in the design stage: after the end of the life of VPT's products, the Reuse rate is over 80%, and the Recycling rate is over 70%, which meets the latest requirements of the EU WEEE Directive. VPT mainly does DMS for customers, and will not participate in product recycling and scrapping by end users.

(For products of category 2, since Aug-15-2018, WEEE Recovery Targets: Reuse rate > 80%, and Recycling rate > 70%)

## 2. Topic disclosures

### 24.2 Waste disposal | GRI 306-3 、 306-4 、 306-5 、 CSA 2.4.1 、 2.4.2 、 RT-EE-150a.1 、 RT-EE-150a.2

#### Waste Disposal

Provide company's total solid waste disposed (i.e. not recycled, reused or incinerated waste for energy recovery) for the part of company's operations for which have a reliable and auditable data acquisition and aggregation system.

Waste disposed	Unit	FY2019	FY2020	FY2021	FY2022	target for FY 2022
a) Total waste generated	metric tonnes	4,917	4,899	5,518	3,798	< 4,000
b) Total waste used/recycled/sold	metric tonnes	4,425	4,409	4,966	3,225	
TOTAL WASTE DISPOSED (A -B) - Waste landfilled	metric tonnes	492	490	624	573	< 600
Data coverage (as % of denominator)	percentage of : operations	100%	100%	100%	100%	

#### PUBLIC REPORTING

Our data is publicly available.

#### THIRD-PARTY VERIFICATION

Our data has been third-party verified in the most recent financial year reported. Please reference to Appendix XI.

#### Hazardous Waste

Provide company's direct hazardous waste generation for the part of company's operations for which have a reliable and auditable data acquisition and aggregation system.

HAZARDOUS WASTE	Unit	FY2019	FY2020	FY2021	FY2022	target for FY 2022?
Hazardous Waste Generated- Hazardous waste incinerated without energy recovery	metric tonnes	4.10	1.45	2.41	2.95	< 3
Data coverage (as % of denominator)	percentage of : operations	100%	100%	100%	100%	

#### PUBLIC REPORTING

Our data is publicly available.

#### THIRD-PARTY VERIFICATION

Our data has been third-party verified in the most recent financial year reported. Please reference to Appendix XI.

#### Waste intensity

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

#### The waste disposal method

The non-hazardous wastes (recoverable wastes and non-recoverable wastes) of VPT are all entrusted to the waste recycling station in the industrial zone. Generally, the proportion of recyclable waste is about 90%.

The non-hazardous wastes of VPT, the feedback from the waste recycling station in the industrial zone that the ways of waste disposal can be divided into the following four categories according to the materials:

- 1, Host case iron shell: scrap iron packing, resale and recycling.
- 2, Plastics: The recyclable part is resold, and the non-recyclable part is pulled to the landfill for disposal.
- 3, Carton: Paper mill recycling.
4. Waste other than the above three categories: landfill treatment.

In summary, the proportion of landfill waste is small, about 10%, and most of the waste is recycled, accounting for about 90%. VPT doesn't had any waste pollution incidents so far.

The products manufactured and shipped by VPT are all qualified products, which meet the quality, safety and environmental protection requirements specified by customers, as well as the requirements of corresponding regional laws and regulations. As a professional DMS factory specializing in Uninterruptible Power Systems and Inverters worldwide, VPT's products not only meet customer requirements, but also meet the quality standards, safety standards and environmental protection regulations of the corresponding regions, including EU RoHS directives, REACH regulations and WEEE directives.

There is no waste be transported, imported, exported, treated or shipped internationally which deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Hazardous Waste Management	Amount of hazardous waste generated : 2.95t percentage recycled : 0%	Quantitative	Metric tons (t), Percentage (%)	RT-EE-150a.1
	Quantitative Number and aggregate quantity of reportable spills, quantity recovered : 0	Quantitative	Kilograms (kg)	RT-EE-150a.2

## 25.1 Product Stewardship | CSA 2.8.1 、 2.8.2 、 2.8.3 、 2.8.4 、 2.8.5 、 2.8.6 、 RT-EE-410a.1 、 RT-EE-410a.2 、 RT-EE-410a.3 、 RT-EE-000.A 、 RT-EE-000.B 、 RT-EE-250a.1 、 RT-EE-250a.2

### Product Design Criteria

Specify the environmental criteria considered in the development of new products (and services), providing supporting evidence that these factors are included (e.g. a product design case study, internal manual, staff training document, etc). VPT has "Environmental Operation Control Guidelines", "Design Management Guidelines", "Environmental Management Material Management Guidelines" and "Quality & Environment Manual". It has passed the certification of "Quality Management System ISO 9001" and "Environmental Management System ISO 14001".

VPT is mainly engaged in the professional global DMS (Design & Manufacturing Service) of UPS, PV Inverter, Energy Storage System, Variable Frequency Drive and EV Charger. The new products developed by VPT are mainly InfiniSolars and Solar Inverters with higher efficiency, which can help users save energy and reduce carbon.

In accordance with the requirements of the EU WEEE Directive, at the beginning of product design, the recovery and scrapping of products after the end of their service life, VPT should comply with the objectives of the WEEE Directive concerning recovery, reuse or recycling.

After the service life of VPT's products is over, customers can recycle, reuse or recycle most of the components of VPT's products.

VPT participates in product recycling and scrap assessment in the design stage: after the end of the life of VPT's products, the Reuse rate is over 80%, and the Recycling rate is over 70%, which meets the latest requirements of the EU WEEE Directive. VPT mainly does DMS for customers, and will not participate in product recycling and scrapping by end users.

(For products of category 2, since Aug-15-2018, WEEE Recovery Targets: Reuse rate > 80%, and Recycling rate > 70%)

Consider environmental criteria in the development of new products (and services). These include the following:

Choice of raw materials or components that have a lower environmental footprint (e.g. reduced water/energy/material use, increase in renewable raw materials, reduction of hazardous substances and toxic materials)

1 、 Raw materials or components are purchased locally whenever possible.

2 、 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.

3 、 The Reuse rate is over 80%, and the Recycling rate is over 70%, which meets the latest requirements of the EU WEEE Directive.

- Direct operations, production & manufacturing (e.g. reduction of emissions/energy/water use/waste generation)  
The Reuse rate is over 80%, and the Recycling rate is over 70%, which meets the latest requirements of the EU WEEE Directive.
- Distribution, storage and transportation (e.g. increased safety, packaging choice, or reduced environmental impact)  
The Reuse rate is over 80%, and the Recycling rate is over 70%, which meets the latest requirements of the EU WEEE Directive.
- Use phase - operation and servicing/ maintenance (e.g. provides energy/water/material savings, increased product durability)
  - 1、The Reuse rate is over 80%, and the Recycling rate is over 70%, which meets the latest requirements of the EU WEEE Directive.
  - 2、The new products developed by VPT are mainly InfiniSolars and Solar Inverters with higher efficiency, which can help users save energy and reduce carbon.
- End of life management (e.g. recovery, disposal, biodegradation)
  - 1、The Reuse rate is over 80%, and the Recycling rate is over 70%, which meets the latest requirements of the EU WEEE Directive.
  - 2、VPT mainly does DMS for customers, and will not participate in product recycling and scrapping by end users.

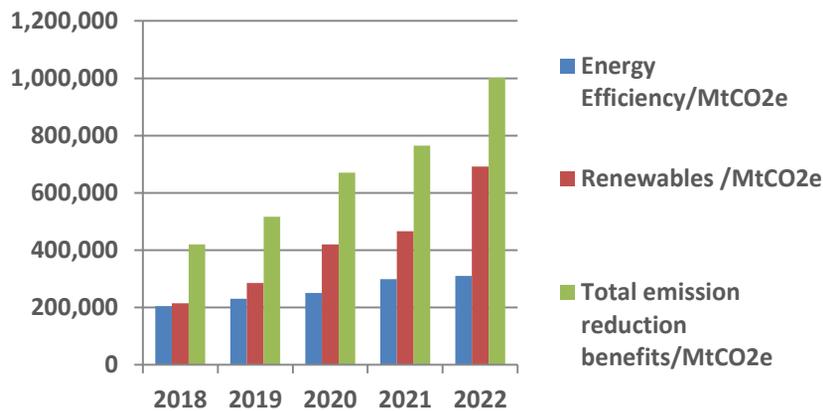
### Life Cycle Assessment

Resource Use	Ecological Consequences	Human Health
	<input type="checkbox"/> Ecotoxicity <input type="checkbox"/> Eutrophication <input type="checkbox"/> Global warming	<input type="checkbox"/> Human toxicity <input type="checkbox"/> Ionizing radiation

Life Cycle Assessment Approach	% of Total Products	Description of Assessment Approach
Total (should not exceed 100%)	100%	
Full LCAs		
Simplified LCAs	100%	ISO14040: Environmental Management - Life Cycle Assessment - Principles and Framework
Other externally recognized tools (e.g. material flow accounting, ecological footprinting, MIPS)		
ISO14040: Environmental Management - Life Cycle Assessment - Principles and Framework Life cycle assessment includes the following four stages: <ol style="list-style-type: none"> <li>1. Goal and Scope Definition, which clearly defines the purpose and scope of life cycle assessment research and makes it consistent with the expected application.</li> <li>2. Inventory Analysis, which compiles a list of inputs and outputs related to the research product system, including data collection and calculation, in order to quantify the relevant inputs and outputs of a product system, including the use of resources and pollution emissions to air, water and land, etc.</li> <li>3. Impact Assessment, which uses the results of life cycle inventory analysis to assess the potential environmental impacts associated with these inputs and outputs.</li> <li>4. Interpretation, which combines the findings of inventory analysis and impact assessment related to research purposes to form conclusions and recommendations.</li> </ol>		

### Resource Efficiency Benefits of Products

% of Total Products	Description of benefits
100%	Energy Efficiency : 310,637 MtCO <sub>2</sub> e
	Renewables : 691,508 MtCO <sub>2</sub> e
	Total : 1,002,145 MtCO <sub>2</sub> e
Please reference to 2022 TCFD Report.	



### Hazardous Substances

Hazardous Substances	% of Products
Regulated substances listed in the following: - European REACH Substances of Very High Concern (SVHC) Authorization, Candidate, or Restriction Lists - European Restriction of Hazardous Substances (RoHS) Directive - California prop 65 list	0
Substances of international concern: - Causing damage to the ozone layer under the Montreal Protocol - Persistent Organic Pollutants (POPs) under the Stockholm Convention - Substances subject to prior informed consent under the Rotterdam Convention - Hazardous pesticides classified as WHO Class I - CMRs (Carcinogenic Mutagenic Reprotoxic) classified as GHS category 1A/1B - Carcinogens classified by IARC group 1 & 2A or NTP - Endocrine disruptors included in UN SAICM Overview Report on EDCs	0
Substances on the SIN List	0

### Hazardous Substances Commitment

Continue to achieve 100% products 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.

### End of Life Cycle Responsibility

VPT's products meet the latest requirements of the EU WEEE Directive: the Reuse rate is over 80%, and the Recycling rate is over 70%. VPT is mainly engaged in the professional global DMS (Design & Manufacturing Service) of UPS, PV Inverter, Energy Storage System, Variable Frequency Drive and EV Charger, and will not directly participate in product recycling and scrapping by end users.

### Environmental Labels and Declarations

VPT is mainly engaged in the professional global DMS (Design & Manufacturing Service) of UPS, PV Inverter, Energy Storage System, Variable Frequency Drive and EV Charger. Therefore, according to the requirements and regulations of each customer, the products processed by its entrustment should be affixed with the product environmental declarations or other types of eco-labelling belonging to each customer. The product environmental declarations or other types of eco-labelling are dominated and decided by customers, not by VPT.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances : 100%	Quantitative	Percentage (%) by revenue	RT-EE-410a.1
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria : 100%	Quantitative	Percentage (%) by revenue	RT-EE-410a.2
	Revenue from renewable energy-related and energy efficiency-related products : NT 22,725Million	Quantitative	Reporting currency	RT-EE-410a.3

ACTIVITY METRIC		CATEGORY	UNIT OF MEASURE	units
Number of units produced by product category :		Quantitative	Number	RT-EE-000.A
product category	Number ( units )			
UPS	6,749 thousand			
PV Inverter	539 thousand			
Energy Storage System	5 thousand			
Variable Frequency Drive	224 thousand			
EV Charger	2 thousand			
Number of employees :	3238	Quantitative	Number	RT-EE-0000.B
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Product Safety	Number of recalls issued, total units recalled : 0	Quantitative	Number	RT-EE-250a.1
	Total amount of monetary losses as a result of legal proceedings associated with product safety : 0	Quantitative	Reporting currency	RT-EE-250a.2

## GRI 308: Supplier Environmental Assessment 2016

### 1. Topic management disclosures

#### 26.1 Supplier (Supply Chain) Management Policy | CSA 1.7.1 、 1.7.2 、 1.7.3 、 1.7.4

○ Our company has a Supplier Code of Conduct, please reference to Appendix VII" VPT Supplier (Supply Chain) Management Policy ". The Code covers the following issues:

##### Human Rights and Labor

- Forced labor
- Child labor
- Working conditions (e.g., working hours, physical/mental demands of the workplace, wages, benefits)
- Occupational health and safety
- Discrimination and harassment
- Freedom of associations and collective bargaining

##### Environment

- Greenhouse gas emissions and energy consumption
- Pollution prevention and waste management
- Resource efficiency
- Biodiversity, no deforestation, or land conservation

##### Business Ethics

- Anti-corruption and conflict of interest
- Anti-competitiveness

○ We publicly disclose the measures below related to supplier ESG programs. Please reference to Appendix VII" VPT Supplier (Supply Chain) Management Policy ".

- Oversight of implementation of the supplier ESG program is defined. Please select the highest accountable decision-making body:

○ Executive management

- Purchasing practices towards suppliers are continuously reviewed to ensure alignment with the Supplier Code of Conduct and to avoid potential conflicts with ESG requirements.
- Suppliers are excluded from contracting if they cannot achieve minimum ESG requirements within a set timeframe.

- Suppliers with better ESG performance are preferred by applying a minimum weight to ESG criteria in supplier selection and contract awarding.
  - Training for company's buyers and/or internal stakeholders on their roles in the supplier ESG program.
  - Our company has a systematic supplier screening approach to identify significant suppliers. Please reference to Appendix VII" VPT Supplier (Supply Chain) Management Policy ".
- Aspects of suppliers screening
- The following aspects are considered in screening process for significant suppliers :
- Environmental
  - Social
  - Governance
  - Business relevance
- Methodology for suppliers screening
- The following risks are considered screening process for significant suppliers :
- Country-specific risk
  - Sector-specific risk
  - Commodity-specific risk
- Our company has a publicly available supplier assessment process in place includes the following:
    - Supplier desk assessments with systematic verification of evidence
    - Supplier corrective action/improvement plans
  - Our company has a publicly available supplier development process in place includes the following:
    - Supplier information/trainings on company's supplier ESG program, process and requirements
    - Supplier access to ESG benchmarks against peers
    - Supplier support (remote/on-site) on implementation of corrective/improvement actions

2. Topic disclosures

**New suppliers that were screened using environmental criteria | GRI 308-1**

In 2022, the percentage of new suppliers that were screened using environmental criteria was 108/119=90.76%.

**KPIs for Supplier Screening | CSA1.7.5**

**PUBLIC REPORTING**

- The data is publicly available.

**THIRD PARTY VERIFICATION**

- The data has been third-party verified in the most recent financial year reported. Please reference Appendix X.

Supplier Screening	2022
1.1 Total number of Tier-1 suppliers	113
1.2 Total number of significant suppliers in Tier-1	12
1.3 % of total spend on significant suppliers in Tier-1	5.04
1.4 Total number of significant suppliers in non Tier-1	11
1.5 Total number of significant suppliers (Tier-1 and non Tier-1)	23

**KPIs for Supplier Assessment and Development | CSA 1.7.6**

- Coverage and progress of our supplier assessment program

Supplier Assessment	2022
1.1 Total number of suppliers assessed via desk assessments/ on-site assessments	85
1.2 % of significant suppliers assessed	100
1.3 Number of suppliers assessed with substantial actual/ potential negative impacts	0
1.4 % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0
1.5 Number of suppliers with substantial actual/potential negative impacts that were terminated	0

- Coverage and progress of suppliers with corrective action plans  
There are no suppliers with substantial actual/potential negative impacts , so no need to implement corrective action plans.
- Coverage and progress of suppliers in capacity building programs  
There are no suppliers in capacity building programs.

**PUBLIC REPORTING**

- The data is publicly available.

**THIRD PARTY VERIFICATION**

- The data has been third-party verified in the most recent financial year reported. Please reference Appendix X.

**Conflict Minerals |CSA 1.7.7**

- We have such a policy in place

**Policy**

- Have a publicly available policy in place for minerals from conflict-affected and high-risk areas.

**Risk Identification**

The process covers the following:

- Necessity (e.g. what conflict minerals are used, how and why they are necessary to the functionality of the product)
- Supplier survey
- Response verification
- Country of origin determination

**Risk Management**

Developed a risk management plan at smelter or refinery (SOR) or supplier level to mitigate or remediate identified risks from minerals from conflict-affected and high-risk areas.

**Quantification**

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

	2019	2020	2021	2022
Percentage of total revenues from products containing minerals from conflict-affected and high-risk areas	0	0	0	0
Percentage of total revenues from products containing minerals from conflict-affected and high- risk areas coming from suppliers that have been verified conflict-free	0	0	0	0

Negative environmental impacts in the supply chain and actions taken | GRI 308-2 : none

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-EE-440a.1
Please reference to Appendix VII” VPT Supplier (Supply Chain) Management Policy “				

## GRI 401: Employment 2016

### 1. Topic management disclosures

#### 27.1 Benefits provided to full-time employees | GRI 401-2

##### Taiwan Region

VPT provides the full-time employees to enjoy the "social insurance and retirement benefits (including labor insurance, national health insurance and labor pension)", and 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, allowances for enriching employees' amusement and promoting family happy and so on projects. Have organized the employee welfare committee, to take care of the employees' lives.

##### China Region

According to the applicable provisions of the Social Security Bureau, to pay the appropriate insurance for employees - five social insurances and one housing fund for the urban household registration employees (including endowment insurance, medical insurance, unemployment insurance, industrial injury insurance, maternity insurance and housing provident fund); new three insurances for rural household registration employees (including pension insurance, medical insurance and industrial injury insurance). And to develop the "welfare committee management guidelines", in order to improve the quality of employees' work and life, and enhance friendship and team effectiveness, conducts the annual activity plan to implement. " a) The plan, organization of community activities, and the allocation of funding allowance within budget. b) For the year-end party. c) Within the grant funds budget, plan the distribution of New Year gifts and money. d) The initiation and organization of employees' emergency relief. e) To plan other organizations and activities that contributes to cohesion employee solidarity. "

##### Vietnam Region

Enjoy social security, medical insurance and unemployment insurance in accordance with local government laws.

### 2. Topic disclosures

#### New employee hires and employee turnover | GRI 401-1 、CSA3.4.5

year	Region	Gender	new employee hires		employee turnover	
			number	new hire rate	number	turnover rate
2020	Taiwan	Male	18	7.86%	13	9.29%
		Female	11	12.86%	5	3.57%
		Total	29	20.72%	18	12.86%
	China	Male	85	3.30%	73	2.83%
		Female	47	1.82%	39	1.51%
		Total	132	5.12%	112	4.34%
	Vietnam	Male	205	13.33%	59	3.84%
		Female	93	6.05%	18	1.17%
		Total	298	19.38%	77	5.01%
2021	Taiwan	Male	10	7.04%	12	8.45%
		Female	5	3.52%	12	8.45%
		Total	15	10.56%	24	16.90%
	China	Male	65	2.47%	55	2.09%
		Female	34	1.29%	29	1.10%
		Total	99	3.77%	84	3.20%
	Vietnam	Male	225	6.77%	228	6.86%
		Female	130	3.91%	112	3.37%
		Total	355	10.68%	340	10.23%
2022	Taiwan	Male	19	14.18%	25	18.66%
		Female	27	20.15%	20	14.93%
		Total	46	34.33%	45	33.59%
	China	Male	90	3.06%	66	2.24%
		Female	44	1.49%	32	1.09%
		Total	134	4.55%	98	3.33%
	Vietnam	Male	239	12.53%	207	10.85%
		Female	121	6.34%	75	3.93%
		Total	360	18.87%	282	14.78%

new hire rate : monthly average number of new employee hires @employee number in the end of the year

turnover rate : monthly average number of employee turnover @employee number in the end of the year

Year	Region	Age group	new employee hires		employee turnover	
			number	new hire rate	number	turnover rate
2020	Taiwan	under 30 years old	14	10%	8	5.71%
		30-50 years old	13	9.29%	9	6.43%
		over 50 years old	2	1.43%	1	0.72%
		Total	29	20.72%	18	12.86%
	China	under 30 years old	75	2.91%	58	2.24%
		30-50 years old	57	2.21%	53	2.06%
		over 50 years old	0	0.00%	1	0.04%
		Total	132	5.12%	112	4.34%
	Vietnam	under 30 years old	229	14.89%	60	3.90%
		30-50 years old	69	4.49%	17	1.11%
		over 50 years old	0	0.00%	0	0.00%
		Total	298	19.38%	77	5.01%
2021	Taiwan	under 30 years old	8	5.63%	7	4.93%
		30-50 years old	5	3.52%	15	10.56%
		over 50 years old	2	1.41%	2	1.41%
		Total	15	10.56%	24	16.90%
	China	under 30 years old	60	2.28%	44	1.67%
		30-50 years old	39	1.48%	40	1.52%
		over 50 years old	0	0.00%	0	0.00%
		Total	99	3.77%	84	3.20%
	Vietnam	under 30 years old	269	8.09%	270	8.12%
		30-50 years old	85	2.56%	70	2.11%
		over 50 years old	1	0.03%	0	0.00%
		Total	355	10.68%	340	10.23%
2022	Taiwan	under 30 years old	16	11.94%	18	13.43%
		30-50 years old	25	18.66%	26	18.31%
		over 50 years old	5	3.73%	1	0.75%
		Total	46	34.33%	45	32.49%
	China	under 30 years old	73	2.48%	55	1.87%
		30-50 years old	60	2.04%	42	1.43%
		over 50 years old	1	0.03%	1	0.03%
		Total	134	4.55%	98	3.33%
	Vietnam	under 30 years old	295	15.46%	235	12.32%
		30-50 years old	65	3.41%	47	2.46%
		over 50 years old	0	0.00%	0	0.00%
		Total	360	18.87%	282	14.78%
new hire rate : monthly average number of new employee hires @employee number in the end of the year						
turnover rate : monthly average number of employee turnover @employee number in the end of the year						

#### Parental leave | GRI 401-3

In Taiwan Region, in accordance with Labor Standards Act, Act of Gender Equality in Employment, Regulations for Implementing Unpaid Parental Leave for Raising Children and so on provisions, let employees can ask for maternity leave, paternity leave and parental leave.

The employees of China Region, who meet the provisions of national marriage and family planning laws, female employees can ask maternity leave of childbirth : "For female employees, before and after childbirth, given maternity leave 98 days that is before childbirth leave 15 days and after childbirth leave 83 days. Maternity leave cannot be early or lately, but if pregnant women of early childbirth, can combine the remaining before childbirth leave days and after childbirth leave days to leave. When is a difficult birth, increase maternity leave 30 days. Much afterbirth embryo bears, every bear a baby more, increase maternity leave 15 days. To meet the late childbirth policy ( after 24 years of age to birth first child ) , increase maternity leave 15 days. " And if receive the "preferential treatment for one child card" within 3 months after the birth, for the woman increase maternity leave 35 days, the man can have paternity leave 10 days within the 15 days before and after the birth of his wife (overdue applicant to be considered to give up). The computing unit of maternity leave is by day and limit one-time for handling. Within the leave days in the case of rest days, statutory holidays, doesn't increase the leave days. During the leave periods, pay the salary as usual; but during the maternity leave periods, would not pay the production performance bonus and environmental allowance.

Apply for maternity leave, should have a grant of birth certificate and hospital related documents etc. The latest time to provide related proof is at the end of maternity leave, if failed to provide, as personal leave.

In Vietnam, according to the labor regulations of the local government, has allowed employees to apply for production leave, paternity leave and parental leave in accordance with the 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.

## GRI 402: Labor/Management Relations 2016

### 1. Topic management disclosures

### 2. Topic disclosures

## 28.1 Minimum notice periods regarding operational changes | GRI 402-1

If there are significant operational changes which may be possible to seriously affect the rights of employees, the minimum notice periods in advance to inform the employees and their representatives regarding the significant operational changes, according to the applicable local laws and regulations.

## GRI 403: Occupational Health and Safety 2018

### 1. Topic management disclosures

## 29.1 Occupational health and safety management manual | GRI 403-1 、 403-2 、 403-3 、 403-4 、 403-5 、 403-6 、 403-7 、 CSA 3.5.1 、 3.5.2

- We have a publicly available commitment on Occupational Health and Safety and it includes the following elements:
  - Is applicable to the company's entire operations/ workers as well as contractors or individuals under the company's supervision.
  - Compliance with relevant OHS international standards and regulations, voluntary programs and/or collective agreements on OHS.
  - Consultation with and participation of workers, and, where they exist, workers' representatives.
  - A commitment to continually improve the performance of the OHS management system.
  - Setting up prioritization and action plans.
  - Establishment of quantitative targets for improving OHS performance metrics.
  - Endorsement of the implementation of the OHS policy. Please select the highest endorsing decision making body:
    - Executive management
- We have an OHS management system that covers the following elements:
  - OHS risk and hazard assessments to identify what could cause harm in the workplace.
  - Prioritization and integration of action plans with quantified targets to address those risks.
  - Integration of actions to prepare for and respond to emergency situations.
  - Evaluation of progress in reducing/preventing health issues/risks against targets.
  - Internal inspections.

- Independent external verification of health, safety and well-being: ISO 45001
- Procedures to investigate work-related injuries, ill health, diseases and incidents.
- OHS training provided to workers and/or other relevant parties to raise awareness and reduce operational health & safety incidents.
- OHS criteria introduced in procurement and contractual requirements

## 2. Topic disclosures

Workers covered by an occupational health and safety management system | GRI 403-8

Please see each ISO 45001 certification report

Work-related injuries & Work-related ill health | GRI 403-9 、 403-10 、 CSA 3.5.3 、 CSA 3.5.4 、 3.5.5

2020						
region	China		Taiwan		Vietnam	
gender	Male	Female	Male	Female	Male	Female
number of work-related injury	6	0	2	3	0	0
number of Employees	1661	915	77	63	175	84
rates of injury	0.36%	0.00%	2.60%	4.76%	0	0
type of injury	labor injury		traffic accident	Two are traffic accident One is labor injury		
lost days	134.25	0	17	7.5	0	0
work-related fatalities	0	0	0	0	0	0
Total lost days of injury are 158.75 days, Lost Time is 1,270 hours, Lost Time Incident Rate =1,270hours/ ( 2975person @ 2,000 hours / per person ) =0.02%						
2021						
region	China		Taiwan		Vietnam	
gender	Male	Female	Male	Female	Male	Female
number of work-related injury	3	0	7	0	0	0
number of Employees	1720	909	72	70	168	109
rates of injury	0.17%	0.00%	10%	0.00%	0	0
type of injury	labor injury		traffic accident			
lost days	88	0	27	0	0	0
work-related fatalities	0	0	0	0	0	0
Total lost days of injury are 115 days, Lost Time is 920 hours, Lost Time Incident Rate =920hours/ ( 3048 person@2,000hours/per person ) =0.015%						
2022						
region	China		Taiwan		Vietnam	
gender	Male	Female	Male	Female	Male	Female
number of work-related injury	4	0	1	1	0	0
number of Employees	1,933	1,012	63	71	85	74
rates of injury	0.21%	0%	1.59%	1.42%	0%	0%
type of injury	labor injury		traffic accident	traffic accident		
lost days	216	0	5	3	0	0
work-related fatalities	0	0	0	0	0	0
Total lost days of injury are224days, Lost Time is 1792hours, Lost Time Incident Rate =1792hours/ ( 3238person @ 2,000hours / per person ) =0.028%						

### Fatalities

Fatalities	FY2019	FY2020	FY2021	FY2022	Explain trend
Employees	0	0	0	0	
Contractors	-	-	-	-	

### Lost-Time Injury Frequency Rate (LTIFR) - Employees

LTIFR	Unit	FY2019	FY2020	FY2021	FY2022
Employees	n/million work h	3.29	1.85	1.64	0.93
Data coverage (as % of employees, operations or revenues)	percentage of: ○Employees	100%	100%	100%	100%
LTIFR=(Number of lost-time injuries) / (Total hours worked in accounting period) x 1,000,000					

### Lost-Time Injury Frequency Rate (LTIFR) - Contractors

Not applicable. There are no contractors.

### Occupational Illness Frequency Rate (OIFR) - Employees

OIFR	Unit	FY2019	FY2020	FY2021	FY2022
Employees	n/million work h	1.26	1.18	0.49	0.62
Data coverage (as % of employees, operations or revenues)	percentage of: ○Employees	100%	100%	100%	100%
OIFR=(Number of occupational illness) / (Total hours worked in accounting period) x 1,000,000					

### PUBLIC REPORTING

The data is publicly available.

### THIRD PARTY VERIFICATION

The data has been third-party verified in the most recent financial year reported. Please reference to Appendix XI.

## GRI 404: Training and Education 2016

### 1. Topic management disclosures

VPT has employee's education and training management program, to develop the knowledge and skills of employees, make them to play their professional abilities, to increase the work efficiency and ensure work quality, in order to achieve the sustainable operation and development goals of VPT.

In addition to the training for new employees in order to make them quickly integrate into the organization team, the department heads and employees may also be responsible for the current situation of the company's operations, and coordinate with the project requirements in the face of the enterprise internal and external environment change trends, hold company or department and domestic or foreign training courses, seminars and so on, in order to improve the employees' professional skills and core competitiveness, and strengthen employees' complete training and learning channel.

- Introduction to new employees training: Introduce the company profile, management rules and regulations, salary, welfare, advocacy of occupational safety and health and other relevant regulations and so on, in order to make new employees as soon as possible to understand their own rights and interests that be treated with fairness and respect, quickly integrate into the company culture and shorten the period of adjustment.
- New employees on the job training: By the unit who belong to, to guide new employees to quickly familiar with the work environment, work content, and professional training.
- On-the-job training: Invite professional consultants to the company every week, to give professional guidance on the hardware design of the product industry, the components, circuits, etc...
- For the community to cultivate talent: The power industry must be long time investment in human development, the training and experience accumulation of R&D personnel are not easy. And VPT engages in the DMS business models, requires to have adequate and high-quality R&D personnel, the company's R&D department for cultivating seed talents, started from 2014, 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, sound management system and the experience inheritance, therefore gives the fresh graduate the environment for cultivation of R&D personnel.

### 30.1 Employee Development Programs | CSA 3.3.2

Two examples of employee development programs in company that have been developed to upgrade and improve employee skills.

Employee Development Program, specify two different examples:	Description of business benefits	Quantitative impact of business benefits (monetary or non-monetary)	% 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 2021.	FTEs in marketing departments: 100% participation
Taiwan's R&D department: 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

### 30.2 Human Capital Return on Investment |CSA 3.3.3

	FY 2019	FY 2020	FY 2021	FY 2022
a) Total Revenue Currency : NT Thousand	12,936,382	13,652,564	16,956,682	22,724,596
b) Total Operating Expenses Currency : NT Thousand	10,386,279	10,922,090	14,032,118	17,436,829
c) Total employee related expenses (salaries + benefits) Currency : NT Thousand	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

#### 2. Topic disclosures

Average hours of training per year per employee | GRI 404-1

2020						
region	China		Taiwan		Vietnam	
gender	male	female	male	female	male	female
Per capita training time	10.00hrs	10.00hrs	249.00hrs	157.00hrs	65.00hrs	60.00hrs
2021						
region	China		Taiwan		Vietnam	
gender	male	female	male	female	male	female
Per capita training time	10.00hrs	10.00hrs	15.00hrs	14.00hrs	10.00hrs	10.00hrs
2022						
region	China		Taiwan		Vietnam	
gender	male	female	male	female	male	female
Per capita training time	10.00hrs	10.00hrs	35.00hrs	20.00hrs	12.00hrs	12.00hrs

2020 (per capita training time )			
region	China	Taiwan	Vietnam
Management Department	2.00 hrs	54.00 hrs	2.00 hrs
Procurement Department	2.00 hrs	-	
R&D Department	10.00 hrs	16.00 hrs	10.00 hrs
QA Department	5.00 hrs	2.00 hrs	80.00 hrs
Production department	12.00 hrs	323.00 hrs	12.00 hrs
Sales Department	2.00 hrs	11.00 hrs	

2021 (per capita training time )			
region	China	Taiwan	Vietnam
Management Department	2.00 hrs	40.00 hrs	2.00 hrs
Procurement Department	2.00 hrs	-	2.00 hrs
R&D Department	10.00 hrs	16.00 hrs	10.00 hrs
QA Department	10.00 hrs	10.00 hrs	10.00 hrs
Production department	12.00 hrs	12.00 hrs	12.00 hrs
Sales Department	2.00 hrs	15.00 hrs	

2022 (per capita training time )			
region	China	Taiwan	Vietnam
Management Department	per capita training time 2.00 hrs	42.00 hrs	2.00 hrs
Procurement Department	2.00 hrs	-	2.00 hrs
R&D Department	10.00 hrs	11.00 hrs	10.00 hrs
QA Department	10.00 hrs	10.00 hrs	80.00 hrs
Production department	12.00 hrs	162.00 hrs	12.00 hrs
Sales Department	6.00 hrs	17.00 hrs	

**Programs for upgrading employee skills and transition assistance programs | GRI 404-2**

- Internal training courses
- Funding support for external training or education

**Percentage of employees receiving regular performance and career development reviews | GRI 404-3**

The employees of VPT receive regular performance reviews each year. The new employees begin formal performance reviews over the past three months, and receive regular performance reviews each year.

2020						
region	China		Taiwan		Vietnam	
gender	number	percentage of employees	number	percentage of employees	number	percentage of employees
male	1,661	64.48%	77	55.00%	175	67.57%
female	915	35.52%	63	45.00%	84	32.43%
Direct employees	984	38.20%	21	15.00%	193	74.51%
Indirect employees	1,592	61.80%	119	85.00%	66	25.48%

2021						
region	China		Taiwan		Vietnam	
gender	number	percentage of employees	number	percentage of employees	number	percentage of employees
male	1,720	65.42%	158	57.04%	78	54.93%
female	909	34.58%	106	38.27%	64	45.07%
Direct employees	768	29.21%	207	74.73%	21	14.79%
Indirect employees	1,861	70.79%	57	20.58%	121	85.21%

2022						
region	China		Taiwan		Vietnam	
gender	number	percentage of employees	number	percentage of employees	number	percentage of employees
male	1862	63.23%	71	52.99%	84	52.83%
female	981	33.31%	63	47.01%	73	45.91%
Direct employees	1424	48.35%	12	8.96%	91	57.23%
Indirect employees	1419	48.18%	122	91.04%	66	41.51%

**Training & Development Inputs | CSA 3.3.1**

100% of all employees globally

	FY 2022
Average hours per FTE of training and development	11 hrs
Average amount spent per FTE on training and development. Currency:NT	11,000
Percentage of open positions filled by internal candidates ( Non-productive sector )	50%

**GRI 405: Diversity and Equal Opportunity 2016**

**1. Topic management disclosures**

**31.1 Talent Attraction & Retention | CSA 3.4.1 、 3.4.2 、 3.4.3 、 3.4.4 、 3.4.6**

The employees hiring policy of VPT is right positions for right personnel, and cooperates with the company's sustainable management policy, hopes the qualified employees can develop in the company for a long time. The indicators of citizenship, ancestry, ethnic origin, creed and disability, all are not included in considering items of VPT's employees hiring policy. VPT conducts assessment and performance evaluation to all employees on a regular basis every year, and depends on the basis for pay raises, bonuses and promotions.

VPT's employees overall remuneration policies are, according to industry competition environment, the company's operating performance and market benchmark to construct the company level strategy, according to team performance, personal potential and performance, to conduct salary recommendations for the executive level, in order to attract and retain and encourage outstanding colleagues, do not affect the decision of their salary due to gender, race, nationality, age etc. personal factors.

**Hiring**

Not applicable.

Because the salary information of all employees of the company is listed as the company's trade secret and will not be disclosed.

**Type of Performance Appraisal**

Our types of individual and team-based performance management appraisals are publicly available and include the following:

- Management by objectives
- Multidimensional performance appraisal (360 degree feedback)
- Team-based performance appraisal
- Agile conversations

Performance Appraisal Frequency:

Twice a year

**Long-Term Incentives for Employees**

Describe the following aspects (both): 1) the type of long-term incentive program (e.g. stock options, restricted stock units, cash incentives, etc.); 2) the type of employees below the senior management level the program applies to:	Long-term incentives for employees below the senior management level are on average paid out after:	Report the percentage of workforce below senior management level (max. two levels from the CEO) that this program applies to:	Long-term incentives include targets associated with sustainability performance?
1) restricted stock for employees 2) Full-time employees below the manager level ( including )	<input type="checkbox"/> 3 years	98% off full-time employees below the manager level ( including )	Please reference to "2022 TCFD Report-Provide incentives for climate change actions"

**Employee Support Programs**

We have the following programs and policies in place:

## Employee Benefits

- Workplace stress management
- Sport & health initiatives

## Family Benefits

- Breast-feeding/lactation facilities or benefits
- Paid parental leave for the primary caregiver:
- Paid parental leave for the non-primary caregiver:

The allowance of Unpaid Parental Leave for Raising Children, along with government subsidies, is 80% of the average monthly insured salary, and can be claimed for up to 6 months.

## Trend of Employee Wellbeing

- We conduct an annual employee survey

Core Focus	Unit	FY2019	FY2020	FY2021	FY2022	What was target for FY 2022?
<input type="radio"/> Employee Engagement	% of actively engaged employees	67%	66%	62%	53%	> 60%
<input type="radio"/> Employee Satisfaction						
<input type="radio"/> Employee Wellbeing						
Data coverage	% of total employees	10%	20%	15%	15%	

## Public Reporting

- The results of our annual employee surveys are publicly available.

In tracking employee metrics, the following aspects are addressed in employee surveys .

- Job satisfaction (external motivation, e.g. I am satisfied with my job)
- Purpose (internal motivation, e.g., my work has a clear sense of purpose)
- Happiness (e.g., I feel happy at work most of the time)
- Stress (e.g., I feel stressed at work most of the time)

## 2. Topic disclosures

### 31.2 Diversity of governance bodies and employees | GRI 405 -1 、 CSA 3.1.2 、 3.1.3

#### Workforce Breakdown: Gender

- We monitor the following indicators:
  - >75% of FTEs

Diversity Indicator	Percentage	Public Target
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

- We are not able or allowed to report on ethnic and racial minorities, and therefore provide a breakdown based on nationality.
  - >75% of FTEs

Breakdown based on, please specify: 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%

### 31.3 Ratio of basic salary and remuneration of women to men | GRI 405 -2 \ CSA 3.1.4

VPT's employees remuneration policy, is to strictly enforce the policies of "equal pay for work of equal value " and "gender equality", all important operational locations and employee categories, regardless of gender, the ratios of the standard basic salary to the local legal minimum salary all are 100% above (contain); the ratio of basic salary and remuneration of women to men is 100@100.

In Taiwan Region, in accordance with the provisions of Act of Gender Equality in Employment, strictly prohibits gender discrimination, male employees and female employees all are hired in the same basic salary.

In China Region, in accordance with the provisions of Labor Law of the People's Republic of China, workers have the right to equally get the remuneration for work, in addition to meet the legal minimum salary provided by the local governments, male employees and female employees all are hired in the same basic salary. According to the provisions of the labor law of Vietnam, workers have the right to equal remuneration. In addition to meeting the minimum wage stipulated by local governments, both male and female employees are appointed with the same starting salary.

#### Gender Pay Indicators

Not applicable. The ratio of women to men is 100:100 for basic wages at Executive level, Management level or Non-management level (production and administration). Under the same conditions, the ratio of women to men is 100:100 for other cash incentives. The absolute amount is not disclosed on the basis of the company's commercial confidentiality considerations.

## GRI 406: Non-discrimination 2016

### 1. Topic management disclosures

#### 32.1 Discrimination & Harassment | CSA 3.1.1

Our company have a public group-wide non-discrimination and anti-harassment policy and measures include the following:

- Explicit statement prohibiting harassment:
  - Sexual harassment
  - Non-sexual harassment
- Zero tolerance policy for discrimination
- Trainings for all employees on discrimination and harassment in the workplace
- Defined escalation process for reporting incidents
- Corrective or disciplinary action taken in case of discriminatory behavior or harassment

Please reference to Appendix IX " VPT The policies and concrete management plans to Protect Human Rights"

### 2. Topic disclosures

Incidents of discrimination and corrective actions taken | GRI 406-1 : none

## GRI 407: Freedom of Association and Collective Bargaining 2016

### 1. Topic management disclosures

#### 33.1 Freedom of Association | CSA 3.1.5

Please reference to Appendix IX " VPT The policies and concrete management plans to Protect Human Rights"

Region	% of employees represented by an independent trade union or covered by collective bargaining agreements:	Explanation
China	100%	VPT has set up an independent trade union representative in China and Vietnam, and all incumbency full-time employees participate in the union.
Taiwan	0%	
Vietnam	100%	
Total	95.29%	

### 2. Topic disclosures

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | GRI 407-1

VPT has set up an independent trade union representative in China and Vietnam, and all incumbency full-time employees participate in the union.

## GRI 408: Child Labor 2016

### 1. Topic management disclosures

#### 34.1 No child labor and the protection of young workers

Please reference to Appendix IX “ VPT The policies and concrete management plans to Protect Human Rights”

### 2. Topic disclosures

Operations and suppliers at significant risk for incidents of child labor | GRI 407-1 : none

## GRI 409: Forced or Compulsory Labor 2016

### 1. Topic management disclosures

#### 35.1 Prohibition of Forced or Compulsory Labor

### 2. Topic disclosures

Operations and suppliers at significant risk for incidents of forced or compulsory labor | GRI 408-1 : none

## GRI 410: Security Practices 2016

### 1. Topic management disclosures

#### 36.1 Security Practices management approach

In Taiwan Region, the Security Practices of Office Building had signed the "Civil defense service contract" with "Liang Fu Security Corp., Ltd." in accordance with the provisions of Condominium Administration Act Building Administration Division. By the "Liang Fu Security Corp., Ltd." to provide security services, and ask "Liang Fu Security Corp., Ltd." should continue to strengthen the security team training and management, to ensure the quality of security services.

In China Region, in accordance with the provisions of Contract Law of the People's Republic of China, Labor Law of the People's Republic of China, Regulation on the Administration of Security and Guarding Services and so on relevant laws and regulations, signed the "Civil defense service contract" with "Shenzhen Security Service Company". By the "Shenzhen Security Service Company" to provide security services, and ask " Shenzhen Security Service Company" should continue to strengthen the security team training and management, to ensure the quality of security services.

In Vietnam Region, in accordance with the relevant laws and regulations of the civil law of the Socialist Republic of Vietnam, signed the "security service contract" with "Cong ty TNHH dich Vu Bao ve STC". The "Cong ty TNHH dich Vu Bao ve STC" is required to provide security services, and "Cong ty TNHH dich Vu Bao ve STC" is required to continuously strengthen the training and management of security personnel to ensure the service quality.

### 2. Topic disclosures

Security personnel trained in human rights policies or procedures | GRI 410-1 : As stated in the management approach.

## GRI 411: Rights of Indigenous Peoples 2016

### 1. Topic management disclosures

#### 37.1 Rights of Indigenous Peoples

Please reference to Appendix IX “ VPT The policies and concrete management plans to Protect Human Rights”

### 2. Topic disclosures

Incidents of violations involving rights of indigenous peoples | GRI 411-1 : none

## 38.1 Human Rights | CSA 3.2.1 、 3.2.2 、 3.2.3 、 3.2.4

### Human Rights Commitment

We have a publicly available policy for our commitments to human rights. The policy covers/contains the following:

- A statement of commitment to respect human rights in accordance with internationally accepted standards
- A statement of commitment to prevent/respect at least:
  - human trafficking
  - forced labor
  - child labor
  - freedom of association
  - the right to collective bargaining
  - equal remuneration
  - discrimination
  - other rights

The policy also covers the following:

- Requirements for our own operations (employees, direct activities, products or services)
- Requirements for our suppliers
- Requirements for our partners

Please reference to Appendix IX “ VPT The policies and concrete management plans to Protect Human Rights”

### Human Rights Due Diligence Process

Yes, and our process covers the following:

- Risk identification in our own operations
- Risk identification in our value chain or other activities related to our business
- Risk identification in new business relations (mergers, acquisitions, joint ventures, etc.)
- We do a systematic periodic review of the risk mapping of potential issues

Actual or potential human rights issues covered/identified:

- Forced labor
- Human trafficking
- Child labor
- Freedom of association
- Right to collective bargaining
- Equal remuneration
- Discrimination

Groups at risk of human rights issues covered/identified:

- Own employees
- Women
- Children
- Local communities

Please reference to Appendix IX “ VPT The policies and concrete management plans to Protect Human Rights”

### Human Rights - Assessment

Yes. Have proactively conducted an assessment of potential human rights issues in the last 3 years.

Category	A. % of total assessed in last three years	B. % of total assessed (column A) where risks have been identified	C. % of risk (column B) with mitigation or remediation process implemented	D. Basis for reporting % (denominator, e.g. costs, FTEs, number of suppliers)
<input type="radio"/> Own Operations (including Joint Ventures where the company has management control)	18%	10%	100%	FTEs

<input type="radio"/> Contractors and Tier I Suppliers	100%	15%	100%	Critical tier 1 suppliers
<input type="radio"/> Not relevant No joint venture				

### Human Rights Mitigation & Remediation

- Yes, our company publicly reports on human rights mitigation and remediation actions. The following are publicly available:
- Processes implemented to mitigate human rights risks
  - The number of sites with mitigation plans
  - The type of remediation actions taken

## GRI 413: Local Communities 2016

### 1. Topic management disclosures

#### 39.1 Local Communities management approach

VPT's Taiwan headquarters, Taipei factory, China factories and Vietnam factory are all located in the legal industrial zones of each country, and comply with the laws and regulations of each industrial zone.

### 2. Topic disclosures

Operations with local community engagement, impact assessments, and development programs | GRI 413-1 : 100 %

Operations with significant actual and potential negative impacts on local communities | GRI 413-2 : none

## GRI 414: Supplier Social Assessment 2016

### 1. Topic management disclosures

#### 40.1 Supplier Social Assessment management approach

Please reference to Appendix VII" VPT Supplier (Supply Chain)

### 2. Topic disclosures

New suppliers that were screened using social criteria | GRI 414-1

In 2020 ,2021 and 2022 the percentage of new suppliers that were screened using human rights criteria was  $81/92 = 88.04%$  ,  $83/95 = 87.37%$  and  $108/119 = 90.76%$ .

Negative social impacts in the supply chain and actions taken | GRI 414-2 : none

## GRI 415: Public Policy 2016

### 1. Topic management disclosures

#### 41.1 Corporate Citizenship Strategy

##### Group-wide Strategy

Specify and provide supporting documents:

VPT Group-wide Strategic Statement on Sustainable Development of UN Citizens

The most material goal of the VPT Group-wide Strategy on Sustainable Development of UN Citizens is to focus on the issue of Global Climate Change.

In addition to formulating the "Climate Change Strategy" and the "Action Plan for Climate Change", in terms of "Financial Opportunities Arising from Climate Chang", that VPT is a global professional ODM/OEM manufacturer of Uninterruptible Power Systems and Inverters, the products produced are enable product users to save energy and reduce carbon, among them, PV Inverters and On-Line UPSs have significant energy saving and carbon reduction efficiency.

Therefore, focusing on the issue of "Global Climate Change" and "Financial Opportunities Arising from Climate Chang", producing more energy-saving and carbon-reducing Uninterruptible Power Systems and Inverters have become 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".

Under the “Strategic Goal of the Group's Sustainable Development”, the “Group-Wide Strategic Goal”, and the “Sustainable Development Goal of the United Nations Citizens” that to produce more energy-saving and carbon-reducing Uninterruptible Power Systems and Inverters, continuous R&D and innovation, expanding production capacity, striving for more and larger orders, and sustained growth of sales revenues to provide “Decent Work and Economic Growth” is 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”.

Under the “Strategic Goal of the Group's Sustainable Development”, the “Group-Wide Strategic Goal”, and the “Sustainable Development Goal of the United Nations Citizens” that to provide “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”.

In response to the global spread of the COVID-19, "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”.

Voltronic Power Technology Corp.

Chairperson cum General Manager: Hsieh Juor-Ming

### Priorities & KPIs

Priorities and SDG alignment	Description of alignment between priority and business drivers. Provide supporting evidence.	Business Benefit KPI	Social / Environmental Benefit KPI
Priority 1 ○13.Climate Action	Continuous sales of high energy-saving carbon reduction products to assist users in energy-saving carbon reduction.	In 2022sales revenue grew by 34.02%	Assist users of high energy-saving and carbon-reducing products with energy-saving and carbon-reducing benefits that reduce carbon emissions by at least 800,000 metric tons.
Priority 2 ○8.Decent Work and Economic Growth	Continuous sales revenues growth and work opportunities.	In 2022sales revenue grew by 34.02%, and employee salaries and benefits grew by 34.42%.	In 2022sales revenue grew by 34.02%, and employee salaries and benefits grew by 34.42%.
Priority 3 ○5.Gender Equality	Female directors account for a certain proportion of all directors. Females in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as a % of total top management positions) account for a certain proportion	One- third 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 or comparable positions (as a % of total top management positions) are one-third or more.	One- third 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 or comparable positions (as a % of total top management positions) are one-third or more.

## 2. Topic disclosures

Political contributions | GRI 415-1 : 0

## GRI 416: Customer Health and Safety 2016

### 1. Topic management disclosures

VPT’s primary business is the professional DMS (Design & Manufacturing Service) of UPS (Uninterruptible Power System), PV Inverter, Energy Storage System, Variable Frequency Drive, EV Charger . There has no any health issue be applicable to the related products. Upon security issues, handling according to the safety standard acts of the Nation where the entrusting design or/and manufacturing projects customers located, and the possible customers’ specific safety codes. Up to now, there hasn’t happened any incident of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle.

To manufacture the products that will not cause any health issues and meet the safety standard acts of the Nation where the entrusting design or/and manufacturing projects customers located, is also VPT's highest guiding principle.

## 42.1 Customer Relationship Management | CSA 3.6.1 、 3.6.2 、 3.6.3 、 3.6.4

### Online Strategies & Customers Online

Not applicable. VPT is a professional DMS company, provides customized and specialized services for different customers, and therefore does not provide online automation services.

### Customer Satisfaction Measurement

Measure customer satisfaction with the unit "% of satisfied customers out of total number of customers responding to the survey."

Customer Satisfaction	unit	FY2019	FY2020	FY2021	FY2022	target for FY 2022
Satisfied customers	% of satisfied customers out of total number of customers responding to the survey	72%	72%	75%	72%	> 70%
Data coverage: % of customers surveyed (both respondents and nonrespondents) out of total number of customers, % of revenues, etc..	percentage of sales	60%	60%	60%	60%	

### Quality Management & Audits of Distribution Networks

Not applicable. VPT is a professional DMS company, provides customized and specialized services for different customers, and therefore does not applicable to the issues of distribution networks.

### Incentives for Distribution Networks

Not applicable. VPT is a professional DMS company, provides customized and specialized services for different customers, and therefore does not applicable to the issues of distribution networks.

## 2. Topic disclosures

Assessment of the health and safety impacts of product and service categories | GRI 416-1

As stated in the topic management disclosures.

Incidents of non-compliance concerning the health and safety impacts of products and services | GRI 416-2

## GRI 417: Marketing and Labeling 2016

### 1. Topic management disclosures

## 43.1 Marketing and Labeling management approach

VPT's primary business is the professional DMS (Design & Manufacturing Service) of UPS (Uninterruptible Power System), PV Inverter, Energy Storage System, Variable Frequency Drive, EV Charger. Therefore, the design or/and manufacturing of products shall be according to the requirements of the customers, all health and safety information, labeling according to the health and safety standard acts of the Nation where the entrusting design or/and manufacturing projects customers located, and the possible customers' specific health and safety codes.

Up to now, there hasn't happened any incident of non-compliance with regulations and voluntary codes concerning product and service information and labeling.

### 2. Topic disclosures

Requirements for product and service information and labeling   GRI 417-1	YES	NO
The sourcing of components of the product or service	V	
Content, particularly with regard to substances that might produce an environmental or social impact	V	
Safe use of the product or service	V	
Disposal of the product and environmental/social impacts	V	
Other (explain)		

Incidents of non-compliance concerning product and service information and labeling | GRI 417-2 : none

Incidents of non-compliance concerning marketing communications | GRI 417-3 : none

## GRI 418: Customer Privacy 2016

### 1. Topic management disclosures

#### 44.1 Customer Privacy management approach

Confidential information protection

All confidential information of the company or the customers shall be kept confidential. VPT requires employees to sign the "Secret Declaration " :

1, During the employment period, the signatory shall not violate any of the following acts without written consent:

- (a) To invest or operate in the same or similar to the company's business in the name of self or another people. The another people refer to including but not limited to who have relatives or friends relationship with the signatory.
- (b) To serve as employee, trustee, undertaker, consultant and so on for other companies or entities that operate in the same or similar business to the company.

2, Except the advance written authorization by the company, the following information and other confidential information that be created or learned by the signatory during the employment period, agrees to maintain as the top secret, doesn't tell or deliver to any third party :

- (a) About the company's business activities that are unknown by the company's current or future competitors.
- (b) The information that is exclusively belonging to the company, customers or suppliers of the company.

3, In this declaration that confidential information refers the data or information directly or indirectly subject to receiving, contact, design or development by the signatory because of using the company's equipment or resources during the employment period, regardless of whether in writing, also regardless of whether applying for patent or copyrights. For example:

- (a) The information of production methods and data, communication, purchasing, financial, employees, customers, suppliers, and other relevant information related to the company business activities and models, and so on.
- (b) Computer programs and all related documents.
- (c) Discovery, concept and idea, such as : the characteristics, results, procedures, formulas, invention & innovation of the research and development plans, and the equipment, knowledge, technology, specialized technology, design, composition and instructions of the computer and related system design etc..
- (d) Any other matters or information related to the business or other activities of the company, and such information cannot be free or easy to know by the persons who are generally engaged in similar business or activities.
- (e) All ideas derived from the contact or learn to the above information or data.

4, Without the written authorization by the signatory's former employer, the signatory performs the duty behaviors in the company, shall not quote or use any confidential information which is exclusively belonging to the former employer. And the signatory guarantee that doesn't disclose any third parties' confidential information to the company nor instigates the company to use the confidential information. If the reference or use will infringe upon the business secret of the former employer, must inform the company with written in advance, together to discuss the decision with the company, in order to avoid damaging the rights and interests of the former employer and the company.

5, Ownership of rights:

- (a) The signatory consents that immediately to inform and transfer to the company of all the obtaining or creating design, copyright, discovery, formula, process, manufacturing technology, business secrets, invention, improvement, ideas and other works with the potential of copyright protection that related to perform the position duty during the period of employment. And agrees except the salary provided by the company, not because above informing or transferring to require the company to pay any additional fees or payments.
- (b) The above various kinds of rights, regardless whether doing in general working time, also regardless whether using the company's equipment, facilities, or company business secret income, shall be applicable in the preceding paragraph.

## Customer Privacy

Protection of customer privacy is a generally recognized goal in national regulations and organizational policies. If breach customer privacy, in addition to direct financial consequences such as penalties and fines, non-compliance poses a risk to reputation and customer loyalty and satisfaction. For VPT, the total number of substantiated complaints regarding breaches of customer privacy and losses of customer data is nil.

### **2. Topic disclosures**

Substantiated complaints concerning breaches of customer privacy and losses of customer data | GRI 418-1 : none

GRI content index in accordance

Statement of use	Voltronic Power Technology Corp. has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI Sector Standard(s)	The Applicable GRI Sector Standard to our company, has not yet been issued by the Global Sustainability Standards Board (GSSB). But incorporated Sustainability Accounting Standards Board (SASB) Electrical & Electronic Equipment Sustainability Accounting Standard.	
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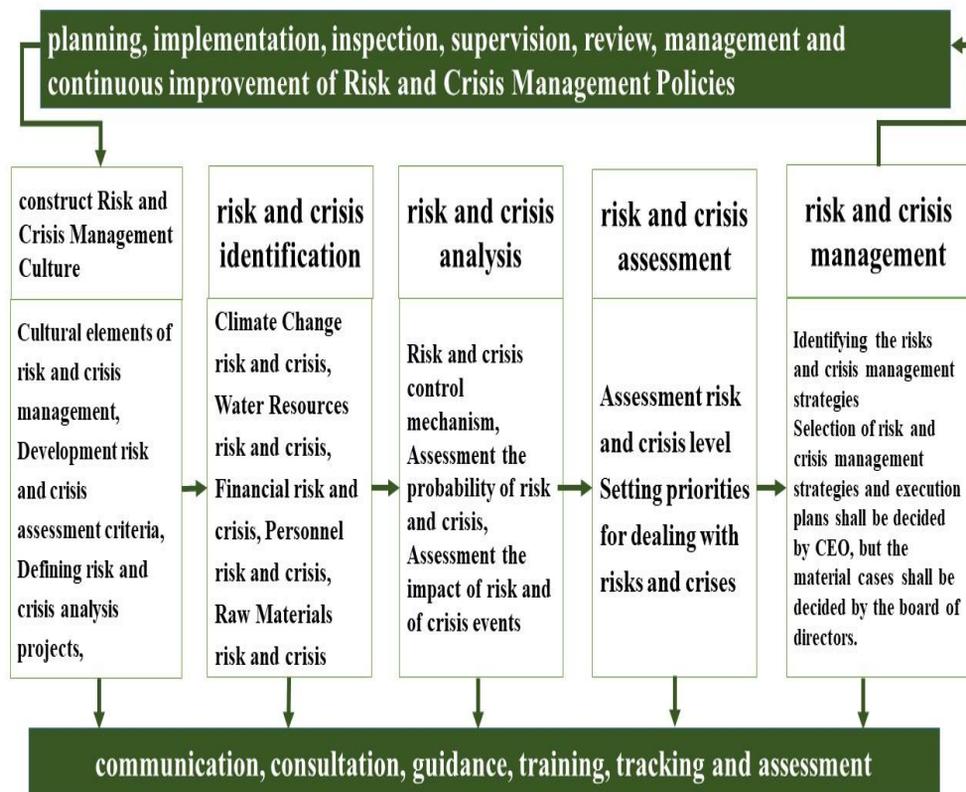
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## Appendix I Risk and Crisis Management Operational Principles of Voltronic Power Technology Corp.

- 1, Voltronic Power Technology Corp (hereinafter referred to as the Company) has defined risk and crisis management as one of the three most material issues for sustainable development. Therefore, in order to promote risk management policy and establish crisis management mechanism, train employees' awareness of risk and crisis management, implement risk and crisis management, and enhance the effectiveness of risk and crisis management, to achieve the goal of sustainable development of our company, this principle is specially formulated for compliance.
- 2, The Company's Risk and Crisis Management Policy
  - 1) Establishing a risk and crisis management framework, clearly standardizing the responsibilities, operating procedures and notification systems of various departments  
The company should establish a risk and crisis management framework, clearly standardize the responsibilities and notification system of various departments. The CEO's Office shall approve risk and crisis management policies and clearly standardize the functions, operating procedures and notification systems of all departments; all departments shall actively identify all existing or potential risks and crises, maintain effective risk and crisis management mechanisms and information management and notification systems, and review continuous improvement from time to time; and period report to the Audit Committee and the Board of Directors about the implementation of Risk and Crisis Management.
  - 2) Reducing operational risks and crises to achieve sustainable development of the company  
Promote and enhance an effective risk and crisis management culture, so as to reduce or avoid the occurrence of various risks and crisis costs in operation, and achieve the goal of sustainable development of the company.
  - 3) Conduct comprehensive risk and crisis management and implement operational procedures  
Construct and maintain the effective operation of risk and crisis management system. In view of internal risks and crises, external risks and crises, it comprehensively identifies, evaluates and controls crises, and implements operational procedures related to risk and crisis management in accordance with the management cycle model of planning, implementation, auditing and improvement.
  - 4) Enhancing the ability of risk and crisis management and establishing a culture of risk and crisis management  
Supervisors at all levels should absolutely abide by the requirements of risk and crisis management policies, set an example and perform their supervisory duties well. They should also supervise employees to receive appropriate risk management education and training so that each employee can understand the responsibilities of individuals, groups and departments, and have the ability to carry out the work related to risk and crisis management, so as to ensure the normal operation of the company and establish a risk and crisis management culture.
  - 5) Strengthen communication with stakeholders and implement risk and crisis management procedures  
All employees of the company should enhance their awareness of risk and crisis management, enhance communication with stakeholders and provide relevant consultation on possible risks and crisis issues, and comply with the requirements of relevant laws and regulations when risks or crisis events occur, and implement risk and crisis management procedures so as to reduce the operational risk of the company.
- 3, The company and all departments shall carry out routine business operations and emergency risk crisis drills in accordance with risk and crisis management policies, objectives within the scope of employment duties, and short-term, medium-term and long-term plans, and conduct comprehensive risk and crisis management.
- 4, The CEO's Office shall be responsible for the planning, execution, inspection, supervision, review and management of the company's risk and crisis management system and its continuous improvement, and shall be responsible for the review of the company's risk and crisis management policies, standards, procedures, performance appraisal and related issues planning.
- 5, Operational mechanism of risk and crisis management in departments
  - 1) Establishing an organizational risk and crisis management mechanism, including planning, implementation, inspection, supervision, review and management, and continuous improvement of relevant processes.
  - 2) Regular review of annual major risk and crisis issues, response strategies, implementation, verification, supervision and tracking of improvements.

- 3) Conduct risk and crisis management education and training, organize learning, strengthen professional skills, and enhance personnel's risk and crisis management capabilities as required.
  - 4) Providing resources and necessary measures to establish an environment for risk and crisis control.
    - 5) Communicate and consult with relevant stakeholders appropriately in order to consolidate the consensus of dealing with risks and crises about the risk and crisis events, possible consequences and methods of dealing with risks and crises.
    - 6) Departments should promote risk and crisis management at all levels of operation, plan to conduct regular or irregular audits, and provide guidance and follow-up at any time for matters to be improved.
- 6, The operational system of risk and crisis management of the company and all departments is: risk and crisis identification, risk and crisis analysis, risk and crisis assessment, risk and crisis management; 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.





**Voltronic Power Technology Corp.**  
**Anti-Bribery & Corruption (ABC)**  
**Compliance Policy**

## 01 Anti-Bribery & Corruption Compliance Statement

VPT believes that commercial Bribery & Corruption (including but not limited to illegal, bribery, corruption and unethical behavior) severely damages fair market competition and is a threat to the development of our society, economy, and enterprises.

Any form of commercial Bribery & Corruption is a criminal offence, and VPT does not tolerate bribery or corruption in any form, that is, upholds a "zero-tolerance" approach. This zero-tolerance policy extends to all VPT business relationships and applies in all jurisdictions in which we operate. Failing to identify and avoid "Bribery & Corruption" risks can have a devastating impact on VPT's reputation, business, and can create criminal and/or civil liability for VPT and the individuals involved.

With active and effective measures, VPT has formulated the "Anti-Bribery & Corruption Compliance" (hereinafter "ABC") Policy and has established a managerial system to deter and detect any acts of Bribery & Corruption, which is intended to ensure compliance with global anti-bribery and anti-corruption laws including, but not limited to: the United Nations Convention Against Corruption (hereinafter "UNCAC"), the US Foreign Corrupt Practices Act (hereinafter "FCPA"), the UK Bribery Act 2010 (hereinafter "UKBA"), and similar laws that prohibit the offer, authorization, or provision of a thing of value for the purpose of influencing an official act or decision, or for the purpose of obtaining and retaining business (hereinafter "ABC Laws").

It is our policy that any employee or any other person/entity who acts on behalf of VPT must not, directly or indirectly, offer bribes to any official or any other person/entity in order to gain business advantages. If, for the same purpose, any supplier, agent, consultant or business partner of VPT (as "Partners") offer bribes to any VPT employee, the employee must reject the bribe and report the case to the Company. In our cooperation with Partners, via contractual covenants and our partner monitor procedures and processes, VPT requires all of its Partners to comply with VPT's Anti-corruption Policies and also to restrict their business behaviors to avoid unethical behaviors.

This statement is applicable to VPT and all its subsidiaries and affiliates which are directly or indirectly controlled by VPT.

Voltronic Power Technology Corp.

Chairperson cum General Manager:

HSIEH, JUOR-MING

## 02 Purpose

The purpose of this policy is to:

- Establish expectations and responsibilities for all VPT employees and Business Partners in the observance of and compliance with ABC Laws.
- Provide guidance to VPT employees and Business Partners on how to identify, avoid, and report suspected acts of bribery and corruption; and
- Prescribe principles and controls intended to prevent, detect, and remediate bribery and corruption risks.
- As the VPT's whistleblowing system for internal and external personnel to report the illegal (including corruption) and unethical behaviors.
- Compliance with this Policy is the responsibility of every VPT employee and Business Partner.

## 03 Applicability

VPT's ABC Policy applies to any VPT company, subsidiary, affiliate, division, and other controlled business entity and operation, as well as the directors, officers, executives, senior leaders, and employees and temporary workers thereof (collectively, "VPT").

Moreover, the principles set forth in VPT's ABC Policy extend to its Business Partners through the application and acceptance of "VPT's Business Partner Code of Conduct".

## 04 Definition

### 04.1 Bribery & Corruption

- Bribery refers to the act of offering, promising, giving, receiving, or soliciting anything of value to any person or entity, directly or indirectly, with the intention of corruptly or improperly obtaining or retaining a business advantage.
- Corruption refers to any form of abuse of entrusted power for private gain. Corruption includes, but is not limited to, bribery.
- Bribery may be active (offering or promising to give anything of value) or passive (requesting, agreeing to receive or accepting anything of value) in nature if it is committed with the intention to induce the recipient to act improperly in the performance of his/her duties.

### 04.2 Any person

- Bribery can occur anywhere and can involve anyone. Bribery can involve:
  - foreign and domestic Government Officials; or
  - employees and agents of public and private sector institutions.

- VPT may also be responsible for the indirect actions of its Business Partners and other third parties in the performance and discharge of services on behalf of VPT.

#### **04.3 Public officials**

The public officials include individuals who perform duties on behalf of government entities; employees of government agencies, state-owned or state-controlled enterprises, or international organizations; candidates of political parties; and other personnel who perform public services according to law. When engaging with public officials, VPT employees must be mindful of adhering to applicable laws, honesty and integrity requirements for public officials, and VPT's Anti- Bribery & Corruption Policy.

#### **04.4 Anything of value**

- A bribe may take many forms; it does not have to be cash.
- Anything of value broadly includes and is not limited to:
  - cash and cash equivalents such as gift cards
  - gifts
  - meals and refreshments
  - entertainment
  - lodging
  - trips and travel related expenses
  - training and education services
  - employment offers or referrals
  - internships
  - product discounts
  - loans
  - charitable donations
  - sponsorships
  - rewards as part of a contest, sweepstakes, games of chance or in exchange for product opinions or views
  - use of materials or facilities
  - the forgiveness (or cancellation) of debts, and
  - any other transfer of value, even if nominal.

#### **04.5 High Risk Business : Bribery & Corruption**

Transactions Bribery and corruption come in many forms. If any of the following is provided with a bribery, corruption or wrongful intent, it is considered as Bribery or Corruption.

Employees are expected to be aware of bribery and corruption risks in regular business transactions, including but not limited to : a. Gifts, b. Facilitation Payments, c. Hospitality, d. Political Donations, e. Charitable Contributions, f. Agents, g. Enhanced Commission, h. In-kind help and support, i. Education and training projects, j. Employment of Relatives, k. Benefits and Perks to Relatives, l. Off sets m. Grand Corruption(large bribes).

#### **04.6 Offence**

It is an offence to:

- Offer a bribe even if it is not accepted
- Help any person to offer a bribe
- Get another person to offer a bribe
- Encourage/urge another person to offer a bribe
- Conspire/secretly plan with another person to offer a bribe

#### **05 Anti-Bribery & Corruption (ABC) Compliance Policy**

VPT complies with local legal frameworks of fair competition, anti-bribery, and anti-corruption in the countries where we operate. VPT places the commitment to anti-bribery and anti-corruption above our business interests, and operates with fairness, integrity, and transparency.

Through continuous investment, VPT is committed to establishing a compliance management system that aligns with industry best practices, and incorporating compliance management into end-to-end business activities and processes.

VPT will continue cultivating a culture of integrity and asks that all employees adhere to the Employee Business Conduct Guidelines. All VPT employees, as well as entities and individuals who do business with VPT, are required to comply with and uphold VPT's anti-bribery and anti-corruption policies.

VPT does not allow the provision of money or anything of value, driven by a corrupt intent, to public officials, counterparty stakeholders or stakeholders that can exert influence over a transaction for the purpose of obtaining or retaining business, or securing any other improper advantage. VPT forbids its employees from taking bribes or soliciting money or anything of value directly or indirectly.

#### **05.1 Gifts and hospitality**

Under no circumstances should VPT employees, motivated by a corrupt intent, be allowed to directly or indirectly offer gifts or hospitality to public officials, customers, or partners, or solicit gifts or hospitality from partners. Laws vary widely from country to country. Different customers also have very different regulations. VPT employees must always bear in mind the company's anti-bribery policy and evaluate if the company's reputation will be affected when giving or accepting gifts and hospitality.

Make sure the following requirements are met before giving or accepting gifts and hospitality:

- **Proper intent:** The purpose should be to establish and maintain a good business relationship. Gifts and hospitality should not be used to obtain or retain business, secure any other improper advantage, or influence general business processes or decisions.
- **Right timing:** Avoid giving or accepting gifts and hospitality during sensitive periods, such as during a bidding process or before an important decision is to be made, as giving or accepting gifts and hospitality at such times may unfairly influence decision making.
- **Reasonable value:** Comply with common business practices and do not give or accept excessively generous gifts, cash, or cash equivalents. Do not give or accept other types of prohibited gifts.
- **Compliance with laws and regulations:** Give or accept gifts and hospitality openly and transparently in compliance with applicable local laws and the anti-bribery regulations of the other party.

#### **05.2 Charitable contributions and donations**

- VPT has always pursued balanced growth and committed to fulfilling our social responsibilities rather than blindly maximizing commercial interests and scale.
- It's forbidden to use charitable contributions and donations to disguise corrupt activities. Effective measures must be taken to ensure transparency and legitimacy in making charitable contributions and donations.
  - VPT does not directly or indirectly participate in the political activities of any political party, nor does VPT sponsor local political parties, their candidates, associated persons, or affiliates.

#### **05.3 Third-party management**

Third parties include service providers, suppliers, consultants, and other partners. Cooperation between VPT and third parties must be authentic and legitimate. VPT requires its partners to comply with VPT Supplier Social Responsibility Code of Conduct, their own codes of conduct, the principles of honesty and integrity, and this Policy.

VPT believes that due diligence, complete agreement clauses, and corresponding control procedures are key to ensuring that third parties comply with VPT's Anti-bribery Policy.

It's forbidden to utilize, aid, abet or conspire with a third party to engage in bribery.

Third parties are forbidden from paying bribes on behalf of VPT or when working with VPT in any capacity. This prohibition includes bribes in the form of gifts or hospitality offered to VPT employees, when the gift or hospitality offered does not comply with common business practices.

#### **05.4 Books and Records**

At VPT, appropriate documents should be provided in a transparent and honest manner to support business decisions and archive as required.

It is required that all financial expenditures and assets disposed of be recorded in account books and financial records in an authentic, complete, and accurate manner in line with the document retention policy, to facilitate future inspection. It is prohibited to set up off-the-record funds.

#### **05.5 Audit**

All local systems, processes, policies, and controls implemented to ensure compliance with and enforcement of this ABC Policy are subject to periodic audits. Such audits may include general assessment and evaluation, including their adequacy of local systems,

processes, policies, guidelines, and practices. All employees must be honest and transparent with VPT Internal Audit as well as the external auditors at all times.

#### **05.6 Training**

All employees, officers, board members, directors, executive and senior leaders, and third parties working with the Company must be aware of and compliant with the principles set forth in this ABC Policy.

VPT shall ensure that all employees receive periodic training and communications on this ABC Policy based on specific roles and responsibilities. Specifically:

- Employees engaged in the following activities on behalf of VPT shall receive anti-bribery and corruption compliance training no less than annually:
  - o Employees working with third parties, government officials, or business development activities,
  - o Employees engaged in the provision of gifts, hospitalities, sponsorships, charitable donations,
  - o Employees working in marketing products and services to external customers and partners, and o Employees dealing with financial transactions or procurement decisions.
- All employees other than the above category shall have ABC training every two years.
- ABC training shall be provided in-person where practical, or otherwise virtually and will be considered a mandatory obligation to complete.
- All VPT employees shall acknowledge their understanding of this ABC Policy as part of the annual performance appraisal.

#### **05.7 Consequences of violations**

Companies that violate ABC laws can face serious criminal and civil penalties as well as face reputational damage for their association with corrupt activities. Companies can also incur significant costs associated with investigations of allegations of corrupt activities, be debarred from government contracting, as well as be subject to civil suits by shareholders, customers, and competitors.

VPT employees who violate this ABC Policy will be subject to disciplinary action up to and including termination of employment. In addition, VPT employees may be held personally liable for engaging in bribery or for violating the ABC laws. VPT may refer suspected violations to the appropriate law enforcement or regulatory authorities, which could lead to penalties, fines, and/or imprisonment for VPT employees found liable for violating the law.

If VPT determines that a Business Partner has not complied with the provisions of this ABC Policy, the Company will take appropriate action, which may include termination of the Business Partner's contract, initiating proper legal action, and/or notifying the proper authorities regarding the violation.

#### **05.8 Consultation and report**

If you have any questions about this Policy, please consult your immediate supervisor. If they cannot answer your questions, then consult the compliance officer of your department or country. If you still have unanswered questions, you can contact the Business Inspection Dept.

If you know of or suspect a violation of this Policy, please notify us by writing to [yvonne@voltronic.com.tw](mailto:yvonne@voltronic.com.tw)

VPT will launch investigations and protect the whistleblower from threats or retaliation by keeping his or her identity secret.

## **Appendix III**

### **Money Laundering Control Regulations**

#### **Taiwan Regulations**

1, The crime of money laundering is committed by any person who :

- i knowingly disguises or conceals the origin of the proceeds of specified unlawful activity, or transfers or converts the proceeds of specified unlawful activity to help others avoid criminal prosecution;
- ii disguises or conceals the true nature, source, the movement, the location, the ownership, and the disposition or other rights of the proceeds of specified unlawful activity; or
- iii accepts, obtains, possesses or uses the proceeds of specified unlawful activity committed by others.

2, Anyone involved in prescribed money laundering activities shall be sentenced to imprisonment of not more than seven years; in addition, a fine of not more than NT\$ 5 million shall be imposed.

An attempt to commit an offense specified in the preceding paragraph is punishable.

In circumstance prescribed in the preceding two paragraphs, the penalty may not exceed the maximum punishment administered for the specified unlawful activity.

3, In the event of the following circumstances, if anyone accepts, possesses, or uses the property or the benefits of the property without a reasonable account of the origin of such assets, and if his or her income is obviously disproportionate to the size of such assets, an imprisonment of not less than six months and not more than five years shall be imposed, and a fine of not more than NT\$ 5 million may also be imposed:

- i Opening accounts at financial institutions in other people's names or under a false name.
- ii Getting hold of accounts opened by others at financial institutions, via improper means.
- iii Avoiding described anti-money laundering procedures.

An attempt to commit an offense specified in the preceding paragraph is punishable.

4, When a representative, agent, employee or other employed personnel of a legal person commits an offence specified in the preceding two Articles when performing his or her duties of business, the offender shall be punished and the legal person shall be also charged with a fine in accordance with the provisions of the respective applicable article.

For offenders of the preceding two Articles who confess during the investigation or trial, the punishment shall be reduced.

The offences shall apply when citizens of the Republic of China commit such offences outside the territory of the Republic of China.

The offense does not require the act or the result of specified unlawful activity to be undertaken or take place within the territory of the Republic of China, unless the specified unlawful activity is not punishable by the law of the place of the act.

#### **China Regulations**

Whoever, while clearly knowing that the funds are proceeds illegally obtained from drug-related crimes or from crimes committed by mafias or smugglers and gains derived therefrom, commits any of the following acts in order to cover up or conceal the source or nature of the funds shall, in addition to being confiscated of the said proceeds and gains, be sentenced to fixed-term imprisonment of not more than five years or criminal detention and shall also, or shall only, be fined not less than five percent but not more than 20 percent of the amount of money laundered; if the circumstances are serious, he shall be sentenced to fixed-term imprisonment of not less than five but not more than 10 years and shall also be fined not less than five percent but not more than 20 percent of the amount of money laundered:

- (1) providing fund accounts;
- (2) helping exchange property into cash or any financial negotiable instruments;
- (3) helping transfer capital through transferring accounts or any other form of settlement;
- (4) helping remit funds to any other country; or
- (5) covering up or concealing by any other means the nature or source of the illegally obtained proceeds and the gains derived therefrom.

Where a unit commits any of the crimes mentioned in the preceding paragraph, it shall be fined, and the persons who are directly in charge and the other persons who are directly responsible for the crime shall be sentenced to fixed-term imprisonment of not more than five years or criminal detention.

## **Administrative Measures for Preventing Insider Trading**

### **One, Setting Purpose**

In order to avoid the company or insiders from violating the relevant regulations of insider trading by mistake or intentionally because they are not familiar with the laws and regulations, resulting in the company or insider litigations and harmful to reputation, the administrative measures are formulated to prevent insider trading, protect investors and safeguard the rights and interests of the company.

### **Two, Scope**

The company's prevention of insider trading shall apply to the provisions of the administrative measures, but where other laws provide otherwise, such provisions shall prevail.

### **Three, Authority**

I, The Audit Office of the Company shall be responsible for the formulation and maintenance of the administrative measures.

II, The spokesman of the company is responsible for publishing the company's material information to the outside world.

### **Four, Definition**

I, Insiders : The company's directors, natural persons who are designated to exercise powers as representative by the juristic person shareholders that be elected as directors, managerial officers (Chief Executive Officer, Vice General Managers, Senior Managers, Chief Financial Officer, Chief Accounting Officer, Other persons who have the right to manage business and sign for the company) ,and shareholders holding more than ten percent of the shares of the company.

Those include the upper insiders' spouses, minor children and those held under the names of other parties. The same shall apply with respect to those who have lost the upper first or second identity for a period of less than a full six months.

II, Normative objects of insider trading :

They include former insiders, those who have learned the information by reason of occupational or controlling relationship (the same shall apply with respect to those who have lost the identity for a period of less than a full six months.), and those who have learned the information from insiders or from those who have learned the information by reason of occupational or controlling relationship.

### **Five, Assignment Content**

I, Insider Trading:

According to the regulations of Securities and Exchange Law Article 157-1, upon actually knowing of any information that will have a material impact on the price of the securities of the issuing company, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the normative objects of insider trading shall not purchase or sell, in the person's own name or in the name of another, shares of the company that are listed on an exchange or any other equity-type security of the company, those who violate the regulations shall constitute insider trading.

II, The phrase "information that will have a material impact on the price of the securities" shall mean information relating to the finances or businesses of the company, or the supply and demand of such securities on the market, or tender offer of such securities, the specific content of which will have a material impact on the price of the securities, or will have a material impact on the investment decision of a reasonably prudent investor.

III, The date of existence of the information shall be the date of the fact, agreement, contract signature, payment, request, execution of transaction, transfer of title, resolution of the audit committee or board of directors, or other precise date based on concrete evidence, whichever comes first.

IV, For the purposes of information relating to the finances or businesses of a company that would have a material impact on its stock price or on the investment decisions of a reasonably prudent investor, public disclosure of information means company enters such information into the Market Observation Post System.

For the purposes of information relating to the market supply and demand of such securities that would have a material impact on its stock price or on the investment decisions of a reasonably prudent investor, public disclosure of information means any of the following:

i The company enters such information into the Market Observation Post System.

- ii The Taiwan Stock Exchange Corporation publicly announces the information on the Market Information System website.
- iii Coverage of the information by two or more daily national newspapers on non-local news pages, national television news, or electronic newspapers issued by any the aforesaid media.

In the case of information publicly disclosed under iii of the preceding paragraph, the period of 18 hours shall begin with the later of the time of delivery of the newspaper, first broadcasting of the television news, or posting of the news on the electronic website, as the case may be.

The time of delivery of a newspaper referred to in the preceding paragraph means 6 a.m. for morning newspapers and 3 p.m. for evening newspapers.

- V, A person who has committed the prohibition of insider trading stipulated in Securities and Exchange Act Article 157-1 offense shall be punished with imprisonment for not less than three years and not more than ten years, and in addition thereto, a fine of not less than NT\$10 million and not more than NT\$200 million may be imposed.

Where the value of property or property interests gained by the commission of offense is NT\$100 million or more, a sentence of imprisonment for not less than seven years shall be imposed, and in addition thereto a fine of not less than NT\$25 million and not more than NT\$500 million may be imposed.

- VI, The directors, managerial officers and employees of the Company shall have the loyalty and shall exercise the due care of good administrator and good faith in conducting the business operation of the company, and sign confidentiality agreements. Directors, managerial officers and employees who are aware of the company's internal material information shall not disclose the internal material information they know to others, and shall comply with the provisions of Securities and Exchange Law 157—1.

The directors, managerial officers and employees of the Company shall not seek or collect any Company's undisclosed material internal information that not related to their personal positions from those who know the material information, nor shall they disclose to others about any Company's undisclosed material internal information that who have learned not due to the execution of their business.

- VII, The Company shall educate and publicize the directors, managers and employees about the Administrative Measures and relevant laws. Educational advocacy should be provided to new directors, managers and employees in a timely manner.

## **Appendix IV**

### **VPT's Information Security Policies**

#### **I. Preface :**

In view of the popularity of computer and internet applications in recent years, and in order to ensure the security of the company's relevant data, information systems, equipment and internet, improve the company's overall information security architecture and reduce operational risks, we have formulated an information security policy as the basis for information security for all our employees.

#### **II. Definition of information security:**

In order to ensure the accuracy of information processing, the loyalty of operators, the reliability of the machines used (including computer hardware, software, peripheral) and network systems, and to ensure that all resources are free from any interference, damage, invasion or any adverse behavior by any factor, proper system planning, procedure specification and administrative coordination are adopted to prevent internal and external interference to maintain the security of the system.

#### **III. Information security objectives:**

In order to avoid the risk of damage or improper use of system data and application software, or in case of any emergency such as damage or improper use, it is necessary to deal with it quickly so as to restore normal operation in the shortest time and reduce the possible damage caused by the accident.

#### **IV. information security scope:**

- 1 〉 Personnel : including formal personnel, contracted employees and other temporary personnel who use the company's information resources, and personnel of outsourcing manufacturers.
- 2 〉 Administrative systems: including mail system, customer information management system and important business systems developed by each department or distributed by the general manager office.
- 3 〉 Hardware : host servers, personal computers, etc.
- 4 〉 Network and facilities: data lines and related network facilities of the company's offices and all plant areas networks and internets.

#### **V. Organization, authority, responsibility and division of information security:**

##### **1 〉 Information security organization**

To coordinate, plan, audit and promote the information security management of the company, an Information Department was established. All departments of the company shall designate competent personnel to supervise information matters.

##### **2 〉 Responsibilities and division of labor**

- a. The Information Department of the company shall be responsible for the research, construction and evaluation of information security policies, plans and technical specifications. All departments are responsible for security requirements research, management and protection of data and information systems.
- b. The Information Department of the company, together with relevant departments, shall be responsible for the maintenance of information confidentiality and security audit.

#### **VI. Safety management, responsibility, education and training of personnel :**

##### **1 〉 Personnel safety management**

- a. Security assessment shall be carried out for information related positions and work, and the suitability of personnel shall be carefully assessed and necessary assessment shall be carried out in the recruitment, work and assignment of tasks.
- b. All departments shall, in accordance with relevant laws and regulations, provide software and hardware storage and data confidentiality maintenance responsibilities for personnel accessing important and sensitive information or system operation, strengthen work evaluation and assessment, and transfer the latest backup files of important business to necessary procedures for personnel job change when the personnel resignation (or vacation).
- c. In order to reduce the illegal or improper use or damage of data or system caused by human negligence or willfulness, each department shall establish an information security audit system, and if necessary, specify various information business inspection items according to the nature of business, which shall be inspected regularly or irregularly by department heads, auditors and information personnel together.

## 2、Personnel responsibilities

- a. The company's information security policy shall be communicated to employees in written, electronic or other ways, and employees shall comply with the relevant regulations and other relevant information security regulations. Employees who violate information security regulations may be punished according to the seriousness of the case.
- b. The company's employees shall abide by the relevant laws and regulations on maintaining the company's secrets; they shall not disclose the business secrets they know, or use them improperly, or they may be punished or prosecuted for their civil and criminal liabilities according to the seriousness of the case.

## 3、Education and training

- a. Conduct appropriate information security lectures (such as information security, virus introduction and detection) according to employees' roles and job levels, so as to make employees understand the importance of information security and various possible security risks, so as to improve their information security awareness and comply with information security regulations.
- b. Information security related information will be announced at any time.

## VII. Computer system security management:

- 1、The computer host, application servers and other equipment shall be set in the special computer room, and special personnel shall be assigned to manage them.
- 2、Personal computers and various peripheral equipment shall be properly configured according to the business nature, site space and other factors, and shall be connected to the computer special socket of the equipment system without power interruption to ensure the stability of power supply, so as to prevent equipment damage.
- 3、The use of resources and equipment maintenance status shall be recorded, and equipment faults shall be eliminated as soon as possible or the maintenance manufacturer shall be contacted for handling.
- 4、All departments using software with intellectual property rights shall abide by relevant laws and regulations and contract provisions. Software not authorized legally and unrelated to business shall not be installed and used. Otherwise, in addition to relevant legal liabilities, in case of damage to equipment, they shall be liable for relevant damages.
- 5、All departments shall regularly carry out necessary data and software backup operations so that normal operations can be resumed in case of disaster or storage media failure. The storage media should be stored in a safe environment and changed regularly to ensure the integrity and availability of the data.
- 6、When outsourcing information services, the potential security risks (such as the risk of data or user password cracking, system damage or data loss) shall be carefully assessed in advance, and appropriate information security agreements shall be signed with manufacturers, and relevant security management responsibilities shall be imposed, and included in the contract terms.

## VIII. Network security management:

- 1、Depending on the importance and value of data and systems, information systems for open access operations shall adopt different security level technologies or measures such as data encryption, identity authentication, electronic signature, firewall and security vulnerability detection to prevent data and systems from being intruded, damaged, altered, deleted and unauthorized access.
- 2、The network connected to the external network shall control the data transmission and resource access of the external and internal network with firewalls and other necessary security facilities.
- 3、The enterprise version of anti-virus software shall be installed, and anti-hacking software such as intrusion detection and vulnerability analysis shall be built to protect the internal network from virus infection and malicious software or hacker intrusion. In addition, the device shall download, update the latest virus code, repair the host operating system vulnerability, etc. from the Internet at any time.
- 4、If the network is found to be or suspected to be intruded, necessary actions shall be taken in accordance with relevant regulations and handling procedures.

## IX. System access control:

- 1、When the user is newly hired, adjusted, resigned or on vacation, shall notify the personnel department and the operation

unit or person in charge of each application system in writing. The person in charge of each application system shall add, adjust or delete the use authority according to the application of the notification and connecting operation user, so as to ensure the safety of the system.

- 2、The password must be set for any account. The user's password should conform to the security principle. It is recommended to use a password with a minimum length of six digits and change the password regularly (it is recommended to use the password at least once every three months, and the maximum should not exceed six months).
- 3、When personnel leave temporarily, they shall use keyboard lock or other control measures to protect computer equipment. When they do not use computer equipment, they must log out of computer system or offline completely.
- 4、For system service providers who use remote login mode for system maintenance, security control shall be strengthened and relevant security and confidentiality responsibilities shall be taken into account.

#### X. Safety management of system development and maintenance

- 1、The development, installation, maintenance, update, online implementation and version change of the system shall be controlled to avoid the harm of improper software, back door and computer virus.
- 2、The software and hardware system construction and maintenance personnel of the manufacturer shall standardize and limit the accessible system and data range, and prohibit issuing long-term system identification code and access code. If it is necessary for actual operation, short-term or temporary system identification and access codes may be issued for use by the manufacturer, but the use authority shall be cancelled immediately after use.
- 3、The construction and maintenance of important hardware and software facilities by the entrusting manufacturer shall be supervised and accompanied by the relevant personnel of this authority.

#### XI. Security management of information assets

- 1、The information department is responsible for the establishment of an inventory of information assets related to information systems, and for the determination of the items, owners and security classification of information assets.
- 2、According to the relevant laws and regulations of personal data protection, establish the classification standard of information security level and corresponding protection measures.
- 3、The output data of information and systems that have been included in the security classification shall be marked with an appropriate security level for users to follow.

#### XII. Entity and environmental safety management

- 1、The data center and computer room supporting the important business operation shall be provided with good physical security measures, and the location shall be selected in consideration of the possibility of natural and man-made disasters such as fire, flood and earthquake, as well as the possible security threat of the adjacent space.
- 2、The setting of computer equipment shall be protected to prevent injury caused by power failure or other abnormal power.
- 3、Establish physical and environmental safety management measures for equipment placement, surrounding environment and personnel access control.

#### XIII. Planning and management of business sustainable operation plan

- 1、Assess the impact of human and natural disasters on business operations, establish emergency response and response procedures and the rights and responsibilities of relevant personnel, and regularly drill and adjust the update plan.
- 2、In case of any information security incident (including security breach, illegal invasion and damage, service interruption attack and abnormal function of the system), which causes the computer system unable to operate or affects the execution efficiency, shall promptly notify the department head and personnel of the information department, and the Information Department shall notify the general manager according to the circumstances.
  - 3、The use of the affected computer system or equipment shall be stopped immediately after the notification, and the status quo shall be maintained. Information department personnel shall record relevant information after being notified.

#### XIV. Defense measures

- 1、To minimize the possibility of potential attack against the Company's network which, once coming true, might smash the system or even kidnap information and, in turn, affects the normal operation of the relevant departments with production inclusive, the Company installs firewalls, anti-virus software on all information devices (servers or personal computers) in each plant.

All such defensive tools are updated for the anti-virus mechanism on a regular basis. The Company further updates the operating system security, and periodically changes the passwords to minimize the risk of new attacks on the network. In addition, the Company introduced a dual factor protection mechanism to increase the defense capability against potential foreign attacks.

- 2、In an effort to minimize the human error caused by the Company's business information being improperly extorted or phished, or maliciously destroyed or possibly implanted with a Trojan horse program, the information units of all factories, either on a regular basis or from time to time on a nonscheduled basis, conduct information security promotion and reminding to internal colleagues to remove illegal software, and strengthen the filtering mechanism of spams.
- 3、In an attempt to prevent the Company's business secrets from being improperly outflowed, the Company demands that the employees and those who may be aware of confidential information take responsibility for absolute confidentiality. Toward computers of specific professional functional units, the Company restricts access to data and restricts communication. The permission setting of the software is used not to regularly check the information flow of the computer operation. Through all these measures and efforts, the Company definitely prevents the commercial confidential information from being improperly flown out.

#### XV. Rescue measures

- 1、To ensure the potential accidents in the defense measures, all important information equipment of each and every factory area is equipped with a regular and complete data double backup and off-site backup mechanism. Once the data is damaged by the network attack, all such data can be backed up in the shortest possible period of time to minimize the potential impact upon the business operation of the entire Company.
- 2、To ensure the effectiveness of the backup data and recovery mechanism, the Company, on a semi-annually regular basis, arranges information disaster prevention drills, data recovery drills, and develops the standard processing procedures for the security incidents to ensure that an accident, if any, can be managed in the most composed manner.

## Appendix V Environmental Policy & Management Systems

### Environmental Management Policy of Voltronic Power

- Production operations and business facilities
- Products and services
- Distribution and logistics
- Management of waste

VPT pays attention to and supports environmental protection. In terms of production, operations and business facilities, products and services, distribution and logistics, and management of waste, it has established its Environmental Management System in accordance with ISO 9001, GB/T24001, GB/T28001 and other standards. With the goals of "Obey Local Regulations, Prevent Pollution, and Protect Environment", the Group is committed to : environmental factors such as waste water/exhaust gas/noise generated in production and their discharge shall comply with national and local laws, regulations and other requirements ; strengthen the management of resources and energy, actively promote energy conservation, consumption reduction and resource recovery activities ; pollution prevention and reduction management of toxic, harmful and dangerous waste discharge ; Receive regular occupational health check-ups from the competent authorities on employees who may suffer from occupational diseases caused by the environment, and arrange follow-up treatment. ; regular inspection of operation control, audit and review of Environmental Management System to ensure continuous improvement ; implement all staff's propaganda and training to enhance all staff's environmental awareness.

In the above environmental management system, VPT has received the Quality Management System Certificate from professional certification body, has received the Environmental Management System Certificate from professional certification body, and has received the Certificate of Conformity of Occupational Health and Safety Management System Certificate from professional certification body ; To have Quality and Environment Manual, Environmental Management and Material Management Standards, and to receive regular occupational health check-ups from the competent authorities on employees who may suffer from occupational diseases caused by the environment.

- Suppliers, service providers and contractors

#### Corporate Social Responsibility Management Agreement for Suppliers of Voltronic Power

##### 1, Purpose

Concern about corporate social responsibility has become an increasingly important issue. Voltronic Power will take social responsibility as our goal, implement social responsibility procurement, ensure that suppliers produce products or provide services in a socially responsible manner, and promote the sustainable development of the industrial chain and the sustainable operation of the company.

Through this agreement, we will clarify the CSR management requirements of Voltronic Power for suppliers, encourage suppliers to implement relevant management, and effectively control risks.

##### 2, definition

CSR : Corporate Social Responsibility, corporate social responsibility includes environmental protection, health and safety, labor rights and interests, business ethics and other requirements.

Children : Anyone under the age of fifteen. If the minimum working age or compulsory education age prescribed by local law is higher than 15 years old, the higher age shall prevail. If the local law stipulates that the minimum working age is 14 years old and complies with the exceptions of ILO Convention 138 concerning developing countries, the lower age shall prevail. Chinese regulations stipulate that the age of child labor is less than 16 years old.

Child Labor: Any work performed by a child below the age specified in the above definition of a child, unless it complies with the provisions of ILO Recommendation No. 146.

Young Worker: Any worker who is older than the child defined above but not older than eighteen years of age. According to Chinese regulations, workers over 16 years old but fewer than 18 years old are defined.

##### 3, Management Requirements

3.1 Labor Requirements: The supplier shall implement the requirements of social responsibility management in accordance with SA8000 international standards for social responsibility.

### 3.1.1 Human rights

The supplier shall respect internationally recognized human rights standards and shall not participate in or support any human rights violations. Everyone's dignity, privacy and rights should be respected.

### 3.1.2 Prohibition of child labor

The supplier shall not use or support the use of child labor in accordance with the above definition (under the age of 16), and effective measures shall be taken to avoid misrecruitment of child labor.

The supplier shall establish and maintain remedial procedures for child labor in accordance with national laws and effectively communicate them to all employees. Once the use of child labor is found, the supplier shall support child labor to receive school education until they are older than the age of child.

### 3.1.3 Forced or compulsory labor

The supplier shall not use prison labor, debt-paying labor, forced labor or other forms of involuntary labor, shall not use prisons or similar institutions as suppliers or subcontractors, and shall not require employees to pay "deposits" or surrender identity documents when they are employed.

The supplier shall not withhold part of the wages, benefits, property or certificates of the workers in order to force them to work continuously.

Supplier employees have the right to leave the workplace after completing the standard working hours.

### 3.1.4 Working hours and rest

The supplier shall abide by the applicable laws and industry standards concerning working hours and rest.

The supplier shall keep accurate working hour's records regardless of the timing, piece-counting or comprehensive working hours approved by local laws and regulations.

The supplier should establish an effective overtime control mechanism to ensure that employees' overtime is voluntary and that employees' physical and mental health is ensured.

### 3.1.5 Basic wage guarantee and social insurance

The wage paid by the supplier shall meet the minimum wage standard stipulated by the local government and provide the basic welfare stipulated by the national law.

The supplier shall pay overtime wages as required by law.

When employing an employee, the supplier shall specify in advance the working conditions, wages and salaries, and the period of payment of wages in an easy-to-understand written form. The deduction of wages should not be used as a punishment. Any deduction should be notified to the employees in advance and made clear to them.

Wage payment time shall be operated in accordance with local government regulations and no arrears or delays shall be allowed.

The supplier shall provide social insurance for employees, including industrial injury insurance, and pay corresponding insurance premiums according to law.

### 3.1.6 Establish a system to protect employees' rights and interests

The supplier shall establish rules and regulations to protect the rights and interests of employees according to law, including working hours, rest and vacation, wage payment, labor discipline, dismissal and other matters, and publicize these systems through appropriate means so that employees can access them at any time.

The supplier should establish a system of labor safety and health, strictly implement local regulations and standards of labor safety and health, carry out labor safety and health education, prevent accidents in the process of labor and reduce occupational hazards.

### 3.1.7 Labor contract

The supplier shall sign a labor contract with the employees. The conclusion and change of the labor contract shall follow the principle of equality, voluntariness and consensus through consultation, and shall not violate the provisions of laws and administrative regulations.

The supplier shall terminate the employee's labor contract in accordance with the law, and notify and compensate the parties in advance in accordance with the law.

### **3.1.8 Protection of young workers and female workers**

The supplier may employ young workers as required, but shall provide labor protection in accordance with regulations, including but not limited to : Young workers shall not be allowed to work in toxic and harmful positions; young workers shall not be allowed to work in night shifts, etc.

Women enjoy equal employment opportunities with men except for locally prescribed jobs or posts that are not suitable for women.

The supplier shall prohibit the arrangement of female workers to engage in taboo labor prescribed by the local government, and prohibit the arrangement of female workers to engage in high, low temperature, cold water work and other taboo labor prescribed by local laws during menstruation or pregnancy.

The supplier shall prohibit the arrangement of female workers to engage in local taboo work, extended working hours or night shift work while breastfeeding babies less than one year of age.

### **3.1.9 Disciplinary Measures**

The supplier shall give dignity and respect to all personnel. It shall not engage in or support corporal punishment, mental or physical coercion, and verbal insult or treat employees in a crude and inhuman manner.

### **3.1.10 no discrimination system and behavior**

In matters involving employment, remuneration, training opportunities, promotion, dismissal or retirement, the supplier shall not engage in or support discriminatory systems and acts based on race, nationality, religion, physical disability, gender, marital status, political affiliation or age.

The supplier should respect employees of different races and religions and provide necessary conveniences and conditions in customs.

The supplier shall not permit any threat, abuse, exploitation or coercive sexual harassment, including gesture, language and physical contact, in the workplace, in the shelter provided or managed by the supplier or in other places.

Under no circumstances shall the supplier require the employee to undergo pregnancy or virginity tests.

### **3.1.11 respect for employees' right to freedom of association and equal consultation**

The supplier should have organizations that can represent and safeguard the legitimate rights and interests of employees and can carry out activities independently according to law (e.g. trade unions, workers 'representatives, employee relationship management).

Employees have the right to participate in democratic management and equal consultation through staff congresses, staff representatives or other forms in accordance with the law.

The supplier shall ensure that the employees and workers 'representatives participating in the workers' organizations will not be discriminated against, harassed, coerced or retaliated on the basis of the trade union members or their participation in trade union activities, and that the employees 'representatives may maintain contact with the employees they represent at the workplace.

## **3.2 Health and Safety Requirements**

The suppliers shall refer to the requirements of ISO45001 standards to implement occupational health management.

The supplier should provide a safe and healthy working environment, pay attention to industry safety knowledge and specific safety risks. Through practical measures to reduce the hidden safety hazards in the working process and environment, take adequate measures to prevent accidents or personal injury.

Employees should receive appropriate and adequate health and safety training so that they can fully recognize the risk factors associated with the work process and work environment and how to minimize the risk.

The supplier shall regularly detect, prevent and deal with factors that may endanger the occupational health and safety of employees.

The supplier shall provide labor protection articles in accordance with local regulations, conduct regular health checks for employees engaged in occupational hazards operations, conduct specialized training for employees engaged in special operations and require qualifications for special operations.

The supplier shall provide clean and hygienic toilet facilities, drinking water and, if necessary, food storage facilities.

If the supplier provides accommodation for the employees, the facilities should be clean and meet the basic needs of the employees. If the supplier provides the staff canteen, it needs to ensure the canteen environment and food hygiene and safety according to relevant regulations.

The supplier shall regularly provide employees with effective health and safety instructions, including on-site instructions, warning signs, and (if necessary) specific work instructions.

If an employee is injured at work, the supplier shall provide first aid and assist the worker in obtaining follow-up treatment.

All personnel shall have the right to leave the imminent serious danger, even without the permission of the supplier.

The supplier should identify and assess possible emergencies and accidents, and minimize the impact by implementing emergency plans, including emergency reports, staff evacuation, training and drills, fire alarms and fire extinguishing devices, safety exits and recovery plans.

The supplier should establish the process of investigation, analysis and statistics of work-related injuries to reduce the incidence of accidents and work-related injuries.

### **3.3 Environmental Protection**

#### **3.3.1 Pollution control**

**Establishment of environmental system :** The suppliers should establish and implement environmental management system according to the requirements of ISO14001 standard.

**Environmental licensing and reporting :** The supplier shall obtain the environmental license, approval document and registration certificate required by the applicable laws and regulations, and update them in time, as well as comply with the operation and reporting requirements of the license.

**Hazardous substances:** Suppliers should identify and control hazardous chemicals and other substances released into the environment to ensure their safe handling, transportation, storage, recovery or reuse and disposal.

**Wastewater and solid wastes:** Wastewater and hazardous wastes produced in the process of production and operation of the supplier shall be classified, monitored, controlled and treated according to requirements before discharge or disposal.

**Air emissions:** Volatile organic chemicals, aerosols, particulates, ozone chemical consumables and combustion by-products produced by the supplier in the course of operation should be identified, monitored, controlled and handled as required before discharge.

#### **3.3.2 Energy conservation and emission reduction**

The supplier should reduce and eliminate all types of consumption (including water, electricity, natural gas, etc.) from the source or through practice (such as improving production, maintaining facility technology, replacing materials, saving natural resources, material recycling and reuse).

The supplier should continuously introduce new technologies, new products and new management in energy saving, material saving and land saving.

Suppliers should increase the proportion of green energy and new energy, reduce greenhouse gas emissions and achieve a low-carbon economy.

The supplier should improve the energy efficiency of equipment, reduce energy consumption of products, promote dynamic energy saving and reduce energy consumption of travel and transportation.

The supplier should promote packaging standardization and realize visual green packaging and logistics.

#### **3.3.3 Environmental Protection of Products**

The supplier shall abide by all applicable laws, regulations and customer requirements concerning the prohibition or restriction of specific substances, including markings relating to regeneration and disposal.

All products should meet environmental protection directives such as RoHS, REACH, green packaging and environmental protection regulations of target market countries and regions.

Lead-free and low toxicity control should be implemented in all product production to meet the requirements of relevant regulations on chemical management and control of toxic and harmful substances.

The supplier should implement green purchasing, and the materials provided by the supplier should be inspected or managed for environmental protection.

### **3.4 Business Ethics Requirements**

**Business integrity :** All business activities of the supplier should abide by the standards of integrity and prohibit any form of embezzlement, extortion, embezzlement of public funds, money laundering and other acts, in order to avoid being ordered to suspend business or subject to legal sanctions by the government.

**No unfair interest:** The supplier shall not provide or accept bribes or other forms of unfair gains, including inappropriate gifts.

**Information disclosure:** The supplier discloses information on business activities, organizational structure, financial situation and performance in accordance with applicable regulations and major industry practices.

**Intelligent property rights:** The supplier should respect and protect the intellectual property rights and the transfer of technology and production experience should properly protect the intellectual property rights.

**Fair trade, advertising and competition:** The supplier should establish a fair trade, advertising and competition system, and take measures to protect customer information.

**Identity information protection:** The supplier shall protect the supplier and its employees 'whistleblowers and ensure the confidentiality of their identities.

**Community participation:** Encourage participation in community activities to promote social and economic development.



UNIVERSAL CERTIFICATION CENTRE CO., LTD. QUALITY MANAGEMENT SYSTEM CERTIFICATE

No.: UKQ1803012R3

This is to certify that the quality system of VOLTRONIC POWER TECHNOLOGY (SHENZHEN) CORP. (UNIFIED SOCIAL CREDIT CODE: 9144030676691745X) (REGISTERED/PRODUCTION ADD: 1-3F BUILDING 5, IF BUILDING 7, IF-A BUILDING 9, YUSHENG INDUSTRIAL PARK, NO.467, SECTION XIXIANG, NATIONAL HIGHWAY 107, XIXIANG, BAO AN DISTRICT, SHENZHEN, P. R. CHINA ZIP: 518126) (COMMUNICATION ADD: 4F BUILDING 5, YUSHENG INDUSTRIAL PARK, NO.467, SECTION XIXIANG, NATIONAL HIGHWAY 107, XIXIANG, BAO AN DISTRICT, SHENZHEN, P. R. CHINA ZIP: 518126) is in conformity with:

ISO9001:2015

This system is valid to: \*THE DESIGN, MANUFACTURE AND SERVICE OF UNINTERRUPTIBLE POWER SUPPLY, SWITCHING POWER SUPPLY AND INVERTER POWER PRODUCT (EXPORT)\* Initial Certification date: 04-15-2009 Issue date: 03-14-2018 This Certificate is validity until: 03-13-2021 (The surveillance audits shall be performed in a yearly manner during the validation. The continual effectiveness of the certificate shall be marked by the surveillance qualification logo as pasted below.)

Organization stamp: Representative of the centre (Director):



Certified Organization Search is available on UCC and CNCA website (www.cnca.gov.cn) UCC telephone number: (+86 755) 83308888 Address: 6/F, Yuhua Building, Qianjiang Road, Shenzhen, P.R. China



UNIVERSAL CERTIFICATION CENTRE CO., LTD. ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATE

No.: 02418E31010277R3M

This is to certify that the environmental system of VOLTRONIC POWER TECHNOLOGY (SHENZHEN) CORP. (UNIFIED SOCIAL CREDIT CODE: 9144030676691745X) (REGISTERED/PRODUCTION ADD: 1-3F BUILDING 5, IF BUILDING 7, IF-A BUILDING 9, YUSHENG INDUSTRIAL PARK, NO.467, SECTION XIXIANG, NATIONAL HIGHWAY 107, XIXIANG, BAO AN DISTRICT, SHENZHEN, P. R. CHINA ZIP: 518126) (COMMUNICATION ADD: 4F BUILDING 5, YUSHENG INDUSTRIAL PARK, NO.467, SECTION XIXIANG, NATIONAL HIGHWAY 107, XIXIANG, BAO AN DISTRICT, SHENZHEN, P. R. CHINA ZIP: 518126) is in conformity with:

GB/T24001-2016/ISO14001:2015

This system is valid to: \*THE DESIGN, MANUFACTURE, SERVICE AND RELATED MANAGEMENT BUSINESS OF UNINTERRUPTIBLE POWER SUPPLY, SWITCHING POWER SUPPLY AND INVERTER POWER PRODUCT (EXPORT)\* Initial Certification date: 04-15-2009 Issue date: 03-14-2018 This Certificate is validity until: 03-13-2021 (The surveillance audits shall be performed in a yearly manner during the validation. The continual effectiveness of the certificate shall be marked by the surveillance qualification logo as pasted below.)

Organization stamp: Representative of the centre (Director):



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UNIVERSAL CERTIFICATION CENTRE CO., LTD. CERTIFICATE OF CONFORMITY OF OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATE

No.: 02419S2010144R11

This is to certify that the OHSMS system of VOLTRONIC POWER TECHNOLOGY (SHENZHEN) CORP. (UNIFIED SOCIAL CREDIT CODE: 9144030676691745X) (ADD: 1-3F BUILDING 5, IF BUILDING 7, IF-A BUILDING 9, YUSHENG INDUSTRIAL PARK, NO.467, SECTION XIXIANG, NATIONAL HIGHWAY 107, XIXIANG, BAO AN DISTRICT, SHENZHEN, P. R. CHINA ZIP: 518126) is in conformity with:

GB/T28001-2011/OHSAS 18001:2007

This system is valid to: \*THE DESIGN, MANUFACTURE, SERVICE AND RELATED MANAGEMENT BUSINESS OF UNINTERRUPTIBLE POWER SUPPLY, SWITCHING POWER SUPPLY AND INVERTER POWER PRODUCT (EXPORT)\* Initial Certification date: 05-04-2017 Issue date: 03-25-2019 This Certificate is validity until: 03-11-2022 (The surveillance audits shall be performed in a yearly manner during the validation. The continual effectiveness of the certificate shall be marked by the surveillance qualification logo as pasted below.)

Organization stamp: Representative of the centre (Director):



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UNIVERSAL CERTIFICATION CENTRE CO., LTD. QUALITY MANAGEMENT SYSTEM CERTIFICATE

No.: UKQ1705001R0

This is to certify that the quality system of ZHONGSHAN VOLTRONIC POWER ELECTRONICS LIMITED. (UNIFIED SOCIAL CREDIT CODE: 91442008MA4H19Q71G) (ADD: NO.8, SHICHONG ROAD, ZHONGSHAN TORCH HI-TECH INDUSTRIAL DEVELOPMENT ZONE, ZHONGSHAN, GUANGDONG, P. R. CHINA ZIP: 528437) is in conformity with:

ISO9001:2015

This system is valid to: \*THE DESIGN, MANUFACTURE AND SERVICE OF UNINTERRUPTIBLE POWER SUPPLY, SWITCHING POWER SUPPLY AND INVERTER POWER PRODUCT (EXPORT)\* Initial Certification date: 05-01-2019 Issue date: 05-02-2019 This Certificate is validity until: 05-01-2022 (The surveillance audits shall be performed in a yearly manner during the validation. The continual effectiveness of the certificate shall be marked by the surveillance qualification logo as pasted below.)

Organization stamp: Representative of the centre (Director):



Certified Organization Search is available on UCC and CNCA website (www.cnca.gov.cn) UCC telephone number: (+86 755) 83308888 Address: 6/F, Yuhua Building, Qianjiang Road, Shenzhen, P.R. China



UNIVERSAL CERTIFICATION CENTRE CO., LTD. ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATE

No.: 02417E31010310R0M

This is to certify that the environmental system of ZHONGSHAN VOLTRONIC POWER ELECTRONICS LIMITED. (UNIFIED SOCIAL CREDIT CODE: 91442008MA4H19Q71G) (ADD: AREA B (GROUND) FLOOR, AREA F FIRST FLOOR, NO.28, YONGDANG EAST FIRST ROAD, ZHONGSHAN TORCH HI-TECH INDUSTRIAL DEVELOPMENT ZONE, ZHONGSHAN, GUANGDONG, P. R. CHINA ZIP: 528437) is in conformity with:

GB/T24001-2016/ISO14001:2015

This system is valid to: \*THE DESIGN, MANUFACTURE, SERVICE AND RELATED MANAGEMENT BUSINESS OF UNINTERRUPTIBLE POWER SUPPLY, SWITCHING POWER SUPPLY AND INVERTER POWER PRODUCT (EXPORT)\* Initial Certification date: 05-02-2017 Issue date: 05-02-2017 This Certificate is validity until: 05-01-2020 (The surveillance audits shall be performed in a yearly manner during the validation. The continual effectiveness of the certificate shall be marked by the surveillance qualification logo as pasted below.)

Organization stamp: Representative of the centre (Director):



Certified Organization Search is available on UCC and CNCA website (www.cnca.gov.cn) UCC telephone number: (+86 755) 83308888 Address: 6/F, Yuhua Building, Qianjiang Road, Shenzhen, P.R. China



UNIVERSAL CERTIFICATION CENTRE CO., LTD. CERTIFICATE OF CONFORMITY OF OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATE

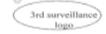
No.: 02417S2010224R0M

This is to certify that the OHSMS system of ZHONGSHAN VOLTRONIC POWER ELECTRONICS LIMITED. (UNIFIED SOCIAL CREDIT CODE: 91442008MA4H19Q71G) (ADD: NO.8, SHICHONG ROAD, ZHONGSHAN TORCH HI-TECH INDUSTRIAL DEVELOPMENT ZONE, ZHONGSHAN, GUANGDONG, P. R. CHINA ZIP: 528437) is in conformity with:

GB/T28001-2011/OHSAS 18001:2007

This system is valid to: \*THE DESIGN, MANUFACTURE, SERVICE AND RELATED MANAGEMENT BUSINESS OF UNINTERRUPTIBLE POWER SUPPLY, SWITCHING POWER SUPPLY AND INVERTER POWER PRODUCT (EXPORT)\* Initial Certification date: 05-02-2017 Issue date: 05-02-2017 This Certificate is validity until: 05-01-2020 (The surveillance audits shall be performed in a yearly manner during the validation. The continual effectiveness of the certificate shall be marked by the surveillance qualification logo as pasted below.)

Organization stamp: Representative of the centre (Director):



Certified Organization Search is available on UCC and CNCA website (www.cnca.gov.cn) UCC telephone number: (+86 755) 83308888 Address: 6/F, Yuhua Building, Qianjiang Road, Shenzhen, P.R. China



环通认证中心有限公司  
职业健康安全管理体系认证证书

编号: 02421S32010203R2M

兹证明

日月元科技(深圳)有限公司

(统一社会信用代码: 91440300876691745X)

(地址: 深圳市宝安区西乡街道龙腾社区107国道西乡段467号(固戍路口边)润东晨工业区5栋1层至5层、7栋1层、9栋1层B; (在深圳市宝安区西乡街道大铲湾港区辅三路南侧金港商务大厦B栋4、5、6层设有生产经营场所从事生产经营活动) 邮编: 518126)  
(其它场所请见证书附件)

职业健康安全管理体系符合标准:

GB/T45001-2020/ISO45001:2018

职业健康安全管理体系覆盖范围:

\*不间断电源、开关电源及逆变器的设计、制造和服务及相关管理活动(外销)\*

发证日期: 2021-03-09

证书有效期至: 2024-03-08

初次获证日期: 2016-05-04

(本证书有效期内每年需进行监督审核, 证书是否继续有效以是否加贴监督合格标志为准。)

机构印章:

签发(主任):



第一次监督  
合格标志加贴处

第二次监督  
合格标志加贴处

第三次监督  
合格标志加贴处



中国认可  
管理体系  
MANAGEMENT SYSTEM  
CNAS C024-M

证书管理方式: 与发证机构环通认证中心有限公司联系 | www.ucccert.com | 环通认证(深圳)有限公司 | www.cnca.gov.cn | 深圳  
认证认可监督管理委员会 | 1-86-75583333888 | 地址: 深圳市福田区华强北路1001号  
The most recent information and status of the certificate are available from the UCC website(www.ucccert.com) or CNCA website(www.cnca.gov.cn)  
UCC telephone number: +86 75583333888 Address: 6/F/Flo Building Qianjiang Road, Shenzhen, P.R.China



环通认证中心有限公司  
职业健康安全管理体系认证证书

编号: 02420S32010262R1M

兹证明

中山旭贵明电子有限公司

(统一社会信用代码: 91442000MA4U19Q71G)

(地址: 中山市火炬开发区十涌路8号 邮编: 528437)

职业健康安全管理体系符合标准:

GB/T45001-2020/ISO 45001:2018

职业健康安全管理体系覆盖范围:

\*不间断电源、开关电源及逆变器的设计、制造和服务及相关管理活动(外销)\*

发证日期: 2020年04月28日

初次获证日期: 2017年05月02日

证书有效期至: 2023年04月27日

(本证书有效期内每年需进行监督审核, 证书是否继续有效以是否加贴监督合格标志为准。)

机构印章:

签发(主任):



第一次监督  
合格标志加贴处

第二次监督  
合格标志加贴处

第三次监督  
合格标志加贴处



中国认可  
管理体系  
MANAGEMENT SYSTEM  
CNAS C024-M

证书管理方式: 与发证机构环通认证中心有限公司联系 | www.ucccert.com | 环通认证(深圳)有限公司 | www.cnca.gov.cn | 深圳  
认证认可监督管理委员会 | 1-86-75583333888 | 地址: 深圳市福田区华强北路1001号  
The most recent information and status of the certificate are available from the UCC website(www.ucccert.com) or CNCA website(www.cnca.gov.cn)  
UCC telephone number: +86 75583333888 Address: 6/F/Flo Building Qianjiang Road, Shenzhen, P.R.China



环通认证中心有限公司  
职业健康安全管理体系认证证书附件

编号: 02421S32010203R2M

此附件所列场所属于日月元科技(深圳)有限公司的认证范围

经认证的活动由下表列场所实施:

场所名称/地址	相关产品/服务/活动
场所1 地址: 深圳市宝安区西乡街道龙腾社区107国道西乡段467号(固戍路口边)润东晨工业区5栋1层至5层、7栋1层、9栋1层B	不间断电源、开关电源及逆变器的制造(外销)
场所2 地址: 深圳市宝安区西乡街道大铲湾港区辅三路南侧金港商务大厦B栋4、5、6层	不间断电源、开关电源及逆变器的设计和服务(外销)

(此证书附件在与证书主页共同使用时方有效)

第1页/共1页

机构印章:

签发(主任):



中国认可  
管理体系  
MANAGEMENT SYSTEM  
CNAS C024-M

证书管理方式: 与发证机构环通认证中心有限公司联系 | www.ucccert.com | 环通认证(深圳)有限公司 | www.cnca.gov.cn | 深圳  
认证认可监督管理委员会 | 1-86-75583333888 | 地址: 深圳市福田区华强北路1001号  
The most recent information and status of the certificate are available from the UCC website(www.ucccert.com) or CNCA website(www.cnca.gov.cn)  
UCC telephone number: +86 75583333888 Address: 6/F/Flo Building Qianjiang Road, Shenzhen, P.R.China



**ETC** ELECTRONICS TESTING CENTER, TAIWAN  
QUALITY MANAGEMENT SYSTEM CERTIFICATE

**ISO 9001**  
**ETC**  
認可登錄  
REGISTERED

hereby certifies that the firm

**VOLTRONIC POWER TECHNOLOGY CORP. NEIHU PLANT**  
(2F, NO.354,XINHU 2ND ROAD, NEIHU DIST., TAIPEI, TAIWAN, R.O.C.)

has fulfilled the requirements of Quality Management System Specified as  
**ISO 9001:2015/CNS 12681:2016**  
and is granted registration by the ETC.  
The scope of registration is described below.

THE PRODUCTION AND SERVICING OF :  
\* UNINTERRUPTIBLE POWER SUPPLY,  
\* SWITCHING POWER SUPPLY,  
\* INVERTER POWER SUPPLY---end---

Originally Registered : September 25, 2019  
Date of Approval : September 25, 2019  
Valid Until : September 24, 2022  
Certificate No : 3E6Y005-01

*President Hermang Li*

Scopes accredited by the TAF are marked with "\*" \*"

**ETC** ELECTRONICS TESTING CENTER, TAIWAN  
ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATE

**ISO 14001**  
**ETC**  
認可登錄  
REGISTERED

hereby certifies that the firm

**VOLTRONIC POWER TECHNOLOGY CORP. NEIHU PLANT**  
(2F, NO.354,XINHU 2ND ROAD, NEIHU DIST., TAIPEI, TAIWAN, R.O.C.)

has fulfilled the requirements of Environmental Management System  
Specified as  
**ISO 14001 : 2015/CNS 14001 : 2016**  
and is granted registration by the ETC.  
The scope of registration is described below.

THE PRODUCTION AND SERVICING OF :  
\* UNINTERRUPTIBLE POWER SUPPLY,  
\* SWITCHING POWER SUPPLY,  
\* INVERTER POWER SUPPLY---end---

Originally Registered : September 25, 2019  
Date of Approval : September 25, 2019  
Valid Until : September 24, 2022  
Certificate No : 3E6E005-01

*President Hermang Li*

Scopes accredited by the TAF are marked with "\*" \*"

ELECTRONICS TESTING CENTER, TAIWAN,  
No.8, Lane 29, Wenming Rd, Gutshan Dist, Taoyuan City 33383, TAIWAN, R.O.C.

**ETC** 財團法人台灣商品檢驗驗證中心  
職業安全衛生管理系統驗證證書

**ISO 45001**  
**ETC**  
認可登錄  
REGISTERED

茲 證 明

**旭準科技股份有限公司汐止廠**

(地址：221034 新北市汐止區保長路 428 號 1-11 樓、430 號 1-11 樓)

實施 ISO 45001 : 2018/CNS 45001:2018 職業安全衛生管理系統  
經本中心稽核結果符合標準予以認可登錄範圍如下：

下列項目生產及服務之相關活動：

不斷電供應系統，開關電源，變頻電源，電動汽車電源裝置  
(以下空白)

原始登錄日期：中華民國 111 年 12 月 26 日  
發 證 日 期：中華民國 111 年 12 月 26 日  
有 效 期 限：中華民國 114 年 12 月 25 日  
驗證證書編號：3E6H005-01

執行長 *林育堯*

財團法人台灣商品檢驗驗證中心  
地址：33383 桃園市龜山區文明路 29 巷 8 號

**ETC** TAIWAN TESTING AND CERTIFICATION CENTER  
OCCUPATIONAL HEALTH AND SAFETY  
MANAGEMENT SYSTEM CERTIFICATE

**ISO 45001**  
**ETC**  
認可登錄  
REGISTERED

hereby certifies that the firm

**VOLTRONIC POWER TECHNOLOGY CORP. XIZHI PLANT**  
(1-11F, NO.428, 1-11F, NO.430, BAOZHANG RD., XIZHI DIST., NEW TAIPEI CITY  
221034, TAIWAN, R.O.C.)

has fulfilled the requirements of Occupational Health and Safety  
Management System Specified as  
**ISO 45001 : 2018/CNS 45001:2018**  
and is granted registration by the ETC.  
The scope of registration is described below.

THE RELATED ACTIVITIES OF PRODUCTION AND  
SERVICING :  
UNINTERRUPTIBLE POWER SUPPLY,  
SWITCHING POWER SUPPLY,  
INVERTER POWER SUPPLY,  
ELECTRIC VEHICLE SUPPLY EQUIPMENT---end---

Originally Registered : December 26, 2022  
Date of Approval : December 26, 2022  
Valid Until : December 25, 2025  
Certificate No : 3E6H005-01

President *Andreas Li*

TAIWAN TESTING AND CERTIFICATION CENTER  
No.8, Lane 29, Wenming Rd, Gutshan Dist, Taoyuan City 33383, TAIWAN, R.O.C.

**intertek**  
Total Quality Assured.

# CERTIFICATE OF REGISTRATION

This is to certify that the management system of:

**VOLTRONIC POWER TECHNOLOGY VIETNAM CO., LTD**  
Address: Workshop B1A, B1B, B1C, No. 5, Street 21A, VSIP Bac Ninh Industrial and Urban Area, Dai Dong Commune, Tien Du District, Bac Ninh Province, Vietnam.

has been registered by Intertek as conforming to the requirements of:

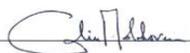
**ISO 9001:2015**

The management system is applicable to:  
Assembly of UPS

Certificate Number: CPRI-2020-087002/QIMS  
Initial Certification Date: 27 June 2020  
Date of Certification Decision: 27 June 2020  
Issuing Date: 27 June 2020  
Valid Until: 26 June 2023



**Intertek** 014



**Calin Moldovean**  
President, Business Assurance

Intertek Certification Limited, 10A Victory Park, Victory Road, Derby DE24 8ZF, United Kingdom

Intertek Certification Limited is a UKAS accredited body under schedule of accreditation no. 014



Intertek Certification Limited is a UKAS accredited body under schedule of accreditation no. 014. In the issuance of this certificate, Intertek assumes no liability to any party other than to the Client, and then only in accordance with the agreed upon Certification Agreement. This certificate's validity is subject to the organisation maintaining their system in accordance with Intertek's requirements for systems certification. Validity may be confirmed via email at certificate.validation@intertek.com or by scanning the code to the right with a smartphone. The certificate remains the property of Intertek, to whom it must be returned upon request.

**intertek**  
Total Quality Assured.

# CERTIFICATE OF REGISTRATION

This is to certify that the management system of:

**VOLTRONIC POWER TECHNOLOGY VIETNAM CO., LTD**  
Address: Workshop B1A, B1B, B1C, No. 5, Street 21A, VSIP Bac Ninh Industrial and Urban Area, Dai Dong Commune, Tien Du District, Bac Ninh Province, Vietnam.

has been registered by Intertek as conforming to the requirements of:

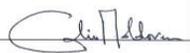
**ISO 14001:2015**

The management system is applicable to:  
Assembly of UPS

Certificate Number: CPRI-2020-087002/EMS  
Initial Certification Date: 06 July 2020  
Date of Certification Decision: 06 July 2020  
Issuing Date: 06 July 2020  
Valid Until: 05 July 2023



**Intertek** 014



**Calin Moldovean**  
President, Business Assurance

Intertek Certification Limited, 10A Victory Park, Victory Road, Derby DE24 8ZF, United Kingdom

Intertek Certification Limited is a UKAS accredited body under schedule of accreditation no. 014



Intertek Certification Limited is a UKAS accredited body under schedule of accreditation no. 014. In the issuance of this certificate, Intertek assumes no liability to any party other than to the Client, and then only in accordance with the agreed upon Certification Agreement. This certificate's validity is subject to the organisation maintaining their system in accordance with Intertek's requirements for systems certification. Validity may be confirmed via email at certificate.validation@intertek.com or by scanning the code to the right with a smartphone. The certificate remains the property of Intertek, to whom it must be returned upon request.

**intertek**  
Total Quality Assured.

# CERTIFICATE OF REGISTRATION

This is to certify that the management system of:

**VOLTRONIC POWER TECHNOLOGY VIETNAM CO., LTD**  
Address: Workshop B1A, B1B, B1C, No. 5, Street 21A, VSIP Bac Ninh Industrial and Urban Area, Dai Dong Commune, Tien Du District, Bac Ninh Province, Vietnam.

has been registered by Intertek as conforming to the requirements of:

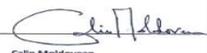
**ISO 45001:2018**

The management system is applicable to:  
Assembly of UPS

Certificate Number: 0103552  
Initial Certification Date: 18 July 2020  
Date of Certification Decision: 18 July 2020  
Issuing Date: 18 July 2020  
Valid Until: 17 July 2023



**Intertek** 014



**Calin Moldovean**  
President, Business Assurance

Intertek Certification Limited, 10A Victory Park, Victory Road, Derby DE24 8ZF, United Kingdom

Intertek Certification Limited is a UKAS accredited body under schedule of accreditation no. 014



Intertek Certification Limited is a UKAS accredited body under schedule of accreditation no. 014. In the issuance of this certificate, Intertek assumes no liability to any party other than to the Client, and then only in accordance with the agreed upon Certification Agreement. This certificate's validity is subject to the organisation maintaining their system in accordance with Intertek's requirements for systems certification. Validity may be confirmed via email at certificate.validation@intertek.com or by scanning the code to the right with a smartphone. The certificate remains the property of Intertek, to whom it must be returned upon request.



**Product Carbon Footprint Verification Statement**  
 No. P2GHG 082258 0009 Rev. 01

**Holder of Statement:** VOLTRONIC POWER TECHNOLOGY (SHENZHEN) CORP.  
 1-4F Building 5, Yusheng Industrial Park  
 No.467, Section Xixiang, National Highway 107, Xixiang  
 Baoan District  
 518102 Shenzhen, Guangdong  
 PEOPLE'S REPUBLIC OF CHINA

**Product Name:** DC/AC inverter system  
 Hybrid MPPT Solar Inverter

**Standards:** ISO 14067: 2018

**Function Unit:** One Hybrid MPPT Solar Inverter

**System Boundary:** From Cradle to Gate:  
 From raw materials to distribution and sales stage

**Covered Period:** 1/1/2021-31/12-2021

**Verification Report No.:** 6821022002602

The product carbon footprint information of this statement is only to be interpreted together with the claim on greenhouse gases emission from the holder of statement. It is only valid for the mentioned scope of application. It does not relieve client from compliance with any by laws, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on TÜV SÜD and TÜV SÜD shall have no responsibility vis-à-vis parties other than its client. TÜV SÜD cannot be held liable by any relying or acting upon this statement.

**Level of Assurance:** reasonable

**Level of Materiality:** 5% for the total sum

**Issue date:** 2022-06-08

*April He*  
 ( April He )



**Product Carbon Footprint Verification Statement**  
 No. P2GHG 082258 0009 Rev. 01

**Product Type:** InfiniSolar VIII-3KW  
 InfiniSolar V II-3KW 24V  
 InfiniSolar V II-5KW  
 InfiniSolar VIII-5KW  
 InfiniSolar V IV 5.6KW  
 InfiniSolar VII LV 6KW  
 InfiniSolar V II 3/3 6KW  
 InfiniSolar VII 6KW

**Product Carbon Footprint:**

InfiniSolar VIII-3KW:	302.51 kgCO <sub>2</sub> eq
InfiniSolar V II-3KW 24V:	285.93 kgCO <sub>2</sub> eq
InfiniSolar V II-5KW:	294.04 kgCO <sub>2</sub> eq
InfiniSolar VIII-5KW:	299.45 kgCO <sub>2</sub> eq
InfiniSolar V IV 5.6KW:	412.23 kgCO <sub>2</sub> eq
InfiniSolar VII LV 6KW:	463.58 kgCO <sub>2</sub> eq
InfiniSolar V II 3/3 6KW:	319.85 kgCO <sub>2</sub> eq
InfiniSolar VII 6KW:	301.57 kgCO <sub>2</sub> eq





**Voltronic Power Technology Corp.**  
**Biodiversity Risk Assessment Guideline**

## 1. Objective

The purpose of this document is to provide the VPT Group companies with a guideline for assessing biodiversity risks and ecosystem services at the international level. This can be applied to the operating area of each business group/company, where if the risk assessment results were to indicate a high/very high risk, a biodiversity action plan must be developed. (Biodiversity Action Plan; BAP)

## 2. Scope

The VPT Group Biodiversity and Ecosystem Services Risk Assessment Guidelines can be applied to all operating lines and companies in the VPT Group.

## 3. Glossary

### area of high biodiversity value

area not subject to legal protection, but recognized for important biodiversity features by a number of governmental and non-governmental organizations

Note 1: Areas of high biodiversity value include habitats that are a priority for conservation, which are often defined in National Biodiversity Strategies and Action Plans prepared under the United Nations (UN) Convention, 'Convention on Biological Diversity', 1992.

Note 2: Several international conservation organizations have identified particular areas of high biodiversity value.

### area protected

area that is protected from any harm during operational activities, and where the environment remains in its original state with a healthy and functioning ecosystem

### area restored

area that was used during or affected by operational activities, and where remediation measures have either restored the environment to its original state, or to a state where it has a healthy and functioning ecosystem

### impact

effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development

Note : Impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.

### protected area

geographic area that is designated, regulated, or managed to achieve specific conservation objectives

### significant impact on biodiversity

impact that can adversely affect the integrity of a geographic area or region, either directly or indirectly, by substantially changing its ecological features, structures, and functions across its whole area, and over the long term, so that habitat, its population levels, and the particular species that make the habitat important cannot be sustained

Note 1: On a species level, a significant impact causes a population decline or change in distribution so that natural recruitment (reproduction or immigration from unaffected areas) cannot return to former levels within a limited number of generations.

Note 2: A significant impact can also affect subsistence or commercial resource use to the degree that the well-being of users is affected over the long term.

### sustainable development / sustainability

development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Source: World Commission on Environment and Development, *Our Common Future*, 1987

Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in the GRI Standards.

## 4. Rationale

GRI Sustainability Reporting Standard (GRI Standard)

## 5. Process details

### 5.1 Risk Assessment Guidelines

The GRI reporting protocols are used to define methods and guidelines for risk assessment for biodiversity and ecosystem services, with risk assessments based on the following indicators:

#### 5.1.1 The Biodiversity: EN11 (GRI 304-1)

is used to assess the location and extent of land adjacent to protected areas and other areas outside protected areas with high biodiversity (such as important wetlands), which are the home of the diversity of species and provide natural or semi-natural habitats for those species. In most cases, these areas are critical habitats of often threatened species and this assessment helps to identify and understand potential risk trends, while also being able to monitor project activities. This is done in order to reduce the risk of impacts that may occur through more strict management and operational control. This is achieved by showing the parameters used in the measurements and the data sources used for this assessment that are according to the EN11 Index, which indicates the following:

**Measurement parameters and data sources used for this index: GRI 304-1**

Measurement	Source of information
<ul style="list-style-type: none"> <li>- Geographic coordinates - Size of the operating area (square kilometer)</li> <li>- Location (distance) from protected areas and areas outside the protected areas with high biodiversity.</li> <li>- Biodiversity is classified according to the features of protected areas and non-protected areas with high biodiversity (forest, freshwater or marine ecosystems), as well as those with the status of being protected (e.g. protected areas managed by the International Union for Conservation of Nature (IUCN), Ramsar Convention, national requirements).</li> </ul>	<ul style="list-style-type: none"> <li>- Integrated Biodiversity Assessment Tool (IBAT)</li> <li>- RAMSAR Convention</li> <li>- World heritage areas according to the resolution of UNESCO</li> <li>- Thailand National Biodiversity Strategy</li> <li>- WWF Wildfinder</li> <li>- Bird Life International</li> <li>- Center for plant diversity (IUCN Centres for Plant Diversity)</li> </ul>

**Definition of protected areas**

A protected area is a well-defined geographic area. It is recognized and managed through any law or method that contributes to the long-term conservation of nature, including ecological services and associated cultural values (IUCN, 2018).

**Definition of areas with high value of natural diversity**

Areas where a wide variety of species are found and provide natural and semi-natural habitats for those species, these areas are often important habitats. For species that are threatened, the types of areas that are considered to be areas with high biodiversity value are as follows:

- KBA: Key Biodiversity Areas
- World Heritage Area
- Ramsar sites
- IBA: Important Bird and Biodiversity Area
- AZE: Alliance for Zero Species Extinction
- EBA: Endemic Bird Area
- Tiger Conservation Landscape

For the classification of protected areas of the International Union for the Conservation of Nature (IUCN), these are classified as follows:

Category	Details
Category Ia	Category Ia protected areas are highly protected areas to preserve biodiversity and geographic, along with topographic features, with strict controls and limiting access to human use to ensure that these areas will be preserved. These protected areas will be preserved as an important reference in scientific research.
Category Ib	The Category Ib protected areas are larger and receive less restrictive protection against human access and use than Category Ia protected areas. However, these may be open to certain types of tourists, such as tourists traveling by foot or sailing.
Category II	Protected Category II is a combination of ecological and recreational protected areas through zoning.
Category III	Category III protected areas incorporate various natural features, so the primary purpose of managing such areas is to maintain these characteristics that differ from the objectives of a Category Ia Protected Area, which is to maintain the integrity of the ecosystem and the processes of the entire ecosystem.
Category IV	A Category IV protected area is a partial protection of an ecosystem or habitat, often requiring constant maintenance. This is different from a Category Ia protected area that has more protected areas and has more impediments to access than a Category IV protected area. Category IV protected areas also tend to be more focused on protecting certain species or habitats than for specific ecosystems such as Category Ia protected areas.

Category V	Category V protected areas are culturally valuable land and sea areas that have been built by humans for more than a hundred years or perhaps thousands of years and are maintained in a continuous manner, where in many V-type protected areas, there are permanent human settlements, which therefore cannot be classified into a Category Ia protected area.
Category VI	Category VI protected areas are natural areas that are linked between biodiversity conservation and sustainable use of natural resources. This differs from a Category Ia protected area. However, a Category Ia protected area may be part of a larger Category VI protected area that is managed as a zoning.

**Guidelines for the Assessment of Biodiversity: GRI 304-1**

For the EN 11 (GRI 304-1) indicator, the risk assessment is based on the relevance of projects affecting protected areas and areas with high biodiversity value by considering the project distance to the nearest protected area and the area of high biodiversity value. The assessment criteria are shown in the table as follows.

Distance from the protected area	Evaluation criteria
There is insufficient data to assess the site of the project to affect protected areas or areas with high biodiversity value.	Not enough data
Protected areas or areas with high biodiversity value located more than 5 km from the project.	low
Protected areas or areas with high biodiversity values located more than 2 kilometers or less than 5 kilometers from the project.	moderate
Protected areas or areas with high biodiversity value that are in contact with or within 2 km of the project.	high
Projects located within protected areas or areas with high biodiversity value.	very high

**5.2 Biodiversity: EN12 (GRI 304-2)**

Principle Risk Assessment EN12 is a visual assessment of the significant impacts arising from project activities, products and services on biodiversity in protected areas and areas outside protected areas with high biodiversity. It includes the parameters used in the measurement and the data sources used for the assessment, which are shown as follows.

Measurement	Data source
<p><b>Nature of impact</b></p> <ul style="list-style-type: none"> <li>- Project type</li> <li>- Pollution resulting from operations</li> <li>- Distribution of invaders, rodents and pathogens</li> <li>- Decrease in species</li> <li>- Change of habitat</li> <li>- Changes in ecological processes other than natural variations</li> </ul> <p><b>Explanation of the impact</b></p> <ul style="list-style-type: none"> <li>- Species affected</li> <li>- Size of the affected area</li> <li>- Duration of the effects that have occurred</li> <li>- Recovery from effects</li> <li>- Accident history</li> </ul>	<ul style="list-style-type: none"> <li>- The nature of the trend of the significant impact of the implementation of the project.</li> <li>- Information from the authorities in charge of tackling arising problems and obstacles (emission of pollution, habitat changes, ecological processes)</li> <li>- Data from EHIA,EIA,IEE,CoP,ESA</li> </ul>

**Guidelines for the Assessment of the Biodiversity EN12 (GRI 304-2)**

The risk assessment of this indicator will look at whether the impact of a certain action is likely to have a "significant" impact on biodiversity. It may temporarily or permanently affect biodiversity, including considering project distances from protected

areas or areas with high biodiversity values. In addition, measures must also be taken to avoid and mitigate the impacts. An assessment of this EN12 indicator must be entered into the biodiversity risk calculator. (Biodiversity Risk Assessment Calculator) to assess the potential risks arising from projects. The criteria for risk assessment are as shown in the table showing data supporting the calculation of the Biodiversity Risk Assessment Calculator and the assessment guideline as follows:

**Criteria for Assessing Biodiversity Risk EN12 (GRI 304-2)**

Risks arising from the implementation of the project		The distance from the project to the nearest protected area or areas with high biodiversity value.(results from EN11)			
		Not enough data	> 5 km	2 - 5 km	< 2 km
Not enough data		Not enough data	Not enough data	Not enough data	Not enough data
low	The nature of the project impacts that indicate that such impacts are significant with a low level of risk.	Not enough data	low	low	moderate
high	The nature of the project impact suggests that the impact is significant with moderate risk.	Not enough data	low	moderate	high
very high	The nature of project impacts suggests that the impacts are significant with a high level of risk.	Not enough data	moderate	high	very high

**Table showing data for the Biodiversity Risk Assessment Calculator**

	Operating range	Type of impact	Classification	Duration	Impact reversibility	Species discovered	Control measures	Accident history	Risk assessment results
Pollution	- Construction period - Operating period - Termination of operations	- No effect - Climate impacts - Effects on soil - Impact on water - Sound effects - Waste - Impact on scenery	- No data - None - Low - Moderate - High	- No data - none - Short term - Medium term - Long term - Permanent	- No data - Impracticable - Feasible	- No data - None - Low - Moderate - High - Very high	- No data - Emergency measures - Measures exist - No measures	- No data - None - Small scale - Medium scale - Large scale	- Insufficient data - Low - Moderate - High - Very high
Invading weeds and pests	- Construction period - Operating period - Termination of operations	- No effects - New invading species - Bacteria - Vertebrates - Weeds - Insects - Parasites	- No data - None - Low - Moderate - High	- No data - none - Short term - Medium term - Long term - Permanent	- No data - Impracticable - Feasible	- No data - None - Low - Moderate - High - Very high	- No data - Emergency measures - Measures exist - No measures	- No data - None - Small scale - Medium scale - Large scale	- Insufficient data - Low - Moderate - High - Very high
Impact on habitat (surface clearing)	- Construction period - Operating period - Termination of operations	- None - Large soil cutting - Longitudinal cutting - Soil cutting by area - Cultivated areas - Building construction - Shifting cultivation - Habitats that have been altered	- No data - None - Low - Moderate - High	- No data - none - Short term - Medium term - Long term - Permanent	- No data - Impracticable - Feasible	- No data - None - Low - Moderate - High - Very high	- No data - Emergency measures - Measures exist - No measures	- No data - None - Small scale - Medium scale - Large scale	- Insufficient data - Low - Moderate - High - Very high

Changes in ecosystem processes	- Construction period - Operating period - Termination of operations	- None - Salinity - Underground water level - Soil contamination - Soil cutting - Wildfires - Forests - Farming	- No data - None - Low - Moderate - High	- No data - none - Short term - Medium term - Long term - Permanent	- No data - Impracticable - Feasible	- No data - None - Low - Moderate - High - Very high	- No data - Emergency measures - Measures exist - No measures	- No data - None - Small scale - Medium scale - Large scale	- Insufficient data - Low - Moderate - High - Very high
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### Assessment of Effects on the Biodiversity Value EN 12

Type of impact	Impact assessment	Source of information	Degree	
Pollution	Identify the amount and type of waste emissions and environmental impacts (air, water, noise, waste, scenery) arising from the current operations of the project. In the event that more than one type of waste impact or release occurs, the waste emissions most likely to affect the species and habitat should be assessed. For example, the release of wastewater into the sea or natural freshwater, which is the habitat of red-listed species.	Relevant licenses granted to the project area. Monitoring of waste from project areas.	No data	There is insufficient information available to identify the pollutants that arise from the operation of the project and their impact on the biodiversity value.
			None	There is no impact from the project area.
			Low	The resulting pollution is subject to environmental requirements.
			Moderate	The pollution that occurs has exceeded the environmental requirements for some time.
			High	The pollution that occurs regularly exceeds environmental requirements.
Invading weeds and pests	Identify the distribution of weeds and pests both inside and outside the project area. Weeds or pests that affect the species and habitat that are most likely to be assessed in the computation of the risk assessment tool. Where there is more than one type of weed and pest distribution in a project site, the most impactful distribution both inside and outside of the project site must be evaluated. Invasion of a nearby protected area or an area with such high biodiversity values should be deemed to cause a significant impact or fragmentation.	From the EHIA, EIA, IEE, CoP, ESA projects. Information from the relevant departments of the projects. Information from local or regional administrations.	No data	There is insufficient data available to determine the number and distribution of invasive weeds and pests into the project site.
			None	No weeds or pests invade the area.
			Low	Weeds or pests and their distribution which are controlled in the project area.
			Moderate	Controlled weeds or pests are distributed throughout the project area but are still limited.
			High	Weeds or pests and the aforementioned distribution both within and outside the project area.
Impact on habitat (surface clearing)	Specify the area and type of vegetation cleared that occurs during the current project. This includes the habitable areas adjusted in the area of the Habitat Clearing Program, which will affect species that are critical to be assessed in the computation of the risk assessment tool. For example, clearing habitats which are home to critical or endangered species and are listed on the Red List that have existed there prior to the construction of a project should not be considered.	From the EHIA, EIA, IEE, CoP, ESA projects. Information from the relevant departments of the projects.	No data	Insufficient information on habitat clearing in the project area.
			None	There is no clearing of habitats.
			Low	Less than 1 hectare is cleared.
			Moderate	More than 1 hectare, but less than 5 hectare has been cleared.
			High	More than 5 hectares has been cleared.
Changes in ecosystem processes	Identify changes to the ecological processes that occur during the current operational implementations within the project area. The changes in the ecological processes that may have the greatest impact on species and habitats must be assessed in the calculation of the risk	From the EHIA, EIA, IEE, CoP, ESA projects. Information from the relevant departments of the projects.	No data	Insufficient data
			None	There are no changes to ecological processes.
			Low	Impacts occur within the project area.
			Moderate	Impacts occur outside of the project area.

	assessment tool. In the event of more than one type of change occurring, the most significant changes must be assessed, for example changes in groundwater levels that affect nearby wetlands water supplies or habitats. Such assessments relate to the scope of the project area and the level of impact on the outside areas of the project, either at the local or regional level.		<b>High</b>	Impacts occur at the local and regional levels.
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### Species identification

Refers to the identification of species living in the project area or within protected areas or areas with high biodiversity value within 5 km of the project area. When more than one species is found, the most important species according to the IUCN type will be used in the assessment. The table shows the types defined by the IUCN and the risk level of the species as follows: IUCN-defined species type and risk level

Type	Risk level
A critically endangered species	very high
Endangered species	high
Species likely endangered	moderate
Species close to being threatened	low
Least concern of extinction	low
Likely that no species extinction concerns detected	low
Species with undetected concerns of extinction	none
Insufficient information to make an assessment	no data

### Duration of effect

The impact duration is referred to the extent of the impact time for each type of effect.

Duration	Degree
More than 2 years	permanent
More than 6 months but not more than 2 years	long-term
More than 3 months but not more than 6 months	medium-term
More than one week but not more than 3 months	short-term
No effects	None
No data	Insufficient data to evaluate

### Effect reversal

Effect reversal refers to the ability to restore impacts to be reversible during the execution of a project. If the impact is permanent, it means the impact cannot be restored even after the project is terminated. The table shows the effect reversal.

Indicators	Level
Impacts may affect species and habitats that can be reversed during the implementation of the project.	low
Irreversible effects may occur on species and habitats under the implementation of the project.	high
Insufficient data to complete assessment no data	no data

### Most likely effects to occur on species

A likely impact on a species refers to the probable relationship between impact types (pollution, pests and weeds, soil clearing and changes in ecosystem processes) with species that have been identified in or near the project area. In this regard, assessments should be conducted in a manner that correlates with the lifestyle patterns of species by considering whether there is a possibility that pollution will affect species, in that case that water pollution is identified for example. Therefore, aquatic animals in this example or marine species may be affected by wastewater discharges from the project. The table presents the assessment criteria and the degree of likely impact on the species as follows:

Assessment criteria	Level assessment criteria
There is no possibility of an impact on the species based on the type of impact.	None
There is a possibility that an effect on the species will occur based on the type of impact.	Present
Insufficient data to complete assessment .	Uncertain

### Existing control measures

Existing control measures refer to the manual, standards and emergency procedures used in the area to control threats and risks. The impact on the value of biodiversity may include operating standards that limit or manage emissions into the environment, as well as pollution control tools that will be used in risk assessments. Accident history Accident history refers to past accidents and project emergencies that have caused an impact on biodiversity value. The accident assessment level determines how much of an impact an accident has on the incident area. The table shows the criteria for assessing the accidents of the past projects.

Evaluation criteria	Level
There is one or more accidents that cannot be controlled in the project area. This causes a danger to the environment and can continue to affect the environment of the area surrounding the project.	high
One or more uncontrollable accidents have occurred in the project area and have caused environmental hazards in the project area.	moderate
One or more accidents have occurred within the project, but can be controlled in the project area and do not affect the surrounding environment.	low
No accident history	none
Insufficient data to complete assessment.	no data

### 5.3 Biodiversity: EN13 (GRI 304-3)

The EN13 (GRI 304-3) biodiversity index is used to record protected habitats or rehabilitation areas by a project. These areas may include areas that have been rehabilitated voluntarily or on a compulsory government-defined basis. Data from this index can be used as a supplement to the risk assessment of the EN11 and EN12 scorecard, as well as in the formulation of a further biodiversity action plan (Biodiversity Action Plan: BAP). The information required for recording are as follows.

- The size and location of all residential areas that are protected or restored.
- Whether or not reconstruction results have been successful and have been certified by independent experts.
- Are there co-operations with partners or partners involved in the protection or restoration of habitats?
- Standard of restoration methods.

### 5.4 Biodiversity: EN14 (GRI 304-4)

The EN 14 (GRI 304-4) biodiversity index is used in the IUCN Red List of species and species with habitats in areas affected by the operation of a project, based on their risk of extinction as a result of the implementation of the project. Data from this index can be used to supplement the risk assessment of the EN11 and EN12 indexes, as well as to formulate a biodiversity action plan (Biodiversity Action Plan: BAP), in which the information required for recording includes the number of species listed on the IUCN Red List and the Local Reservation Animal List, which are affected by the operation of the program, with the extinction risk levels being divided as follows.

- Critically endangered species
- Endangered species
- Species likely to be endangered
- Species close to being threatened
- Species of least concern from extinction

#### 5.5 Key Performance Indicator : KPI

Measure of success	Target value
All operating areas requires an annual assessment and review of biodiversity risks.	100%

#### 6. Biodiversity Commitment

- We have a public policy in place on biodiversity Policy

##### Our policy defines the following aspects:

- Achievement of a net positive impact (NPI) on biodiversity : the target year 2035
- Definition of biodiversity-related targets for priority areas to work towards no net loss
- Commitment required of value chain to avoid operational activities near sites containing globally or nationally important biodiversity
- Application of a mitigation hierarchy
- Conducting a biodiversity risk assessment
- Engagement with stakeholders on biodiversity

##### Scope of Commitment

- Own Operations

##### Policy Endorsement

- The policy endorsed by member of Executive Management :
  - Executive Management

#### 7.No Deforestation Commitment

- We have a public commitment in place on no-deforestation

##### Extent of Commitment

- End all deforestation (no gross deforestation)
- Compensate with future reforestation (no net deforestation)

##### Scope of commitment

- Own Operations

##### Policy Endorsement

- The commitment endorsed by member of Executive Management :
  - Executive Management



**Voltronic Power Technology Corp.**

**Supplier (Supply Chain) Management Policy**

## 1. Subject matter

### 1.1 This Policy lays down rules

- (a) on obligations for VPT regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to our own operations, the operations of our subsidiaries, and the value chain operations carried out by entities with whom VPT has an established business relationship and
- (b) on liability for violations of the obligations mentioned above.

The nature of business relationships as 'established' shall be reassessed periodically, and at least every 12 months.

### 1.2 This Policy shall not constitute grounds for reducing the level of protection of human rights or of protection of the environment or the protection of the climate provided for by the law of various Countries at the time of formulating this Policy.

### 1.3 This Policy shall be without prejudice to obligations in the areas of human rights, protection of the environment and climate change under various Countries' acts. If the provisions of this Policy conflict with a provision of another Country legislative act pursuing the same objectives and providing for more extensive or more specific obligations, the provisions of the other Country legislative act shall prevail to the extent of the conflict and shall apply to those specific obligations.

## 2. Scope

### 2.1 This Policy shall apply to companies which fulfil one of the following conditions:

- (a) All key Tier-1 and non key Tier-1 suppliers defined by VPT.
- (b) Had more than 500 employees on average and had a net worldwide turnover of more than US 150 million in the last financial year for which the annual financial statements have been prepared;
- (c) The company did not reach the thresholds under point (b), but had more than 250 employees on average and had a net worldwide turnover of more than US 40million in the last financial year for which annual financial statements have been prepared, provided that at least 50% of this net turnover was generated in one or more of the following sectors:
  - (i) the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear;
  - (ii) agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages;
  - (iii) the extraction of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).
- (d) Other suppliers.

### 2.2 For the purposes of paragraph 2.1, the number of part-time employees shall be calculated on a full-time equivalent basis. Temporary agency workers shall be included in the calculation of the number of employees in the same way as if they were workers employed directly for the same period of time by the company.

## 3. Corporate Social Responsibility Management Agreement for Suppliers

### 3.1 For 2 Scope 1 all suppliers (a) (b) (c) (d) shall be managed in accordance with 3.2 "Corporate Social Responsibility Management Agreement for Suppliers of VPT".

### 3.2 "Corporate Social Responsibility Management Agreement for Suppliers of VPT"

#### 1, Purpose

Concern about corporate social responsibility has become an increasingly important issue. VPT will take social responsibility as our goal, implement social responsibility procurement, ensure that suppliers produce products or provide services in a socially responsible manner, and promote the sustainable development of the industrial chain and the sustainable operation of the company.

Through this agreement, we will clarify the CSR management requirements of VPT for suppliers, encourage suppliers to implement relevant management, and effectively control risks.

#### 2, definition

CSR : Corporate Social Responsibility, corporate social responsibility includes environmental protection, health and safety, labor rights and interests, business ethics and other requirements.

**Children :** Anyone under the age of fifteen. If the minimum working age or compulsory education age prescribed by local law is higher than 15 years old, the higher age shall prevail. If the local law stipulates that the minimum working age is 14 years old and complies with the exceptions of ILO Convention 138 concerning developing countries, the lower age shall prevail. Chinese regulations stipulate that the age of child labor is less than 16 years old.

**Child Labor:** Any work performed by a child below the age specified in the above definition of a child, unless it complies with the provisions of ILO Recommendation No. 146.

**Young Worker:** Any worker who is older than the child defined above but not older than eighteen years of age. According to Chinese regulations, workers over 16 years old but fewer than 18 years old are defined.

### **3, Management Requirements**

**3.1 Labor Requirements:** The supplier shall implement the requirements of social responsibility management in accordance with SA8000 international standards for social responsibility.

#### **3.1.1 Human rights**

The supplier shall respect internationally recognized human rights standards and shall not participate in or support any human rights violations. Everyone's dignity, privacy and rights should be respected.

#### **3.1.2 Prohibition of child labor**

The supplier shall not use or support the use of child labor in accordance with the above definition (under the age of 16), and effective measures shall be taken to avoid recruiting child labor by mistake.

The supplier shall establish and maintain remedial procedures for child labor in accordance with national laws and effectively communicate them to all employees. Once the use of child labor is found, the supplier shall support child labor to receive school education until they are older than the age of child.

#### **3.1.3 Forced or compulsory labor**

The supplier shall not use prison labor, debt-paying labor, forced labor or other forms of involuntary labor, shall not use prisons or similar institutions as suppliers or subcontractors, and shall not require employees to pay "deposits" or surrender identity documents when they are employed.

The supplier shall not withhold part of the wages, benefits, property or certificates of the workers in order to force them to work continuously.

Supplier employees have the right to leave the workplace after completing the standard working hours.

#### **3.1.4 Working hours and rest**

The supplier shall abide by the applicable laws and industry standards concerning working hours and rest.

The supplier shall keep accurate working hour's records regardless of the timing, piece-counting or comprehensive working hours approved by local laws and regulations.

The supplier should establish an effective overtime control mechanism to ensure that employees' overtime is voluntary and that employees' physical and mental health is ensured.

#### **3.1.5 Basic wage guarantee and social insurance**

The wage paid by the supplier shall meet the minimum wage standard stipulated by the local government and provide the basic welfare stipulated by the national law.

The supplier shall pay overtime wages as required by law.

When employing an employee, the supplier shall specify in advance the working conditions, wages and salaries, and the period of payment of wages in an easy-to-understand written form. The deduction of wages should not be used as a punishment. Any deduction should be notified to the employees in advance and made clear to them.

Wage payment time shall be operated in accordance with local government regulations and no arrears or delays shall be allowed. The supplier shall provide social insurance for employees, including industrial injury insurance, and pay corresponding insurance premiums according to law.

#### **3.1.6 Establish a system to protect employees' rights and interests**

The supplier shall establish rules and regulations to protect the rights and interests of employees according to law, including working hours, rest and vacation, wage payment, labor discipline, dismissal and other matters, and publicize these systems through appropriate means so that employees can access them at any time.

The supplier should establish a system of labor safety and health, strictly implement local regulations and standards of labor safety and health, carry out labor safety and health education, prevent accidents in the process of labor and reduce occupational hazards.

#### 3.1.7 Labor contract

The supplier shall sign a labor contract with the employees. The conclusion and change of the labor contract shall follow the principle of equality, voluntariness and consensus through consultation, and shall not violate the provisions of laws and administrative regulations.

The supplier shall terminate the employee's labor contract in accordance with the law, and notify and compensate the parties in advance in accordance with the law.

#### 3.1.8 Protection of young workers and female workers

The supplier may employ young workers as required, but shall provide labor protection in accordance with regulations, including but not limited to : Young workers shall not be allowed to work in toxic and harmful positions; young workers shall not be allowed to work in night shifts, etc.

Women enjoy equal employment opportunities with men except for locally prescribed jobs or posts that are not suitable for women. The supplier shall prohibit the arrangement of female workers to engage in taboo labor prescribed by the local government, and prohibit the arrangement of female workers to engage in high, low temperature, cold water work and other taboo labor prescribed by local laws during menstruation or pregnancy.

The supplier shall prohibit the arrangement of female workers to engage in local taboo work, extended working hours or night shift work while breastfeeding babies less than one year of age.

#### 3.1.9 Disciplinary Measures

The supplier shall give dignity and respect to all personnel. It shall not engage in or support corporal punishment, mental or physical coercion, and verbal insult or treat employees in a crude and inhuman manner.

#### 3.1.10 no discrimination system and behavior

In matters involving employment, remuneration, training opportunities, promotion, dismissal or retirement, the supplier shall not engage in or support discriminatory systems and acts based on race, nationality, religion, physical disability, gender, marital status, political affiliation or age.

The supplier should respect employees of different races and religions and provide necessary conveniences and conditions in customs. The supplier shall not permit any threat, abuse, exploitation or coercive sexual harassment, including gesture, language and physical contact, in the workplace, in the shelter provided or managed by the supplier or in other places.

Under no circumstances shall the supplier require the employee to undergo pregnancy or virginity tests.

#### 3.1.11 respect for employees' right to freedom of association and equal consultation

The supplier should have organizations that can represent and safeguard the legitimate rights and interests of employees and can carry out activities independently according to law (e.g. trade unions, workers 'representatives, employee relationship management). Employees have the right to participate in democratic management and equal consultation through staff congresses, staff representatives or other forms in accordance with the law.

The supplier shall ensure that the employees and workers 'representatives participating in the workers' organizations will not be discriminated against, harassed, coerced or retaliated on the basis of the trade union members or their participation in trade union activities, and that the employees 'representatives may maintain contact with the employees they represent at the workplace.

### 3.2 Health and Safety Requirements

The suppliers shall refer to the requirements of ISO45001 standards to implement occupational health management.

The supplier should provide a safe and healthy working environment, pay attention to industry safety knowledge and specific safety risks. Through practical measures to reduce the hidden safety hazards in the working process and environment, take adequate measures to prevent accidents or personal injury.

Employees should receive appropriate and adequate health and safety training so that they can fully recognize the risk factors associated with the work process and work environment and how to minimize the risk.

The supplier shall regularly detect, prevent and deal with factors that may endanger the occupational health and safety of employees.

The supplier shall provide labor protection articles in accordance with local regulations, conduct regular health checks for employees engaged in occupational hazards operations, conduct specialized training for employees engaged in special operations and require qualifications for special operations.

The supplier shall provide clean and hygienic toilet facilities, drinking water and, if necessary, food storage facilities.

If the supplier provides accommodation for the employees, the facilities should be clean and meet the basic needs of the employees.

If the supplier provides the staff canteen, it needs to ensure the canteen environment and food hygiene and safety according to relevant regulations.

The supplier shall regularly provide employees with effective health and safety instructions, including on-site instructions, warning signs, and (if necessary) specific work instructions.

If an employee is injured at work, the supplier shall provide first aid and assist the worker in obtaining follow-up treatment.

All personnel shall have the right to leave the imminent serious danger, even without the permission of the supplier.

The supplier should identify and assess possible emergencies and accidents, and minimize the impact by implementing emergency plans, including emergency reports, staff evacuation, training and drills, fire alarms and fire extinguishing devices, safety exits and recovery plans.

The supplier should establish the process of investigation, analysis and statistics of work-related injuries to reduce the incidence of accidents and work-related injuries.

### 3.3 Environmental Protection

#### 3.3.1 Pollution control

**Establishment of environmental system :** The suppliers should establish and implement environmental management system according to the requirements of ISO14001 standard.

**Environmental licensing and reporting :** The supplier shall obtain the environmental license, approval document and registration certificate required by the applicable laws and regulations, and update them in time, as well as comply with the operation and reporting requirements of the license.

**Hazardous substances:** Suppliers should identify and control hazardous chemicals and other substances released into the environment to ensure their safe handling, transportation, storage, recovery or reuse and disposal.

**Wastewater and solid wastes:** Wastewater and hazardous wastes produced in the process of production and operation of the supplier shall be classified, monitored, controlled and treated according to requirements before discharge or disposal.

**Air emissions:** Volatile organic chemicals, aerosols, particulates, ozone chemical consumables and combustion by-products produced by the supplier in the course of operation should be identified, monitored, controlled and handled as required before discharge.

#### 3.3.2 Energy conservation and emission reduction

The supplier should reduce and eliminate all types of consumption (including water, electricity, natural gas, etc.) from the source or through practice (such as improving production, maintaining facility technology, replacing materials, saving natural resources, material recycling and reuse).

The supplier should continuously introduce new technologies, new products and new management in energy saving, material saving and land saving.

Suppliers should increase the proportion of green energy and new energy, reduce greenhouse gas emissions and achieve a low-carbon economy.

The supplier should improve the energy efficiency of equipment, reduce energy consumption of products, promote dynamic energy saving and reduce energy consumption of travel and transportation.

The supplier should promote packaging standardization and realize visual green packaging and logistics.

#### 3.3.3 Environmental Protection of Products

The supplier shall abide by all applicable laws, regulations and customer requirements concerning the prohibition or restriction of specific substances, including markings relating to regeneration and disposal.

All products should meet environmental protection directives such as RoHS, REACH, green packaging and environmental protection regulations of target market countries and regions.

Lead-free and low toxicity control should be implemented in all product production to meet the requirements of relevant regulations on chemical management and control of toxic and harmful substances.

The supplier should implement green purchasing, and the materials provided by the supplier should be inspected or managed for environmental protection.

### 3.4 Business Ethics Requirements

**Business integrity :** All business activities of the supplier should abide by the standards of integrity and prohibit any form of embezzlement, extortion, embezzlement of public funds, money laundering and other acts, in order to avoid being ordered to suspend business or subject to legal sanctions by the government.

**No unfair interest:** The supplier shall not provide or accept bribes or other forms of unfair gains, including inappropriate gifts.

**Information disclosure:** The supplier discloses information on business activities, organizational structure, financial situation and performance in accordance with applicable regulations and major industry practices.

**Intelligent property rights:** The supplier should respect and protect the intellectual property rights and the transfer of technology and production experience should properly protect the intellectual property rights.

**Fair trade, advertising and competition:** The supplier should establish a fair trade, advertising and competition system, and take measures to protect customer information.

**Identity information protection:** The supplier shall protect the supplier and its employees whistleblowers and ensure the confidentiality of their identities.

**Community participation:** Encourage participation in community activities to promote social and economic development.

### 4. Special due diligence

4.1 For 2 Scope 1 suppliers (a) and meets one of the conditions (b) or (c) should conduct special due diligence every three years on average.

4.2 If the 4.1 supplier has issued a ESG Report or similar Report on the items and contents of special due diligence and obtained 'independent third-party verification' , it may be exempted from special due diligence.

4.3 4.2 the 'independent third-party verification' means verification of the compliance by a company, or parts of its value chain, with human rights and environmental requirements resulting from the provisions of this Directive by an auditor which is independent from the company, free from any conflicts of interests, has experience and competence in environmental and human rights matters and is accountable for the quality and reliability of the audit;

#### 4.4 Special due diligence items and contents

4.4.1 Whether there is "adverse environmental impact": whether there is any adverse impact on the environment resulting from the violation of one of the prohibitions and obligations pursuant to the following international environmental conventions:

- 1.Violation of the obligation to take the necessary measures related to the use of biological resources in order to avoid or minimize adverse impacts on biological diversity, in line with Article 10 (b) of the 1992 Convention on Biological Diversity and [taking into account possible amendments following the post 2020 UN Convention on Biological Diversity], including the obligations of the Cartagena Protocol on the development, handling, transport, use, transfer and release of living modified organisms and of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity of 12 October 2014;
- 2.Violation of the prohibition to import or export any specimen included in an Appendix of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) of 3 March 1973 without a permit , pursuant to Articles III, IV and V;
- 3.Violation of the prohibition of the manufacture of mercury-added products pursuant to Article 4 (1) and Annex A Part I of the Minamata Convention on Mercury of 10 October 2013 (Minamata Convention);
- 4.Violation of the prohibition of the use of mercury and mercury compounds in manufacturing processes within the meaning of Article 5 (2) and Annex B Part I of the Minamata Convention from the phase-out date specified in the Convention for the respective products and processes;
- 5.Violation of the prohibition of the treatment of mercury waste contrary to the provisions of Article 11 (3) of the Minamata Convention;
- 6.Violation of the prohibition of the production and use of chemicals pursuant to Article 3 (1) (a) (i) and Annex A of the Stockholm Convention of 22 May 2001 on Persistent Organic Pollutants (POPs Convention), in the version of Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169 of 25 June 2019 pp. 45-77;
- 7.Violation of the prohibition of the handling, collection, storage and disposal of waste in a manner that is not environmentally sound in accordance with the regulations in force in the applicable jurisdiction under the provisions of Article 6 (1) (d) (i) and (ii) of the POPs Convention;

8. Violation of the prohibition of importing a chemical listed in Annex III of the Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (UNEP/FAO), adopted on 10 September 1998, as indicated by the importing Party to the Convention in line with the Prior Informed Consent (PIC) Procedure;
9. Violation of the prohibition of the production and consumption of specific substances that deplete the ozone layer (i.e., CFCs, Halons, CTC, TCA, BCM, MB, HBFCs and HCFCs) after their phase-out pursuant to the Vienna Convention for the protection of the Ozone Layer and its Montreal Protocol on substances that deplete the Ozone Layer;
10. Violation of the prohibition of exports of hazardous waste within the meaning of Article 1 (1) and other wastes within the meaning of Article 1 (2) of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Basel Convention) and within the meaning of Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (OJ L 190 of 12 July 2006 pp. 1-98) (Regulation (EC) No 1013/2006), as last amended by Commission Delegated Regulation (EU) 2020/2174 of 19 October 2020 (OJ L 433 of 22 December 2020 pp. 11-19)
- (a) to a party that has prohibited the import of such hazardous and other wastes (Article 4 (1) (b) of the Basel Convention),
- (b) to a state of import as defined in Article 2 no. 11 of the Basel Convention that does not consent in writing to the specific import, in the case where that state of import has not prohibited the import of such hazardous wastes (Article 4 (1) (c) of the Basel Convention),
- (c) to a non-party to the Basel Convention (Article 4 (5) of the Basel Convention),
- (d) to a state of import if such hazardous wastes or other wastes are not managed in an environmentally sound manner in that state or elsewhere (Article 4 (8) sentence 1 of the Basel Convention);
11. Violation of the prohibition of the export of hazardous wastes from countries listed in Annex VII to the Basel Convention to countries not listed in Annex VII (Article 4A of the Basel Convention, Article 36 of Regulation (EC) No 1013/2006);
12. Violation of the prohibition of the import of hazardous wastes and other wastes from a non-party to the Basel Convention (Article 4 (5) of the Basel Convention).
- 4.4.2 Whether there is "adverse human rights impact": whether there is any adverse impact on protected persons resulting from the violation of one of the rights or prohibitions pursuant to the following international conventions:
1. VIOLATIONS OF RIGHTS AND PROHIBITIONS INCLUDED IN INTERNATIONAL HUMAN RIGHTS AGREEMENTS
1. Violation of the people's right to dispose of a land's natural resources and to not be deprived of means of subsistence in accordance with Article 1 of the International Covenant on Civil and Political Rights;
2. Violation of the right to life and security in accordance with Article 3 of the Universal Declaration on Human rights;
3. Violation of the prohibition of torture, cruel, inhuman or degrading treatment in accordance with Article 5 of the Universal Declaration of Human Rights;
4. Violation of the right to liberty and security in accordance with Article 9 of the Universal Declaration of Human Rights;
5. Violation of the prohibition of arbitrary or unlawful interference with a person's privacy, family, home or correspondence and attacks on their reputation, in accordance with Article 17 of the Universal Declaration of Human Rights;
6. Violation of the prohibition of interference with the freedom of thought, conscience and religion in accordance with Article 18 of the Universal Declaration of Human Rights;
7. Violation of the right to enjoy just and favourable conditions of work including a fair wage, a decent living, safe and healthy working conditions and reasonable limitation of working hours in accordance with Article 7 of the International Covenant on Economic, Social and Cultural Rights;
8. Violation of the prohibition to restrict workers' access to adequate housing, if the workforce is housed in accommodation provided by the company, and to restrict workers' access to adequate food, clothing, and water and sanitation in the work place in accordance with Article 11 of the International Covenant on Economic, Social and Cultural Rights;
9. Violation of the right of the child to have his or her best interests given primary consideration in all decisions and actions that affect children in accordance with Article 3 of the Convention of the Rights of the Child; violation of the right of the child to develop to his or her full potential in accordance with Article 6 of the Convention of the Rights of the Child; violation of the right of the child to the highest attainable standard of health in accordance with Article 24 of the Convention on the Rights of the Child; violation of the right to social security and an adequate standard of living in accordance with Article 26 and 27 of the Convention on the Rights

- of the Child; violation of the right to education in accordance with Article 28 of the Convention on the Rights of the Child; violation of the right of the child to be protected from all forms of sexual exploitation and sexual abuse and to be protected from being abducted, sold or moved illegally to a different place in or outside their country for the purpose of exploitation, in accordance with Articles 34 and 35 of the Convention of the Rights of the Child;
10. Violation of the prohibition of the employment of a child under the age at which compulsory schooling is completed and, in any case, is not less than 15 years, except where the law of the place of employment so provides in accordance with Article 2 (4) and Articles 4 to 8 of the International Labour Organization Minimum Age Convention, 1973 (No. 138);
11. Violation of the prohibition of child labour pursuant to Article 32 of the Convention on the Rights of the Child, including the worst forms of child labour for children (persons below the age of 18 years) in accordance with Article 3 of the of the International Labour Organization Worst Forms of Child Labour Convention, 1999 (No. 182). This includes:
- (a) All forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom, as well as forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflicts,
  - (b) The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances,
  - (c) The use, procuring or offering of a child for illicit activities, in particular for the production of or trafficking in drugs,
  - (d) Work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children;
12. Violation of the prohibition of forced labour; this includes all work or service that is exacted from any person under the menace of any penalty and for which the said person has not offered himself or herself voluntarily, for example as a result of debt bondage or trafficking in human beings; excluded from forced labour are any work or services that comply with Article 2 (2) of International Labour Organization Forced Labour Convention, 1930 (No. 29) or with Article 8 (3) (b) and (c) of the International Covenant on Civil and Political Rights;
13. Violation of the prohibition of all forms of slavery, practices akin to slavery, serfdom or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliation in accordance with Article 4 of the Universal Declaration of Human Rights and Art. 8 of the International Covenant on Civil and Political Rights;
14. Violation of the prohibition of human trafficking in accordance with Article 3 of the Palermo Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime;
15. Violation of the right to freedom of association, assembly, the rights to organise and collective bargaining in accordance with Article 20 of the Universal Declaration of Human Rights, Articles 21 and 22 of the International Covenant on Civil and Political Rights Article 8 of the International Covenant on Economic, Social and Cultural Rights, the International Labour Organization Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the International Labour Organization Right to Organise and Collective Bargaining Convention, 1949 (No. 98), including the following rights:
- (a) workers are free to form or join trade unions,
  - (b) the formation, joining and membership of a trade union must not be used as a reason for unjustified discrimination or retaliation,
  - (c) workers' organisations are free to operate in accordance with applicable in line with their constitutions and rules without interference from the authorities;
  - (d) the right to strike and the right to collective bargaining;
16. Violation of the prohibition of unequal treatment in employment, unless this is justified by the requirements of the employment in accordance with Article 2 and Article 3 of the International Labour Organisation Equal Remuneration Convention, 1951 (No. 100), Article 1 and Article 2 of the International Labour Organisation Discrimination (Employment and Occupation) Convention, 1958 (No. 111) and Article 7 of the International Covenant on Economic, Social and Cultural Rights; unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value;
17. Violation of the prohibition of withholding an adequate living wage in accordance with Article 7 of the International Covenant on Economic, Social and Cultural Rights;
18. Violation of the prohibition of causing any measurable environmental degradation, such as harmful soil change, water or air pollution, harmful emissions or excessive water consumption or other impact on natural resources, that

- (a)impairs the natural bases for the preservation and production of food or
- (b)denies a person access to safe and clean drinking water or
- (c)makes it difficult for a person to access sanitary facilities or destroys them or
- (d)harms the health, safety, the normal use of property or land or the normal conduct of economic activity of a person or
- (e)affects ecological integrity, such as deforestation,

in accordance with Article 3 of the Universal Declaration of Human Rights, Article 5 of the International Covenant on Civil and Political Rights and Article 12 of the International Covenant on Economic, Social and Cultural Rights;

19.Violation of the prohibition to unlawfully evict or take land, forests and waters when acquiring, developing or otherwise use land, forests and waters, including by deforestation, the use of which secures the livelihood of a person in accordance with Article 11 of the International Covenant on Economic, Social and Cultural Rights;

20.Violation of the indigenous peoples' right to the lands, territories and resources which they have traditionally owned, occupied or otherwise used or acquired in accordance with Article 25, 26 (1) and (2), 27, and 29 (2) of the United Nations Declaration on the Rights of Indigenous Peoples;

21.Violation of a prohibition or right not covered by points 1 to 20 above but included in the human rights agreements listed in Section 2 of this Part, which directly impairs a legal interest protected in those agreements, provided that the company concerned could have reasonably established the risk of such impairment and any appropriate measures to be taken in order to comply with the obligations referred to in Article 4 of this Directive taking into account all relevant circumstances of their operations, such as the sector and operational context.

## 2.HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS CONVENTIONS

- The Universal Declaration of Human Rights;
- The International Covenant on Civil and Political Rights;
- The International Covenant on Economic, Social and Cultural Rights;
- The Convention on the Prevention and Punishment of the Crime of Genocide;
- The Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment;
- The International Convention on the Elimination of All Forms of Racial Discrimination;
- The Convention on the Elimination of All Forms of Discrimination Against Women;
- The Convention on the Rights of the Child;
- The Convention on the Rights of Persons with Disabilities;
- The United Nations Declaration on the Rights of Indigenous Peoples;
- The Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities;
- United Nations Convention against Transnational Organised Crime and the Palermo Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime;
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work;
- The International Labour Organization's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy;
- The International Labour Organization's core/fundamental conventions:
  - Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
  - Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
  - Forced Labour Convention, 1930 (No. 29) and its 2014 Protocol;
  - Abolition of Forced Labour Convention, 1957 (No. 105)
  - Minimum Age Convention, 1973 (No. 138)
  - Worst Forms of Child Labour Convention, 1999 (No. 182)
  - Equal Remuneration Convention, 1951 (No. 100)
  - Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

### 4.4.3Combating climate change

4.4.3.1 Shall ensure that company shall adopt a plan to ensure that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement. This plan shall, in particular, identify, on the basis of information reasonably available to the company, the extent to which climate change is a risk for, or an impact of, the company's operations.

4.4.3.2 Shall ensure that, in case climate change is or should have been identified as a principal risk for, or a principal impact of, the company's operations, the company includes emission reduction objectives in its plan.

4.4.3.3 Shall ensure that companies duly take into account the fulfilment of the obligations referred to in 4.4.3.1 and 4.4.3.2 when setting variable remuneration, if variable remuneration is linked to the contribution of a director to the company's business strategy and long-term interests and sustainability.

4.4.4 others: not listed in 4.4.1, 4.4.2, 4.4.3 but listed in 3.2.

## 5. ESG Integration in SCM Strategy

Indicates the main priorities of company's general supply chain management strategy as well as the environmental, social and governance (ESG) objectives that have been identified in the company. Further, indicates how ESG factors are integrated in the supplier selection decisions.

### 5.1 General background of supply chain

VPT is an R&D and manufacturer of UPS (Uninterruptible Power System), according to customers' projects, design or assembly products into the finished products, and then transports them to the designated areas of the customers.

The main supply chain is to provide the main products, such as the electronic or mechanism components suppliers of UPS, and the supply chain is most made up by domestic or foreign suppliers there have advantages in such goods. Raw material supplier region mainly in Taiwan, the United States, Japan, South Korea, China, Europe ; types of suppliers, contains the original factory, authorized agencies and distributors and so on ; The specific industry characteristics of the supply chain contain capital intensive, technology intensive, labor intensive.

The supply chain strategy mainly base on the competitiveness, including the prices, research and development capabilities, manufacturing capabilities, quality advantages, process management, On-site service etc., within the reporting period, supplier relationship changes are all the normal operation of policy attribute, no other factors of significant change.

### 5.2 Environmental requirements to suppliers

Suppliers shall comply with the provisions of the environmental laws, regulations, technical standards, including ROHS, prevention and control of pollution, waste disposal and other about environmental protection laws and regulations; the supplier shall in accordance with requirements of VPT, to produce the related documents relating to environmental protection investigation of or relating to environmental protection.

### 5.3 Ethical requirements to suppliers

Suppliers shall commit to adhere to ethical management, the supply chain upstream and downstream joint cooperation to constantly improve the core competitiveness. Only for how to provide and obtain the most competitive price products to engage in pure trading behavior, without also shall not to engage in behavior as to offer direct or indirect rebate, commission, facilitating payment or through other means to offer any improper benefits to each other handling personal in order to win the order.

### 5.4 Supply Chain Management

#### 5.4.1 Supply Chain Management Objectives

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

#### 5.4.2 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.

#### 5.4.3 Supply Chain Management Orientation



#### 5.4.4 Content Management of Prohibited Substances in Green Products

Components and parts (contain raw material /auxiliary material /half-finished products/finished products) in the supply chain shall be guaranteed to be green products (GP). The content of prohibited substances shall be in conformity of following stipulation:

##### A. The restricted substances for use :

Item	Substances	Controlled Applications	Limit ( ppm )	Testing methods
Metal Compounds	Pb	Paint and inks	< 100ppm	Pretreatment method: IEC62321Section11,12or13 Inspection instruments: ICP-AAS ( OES ) /ICP-MS
		Plastic	< 300ppm	
		Others	< 1000ppm	
		Steel alloys	< 3500ppm	
		Aluminum alloys	< 4000ppm	
		Copper alloys	< 40000ppm	
	Cd	All	< 100ppm	Pretreatment method: IEC62321Section11,12or13 Inspection instruments: ICP-AAS ( OES ) /ICP-MS
Hg	All	All	< 1000ppm	Pretreatment method: IEC62321Section10 Inspection instruments: CV-AAS,AFS,ICP-OES,ICP-MS
Non-Metal	< 1000ppm	IEC62321Section9 ( Ploymers )		
	Halogenated Organic Compounds	PBBs	All	< 1000ppm
PBDEs		All	< 1000ppm	
Packaging Content Restrictions	Pb + Cd + Hg + Cr <sup>+6</sup>	PE bags, instructions, gift boxes, solders, partitions, roof and bottom panels, PE films, angle guards, pallets, sealing tapes, buckles, PPO bales	< 100ppm	Same as the above Pb/Cd/Hg/Cr <sup>+6</sup> testing methods

Phthalates (PAE)	Bis(2-ethylhexyl) phthalate (DEHP)	Non-Metal For example: A. Plastic and rubber (cable, connector, housing, tape, insulating tape, tie band) B. Labels, Signs, Foam cottons C. Coating (Paint, Ink), Sealant, Adhesive D. other	< 1000ppm	Pretreatment method: IEC62321-8 : 2017 Inspection instruments: GC-MS, Py/TD-GC-MS
	Butyl benzyl phthalate (BBP)		< 1000ppm	
	Dibutyl phthalate (DBP)		< 1000ppm	
	Diisobutyl phthalate (DIBP)		< 1000ppm	

B. Bundle Tie and product package material (Buffer Cushion, Hop Bag, Bag, packaging tie and paper box, etc.) is prohibited to use PVC and its blends intentionally.

C. Conform to the newest requirements of the EU Restriction of Hazardous Substances (RoHS) directive.

**EU REACH SVHC Management**

Components and parts (contain raw material /auxiliary material /half-finished products/finished products) in the supply chain shall comply with the EU REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) Act, the concentrations of SVHC-Substances of Very High Concern must meet the requirements of the Act.

The list of Substances of Very High Concern is a dynamic document, which changes with the publication of the European Chemicals Agency (ECHA) and should be actively concerned about its latest changes.

**5.4.5 Code for the management of the conflict minerals**

**5.4.5.1 Conflict Minerals**

Does company have a comprehensive strategy in place to avoid contributing to conflict through the purchasing decisions and practices?

Yes, have such a policy in place.

**5.4.5.2 Policy**

Does have a publicly available policy in place for minerals from conflict-affected and high-risk areas? Yes.

In the Democratic Republic of the Congo and the surrounding area, non-government military group control Au, Ta, W, Sn and so on metal by the armed mastery, resulting in the deterioration of the social, environmental and human rights. VPT abides by customers and act requirements, adopts the policy of no conflict metal purchasing, uses the conflict minerals report model and supporting management tool, continuously investigate whether the suppliers implement the above policies.

**5.4.5.3 Risk Identification**

Does company have a formalized process/operating procedure in place to track minerals through the supply chain and identify and assess risks from minerals from conflict-affected and high-risk areas? The process covers the following:

- Necessity (e.g. what conflict minerals are used, how and why they are necessary to the functionality of the product)
- Supplier survey
- Response verification
- Country of origin determination

**5.4.5.4 Risk Management**

Has company developed a risk management plan at smelter or refinery (SOR) or supplier level to mitigate or remediate identified risks from minerals from conflict-affected and high-risk areas?

"Code for the management of the conflict minerals"

1, the purpose of :

In order to meet the requirements of the management of the conflict minerals bill, and to guide the investigation of suppliers in the supply chain, this code is adopted.

2, the scope of application:

Applicable to the qualified suppliers which are currently trading with the company.

3, definition:

3.1 3TG : Refers to Sn (Tin), Ta (Tantalum), W (Tungsten), gold (Gold) four kinds of metals, because of its English to T and G at the beginning, also known as 3TG metal.

- 3.2 Conflict Minerals:** Refers to conflict metal 3TG, and the mining minerals located in the Democratic Republic of the Congo Republic and the surrounding area (Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia, Angola, Central African Republic and Republic of Congo).
- 3.3 Smelter :** Refers to the smelter which carries ore extraction, to obtain 3TG metal.
- 3.4 CMRT ( Conflict Mineral Reporting Template ) :** Refers to the standard form co-developed by the international institutions EICC ( Electronic Industry Code of Conduct ) and GeSI ( Global e-Sustainability Initiative ) for the investigation of conflict minerals in the supply chain.
- 3.5 SEC :** The U.S. Securities and Exchange Commission
- 3.6 Dodd-Frank Wall Street Reform and Consumer Protection Act :** The conflict mineral management regulation, which was formulated by SEC and enacted on July 15, 2010, in the United States, requires the listed companies in the United States to disclose the information involving the investigation of the conflict minerals management.
- 5.3.3 [Declaration]** the main fill in project for the investigation, after completing the company's information, there are 7 declaration questions (1-7) and 10 company level questions (A-G) need to answer.
- 5.3.4 [Declaration]** within the scope of the declaration there are 7 main questions need to answer.
- 5.3.4.1 Question 1,** the supplier needs to answer whether the provided material contains the conflict metal (3TG), if all the answer is NO, i.e. does not contain four kinds of metals that the investigation can be over.
- 5.3.4.2 Question 2,** the supplier needs to answer whether the provided material must use the conflict metal, if the answer is Yes, i.e. the 3TG is the necessary component for function or performance.
- 5.3.4.3 Question 3,** the supplier needs to answer whether the used metal comes from the conflict minerals area, if the answer is Yes, i.e. the used metal comes from Democratic Republic of the Congo Republic or the surrounding area (such as Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia, Angola, Central African Republic and Republic of Congo) , if the answer is No, i.e. the used metal doesn't come from those areas.
- 5.3.4.4 Question 4,** the supplier needs to answer whether the used conflict metal (3TG) is 100% from the recycling materials or scrap.
- 5.3.4.5 Question 5,** the supplier needs to answer, whether to collect the conflict minerals on their own supply chain, the management data and the proportion.
- 5.3.4.6 Question 6,** the supplier needs to answer whether to carry out the identification of the smelter where the conflict minerals collected from.
- 5.3.4.7 Question 7,** the supplier needs to answer, whether all the smelters where the conflict minerals collected from, have been completed to CMRT, when this question to answer Yes, need to declare the names of the smelters in [List Smelter]. To fill in Workbook [Smelter list], firstly requires in the metal column pull-down menu to select metal contained in material, secondly in smelter reference directory column pull-down menu to select the name of smelter. If the pull-down menu does not have the name of the smelter where the conflict minerals collected from, please select "Smelter not yet identified" and then in the name of the smelter column manually key-in the name of the smelter.
- 5.3.5 [Declaration]** 10 company level questions need to answer.
- 5.3.5.1 Question A,** the supplier needs to answer whether had adopted procurement policy / strategy of no use conflict minerals.
- 5.3.5.2 Question B,** the supplier needs to answer whether the procurement policy is open on the company's website, if the answer is Yes, please fill in the company's website domain name in the comment column.
- 5.3.5.3 Question C,** the supplier needs to answer whether require its suppliers doesn't use the conflict minerals.
- 5.3.5.4 Question D,** the supplier needs to answer whether require its suppliers to purchase metals from the smelters which were verified by EICC, GeSI and so on independent institutions.
- 5.3.5.5 Question E,** the supplier needs to answer whether ever audited and identified the origins of non-conflict minerals.
- 5.3.5.6 Question F,** the supplier needs to answer whether to use the CMRT to collect the conflict minerals management information of its suppliers.
- 5.3.5.7 Question G,** the supplier needs to answer whether to ask its suppliers to provide the name of the related smelter.

5.3.5.8 Question H, the supplier needs to answer whether to audit and identify the conflict minerals management information provided by its suppliers is in line with the requirements.

5.3.5.9 Question I, the supplier needs to answer whether the identification method of the question H has included the corrective action when there is not in line with the requirements.

5.3.5.10 Question J, the supplier needs to answer whether to comply with the provisions published by SEC.

6, related documents:

6.1 supplier management guidelines

7, related attachments and forms:

7.1 CMRT

#### 5.4.5.5 Quantification

Provide with the revenue from products containing minerals from conflict-affected and high-risk areas.

	FY2019	FY2020	FY2021	FY2022
Percentage of total revenues from products containing minerals from conflict-affected and high-risk areas	0	0	0	0
Percentage of total revenues from products containing minerals from conflict-affected and high-risk areas coming from suppliers that have been verified conflict-free	0	0	0	0

#### 5.5 Supply Chain Risk Exposure

Does company have a formalized process in place to identify potential sustainability risks in the supply chain?

Yes, has a formalized process in place.

##### 5.5.1 Formal risk identification process

Provide a brief description of company's sustainability risk identification process. Explain, for instance, how company identifies suppliers with potentially higher sustainability risks, or describe the higher risks which are typically found or expected to be found, or how these potential risks are linked to overall supply chain management strategy.

##### 5.5.2 Supply Chain Sustainability Risk Identification Process

In order to build a sustainable supply chain, VPT identifies economic, environmental and social etc. dimensions risk-projects in terms of suppliers' locations, purchasing amounts and suppliers' production process. Using Threats, Impact and Vulnerabilities as measurement tools, VPT defines suppliers' risk levels and carries out possible potential risks analysis.

In order to further understand the suppliers' risk situations, a sustainability risk questionnaire survey was conducted for critical suppliers, requiring critical suppliers to reply to the sustainability risk questionnaire. After the completion of the questionnaire survey, risk assessment will be carried out for identified high-risk suppliers, and on-site audits will be conducted for critical suppliers with high risk, or the validity auditing process (VAP) of RBA (Code of Conduct-Responsible Business Alliance Code of Conduct) will be required to be completed.

Through the above risk assessment procedures, identify the potential risks of supply chain in economic, environmental and social aspects, as well as potential suppliers with high risks. Audit and coach suppliers who may have higher risks to ensure that their risks can be effectively controlled and reduced.

##### 5.5.3 Sustainability risk assessment scope and targets

Indicate the scope of the sustainability risk assessments performed for tier 1 and critical non-tier 1 suppliers. Site visits, questionnaires, external sustainability agencies, stakeholder information, external databases, news watches, etc., are all acceptable types of assessments in this part of the question. If a supplier has been assessed multiple times in the last three years, it should only be counted once.

Also indicate if has a target in place and by what year that target should be achieved.

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). The values should not exceed 100%.	Description of target

Tier 1 suppliers	113	100%	Provide a description of target: 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%	Provide a description of target: 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

#### Definition of "sustainability high-risk"

Provide the definition or the description that company uses for "sustainability high-risk".

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

#### 1. Economy:

- (1) Quality, Cost and Delivery Time
- (2) Business Ethics
- (3) Compliance with Regulations
- (4) Critical Rare Metals Supply
- (5) Only Source of Supply

#### 2. Environmental aspects:

- (1) Environmental management system
- (2) Climate change
- (3) Water resources management
- (4) Waste and air pollution management

#### 3. Social aspects:

- (1) Safety and health
- (2) Labor rights
- (3) Conflict minerals management

#### Share of sustainability high-risk suppliers

Indicate the current share of company's total number of tier 1 suppliers (both critical and non-critical) as well as the share of your non-tier 1 suppliers for which have identified a high level of sustainability risk in the table below. If has not identified any suppliers as being high sustainability risk, reports "0" in the relevant fields.

Type of supplier	Number of suppliers classified as high-risk	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	
Critical non-tier 1 suppliers	0	
Total suppliers	0	

### Supplier Risk Management Measures

Indicate which measures company has taken in order to manage sustainability risks amongst critical suppliers (tier 1 and non-tier 1) and high sustainability risk suppliers.

Company measures sustainability risks in the supply chain on an ongoing basis

### Ongoing sustainability monitoring

Indicate the standard frequency of a more comprehensive assessment of your suppliers and attach supporting documents (for example a process describing the system that tracks assessments' frequency). By "more comprehensive," means an assessment including at least a company visit either by company's own personnel or by external third parties, for instance sustainability agencies. Note that the percentage of suppliers assessed at least once every three years should NOT include the companies assessed annually.

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 the "Risk Exposure" question.	0	0	0

### Corrective action plans for suppliers

Attach a sample as supporting document and indicate the percentage of assessed or audited suppliers for which corrective action plans have been developed. Further, indicate what percentage of suppliers with a corrective action plan has improved their ESG performance since the action plan was launched.

Measure	Percentage
% of current suppliers with high sustainability risk (following the definition in the question "Risk Exposure") where gaps have been identified have corrective action plans.	
% of current suppliers with corrective action plans that have improved their ESG performance within 12 months of the plan's launch.	
Since no supplier with high sustainability risk was found, no corrective action plan was initiated.	

### ESG Integration in SCM Strategy

Indicate the main priorities of company's general supply chain management strategy as well as the environmental, social and governance (ESG) objectives that have been identified in company. Further, indicate how ESG factors are integrated in supplier selection decisions.

General supply chain strategy

Provide a brief description of the top five priorities of company's general supply chain management strategy and attach supporting evidence. Note that this should refer to the general approach that the company is taking in order to manage the supply chain with regards to aspects such as cost, time, quality and continuity of supply and not to a sustainable sourcing or a sustainable supply chain strategy.

The five priorities of VPT 's general supply chain management strategy are: 1. local purchasing; 2. stable quality; 3. accurate delivery time; 4. supply sustainability; 5. cost price.

### Integration of ESG objectives

Indicate which formalized environmental, social and governance (ESG) objectives have been identified for supply chain management strategy. Further, indicate how these are connected to the overall supply chain strategy by providing supporting documents. Note that in this section can refer to a sustainable sourcing strategy or a sustainable supply chain strategy as well as to objectives relating to ESG factors already integrated in the strategy above.

	Description of ESG objective	Link to overall supply chain strategy
Key ESG Objective 1	Supply chain products do not use conflict mineral raw materials at all.	Continue to achieve 100% non-use of conflict mineral raw materials.

Key ESG Objective 2	Supply chain products fully comply with the green product requirements.	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.
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**Integration of ESG factors into supplier selection**

Complete the table below, indicating how ESG factors impact supplier selection and retention process. Attach supporting documents and provide a brief description on the scale and approach for the minimum threshold for either new suppliers, existing suppliers or both.

Indicate if the threshold is for new suppliers, existing suppliers or both:	Minimum quantitative/qualitative threshold required (i.e. certified management systems in place, requiring to replicate own standards down the supply chain, minimum score at ESG assessment, etc.):
<input type="checkbox"/> New and existing suppliers	minimum score : 70

Does company use a % (weight) of ESG in the overall assessment of suppliers (compared to other factors such as price, quality and delivery time), as a tool to ensure integration of sustainability into supplier selection and retention decisions? If so, provide an estimate of the average weight across supplier categories : The company ensures that sustainability is integrated into supplier selection and retention decisions, and stipulates that suppliers must meet the minimum 70-point threshold of “ESG assessment for CSR checklist”, which is a threshold requirement. After meeting the threshold requirement, do other evaluations (price, quality and delivery time, etc.).

And indicate for which supplier categories this weight factor is being applied: New and existing suppliers

**Supply Chain Transparency & Reporting**

Which aspects of supply chain management approach does company publicly report on (on a consolidated basis)?

**VPT Supply Chain Management Norms**

In 2021, there were 733 suppliers of VPT, including 13 critical tier 1 suppliers and 17 critical non-tier 1 suppliers. 85% of the purchasing amount was locally purchased and 15% was imported from abroad.

VPT formulates complete supply chain management norms and management measures, including new supplier evaluation, supplier management, supplier audit and supplier guidance, to help suppliers become green supply chains and reduce the risk of supply chain sustainability.

VPT ensures that sustainability is integrated into supplier selection and retention decisions, and stipulates that suppliers must meet the minimum 70-point threshold of “ESG assessment for CSR checklist”, which is a threshold requirement. After meeting the threshold requirement, do other evaluations (price, quality and delivery time, etc.).

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

Publicly report supply chain management approach

**Supply chain management approach transparency**

- Supply chain spend analysis (containing basic spend analysis information such as: number of suppliers, category, spend value and geographical spread)
- Supply chain awareness (identification of critical suppliers)
- Supply chain risk assessment and corrective actions (e.g. supplier sustainability assessment)
- ESG integration in supply chain management strategy (e.g. minimum thresholds or alignment of overall supply chain management strategy with ESG objectives)

**Reporting quantitative KPIs and targets**

Indicate below the extent to which company reports on supply chain management sustainability key performance indicators (KPIs) in the public domain and provide the targets linked to these indicators. The Annual Report, Sustainability If available, select KPIs with at least three years of history, well defined targets and clear reporting on progress towards these targets.

	<b>Specify the KPI</b>	<b>Specify the target that is linked to the KPI</b>
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



**Voltronic Power Technology Corp.**

**Occupational health and safety  
management manual**

## Issuance order of occupational health and safety management manual

This manual is prepared in accordance with the requirements of GB/T 45001-2020/ISO 45001 : 2018 occupational health and safety management system, with reference to GRI 403: occupational safety and health 2018 and  Corporate Sustainability

Assessment (CSA) 2022, in combination with the actual situation of the company, and in accordance with relevant national laws, regulations and relevant professional standards.

The scope of the company's occupational health and safety management system:

This manual describes the occupational health and safety management system of the company's major actual operating locations, supplemented by a series of working procedures to ensure that the work meets the requirements. This manual is applicable to occupational health and safety management activities in all production, service and operation activities.

As a programmatic document for the company to implement occupational health and safety management functions and carry out occupational health and safety management activities, the occupational health and safety management manual is the norms and guidelines for the environment, occupational health and safety behavior of all workers. Effective from the date of issuance (revision and issuance), all workers of the company must comply with it and make continuous efforts to ensure and improve the occupational health and safety management level and good social image of the company.

**Chairman and CEO**  
**Hsieh Juor-Ming**

Issued on November 25th, 2020

Revised and issued on June 30, 2022

### 1 Scope

The scope of the company's occupational health and safety management system:

Item	Taiwan	China	Vietnam
Major actual operation location	Voltronic Power Technology Corp.	1.Voltronic Power Technology (Shen Zhen) Corp. 2.Orchid Power (Shen Zhen) Manufacturing Company “ 3.Zhongshen Voltronic Power Electronic Limited. 4.ZhongShan Voltronic Precision Inc.	Voltronic Power Technology (Vietnam) Company Limited
Primary activities of the organization;	Operation headquarters, R & D, Manufacturing, Sales, Procurement, Warehousing	R & D, Manufacturing, Sales, Procurement, Warehousing	R & D, Manufacturing, Procurement, Warehousing

This manual describes the occupational health and safety management system of the company's major actual operating locations, supplemented by a series of working procedures to ensure that the work meets the requirements. This manual is applicable to occupational health and safety management activities in all production, service and operation activities.

#### 1) Manual description

This manual is prepared in accordance with the requirements of GB/T 45001-2020/ISO 45001 : 2018 occupational health and safety management system, with reference to GRI 403: occupational safety and health 2018 and  Corporate Sustainability

Assessment (CSA) 2022, in combination with the actual situation of the company, and in accordance with relevant national laws, regulations and relevant professional standards.

This manual is a programmatic document to ensure the operation of the company's occupational health and safety management system. It is the basic rules and criteria of conduct that all workers of the company must follow. The preparation, approval, distribution and modification of the occupational health and safety management manual should be carried out in strict accordance with the specified approval procedures and control requirements.

Under the leadership of the management representative, the quality assurance department is responsible for the preparation of the occupational health and safety management manual, the management representative is responsible for reviewing the occupational

health and safety management manual, the CEO is responsible for the approval of occupational health and safety management manual.

The manual is divided into controlled documents and uncontrolled documents according to the distribution object.

DCC (document control center) is responsible for collecting opinions on the occupational health and safety management manual and reporting to the management representative. The revision of the occupational health and safety management manual must be reviewed and approved by the management representative, and the quality assurance department is responsible for it. The revised occupational health and safety management manual must be approved by the CEO before it takes effect. After revising the occupational health and safety management manual, the controlled version of the occupational health and safety management manual shall be replaced in accordance with the document control guidelines.

Controlled documents include an authoritative document kept in the DCC office and other controlled documents issued within the company and submitted to the certification authority.

The authoritative document is a printed document, and its approval signature must also be handwritten. All other controlled and uncontrolled documents are copied from the authoritative document.

Other controlled documents issued and submitted to the certification authority within the company. All controlled documents are issued by DCC in the form of electronic documents. All documents shall be numbered.

Uncontrolled documents refer to the manuals issued to consulting institutions and provided to owners and customers for reference or for the purpose of environmental management, occupational health and safety management system inspection for bidding and contract signing. The uncontrolled version does not need to be stamped with any seal.

## 2) Company profile

Company name: Voltronic Power Technology Corp. and Subsidiaries

Address of operation headquarter : No. 406, Xinhu 1st Rd., Neihu Dist., Taipei City , Taiwan

Company representative: Hsieh Juor-Ming

Main products: DMS (Design & Manufacturing Service) of UPS (Uninterruptible Power System), PV Inverter, Energy Storage System, Variable Frequency Drive, EV Charger

### Business overview and philosophy of the company

VPT's primary business is the professional DMS (Design & Manufacturing Service) of UPS (Uninterruptible Power System), PV Inverter, Energy Storage System, Variable Frequency Drive, EV Charger.

VPT's main business is to design and manufacture for brand customers all over the world, and VPT has the ability to provide world-class processing capabilities and technology to global customers. Therefore, product sales are mainly export sales, and the proportion of export sales in revenue in the past three years has exceeded 90%.

VPT adheres to the continuous development of innovative and high-quality products, and insists on not making its own brand, avoiding competitive relations with brand customers, and providing customized products and services to meet customer needs, so as to maintain a good cooperative relationship with customers.

VPT deeply understands the importance of customer satisfaction. Therefore, VPT promises to provide customers with high-quality products, accurate delivery schedule and meet their needs.

VPT promises that in order to achieve comprehensive customer satisfaction, improve the ability to develop new products, invest in more advanced machinery and equipment, listen to the voice of customers, and is willing and able to assist customers to successfully obtain the best quality products at the most economic cost. Through this inseparable partnership, promote the success of customers as the driving force for the growth of VPT.

## 2 Normative references

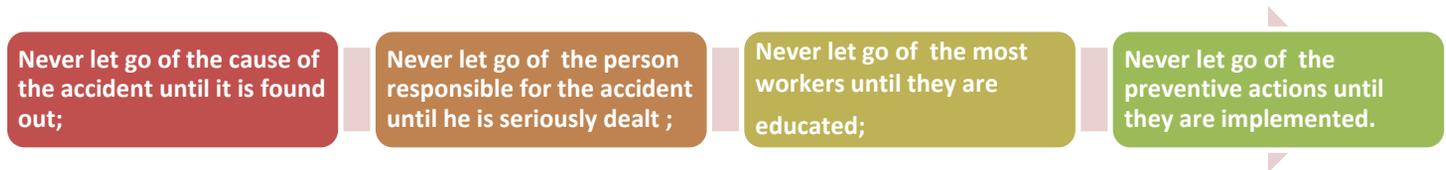


## 3 Terms and definitions

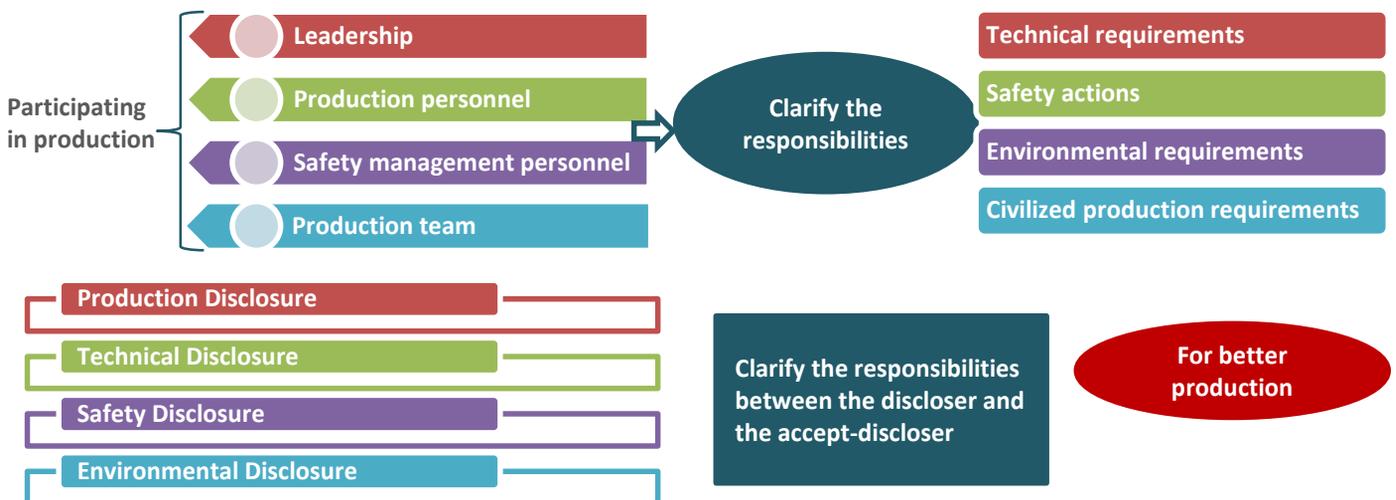
In addition to the terms and definitions in 3.1 to 3.37 of GB/T 45001-2020/ISO 45001 : 2018

occupational health and safety management system, the manual and related documents also quote the following terms and definitions in combination with the characteristics of the industry and the company:

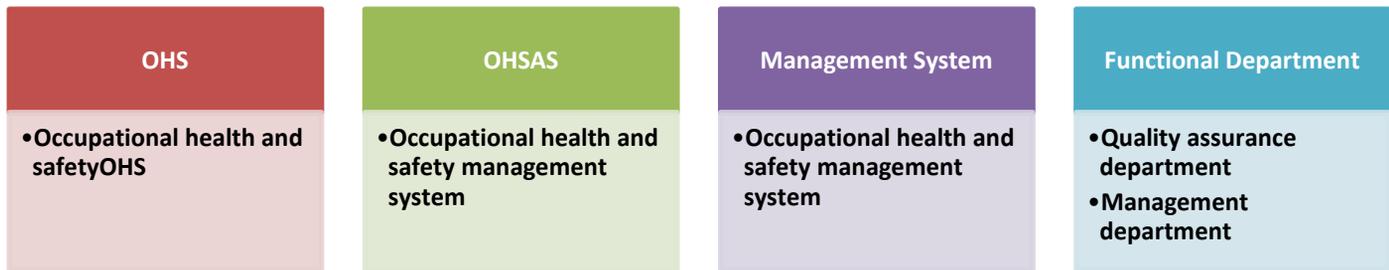
- a) **The company or the company:** Voltronic Power Technology Corp. and Subsidiaries.
- b) **Customer:** refers to users , demanders.
- c) **Supplier:** the organization or individual that provides products for the company.
- d) **Product:** the result of the process, including services. The main products of the company are UPS , PV Inverter, Energy Storage System, Variable Frequency Drive, EV Charger and other power products and services.
- e) **Production equipment:** refers to the corresponding processing equipment used for UPS , PV Inverter, Energy Storage System, Variable Frequency Drive, EV Charger , as well as the machinery and equipment used for engineering construction in decoration projects.
- f) **Major risk:** refers to the not-allowed or unacceptable risk determined by the enterprise through risk evaluation.
- g) **Four don't let go :**



- h) **Labor protection articles:** protective articles to protect personnel from injury in the process of life and production.
- i) **Falling from height:** a falling accident that occurs more than 2 meters (including) above the falling height datum.
- j) **Object strike:** personal injury accidents caused by falling materials and man-made thrown wastes during high-altitude operation.
- k) **Temporary electricity:** in the process of production and labor, the electricity facilities provided for various temporary electromechanical equipment, electric tools, etc. are called temporary electricity.
- l) **Safety technical disclosure:** safety technical disclosure is an important step of production process management, and its purpose is to:



- m) **Occupational disease:** refers to the disease caused by workers' exposure to occupational hazards in production, labor and other occupational activities.
- n) **Underage workers:** underage workers refer to workers who have reached the age of 16 and under the age of 18.
- o) **Special post personnel:** refers to the post personnel directly related to the identified major occupational health and safety, environmental health management and environmental factors (including personnel of special types of work) or the post personnel directly related to emergency response.
- p) **Special operations:** operations that pose a significant hazard to the safety of the operator, especially to others and surrounding facilities.
- q) **Equipment and facilities:** all machinery and supporting facilities are collectively referred to as equipment and facilities.
- r) **Abbreviation:**



**4 Context of the organization**

**4.1 Understanding the organization and its context**

The top management shall regularly determine external and internal issues that are relevant to the company's purpose and that affect its ability to achieve the intended outcome(s) of its OH&S management system.



The company formulates "V-QAM-001-01 list of internal and external environmental analysis of the company" to identify and determine the external and internal issues of the company, and monitors and reviews the external and internal issues of the company in the links of the company's manual reviewed in the annual management review.

**4.2 Understanding the needs and expectations of workers and other interested parties**

The company shall identify other interested parties related to the occupational health and safety management system except workers, and identify and determine the needs and expectations (i.e. requirements) of workers and other interested parties. The company shall further determine whether these needs and expectations may become statutory and other requirements, so as to fulfill the company's compliance obligations.

The company shall consider the following interested parties:



The company formulates the “V-QAM-001-02 list of needs and expectations of interested parties” to identify and determine the needs and expectations of workers and other interested parties, and monitors and evaluates the needs and expectations of workers and other interested parties in the reviewed links of the company's manual in the annual management review.

#### 4.3 Determining the scope of the OH&S management system

According to the characteristics of the company's products and services, taking into account the external and internal issues regularly determined by the company, the needs and expectations of workers and other interested parties, as well as the work-related activities planned and implemented by the company, the scope of the company's occupational health and safety management system is:

Item	Taiwan	China	Vietnam
Major actual operation location	Voltronic Power Technology Corp.	1.Voltronic Power Technology (Shen Zhen) Corp. 2.Orchid Power (Shen Zhen) Manufacturing Company “ 3.Zhongshen Voltronic Power Electronic Limited. 4.ZhongShan Voltronic Precision Inc.	Voltronic Power Technology (Vietnam) Company Limited
Primary activities of the organization;	Operation headquarters, R & D, Manufacturing, Sales, Procurement, Warehousing	R & D, Manufacturing, Sales, Procurement, Warehousing	R & D, Manufacturing, Procurement, Warehousing

#### 4.4 OH&S management system

According to the requirements of ISO 45001:2018 occupational health and safety management system and in combination with the actual situation of the company, the company establishes the occupational health and safety management system, establishes, implements and maintains the occupational health and safety management system and related written information, and continuously improves the effectiveness of the occupational health and safety management system and its required processes and interactions.

The company has established, implemented and maintained occupational health and safety management system, see Annex I for the list of relevant guidelines.

References:

- 1) "V-QAM-001-01 list of internal and external environmental analysis of the company"
- 2) "V-QAM-001-02 list of needs and expectations of interested parties"
- 3) Annex I list of criteria

### 5 Leadership and worker participation

#### 5.1 Leadership and commitment

Top management shall demonstrate leadership and commitment with respect to the OH&S management system by:

a) taking overall responsibility and accountability for the prevention of work-related injury and ill health, as well as the provision of safe and healthy workplaces and activities;

b) ensuring that the OH&S policy and related OH&S objectives are established and are compatible with the strategic direction of the organization;

c) ensuring the integration of the OH&S management system requirements into the organization's business processes;

d) ensuring that the resources needed to establish, implement, maintain and improve the OH&S management system are available;

e) communicating the importance of effective OH&S management and of conforming to the OH&S management system requirements;

f) ensuring that the OH&S management system achieves its intended outcome(s);

g) directing and supporting persons to contribute to the effectiveness of the OH&S management system;

h) ensuring and promoting continual improvement;

- i) supporting other relevant management roles to demonstrate their leadership as it applies to their areas of responsibility;
- j) developing, leading and promoting a culture in the organization that supports the intended outcomes of the OH&S management system;
- k) protecting workers from reprisals when reporting incidents, hazards, risks and opportunities;
- l) ensuring the organization establishes and implements a process( es) for consultation and participation of workers (see 5.4, ) ;
- m) supporting the establishment and functioning of health and safety committees, [see 5.4 e) 1]].

## 5.2 OH&S policy

### 5.2.1 formulate OH&S policy

Top management shall establish, implement and maintain an OH&S policy that:

- a) includes a commitment to provide safe and healthy working conditions for the prevention of work-related injury and ill health and is appropriate to the purpose, size and context of the organization and to the specific nature of its OH&S risks and OH&S opportunities;
- b) provides a framework for setting the OH&S objectives;
- c) includes a commitment to fulfil legal requirements and other requirements;
- d) includes a commitment to eliminate hazards and reduce OH&S risks ( see 8.1.2 ) ;
- e) includes a commitment to continual improvement of the OH&S management system;
- f) includes a commitment to consultation and participation of workers, and, where they exist, workers' representatives.

After fully considering the characteristics of the company's products and services, the company's occupational health and safety policy is:



The company makes all workers know, understand and implement the occupational health and safety policy through bulletin boards, induction training, production safety training, etc. The company can provide occupational health and safety policies when other interested parties have needs. In the annual management review, the company monitors and reviews the occupational health and safety policy at the link where the occupational health and safety manual is reviewed.

### 5.3 Organizational roles, responsibilities and authorities

Top management shall ensure that the responsibilities and authorities for relevant roles within the OH&S management system are assigned and communicated at all levels within the organization and maintained as documented information. Workers at each level of the organization shall assume responsibility for those aspects of the OH&S management system over which they have control, however, ultimately top management is still accountable for the functioning of the OH&S management system.

Top management shall assign the responsibility and authority for:

- a) ensuring that the OH&S management system conforms to the requirements of this document;
- b) reporting on the performance of the OH&S management system to top management.

The company identifies and stipulates the department structure, responsibilities and permissions required by the occupational health and safety management system, and controls its operation to ensure the establishment, implementation, maintenance and improvement of the occupational health and safety management system.

For the setup and structure of each department of the company, please refer to the "organization chart" of this manual Appendix II).

The company allocates the functions of each department according to the interrelationship of GB/T 45001-2020/ISO 45001:2018 occupational health and safety management system. Refer to the "occupational health and safety management system function allocation table" (Appendix III);

For the responsibilities and permissions of each department of the company, please refer to the "description of department responsibilities and permissions" (Appendix IV) in this manual.

The company establishes a management representative, who is specifically responsible for organizing the occupational health and safety management activities of the whole company (Appendix V).

#### 5.4 Consultation and participation of workers

For the consultation and participation of workers at all applicable levels and functions and their worker representatives in the development, planning, implementation, performance evaluation and actions for improvement of the OH&S management system, the company establishes, implements and maintains the " V-HRP-106 information exchange management criteria ".

According to the requirements of "V-HRP-106 information exchange management criteria", the company shall:

a) provide mechanisms, time, training and resources necessary for consultation and participation;

b) provide timely access to clear, understandable and relevant information about the OH&S management system;

c) determine and remove obstacles or barriers to participation and minimize those that cannot be removed;

d) emphasize the consultation of non-managerial workers on the following:

1] determining the needs and expectations of interested parties (see 4.2) ;

2] establishing the OH&S policy (see 5.2);

3] assigning organizational roles, responsibilities and authorities, as applicable( see 5.3) ;

4] determining how to fulfil legal requirements and other requirements ( see 6.1.3) ;

5] establishing OH&S objectives and planning to achieve them (see 6.2);

6] determining applicable controls for outsourcing, procurement and contractors (see 8.1.4);

7] determining what needs to be monitored, measured and evaluated (see 9.1) ;

8] planning, establishing, implementing and maintaining an audit programme(s) [ see 9.2.2);

9] ensuring continual improvement (see 10.3) ;

e) emphasize the participation of non-managerial workers in the following:

1) determining the mechanisms for their consultation and participation;

2) identifying hazards and assessing risks and opportunities (see 6.1.1 and 6.1.2);

3) determining actions to eliminate hazards and reduce OH&S risks (see 6.1.4);

4) determining competence requirements, training needs, training and evaluating training (see 7.2);

5) determining what needs to be communicated and how this will be done (see 7.4);

6) determining control actions and their effective implementation and use (see 8.1, 8.1.3 and 8.2);

7) investigating incidents and nonconformities and determining corrective actions (see 10.2).

#### References:

- 1) Appendix II Organization Chart
- 2) Annex III function distribution table of occupational health and safety management system
- 3) Annex IV description of department responsibilities and permissions
- 4) Annex V letter of appointment of management representative
- 5) " V-HRP-106 information exchange management criteria "

## 6 Planning

### 6.1 Actions to address risks and opportunities

#### 6.1.1 General

When planning for the OH&S management system, the company fully considers the external and internal issues of the organization, the needs and expectations of workers and other interested parties, the scope of OH&S management system, hazards, OH&S risks and other risks, OH&S opportunities and other opportunities, legal and regulatory requirements and other requirements, and establishes the " V-HRP-015 risk and opportunity identification, assessment and control criteria " to identify, give assurance and assess that the risks and opportunities related to the company's OH&S management system and can achieve its intended outcome(s), prevent or reduce undesired effects, and achieve continual improvement.

The company, in its planning process(es), shall determine and assess the risks and opportunities that are relevant to the intended outcomes of the OH&S management system associated with changes in the company's products and services processes, the OH&S management system. In the case of planned changes, permanent or temporary, this assessment shall be undertaken before the change is implemented.

#### 6.1.2 Hazard identification and assessment of risks and opportunities

##### 6.1.2.1 Hazard identification

The company has established, implemented and maintained the "V-HRP-101 hazard identification, risk assessment and control criteria ", which has taken into account, but not be limited to:

a) how work is organized, social factors [including workload, work hours, victimization, harassment and bullying], leadership and the culture in the organization;

b) routine and non-routine activities and situations, including hazards arising from:

1) infrastructure, equipment, materials, substances and the physical conditions of the workplace;

2) product and service design, research, development, testing, production, assembly, construction, service delivery, maintenance and disposal;

3] human factors; (Ergonomics. The system design is suitable for people's physiological and psychological characteristics to ensure health, safety, efficiency and comfort) ;

4) how the work is performed;

c) past relevant incidents, internal or external to the organization, including emergencies, and their causes;

d) potential emergency situations;

e) people, including consideration of:

1) those with access to the workplace and their activities, including workers, contractors, visitors and other persons;

2) those in the vicinity of the workplace who can be affected by the activities of the organization;

3) workers at a location not under the direct control of the organization;

f) other issues, including consideration of:

1) the design of work areas, processes, installations, machinery/equipment, operating procedures and work organization, including their adaptation to the needs and capabilities of the workers involved;

2) situations occurring in the vicinity of the workplace caused by work-related activities under the control of the organization;

3) situations not controlled by the organization and occurring in the vicinity of the workplace that can cause injury and ill health to persons in the workplace;

g) actual or proposed changes in organization, operations, processes, activities and the OH&S management system (see 8.1.3 ) ;

h) changes in knowledge of, and information about, hazards.

#### 6.1.2.2 Assessment of OH&S risks and other risks to the OH&S management system

The company has established, implemented and maintained the " V-HRP-101 hazard identification, risk assessment and control criteria " to:

a) assess OH&S risks from the identified hazards, while taking into account the effectiveness of existing controls;

b) determine and assess the other risks related to the establishment, implementation, operation and maintenance of the OH&S management system.

The company's methodology(ies) and criteria for the assessment of OH&S risks shall be defined with respect to their scope, nature and timing to ensure they are proactive rather than reactive and are used in a systematic way.

#### 6.1.2.3 Assessment of OH&S opportunities and other opportunities for the OH&S management system

The company has established, implemented and maintained " V-HRP-101 hazard identification, risk assessment and control criteria " to assess:

a) OH&S opportunities to enhance OH&S performance, while taking into account planned changes to the organization, its policies, its processes or its activities and :

1] opportunities to adapt work, work organization and work environment to workers;

2] opportunities to eliminate hazards and reduce OH&S risks;

b) other opportunities for improving the OH&S management system.

#### 6.1.3 Determination of legal requirements and other requirements

The company has established, implemented and maintained the " V-HRP-102 rules for identification and management of laws and

a) determine and have access to up-to-date legal requirements and other requirements that are applicable to its hazards, OH&S risks and OH&S management system;

b) determine how these legal requirements and other requirements apply to the organization and what needs to be communicated;

c) take these legal requirements and other requirements into account when establishing, implementing, maintaining and continually improving its OH&S management system.

#### 6.1.4 Planning action

According to the characteristics of the company's products and services, in order to address risks and opportunities, legal requirements and other requirements , as well as prepare for and respond to emergency situations , the company establishes, implements

and maintains the "V-QAM-001-03 list of company risks and opportunities and their actions", integrates and implements the actions of risks and opportunities into its OH&S management system processes or other business processes, and evaluates the effectiveness of these actions every year.

When planning the actions of risks and opportunities, the company full considers best practices, technological options and financial, operational and business requirements. Through "hierarchical control" actions to eliminate hazards and reduce OH&S risks.

## **6.2 OH&S objectives and planning to achieve them**

### **6.2.1 OH&S objectives**

The company has established " V-HRP-103 objective management criteria " for OH&S objectives at relevant functions and levels in order to maintain and continually improve the OH&S management system and OH&S performance (see 10.3). The management of the company's OH&S is consistent with the OH&S policy, is measurable and capable of performance evaluation; takes into account the applicable laws and regulations and other requirements, the results of the assessment of risks and opportunities , and the results of consultation with workers, internal and external communication is carried out in accordance with the requirements of " V-HRP-106 information exchange management criteria "; The management department of the company monitors and regularly counts the target implementation data every month, evaluates the objectives during the annual management assessment of the company, and updates the OH&S objectives when applicable.

### **6.2.2 Planning to achieve OH&S objectives**

The company has established "V-HRP-103-01 OH&S objectives and management plan", which determines the content, resources, responsible units, completion time, monitoring method and result evaluation of objective management, and integrates the actions to achieve OH&S objectives into the company's business processes according to the characteristics of the company's products and services.

References:

- 1) "V-HRP-015 risk and opportunity identification, assessment and control criteria"
- 2) "V-HRP-101 hazard identification, risk assessment and control criteria"
- 3) "V-HRP-102 rules for identification and management of laws and regulations"
- 4) " V-QAM-001-03 list of company risks and opportunities and their actions"
- 5) "V-HRP-103 objective management criteria"
- 6) " V-HRP-106 information exchange management criteria "
- 7) "V-HRP-103-01 OH&S objectives and management plan"

## **7 Support**

### **7.1 Resources**

The company shall determine and provide the resources needed for the establishment, implementation, maintenance and continual improvement of the OH&S management system.

### **7.2 Competence**

The company establishes, implements and maintains the "V-HRP-105 training management criteria ", which stipulates that the human resources unit of the management department shall take the lead to determine the necessary competence and awareness of workers that affects or can affect the company's OH&S performance, prepare OH&S training plans, organize the implementation of training, assessment and verification, and evaluate the effectiveness of each training work, to ensure that workers are competent (including the ability to identify hazards).

### **7.3 Awareness**

The company establishes, implements and maintains "V-HRP-105 training management criteria" and "V-HRP-106 information exchange management criteria". Through education, training and information exchange in various ways, workers aware of:

a) the OH&S policy and OH&S objectives;

b) their contribution to the effectiveness of the OH&S management system, including the benefits of improved OH&S performance;

c) the implications and potential consequences of not conforming to the OH&S management system requirements;

d) incidents and the outcomes of investigations that are relevant to them;

e) hazards, OH&S risks and actions determined that are relevant to them;

f) the ability to remove themselves from work situations that they consider present an imminent and serious danger to their life or health, as well as the arrangements for protecting them from undue consequences for doing so.

## 7.4 Communication

### 7.4.1 General

The company establishes, implements and maintains "V-HRP-106 information exchange management criteria" according to the characteristics of products and services, taking into account the requirements of laws and regulations and other requirements, as well as the views of external interested parties. For internal and external communications relevant to the OH&S management system, determines the what, when, who (between internally among the various levels and functions of the company; between contractors and visitors in the workplace; between other interested parties) and how to promote the company's workers and other interested parties to participate in OH&S activities and improve the company's OH&S performance.

### 7.4.2 Internal communication

According to the established "V-HRP-106 information exchange management criteria", the company internally communicates information relevant to the OH&S management system among the various levels and functions of the company, including changes to the OH&S management system, as appropriate, to ensure company's communication process(es) enables workers to contribute to continual improvement.

### 7.4.3 External communication

According to the established "V-HRP-106 information exchange management criteria" and taking into account its legal requirements and other requirements, the company externally communicates information relevant to the OH&S management system, as established by the organization's communication process(es).

## 7.5 Documented information

### 7.5.1 General

The company's OH&S management system includes the documented information required by GB/T 45001-2020/ISO 45001:2018 OH&S management system, as well as the documented information determined by the company to achieve the effectiveness of the OH&S management system, specifically the OH&S manual, criteria, specifications, systems, flow charts, record sheets, etc.

### 7.5.2 Creating and updating

When creating and updating documented information of the OH&S management system, the company controls the manifestation of specific OH&S manuals, criteria, specifications, systems, flow charts, record sheets, etc., including ) identification and description (e.g. a title, date, author or reference number), through the "V-QAP-101 document control criteria" and "V-QAP-102 health and safety record control criteria", format (e.g. language, software version, graphics) and media (e.g. paper, electronic), as well as the definition of review and approval, to ensure the suitability and adequacy of documented information.

### 7.5.3 Control of documented information

The company establishes "V-QAP-101 document control criteria" and "V-QAP-102 health and safety record control criteria" to control the documented information of the OH&S management system, so as to ensure that it is available and suitable for use, where and when it is needed, and properly protect the documented information through the control of access and modification permission, including preventing loss of confidentiality, improper use or loss of integrity. The establishment of the two standards takes full account of the distribution, access, retrieval and use; storage and preservation, including preservation of legibility; control of changes (e.g. version control); retention and disposition.

Documented information of external origin determined by the organization to be necessary for the planning and operation of the OH&S management system, the company also requires appropriate and controlled in the "V-QAP-101 document control criteria".

References:

- 1) " V-HRP-105 training management criteria "
- 2) "V-HRP-106 information exchange management criteria "
- 3) "V-QAP-101 document control criteria"
- 4) "V-QAP-102 health and safety record control criteria"

## 8 Operation

### 8.1 Operational planning and control

#### 8.1.1 General

The company has planned, implemented, controlled and maintained the processes needed to meet requirements of the OH&S management system, and to implement the actions determined in Clause 6 by:

- a) establishing criteria for the processes; See: Appendix I list of criteria;
- b) implementing control of the processes in accordance with the criteria;
- c) maintaining and retaining documented information to the extent necessary to have confidence that the processes have been carried out as planned;
- d) adapting work to workers.

#### 8.1.2 Eliminating hazards and reducing OH&S risks

The company has established, implemented and maintained " V-HRP-101 hazard identification, risk assessment and control criteria ", " V-HRP-104 management scheme control criteria", " V-HRP-107 safety production management criteria", " V-HRP-108 fire safety management criteria" for the elimination of hazards and reduction of OH&S risks using the following hierarchy of

- a) eliminate the hazard;
- b) substitute with less hazardous processes, operations, materials or equipment;
- c) use engineering controls and reorganization of work;
- d) use administrative controls, including training;
- e) use adequate personal protective equipment.

#### 8.1.3 Management of change

The company has established, implemented and maintained " V-HRP-015 risk and opportunity identification, assessment and control criteria" for planned temporary and permanent changes that impact OH&S performance. The company shall review the consequences of unintended changes, taking action to mitigate any adverse effects, as necessary.

- a) new products, services and processes, or changes to existing products, services and processes, including:



b) changes to legal requirements and other requirements;

c) changes in knowledge or information about hazards and OH&S risks;

d) developments in knowledge and technology.

## 8.1.4 Procurement

### 8.1.4.1 General

The company has established, implemented and maintained the " V-BYP-001 procurement management criteria " to control the procurement of products and services in order to ensure their conformity to its OH&S management system.

### 8.1.4.2 Contractors

The company has established " V-BYP-001 procurement management criteria " and " V-HRP-015 risk and opportunity identification, assessment and control criteria "with its contractors, in order to identify hazards and to assess and control the OH&S risks arising from:

a) the contractors' activities and operations that impact the organization;

b) the organization's activities and operations that impact the contractors' workers;

c) the contractors' activities and operations that impact other interested parties in the workplace.

Through the management system related to OH&S, the company's management department clearly stipulates the operation requirements for the contractor's activities and operations, including regular facility maintenance, temporary construction, security and other work, so as to ensure that the contractor and its workers meet the requirements of the company's OH&S management system.

The company establishes " V-BYP-001 procurement management criteria " and "V-HRP-107 safety production management criteria" to specify and apply the procurement process of selecting contractors.

### 8.1.4.3 Outsourcing

The management department of the company controls the outsourced functions and processes through the management system related to OH&S, so as to ensure that the outsourcing arrangements of the company are consistent with legal requirements and other requirements and with achieving the intended outcomes of the OH&S management system.

## 8.2 Emergency preparedness and response

The company has established, implemented and maintained " V-HRP-109 emergency preparedness and response management criteria " to prepare for and respond to potential emergency situations, as identified in 6.1.2.1, including:

a) establishing a planned response to emergency situations, including the provision of first aid;

b) providing training for the planned response;

c) periodically testing and exercising the planned response capability;

d) evaluating performance and, as necessary, revising the planned response, including after testing and, in particular, after the occurrence of emergency situations;

e) communicating and providing relevant information to all workers on their duties and responsibilities;

f) communicating relevant information to contractors, visitors, emergency response services, government authorities and, as appropriate, the local community;

g) taking into account the needs and capabilities of all relevant interested parties and ensuring their involvement, as appropriate, in the development of the planned response.

## References:

- 1) Appendix I list of criteria
- 2) 『 V-HRP-101 hazard identification, risk assessment and control criteria 』
- 3) 『 V-HRP-104 management scheme control criteria 』
- 4) 『 V-HRP-107 safety production management criteria 』
- 5) 『 V-HRP-108 fire safety management criteria 』
- 6) 『 V-HRP-015 risk and opportunity identification, assessment and control criteria 』
- 7) 『 V-BYP-001 procurement management criteria 』
- 8) 『 V-HRP-109 emergency preparedness and response management criteria 』

## 9 Performance evaluation

### 9.1 Monitoring, measurement, analysis and performance evaluation

#### 9.1.1 General

The company establishes the " V-HRP-110 occupational health and safety monitoring criteria" and determines the monitoring and measurement schedule to carry out monitoring, measurement, analysis and performance evaluation activities and evaluate the OH&S performance and the effectiveness of the OH&S management system.

The company establishes " V-QAP-008 gauge and instrument calibration management criteria" to ensure that monitoring and measuring equipment is calibrated (verified) or verified, and properly used and maintained.

#### 9.1.2 Evaluation of compliance

The company has established, implemented and maintained the " V-HRP-102 rules for identification and management of laws and regulations " to evaluate the compliance with laws and regulations and other requirements, and take actions when necessary to fulfill the commitment to comply with regulations.

### 9.2 Internal audit

#### 9.2.1 General

The company conducts an internal audits once a year to provide information on whether the OH&S management system :

a) conforms to:

1) the organization's own requirements for its OH&S management system, including the OH&S policy and OH&S objectives;

2) the requirements of GB/T 45001-2020/ISO 45001:2018Occupational health and safety management systems ;

b) is effectively implemented and maintained.

#### 9.2.2 Internal audit programme

The company's OH&S internal audits are regularly organized by the management representative every year and implemented in accordance with the " V-QAP-103 internal audits criteria" to verify whether the OH&S activities and their related results comply with the arrangements of the OH&S management system planning, and ensure their continuous and effective operation and maintenance. The company retains documented information as evidence of internal audit results, including plans, audit reports, checklists, missing reports of closed cases, and relevant meeting minutes.

### 9.3 Management review

According to the relevant requirements of the "V-QAP-104 management review criteria", the top management should r implement management review the company's OH&S management system, at planned intervals, and should retain documented information as evidence of the management review results, so as to ensure that the OH&S management system continues to maintain suitability, adequacy and effectiveness, and is consistent with the company's strategic direction. The management representative should organize relevant departments to prepare data and form a documented report to provide sufficient and accurate input information for the management review and create conditions for the effective implementation of the management review. The contents of management review input include consideration of:

a) the status of actions from previous management reviews;

b) changes in external and internal issues that are relevant to the OH&S management system, including:

1] the needs and expectations of interested parties;

2) legal requirements and other requirements;

3] risks and opportunities;

c) the extent to which the OH&S policy and the OH&S objectives have been met;

d) information on the OH&S performance, including trends in:

1) incidents, nonconformities, corrective actions and continual improvement;

2) monitoring and measurement results;

3) results of evaluation of compliance with legal requirements and other requirements;

4] audit results;

5) consultation and participation of workers;

6] risks and opportunities;

e) adequacy of resources for maintaining an effective OH&S management system;

f) relevant communication(s) with interested parties;

g) opportunities for continual improvement.

The result of management review is an important basis for the company to manage, implement and improve the occupational health and safety management system and make strategic decisions. The outputs of the management review shall include decisions related to:

the continuing suitability, adequacy and effectiveness of the OH&S management system in achieving its intended outcomes;

continual improvement opportunities;

any need for changes to the OH&S management system;

resources needed;

actions, if needed;

opportunities to improve integration of the OH&S management system with other business processes;

any implications for the strategic direction of the organization.

Top management shall communicate the relevant outputs of management reviews to workers.

The company shall retain documented information as evidence of management review results, including input and output data such as plans and reports.

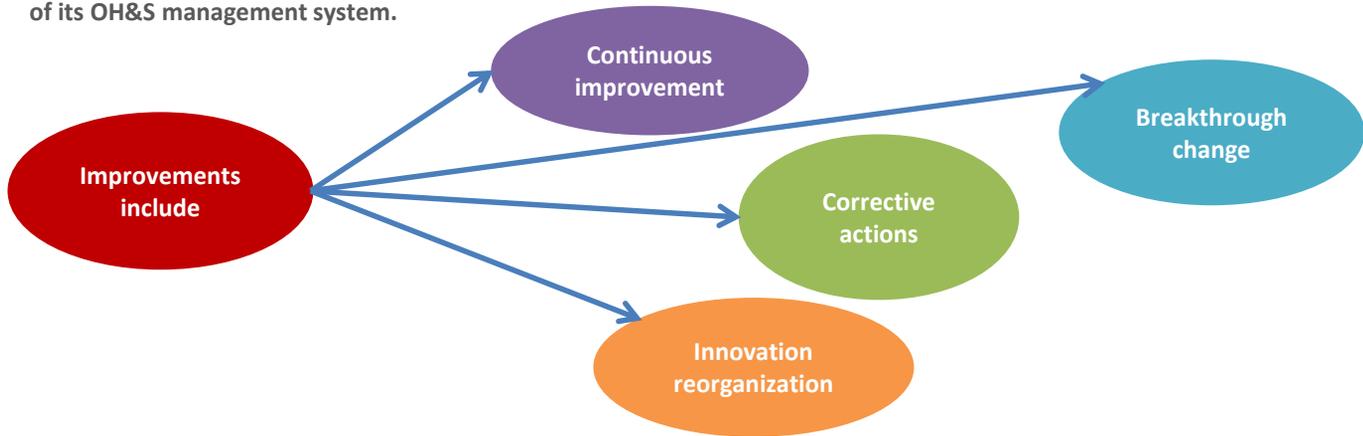
References:

- 1) 『 V-HRP-110 occupational health and safety monitoring criteria 』
- 2) 『 V-HRP-102 rules for identification and management of laws and regulations 』
- 3) 『 V-QAP-103 internal audits criteria 』
- 4) 『 V-QAP-104 management review criteria 』

## 10 Improvement

### 10.1 General

The company shall determine opportunities for improvement and implement necessary actions to achieve the intended outcomes of its OH&S management system.



### 10.2 Incident, nonconformity and corrective action

The company has established, implemented and maintained "V-HRP-111 nonconformance, corrective actions and continuous improvement management criteria " to determine and manage incidents and nonconformities.

When an incident or a nonconformity occurs, according to the requirements of "V-HRP-111 nonconformance, corrective actions and continuous improvement management criteria " and "V-HRP-112 incidents reporting, investigation and handling criteria ", the company shall:

**a] react in a timely manner to the incident or nonconformity and, as applicable:**

1] take action to control and correct it;

2] deal with the consequences;

**b] evaluate, with the participation of workers (see5.4) and the involvement of other relevant interested parties, the need for corrective action to eliminate the root cause(s) of the incident or nonconformity, in order that it does not recur or occur elsewhere, by:**

1) investigating the incident or reviewing the nonconformity;

2) determining the cause[s) of the incident or nonconformity;

3] determining if similar incidents have occurred, if nonconformities exist, or if they could potentially occur;

**c] review existing assessments of OH&S risks and other risks, as appropriate (see6 .1);**

**d] determine and implement any action needed, including corrective action, in accordance with the hierarchy of controls (see 8.1.2) and the management of change (see 8.1.3 ) ;**

**e] assess OH&S risks that relate to new or changed hazards, prior to taking action;**

**f] review the effectiveness of any action taken, including corrective action;**

**g] make changes to the OH&S management system, if necessary.**

Corrective actions shall be appropriate to the effects or potential effects of the incidents or nonconformities encountered.

The company shall retain documented information as evidence of:

- 1) the nature of the incidents or nonconformities and any subsequent actions taken;
- 2) the results of any action and corrective action, including their effectiveness.

The company shall communicate this documented information to relevant workers, and, where they exist, workers' representatives, and other relevant interested parties.

### 10.3 Continual improvement

According to the requirements of "V-HRP-111 nonconformance, corrective actions and continuous improvement management criteria ", the company shall continually improve the suitability, adequacy and effectiveness of the OH&S management system, by:

- a) enhancing OH&S performance;
- b) promoting a culture that supports an OH&S management system;
- c) promoting the participation of workers in implementing actions for the continual improvement of the OH&S management system;
- d) communicating the relevant results of continual improvement to workers, and, where they exist, workers' representatives;
- e) maintaining and retaining documented information as evidence of continual improvement.

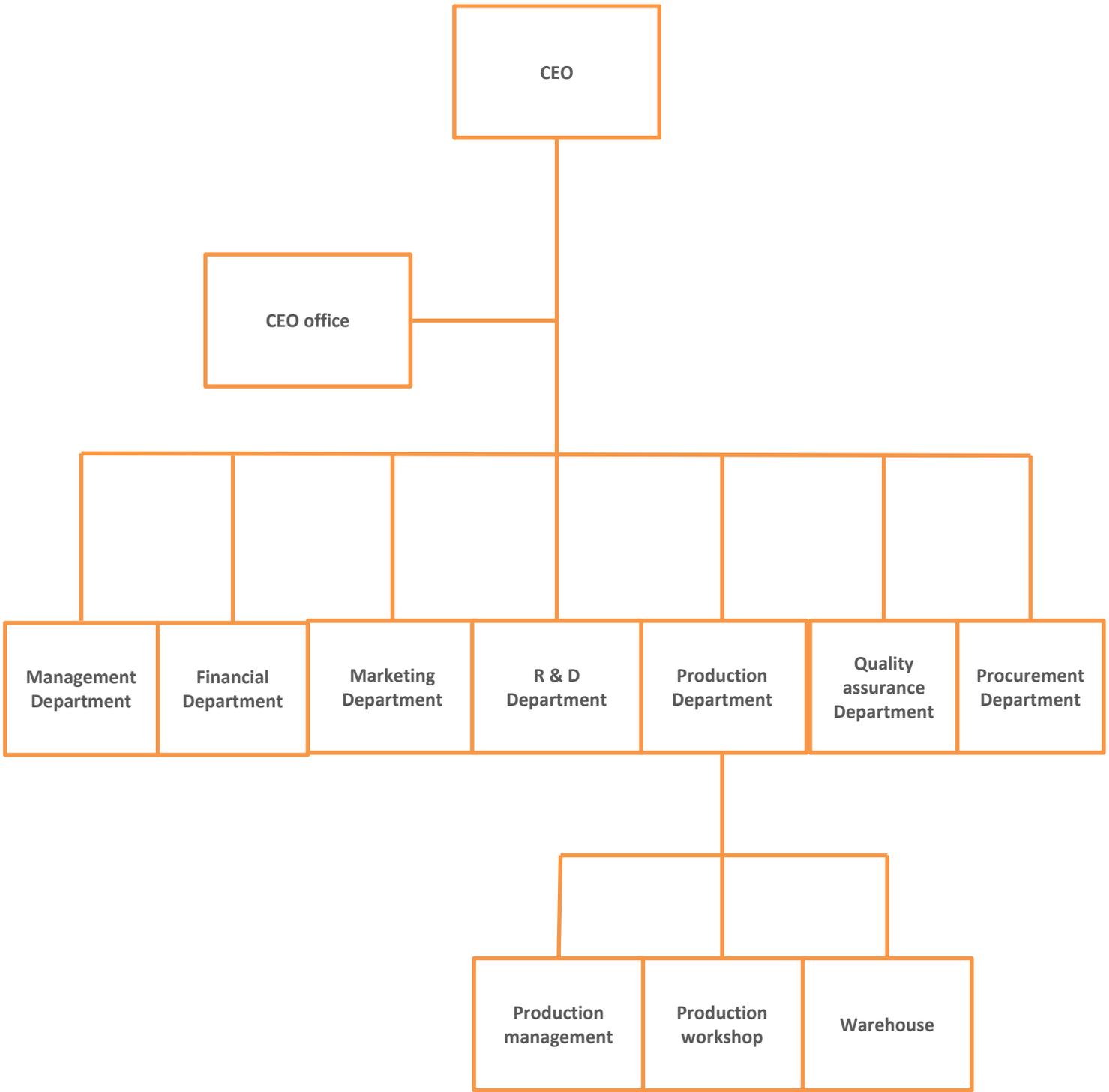
#### References:

- 1) 『 V-HRP-111 nonconformance, corrective actions and continuous improvement management criteria 』
- 2) 『 V-HRP-112 incidents reporting, investigation and handling criteria 』

Appendix I list of criteria

Serial number	File name	Document No	Responsible department
1	hazard identification, risk assessment and control criteria	V-HRP-101	Management
2	rules for identification and management of laws and regulations	V-HRP-102	Management
3	objective management criteria	V-HRP-103	Management
4	management scheme control criteria	V-HRP-104	Management
5	training management criteria	V-HRP-105	Management
6	information exchange management criteria	V-HRP-106	Management
7	safety production management criteria	V-HRP-107	Management
8	fire safety management criteria	V-HRP-108	Management
9	emergency preparedness and response management criteria	V-HRP-109	Management
10	occupational health and safety monitoring criteria	V-HRP-110	Management
11	nonconformance, corrective actions and continuous improvement management criteria	V-HRP-111	Management
12	V-HRP-112 incidents reporting, investigation and handling criteria	V-HRP-112	Management
13	risk and opportunity identification, evaluation and control criteria	V-HRP-115	Management
14	Document control criteria	V-QAP-101	Quality assurance
15	health and safety record control criteria	V-QAP-102	Quality assurance
16	internal audits criteria	V-QAP-103	Quality assurance
17	management review criteria	V-QAP-104	Quality assurance

Organization chart of OH&S management system



(factory business)

**Appendix III: OH&S management system function allocation table**

Functional department GB/T 45001-2020/ISO 45001:2018 essential factor	CEO	Management representative	Production department	Quality assurance department	R & D department	Financial department	Procurement department	Management Department
<b>4. Context of the organization ( title )</b>								
4.1 Understanding the organization and its context	★							
4.2 Understanding the needs and expectations of workers and other interested parties		★						
4.3 Determining the scope of the OH&S management system	★							
4.4 OH&S management system		★						
<b>5. Leadership and worker participation ( title )</b>								
5.1. Leadership and commitment	★							
5.2 OH&S policy	★							
5.3 Organizational roles, responsibilities and authorities	★							★
5.4 Consultation and participation of workers		★						★
<b>6. Planning ( title )</b>								
6.1 Actions to address risks and opportunities	★	★						
6.1.1 General	★	★						
6.1.2 Hazard identification and assessment of risks and opportunities		★		★				
6.1.2.1 Hazard identification		★		★				
6.1.2.2 Assessment of OH&S risks and other risks to the OH&S management system		★		★				
6.1.2.2 Assessment of OH&S opportunities and other opportunities for the OH&S management system		★		★				
6.1.3 Determination of legal requirements and other requirements		★						★
6.1.4 Planning action	★	★						
6.2 OH&S objectives and planning to achieve them	★	★						
6.2.1 OH&S objectives	★							
6.2.2 Planning to achieve OH&S objectives		★						★
<b>7. Support ( title )</b>								
7.1 Resources	★					★	★	★
7.2 Competence	★							★
7.3 Awareness		★	★					★
7.4 Communication		★						★
7.4.1 General		★						★
7.4.2 Internal communication		★						★
7.4.3 External communication		★						★
7.5 Documented information		★		★				
7.5.1 General		★		★				

7.5.2 Creating and updating		★		★				
7.5.3 Control of documented information		★		★				
<b>8. Operation (title)</b>								
8.1 Operational planning and control		★						★
8.1.1 General		★						★
8.1.2 Eliminating hazards and reducing OH&S risks		★						★
8.1.3 Management of change		★			★			★
8.1.4 Procurement		★					★	★
8.1.4.1 General		★					★	★
8.1.4.2 Contractors		★					★	★
8.1.4.3 Outsourcing		★					★	★
8.2 Emergency preparedness and response			★					★
<b>9. Performance evaluation(title)</b>								
9.1 Monitoring, measurement, analysis and performance evaluation	★	★						
9.1.1 General		★		★				
9.1.2 Evaluation of compliance		★						★
9.2 Internal audit		★		★				
9.2.1 General		★		★				
9.2.2 Internal audit programme		★		★				
9.3 Management review	★	★		★				
<b>10. Improvement(title)</b>								
10.1 General	★	★						★
10.2 Incident, nonconformity and corrective action		★						★
10.3 Continual improvement		★						★

Note: ★ indicates the leading department of execution.

## **Appendix IV post responsibilities and licensing rights of management personnel at all levels of the company**

### **A. CEO**

1. The CEO is the highest responsible person of the company.
2. Appoint management representatives to ensure the establishment and effective operation of the OH&S management system in accordance with the requirements of the company's management policy and management manual.
3. Formulate and approve the issuance of the company's policies according to the actual situation of the company's development, ensure the formulation of objectives, and approve the management manual.
4. Establish and adjust the company's organizational structure to provide sufficient human, technical, financial, infrastructure and other resources for the establishment and operation of the company's management system.
5. Be responsible for defining the responsibility permissions, responsibilities and mutual relations of department managers.
6. The person responsible for causing a major safety accident has the absolute right to punish.
7. Ensure that the company establishes the awareness of abiding by laws and regulations and focusing on customers.

### **B. Management representative**

1. Establish OH&S management system according to ISO 45001 standard. And ensure that the processes required by the company's OH&S management system are implemented.
2. Report the performance of the management system to the general manager in time and put forward improvement needs and suggestions.
3. Be responsible for organizing the preparation of the company's management system documents, reviewing the company's OH&S management manual and approving program documents to ensure the effective operation of the management system.
4. Be responsible for assisting CEO to carry out management review.
5. Assist CEO in formulating major OH&S assurance actions and supervise their implementation.
6. Be responsible for handling major safety, health and environmental accidents, supervising relevant departments to take corresponding corrective actions, and verifying their effectiveness.

### **C. Employee representative**

1. According to the needs of system management, the company or each department can recommend or elect an unlimited number of employee representatives.
2. Participate in the establishment of the company's OH&S management system and the formulation of objectives and indicators.
3. Participate in the evaluation of major hazard installations and the formulation of control methods and actions.
4. Participate in supervising the implementation of OH&S regulations by enterprises, and participate in the internal audit and management review of OH&S system.
5. Participate in the supervision and inspection of employee welfare, health and safety guarantee.
6. Responsible for the upward communication of production, office work environment and OH&S.

### **D. Management Department**

1. Be responsible for the operation, management and monitoring of OH&S management system.
2. Be responsible for formulating the company's OH&S management objectives, management plans and system documents, and modify them as needed.
3. Be responsible for tracking and supervising the implementation of the objectives of the OH&S management system of each department.
4. Be responsible for the management of personnel in special positions of the company, and organize the implementation of corresponding special training for corresponding personnel.
5. Be responsible for the recruitment of special post personnel of the company, and supervise the appointment of special post personnel in each department.
6. Formulate the management system documents required by the Department's environment, OH&S, and modify them in time as needed.

7. Be responsible for the purchase (or purchase after accepting the subscription), registration and distribution (transmission) of external standard normative documents.
8. Be responsible for the identification of environmental factors and hazard factors in the office area.
9. Be responsible for the collection and management of laws and regulations, and regularly evaluate their compliance.
10. The responsibilities of enterprise information management include: the management and maintenance of enterprise intelligent plant integrated information management system, and the application and maintenance of enterprise resource planning management system.
11. Be responsible for the meeting affairs of the company's meetings, make meeting minutes, and promote, investigate and implement the matters decided at the meeting.
12. Be responsible for arranging the general foreign affairs activities and public relations activities of the company, and do a good job in the reception of visitors.
13. Be responsible for external publicity (including the printing and distribution of publicity materials) and collecting relevant information, formulate annual plans for various regular foreign trade fairs, and timely follow up and arrange exhibitions and prepare relevant exhibits as planned.

#### **E. Production department**

1. Formulate the safety objectives and required management system documents of the department, and modify them in time as needed.
2. Be responsible for formulating production safety and environmental protection management system.
3. Be responsible for the identification and control of hazards in the production department; be responsible for material handling, packaging and storage of finished products, and management of working environment sanitation; safety protection of workers.
4. Strictly implement the operating procedures, carry out daily maintenance of production equipment, use production equipment reasonably, and report for repair in time in case of equipment failure.
5. Manage the production process, strictly implement the process regulations, implement safe and civilized production, and fully implement safety protection actions to ensure the personal safety and health of workers.
6. Carry out internal training for department staff to improve the quality and professional level of department staff.

#### **F. Quality assurance department**

1. Formulate the objectives of the department and the required management system documents, and modify them as needed.
2. Responsible for formulating internal quality inspection instructions.
3. Be responsible for the warehousing inspection of raw and auxiliary materials and semi-finished products.
4. Be responsible for health and safety protection in inspection activities.
5. Be responsible for the control of hazard sources in inspection activities.
7. Be responsible for the identification of dangerous factors in the department and the preparation of corresponding equipment safety operation procedures.
9. Be responsible for the management of the company's management system documents.
10. Monitor the operation of the company's management system and organize internal audit.
11. Track and supervise the implementation of the objectives of each functional department.
12. Be responsible for internal and external communication of management system certification.
13. Assist top management to implement management review.

#### **G. Procurement Department**

1. Formulate the objectives of the department and the required management system documents, and modify them as needed.
2. Be responsible for purchasing raw and auxiliary materials for production.
3. Organize relevant departments to review new suppliers to ensure that their supply capacity and OH&S protection ability meet the requirements.
4. Regularly conduct statistical analysis on the performance of suppliers, and effectively deal with suppliers whose performance fails to meet the requirements.

5. Be responsible for hazard identification and risk control of the department.

**H. Financial department**

1. Understand and implement the company's OH&S policy.

2. Financial support for routine inspection, inspection, monitoring and other matters of OH&S of the company.

3. Financial support for OH&S improvement project.

4. Be responsible for hazard identification and risk control of the department.

**I. R & D department**

1. Responsible for product design and development.

2. Be responsible for hazard identification and risk control of the department.

**J. Business department**

1. Responsible for product sales.

2. Be responsible for hazard identification and risk control of the department.

**k. Common responsibilities of departments**

1. Be responsible for the integrity of department records.

2. Be responsible for implementing the requirements related to departments in the elements of the management system.

3. Be responsible for the implementation of corrective and preventive actions.

4. Implement the skills and awareness training of department workers and keep records.

5. Responsible for feedback on the effectiveness of OH&S management system.

6. Implement the policies and objectives, and complete the statistical analysis of data related to the department.

## **Appendix V Management Representative appointment letter**

### **Appointment of management representative**

In order to implement the requirements of GB/T 45001-2020/ISO 45001:2018 OH&S management system, strengthen the leadership of the operation of the company's OH&S management system, ensure the establishment, implementation, maintenance and continuous improvement of the company's management system, and in combination with the company's production, operation and management work, OOO is hereby appointed as the management representative.

In addition to other responsibilities (see the responsibility regulations), OOO has the following responsibilities and permissions:

- a. Ensure that the process required by the OH&S management system is established, implemented, maintained and continually improved;
- b. Be responsible for reporting the performance, operation and improvement suggestions of the occupational health and safety management system to CEO;
- c. Ensure that awareness of meeting the requirements of employees and other interested parties is raised throughout the organization;
- d. Organize and implement internal OH&S management system audit and management review;
- e. Be responsible for external liaison on matters related to OH&S management system.

**Chairman and CEO**

**Hsieh Juor-Ming**



**Voltronic Power Technology Corp.**

**The policies and concrete management plans to Protect Human Rights**

## **1 Overview of human rights**

### **1.1 The Universal Declaration of Human Rights**

#### **Preamble**

Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,

Whereas disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people,

Whereas it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of law,

Whereas it is essential to promote the development of friendly relations between nations,

Whereas the peoples of the United Nations have in the Charter reaffirmed their faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women and have determined to promote social progress and better standards of life in larger freedom,

Whereas Member States have pledged themselves to achieve, in cooperation with the United Nations, the promotion of universal respect for and observance of human rights and fundamental freedoms,

Whereas a common understanding of these rights and freedoms is of the greatest importance for the full realization of this pledge,

Now, therefore,

The General Assembly,

Proclaims this Universal Declaration of Human Rights as a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction.

**Article 1** All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

**Article 2** Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction shall be made on the basis of the political, jurisdictional or international status of the country or territory to which a person belongs, whether it be independent, trust, non-self-governing or under any other limitation of sovereignty.

**Article 3** Everyone has the right to life, liberty and the security of person.

**Article 4** No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms.

**Article 5** No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

**Article 6** Everyone has the right to recognition everywhere as a person before the law.

**Article 7** All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination.

**Article 8** Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.

**Article 9** No one shall be subjected to arbitrary arrest, detention or exile.

**Article 10** Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

**Article 11** 1. Everyone charged with a penal offence has the right to be presumed innocent until proved guilty according to law in a public trial at which he has had all the guarantees necessary for his defence.

2. No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offence was committed.

**Article 12** No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks.

**Article 13** 1. Everyone has the right to freedom of movement and residence within the borders of each State.

2. Everyone has the right to leave any country, including his own, and to return to his country.

**Article 14** 1. Everyone has the right to seek and to enjoy in other countries asylum from persecution.

2. This right may not be invoked in the case of prosecutions genuinely arising from non-political crimes or from acts contrary to the purposes and principles of the United Nations.

**Article 15** 1. Everyone has the right to a nationality.

2. No one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality.

**Article 16** 1. Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family. They are entitled to equal rights as to marriage, during marriage and at its dissolution.

2. Marriage shall be entered into only with the free and full consent of the intending spouses.

3. The family is the natural and fundamental group unit of society and is entitled to protection by society and the State.

**Article 17** 1. Everyone has the right to own property alone as well as in association with others.

2. No one shall be arbitrarily deprived of his property.

**Article 18** Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

**Article 19** Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

**Article 20** 1. Everyone has the right to freedom of peaceful assembly and association.

2. No one may be compelled to belong to an association.

**Article 21** 1. Everyone has the right to take part in the government of his country, directly or through freely chosen representatives.

2. Everyone has the right to equal access to public service in his country.

3. The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures.

**Article 22** Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organisation and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

**Article 23** 1. Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

2. Everyone, without any discrimination, has the right to equal pay for equal work.

3. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.

4. Everyone has the right to form and to join trade unions for the protection of his interests.

**Article 24** Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

**Article 25** 1. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

2. Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

- Article 26** 1. Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.
2. Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace.
3. Parents have a prior right to choose the kind of education that shall be given to their children.

- Article 27** 1. Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.
2. Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.

**Article 28** Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.

- Article 29** 1. Everyone has duties to the community in which alone the free and full development of his personality is possible.
2. In the exercise of his rights and freedoms, everyone shall be subject only to such limitations as are determined by law solely for the purpose of securing due recognition and respect for the rights and freedoms of others and of meeting the just requirements of morality, public order and the general welfare in a democratic society.
3. These rights and freedoms may in no case be exercised contrary to the purposes and principles of the United Nations.

**Article 30** Nothing in this Declaration may be interpreted as implying for any State, group or person any right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms set forth herein.

## **1.2 International Covenant on Civil and Political Rights**

### **PREAMBLE**

The States Parties to the present Covenant,

Considering that, in accordance with the principles proclaimed in the Charter of the United Nations, recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,

Recognizing that these rights derive from the inherent dignity of the human person,

Recognizing that, in accordance with the Universal Declaration of Human Rights, the ideal of free human beings enjoying civil and political freedom and freedom from fear and want can only be achieved if conditions are created whereby everyone may enjoy his civil and political rights, as well as his economic, social and cultural rights,

Considering the obligation of States under the Charter of the United Nations to promote universal respect for, and observance of, human rights and freedoms,

Realizing that the individual, having duties to other individuals and to the community to which he belongs, is under a responsibility to strive for the promotion and observance of the rights recognized in the present Covenant,

Agree upon the following articles:

### **PART I**

#### **Article 1**

1. All peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.
2. All peoples may, for their own ends, freely dispose of their natural wealth and resources without prejudice to any obligations arising out of international economic co-operation, based upon the principle of mutual benefit, and international law. In no case may a people be deprived of its own means of subsistence.
3. The States Parties to the present Covenant, including those having responsibility for the administration of Non-Self-Governing and Trust Territories, shall promote the realization of the right of self-determination, and shall respect that right, in conformity with the provisions of the Charter of the United Nations.

## **PART II**

### **Article 2**

1. Each State Party to the present Covenant undertakes to respect and to ensure to all individuals within its territory and subject to its jurisdiction the rights recognized in the present Covenant, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.
2. Where not already provided for by existing legislative or other measures, each State Party to the present Covenant undertakes to take the necessary steps, in accordance with its constitutional processes and with the provisions of the present Covenant, to adopt such legislative or other measures as may be necessary to give effect to the rights recognized in the present Covenant.
3. Each State Party to the present Covenant undertakes:
  - (a) To ensure that any person whose rights or freedoms as herein recognized are violated shall have an effective remedy, notwithstanding that the violation has been committed by persons acting in an official capacity;
  - (b) To ensure that any person claiming such a remedy shall have his right thereto determined by competent judicial, administrative or legislative authorities, or by any other competent authority provided for by the legal system of the State, and to develop the possibilities of judicial remedy;
  - (c) To ensure that the competent authorities shall enforce such remedies when granted.

### **Article 3**

The States Parties to the present Covenant undertake to ensure the equal right of men and women to the enjoyment of all civil and political rights set forth in the present Covenant.

### **Article 4**

1. In time of public emergency which threatens the life of the nation and the existence of which is officially proclaimed, the States Parties to the present Covenant may take measures derogating from their obligations under the present Covenant to the extent strictly required by the exigencies of the situation, provided that such measures are not inconsistent with their other obligations under international law and do not involve discrimination solely on the ground of race, colour, sex, language, religion or social origin.
2. No derogation from articles 6, 7, 8 (paragraphs 1 and 2), 11, 15, 16 and 18 may be made under this provision.
3. Any State Party to the present Covenant availing itself of the right of derogation shall immediately inform the other States Parties to the present Covenant, through the intermediary of the Secretary-General of the United Nations, of the provisions from which it has derogated and of the reasons by which it was actuated. A further communication shall be made, through the same intermediary, on the date on which it terminates such derogation.

### **Article 5**

1. Nothing in the present Covenant may be interpreted as implying for any State, group or person any right to engage in any activity or perform any act aimed at the destruction of any of the rights and freedoms recognized herein or at their limitation to a greater extent than is provided for in the present Covenant.
2. There shall be no restriction upon or derogation from any of the fundamental human rights recognized or existing in any State Party to the present Covenant pursuant to law, conventions, regulations or custom on the pretext that the present Covenant does not recognize such rights or that it recognizes them to a lesser extent.

## **PART III**

### **Article 6**

1. Every human being has the inherent right to life. This right shall be protected by law. No one shall be arbitrarily deprived of his life.
2. In countries which have not abolished the death penalty, sentence of death may be imposed only for the most serious crimes in accordance with the law in force at the time of the commission of the crime and not contrary to the provisions of the present Covenant and to the Convention on the Prevention and Punishment of the Crime of Genocide. This penalty can only be carried out pursuant to a final judgment rendered by a competent court.

3. When deprivation of life constitutes the crime of genocide, it is understood that nothing in this article shall authorize any State Party to the present Covenant to derogate in any way from any obligation assumed under the provisions of the Convention on the Prevention and Punishment of the Crime of Genocide.
4. Anyone sentenced to death shall have the right to seek pardon or commutation of the sentence. Amnesty, pardon or commutation of the sentence of death may be granted in all cases.
5. Sentence of death shall not be imposed for crimes committed by persons below eighteen years of age and shall not be carried out on pregnant women.
6. Nothing in this article shall be invoked to delay or to prevent the abolition of capital punishment by any State Party to the present Covenant.

#### **Article 7**

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment. In particular, no one shall be subjected without his free consent to medical or scientific experimentation.

#### **Article 8**

1. No one shall be held in slavery; slavery and the slave-trade in all their forms shall be prohibited.
2. No one shall be held in servitude.
- 3.(a) No one shall be required to perform forced or compulsory labour;  
(b) Paragraph 3 (a) shall not be held to preclude, in countries where imprisonment with hard labour may be imposed as a punishment for a crime, the performance of hard labour in pursuance of a sentence to such punishment by a competent court;  
(c) For the purpose of this paragraph the term "forced or compulsory labour" shall not include:
  - (i) Any work or service, not referred to in sub-paragraph (b), normally required of a person who is under detention in consequence of a lawful order of a court, or of a person during conditional release from such detention;
  - (ii) Any service of a military character and, in countries where conscientious objection is recognized, any national service required by law of conscientious objectors;
  - (iii) Any service exacted in cases of emergency or calamity threatening the life or well-being of the community;
  - (iv) Any work or service which forms part of normal civil obligations.

#### **Article 9**

1. Everyone has the right to liberty and security of person. No one shall be subjected to arbitrary arrest or detention. No one shall be deprived of his liberty except on such grounds and in accordance with such procedure as are established by law.
2. Anyone who is arrested shall be informed, at the time of arrest, of the reasons for his arrest and shall be promptly informed of any charges against him.
3. Anyone arrested or detained on a criminal charge shall be brought promptly before a judge or other officer authorized by law to exercise judicial power and shall be entitled to trial within a reasonable time or to release. It shall not be the general rule that persons awaiting trial shall be detained in custody, but release may be subject to guarantees to appear for trial, at any other stage of the judicial proceedings, and, should occasion arise, for execution of the judgement.
4. Anyone who is deprived of his liberty by arrest or detention shall be entitled to take proceedings before a court, in order that court may decide without delay on the lawfulness of his detention and order his release if the detention is not lawful.
5. Anyone who has been the victim of unlawful arrest or detention shall have an enforceable right to compensation.

#### **Article 10**

1. All persons deprived of their liberty shall be treated with humanity and with respect for the inherent dignity of the human person.
- 2.(a) Accused persons shall, save in exceptional circumstances, be segregated from convicted persons and shall be subject to separate treatment appropriate to their status as unconvicted persons;  
(b) Accused juvenile persons shall be separated from adults and brought as speedily as possible for adjudication.
3. The penitentiary system shall comprise treatment of prisoners the essential aim of which shall be their reformation and social rehabilitation. Juvenile offenders shall be segregated from adults and be accorded treatment appropriate to their age and legal status.

**Article 11**

No one shall be imprisoned merely on the ground of inability to fulfil a contractual obligation.

**Article 12**

1. Everyone lawfully within the territory of a State shall, within that territory, have the right to liberty of movement and freedom to choose his residence.
2. Everyone shall be free to leave any country, including his own.
3. The above-mentioned rights shall not be subject to any restrictions except those which are provided by law, are necessary to protect national security, public order (ordre public), public health or morals or the rights and freedoms of others, and are consistent with the other rights recognized in the present Covenant.
4. No one shall be arbitrarily deprived of the right to enter his own country.

**Article 13**

An alien lawfully in the territory of a State Party to the present Covenant may be expelled therefrom only in pursuance of a decision reached in accordance with law and shall, except where compelling reasons of national security otherwise require, be allowed to submit the reasons against his expulsion and to have his case reviewed by, and be represented for the purpose before, the competent authority or a person or persons especially designated by the competent authority.

**Article 14**

1. All persons shall be equal before the courts and tribunals. In the determination of any criminal charge against him, or of his rights and obligations in a suit at law, everyone shall be entitled to a fair and public hearing by a competent, independent and impartial tribunal established by law. The press and the public may be excluded from all or part of a trial for reasons of morals, public order (ordre public) or national security in a democratic society, or when the interest of the private lives of the parties so requires, or to the extent strictly necessary in the opinion of the court in special circumstances where publicity would prejudice the interests of justice; but any judgement rendered in a criminal case or in a suit at law shall be made public except where the interest of juvenile persons otherwise requires or the proceedings concern matrimonial disputes or the guardianship of children.
2. Everyone charged with a criminal offence shall have the right to be presumed innocent until proved guilty according to law.
3. In the determination of any criminal charge against him, everyone shall be entitled to the following minimum guarantees, in full equality:
  - (a) To be informed promptly and in detail in a language which he understands of the nature and cause of the charge against him;
  - (b) To have adequate time and facilities for the preparation of his defence and to communicate with counsel of his own choosing;
  - (c) To be tried without undue delay;
  - (d) To be tried in his presence, and to defend himself in person or through legal assistance of his own choosing; to be informed, if he does not have legal assistance, of this right; and to have legal assistance assigned to him, in any case where the interests of justice so require, and without payment by him in any such case if he does not have sufficient means to pay for it;
  - (e) To examine, or have examined, the witnesses against him and to obtain the attendance and examination of witnesses on his behalf under the same conditions as witnesses against him;
  - (f) To have the free assistance of an interpreter if he cannot understand or speak the language used in court;
  - (g) Not to be compelled to testify against himself or to confess guilt.
4. In the case of juvenile persons, the procedure shall be such as will take account of their age and the desirability of promoting their rehabilitation.
5. Everyone convicted of a crime shall have the right to his conviction and sentence being reviewed by a higher tribunal according to law.

6. When a person has by a final decision been convicted of a criminal offence and when subsequently his conviction has been reversed or he has been pardoned on the ground that a new or newly discovered fact shows conclusively that there has been a miscarriage of justice, the person who has suffered punishment as a result of such conviction shall be compensated according to law, unless it is proved that the non-disclosure of the unknown fact in time is wholly or partly attributable to him.
7. No one shall be liable to be tried or punished again for an offence for which he has already been finally convicted or acquitted in accordance with the law and penal procedure of each country.

#### **Article 15**

1. No one shall be held guilty of any criminal offence on account of any act or omission which did not constitute a criminal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time when the criminal offence was committed. If, subsequent to the commission of the offence, provision is made by law for the imposition of the lighter penalty, the offender shall benefit thereby.
2. Nothing in this article shall prejudice the trial and punishment of any person for any act or omission which, at the time when it was committed, was criminal according to the general principles of law recognized by the community of nations.

#### **Article 16**

Everyone shall have the right to recognition everywhere as a person before the law.

#### **Article 17**

1. No one shall be subjected to arbitrary or unlawful interference with his privacy, family, home or correspondence, nor to unlawful attacks on his honour and reputation.
2. Everyone has the right to the protection of the law against such interference or attacks.

#### **Article 18**

1. Everyone shall have the right to freedom of thought, conscience and religion. This right shall include freedom to have or to adopt a religion or belief of his choice, and freedom, either individually or in community with others and in public or private, to manifest his religion or belief in worship, observance, practice and teaching.
2. No one shall be subject to coercion which would impair his freedom to have or to adopt a religion or belief of his choice.
3. Freedom to manifest one's religion or beliefs may be subject only to such limitations as are prescribed by law and are necessary to protect public safety, order, health, or morals or the fundamental rights and freedoms of others.
4. The States Parties to the present Covenant undertake to have respect for the liberty of parents and, when applicable, legal guardians to ensure the religious and moral education of their children in conformity with their own convictions.

#### **Article 19**

1. Everyone shall have the right to hold opinions without interference.
2. Everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art, or through any other media of his choice.
3. The exercise of the rights provided for in paragraph 2 of this article carries with it special duties and responsibilities. It may therefore be subject to certain restrictions, but these shall only be such as are provided by law and are necessary:
  - (a) For respect of the rights or reputations of others;
  - (b) For the protection of national security or of public order (ordre public), or of public health or morals.

#### **Article 20**

1. Any propaganda for war shall be prohibited by law.
2. Any advocacy of national, racial or religious hatred that constitutes incitement to discrimination, hostility or violence shall be prohibited by law.

#### **Article 21**

The right of peaceful assembly shall be recognized. No restrictions may be placed on the exercise of this right other than those imposed in conformity with the law and which are necessary in a democratic society in the interests of national security or public safety, public order (ordre public), the protection of public health or morals or the protection of the rights and freedoms of others.

## **Article 22**

1. Everyone shall have the right to freedom of association with others, including the right to form and join trade unions for the protection of his interests.
2. No restrictions may be placed on the exercise of this right other than those which are prescribed by law and which are necessary in a democratic society in the interests of national security or public safety, public order (ordre public), the protection of public health or morals or the protection of the rights and freedoms of others. This article shall not prevent the imposition of lawful restrictions on members of the armed forces and of the police in their exercise of this right.
3. Nothing in this article shall authorize States Parties to the International Labour Organisation Convention of 1948 concerning Freedom of Association and Protection of the Right to Organize to take legislative measures which would prejudice, or to apply the law in such a manner as to prejudice, the guarantees provided for in that Convention.

## **Article 23**

1. The family is the natural and fundamental group unit of society and is entitled to protection by society and the State.
2. The right of men and women of marriageable age to marry and to found a family shall be recognized.
3. No marriage shall be entered into without the free and full consent of the intending spouses.
4. States Parties to the present Covenant shall take appropriate steps to ensure equality of rights and responsibilities of spouses as to marriage, during marriage and at its dissolution. In the case of dissolution, provision shall be made for the necessary protection of any children.

## **Article 24**

1. Every child shall have, without any discrimination as to race, colour, sex, language, religion, national or social origin, property or birth, the right to such measures of protection as are required by his status as a minor, on the part of his family, society and the State.
2. Every child shall be registered immediately after birth and shall have a name.
3. Every child has the right to acquire a nationality.

## **Article 25**

Every citizen shall have the right and the opportunity, without any of the distinctions mentioned in article 2 and without unreasonable restrictions:

- (a) To take part in the conduct of public affairs, directly or through freely chosen representatives;
- (b) To vote and to be elected at genuine periodic elections which shall be by universal and equal suffrage and shall be held by secret ballot, guaranteeing the free expression of the will of the electors;
- (c) To have access, on general terms of equality, to public service in his country.

## **Article 26**

All persons are equal before the law and are entitled without any discrimination to the equal protection of the law. In this respect, the law shall prohibit any discrimination and guarantee to all persons equal and effective protection against discrimination on any ground such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

## **Article 27**

In those States in which ethnic, religious or linguistic minorities exist, persons belonging to such minorities shall not be denied the right, in community with the other members of their group, to enjoy their own culture, to profess and practice their own religion, or to use their own language.

## **PART IV**

### **Article 28**

1. There shall be established a Human Rights Committee (hereafter referred to in the present Covenant as the Committee). It shall consist of eighteen members and shall carry out the functions hereinafter provided.
2. The Committee shall be composed of nationals of the States Parties to the present Covenant who shall be persons of high moral character and recognized competence in the field of human rights, consideration being given to the usefulness of the participation of some persons having legal experience.
3. The members of the Committee shall be elected and shall serve in their personal capacity.

#### **Article 29**

1. The members of the Committee shall be elected by secret ballot from a list of persons possessing the qualifications prescribed in article 28 and nominated for the purpose by the States Parties to the present Covenant.
2. Each State Party to the present Covenant may nominate not more than two persons. These persons shall be nationals of the nominating State.
3. A person shall be eligible for renomination.

#### **Article 30**

1. The initial election shall be held no later than six months after the date of the entry into force of the present Covenant.
2. At least four months before the date of each election to the Committee, other than an election to fill a vacancy declared in accordance with article 34, the Secretary-General of the United Nations shall address a written invitation to the States Parties to the present Covenant to submit their nominations for membership of the Committee within three months.
3. The Secretary-General of the United Nations shall prepare a list in alphabetical order of all the persons thus nominated, with an indication of the States Parties which have nominated them, and shall submit it to the States Parties to the present Covenant no later than one month before the date of each election.
4. Elections of the members of the Committee shall be held at a meeting of the States Parties to the present Covenant convened by the Secretary General of the United Nations at the Headquarters of the United Nations. At that meeting, for which two thirds of the States Parties to the present Covenant shall constitute a quorum, the persons elected to the Committee shall be those nominees who obtain the largest number of votes and an absolute majority of the votes of the representatives of States Parties present and voting.

#### **Article 31**

1. The Committee may not include more than one national of the same State.
2. In the election of the Committee, consideration shall be given to equitable geographical distribution of membership and to the representation of the different forms of civilization and of the principal legal systems.

#### **Article 32**

1. The members of the Committee shall be elected for a term of four years. They shall be eligible for re-election if renominated. However, the terms of nine of the members elected at the first election shall expire at the end of two years; immediately after the first election, the names of these nine members shall be chosen by lot by the Chairman of the meeting referred to in article 30, paragraph 4.
2. Elections at the expiry of office shall be held in accordance with the preceding articles of this part of the present Covenant.

#### **Article 33**

1. If, in the unanimous opinion of the other members, a member of the Committee has ceased to carry out his functions for any cause other than absence of a temporary character, the Chairman of the Committee shall notify the Secretary-General of the United Nations, who shall then declare the seat of that member to be vacant.
2. In the event of the death or the resignation of a member of the Committee, the Chairman shall immediately notify the Secretary-General of the United Nations, who shall declare the seat vacant from the date of death or the date on which the resignation takes effect.

#### **Article 34**

1. When a vacancy is declared in accordance with article 33 and if the term of office of the member to be replaced does not expire within six months of the declaration of the vacancy, the Secretary-General of the United Nations shall notify each of the States Parties to the present Covenant, which may within two months submit nominations in accordance with article 29 for the purpose of filling the vacancy.
2. The Secretary-General of the United Nations shall prepare a list in alphabetical order of the persons thus nominated and shall submit it to the States Parties to the present Covenant. The election to fill the vacancy shall then take place in accordance with the relevant provisions of this part of the present Covenant.
3. A member of the Committee elected to fill a vacancy declared in accordance with article 33 shall hold office for the remainder of the term of the member who vacated the seat on the Committee under the provisions of that article.

### **Article 35**

The members of the Committee shall, with the approval of the General Assembly of the United Nations, receive emoluments from United Nations resources on such terms and conditions as the General Assembly may decide, having regard to the importance of the Committee's responsibilities.

### **Article 36**

The Secretary-General of the United Nations shall provide the necessary staff and facilities for the effective performance of the functions of the Committee under the present Covenant.

### **Article 37**

1. The Secretary-General of the United Nations shall convene the initial meeting of the Committee at the Headquarters of the United Nations.
2. After its initial meeting, the Committee shall meet at such times as shall be provided in its rules of procedure.
3. The Committee shall normally meet at the Headquarters of the United Nations or at the United Nations Office at Geneva.

### **Article 38**

Every member of the Committee shall, before taking up his duties, make a solemn declaration in open committee that he will perform his functions impartially and conscientiously.

### **Article 39**

1. The Committee shall elect its officers for a term of two years. They may be re-elected.
2. The Committee shall establish its own rules of procedure, but these rules shall provide, inter alia, that:
  - (a) Twelve members shall constitute a quorum;
  - (b) Decisions of the Committee shall be made by a majority vote of the members present.

### **Article 40**

1. The States Parties to the present Covenant undertake to submit reports on the measures they have adopted which give effect to the rights recognized herein and on the progress made in the enjoyment of those rights:
  - (a) Within one year of the entry into force of the present Covenant for the States Parties concerned;
  - (b) Thereafter whenever the Committee so requests.
2. All reports shall be submitted to the Secretary-General of the United Nations, who shall transmit them to the Committee for consideration. Reports shall indicate the factors and difficulties, if any, affecting the implementation of the present Covenant.
3. The Secretary-General of the United Nations may, after consultation with the Committee, transmit to the specialized agencies concerned copies of such parts of the reports as may fall within their field of competence.
4. The Committee shall study the reports submitted by the States Parties to the present Covenant. It shall transmit its reports, and such general comments as it may consider appropriate, to the States Parties. The Committee may also transmit to the Economic and Social Council these comments along with the copies of the reports it has received from States Parties to the present Covenant.
5. The States Parties to the present Covenant may submit to the Committee observations on any comments that may be made in accordance with paragraph 4 of this article.

### **Article 41**

1. A State Party to the present Covenant may at any time declare under this article that it recognizes the competence of the Committee to receive and consider communications to the effect that a State Party claims that another State Party is not fulfilling its obligations under the present Covenant. Communications under this article may be received and considered only if submitted by a State Party which has made a declaration recognizing in regard to itself the competence of the Committee. No communication shall be received by the Committee if it concerns a State Party which has not made such a declaration. Communications received under this article shall be dealt with in accordance with the following procedure:
  - (a) If a State Party to the present Covenant considers that another State Party is not giving effect to the provisions of the present Covenant, it may, by written communication, bring the matter to the attention of that State Party. Within three months after the receipt of the communication the receiving State shall afford the State which sent the communication an explanation, or any other statement in writing clarifying the matter which should include, to the extent possible and pertinent, reference to domestic procedures and remedies taken, pending, or available in the matter;

- (b) If the matter is not adjusted to the satisfaction of both States Parties concerned within six months after the receipt by the receiving State of the initial communication, either State shall have the right to refer the matter to the Committee, by notice given to the Committee and to the other State;
- (c) The Committee shall deal with a matter referred to it only after it has ascertained that all available domestic remedies have been invoked and exhausted in the matter, in conformity with the generally recognized principles of international law. This shall not be the rule where the application of the remedies is unreasonably prolonged;
- (d) The Committee shall hold closed meetings when examining communications under this article;
- (e) Subject to the provisions of sub-paragraph (c), the Committee shall make available its good offices to the States Parties concerned with a view to a friendly solution of the matter on the basis of respect for human rights and fundamental freedoms as recognized in the present Covenant;
- (f) In any matter referred to it, the Committee may call upon the States Parties concerned, referred to in subparagraph (b), to supply any relevant information;
- (g) The States Parties concerned, referred to in sub-paragraph (b), shall have the right to be represented when the matter is being considered in the Committee and to make submissions orally and/or in writing;
- (h) The Committee shall, within twelve months after the date of receipt of notice under sub-paragraph (b), submit a report:
  - (i) If a solution within the terms of sub-paragraph (e) is reached, the Committee shall confine its report to a brief statement of the facts and of the solution reached;
  - (ii) If a solution within the terms of sub-paragraph (e) is not reached, the Committee shall confine its report to a brief statement of the facts; the written submissions and record of the oral submissions made by the States Parties concerned shall be attached to the report.

In every matter, the report shall be communicated to the States Parties concerned.

2. The provisions of this article shall come into force when ten States Parties to the present Covenant have made declarations under paragraph 1 of this article. Such declarations shall be deposited by the States Parties with the Secretary-General of the United Nations, who shall transmit copies thereof to the other States Parties. A declaration may be withdrawn at any time by notification to the Secretary-General. Such a withdrawal shall not prejudice the consideration of any matter which is the subject of a communication already transmitted under this article; no further communication by any State Party shall be received after the notification of withdrawal of the declaration has been received by the Secretary-General, unless the State Party concerned has made a new declaration.

#### **Article 42**

- 1.(a) If a matter referred to the Committee in accordance with article 41 is not resolved to the satisfaction of the States Parties concerned, the Committee may, with the prior consent of the States Parties concerned, appoint an ad hoc Conciliation Commission (hereinafter referred to as the Commission). The good offices of the Commission shall be made available to the States Parties concerned with a view to an amicable solution of the matter on the basis of respect for the present Covenant;
- (b) The Commission shall consist of five persons acceptable to the States Parties concerned. If the States Parties concerned fail to reach agreement within three months on all or part of the composition of the Commission, the members of the Commission concerning whom no agreement has been reached shall be elected by secret ballot by a two-thirds majority vote of the Committee from among its members.
2. The members of the Commission shall serve in their personal capacity. They shall not be nationals of the States Parties concerned, or of a State not Party to the present Covenant, or of a State Party which has not made a declaration under article 41.
3. The Commission shall elect its own Chairman and adopt its own rules of procedure.
4. The meetings of the Commission shall normally be held at the Headquarters of the United Nations or at the United Nations Office at Geneva. However, they may be held at such other convenient places as the Commission may determine in consultation with the Secretary-General of the United Nations and the States Parties concerned.
5. The secretariat provided in accordance with article 36 shall also service the commissions appointed under this article.
6. The information received and collated by the Committee shall be made available to the Commission and the Commission may call upon the States Parties concerned to supply any other relevant information.

7. When the Commission has fully considered the matter, but in any event not later than twelve months after having been seized of the matter, it shall submit to the Chairman of the Committee a report for communication to the States Parties concerned:
- (a) If the Commission is unable to complete its consideration of the matter within twelve months, it shall confine its report to a brief statement of the status of its consideration of the matter;
  - (b) If an amicable solution to the matter on the basis of respect for human rights as recognized in the present Covenant is reached, the Commission shall confine its report to a brief statement of the facts and of the solution reached;
  - (c) If a solution within the terms of sub-paragraph (b) is not reached, the Commission's report shall embody its findings on all questions of fact relevant to the issues between the States Parties concerned, and its views on the possibilities of an amicable solution of the matter. This report shall also contain the written submissions and a record of the oral submissions made by the States Parties concerned;
  - (d) If the Commission's report is submitted under sub-paragraph (c), the States Parties concerned shall, within three months of the receipt of the report, notify the Chairman of the Committee whether or not they accept the contents of the report of the Commission.
8. The provisions of this article are without prejudice to the responsibilities of the Committee under article 41.
9. The States Parties concerned shall share equally all the expenses of the members of the Commission in accordance with estimates to be provided by the Secretary-General of the United Nations.
10. The Secretary-General of the United Nations shall be empowered to pay the expenses of the members of the Commission, if necessary, before reimbursement by the States Parties concerned, in accordance with paragraph 9 of this article.

#### **Article 43**

The members of the Committee, and of the ad hoc conciliation commissions which may be appointed under article 42, shall be entitled to the facilities, privileges and immunities of experts on mission for the United Nations as laid down in the relevant sections of the Convention on the Privileges and Immunities of the United Nations.

#### **Article 44**

The provisions for the implementation of the present Covenant shall apply without prejudice to the procedures prescribed in the field of human rights by or under the constituent instruments and the conventions of the United Nations and of the specialized agencies and shall not prevent the States Parties to the present Covenant from having recourse to other procedures for settling a dispute in accordance with general or special international agreements in force between them.

#### **Article 45**

The Committee shall submit to the General Assembly of the United Nations, through the Economic and Social Council, an annual report on its activities.

### **PART V**

#### **Article 46**

Nothing in the present Covenant shall be interpreted as impairing the provisions of the Charter of the United Nations and of the constitutions of the specialized agencies which define the respective responsibilities of the various organs of the United Nations and of the specialized agencies in regard to the matters dealt with in the present Covenant.

#### **Article 47**

Nothing in the present Covenant shall be interpreted as impairing the inherent right of all peoples to enjoy and utilize fully and freely their natural wealth and resources.

### **PART VI**

#### **Article 48**

1. The present Covenant is open for signature by any State Member of the United Nations or member of any of its specialized agencies, by any State Party to the Statute of the International Court of Justice, and by any other State which has been invited by the General Assembly of the United Nations to become a Party to the present Covenant.
2. The present Covenant is subject to ratification. Instruments of ratification shall be deposited with the Secretary-General of the United Nations.
3. The present Covenant shall be open to accession by any State referred to in paragraph 1 of this article.
4. Accession shall be effected by the deposit of an instrument of accession with the Secretary-General of the United Nations.
5. The Secretary-General of the United Nations shall inform all States which have signed this Covenant or acceded to it of the deposit of each instrument of ratification or accession.

#### **Article 49**

1. The present Covenant shall enter into force three months after the date of the deposit with the Secretary-General of the United Nations of the thirty-fifth instrument of ratification or instrument of accession.
2. For each State ratifying the present Covenant or acceding to it after the deposit of the thirty-fifth instrument of ratification or instrument of accession, the present Covenant shall enter into force three months after the date of the deposit of its own instrument of ratification or instrument of accession.

#### **Article 50**

The provisions of the present Covenant shall extend to all parts of federal States without any limitations or exceptions.

#### **Article 51**

1. Any State Party to the present Covenant may propose an amendment and file it with the Secretary General of the United Nations. The Secretary-General of the United Nations shall thereupon communicate any proposed amendments to the States Parties to the present Covenant with a request that they notify him whether they favour a conference of States Parties for the purpose of considering and voting upon the proposals. In the event that at least one third of the States Parties favours such a conference, the Secretary-General shall convene the conference under the auspices of the United Nations.  
Any amendment adopted by a majority of the States Parties present and voting at the conference shall be submitted to the General Assembly of the United Nations for approval.
2. Amendments shall come into force when they have been approved by the General Assembly of the United Nations and accepted by a two-thirds majority of the States Parties to the present Covenant in accordance with their respective constitutional processes.
3. When amendments come into force, they shall be binding on those States Parties which have accepted them, other States Parties still being bound by the provisions of the present Covenant and any earlier amendment which they have accepted.

#### **Article 52**

Irrespective of the notifications made under article 48, paragraph 5, the Secretary-General of the United Nations shall inform all States referred to in paragraph 1 of the same article of the following particulars:

- (a) Signatures, ratifications and accessions under article 48;
- (b) The date of the entry into force of the present Covenant under article 49 and the date of the entry into force of any amendments under article 51.

#### **Article 53**

1. The present Covenant, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited in the archives of the United Nations.
2. The Secretary-General of the United Nations shall transmit certified copies of the present Covenant to all States referred to in article 48.

### **1.3 International Covenant on Economic, Social and Cultural Rights**

#### **Preamble**

The States Parties to the present Covenant,

Considering that, in accordance with the principles proclaimed in the Charter of the United Nations, recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,

Recognizing that these rights derive from the inherent dignity of the human person,

Recognizing that, in accordance with the Universal Declaration of Human Rights, the ideal of free human beings enjoying freedom from fear and want can only be achieved if conditions are created whereby everyone may enjoy his economic, social and cultural rights, as well as his civil and political rights,

Considering the obligation of States under the Charter of the United Nations to promote universal respect for, and observance of, human rights and freedoms,

Realizing that the individual, having duties to other individuals and to the community to which he belongs, is under a responsibility to strive for the promotion and observance of the rights recognized in the present Covenant,

Agree upon the following articles:

#### **PART I**

##### **Article 1**

1. All peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.
2. All peoples may, for their own ends, freely dispose of their natural wealth and resources without prejudice to any obligations arising out of international economic co-operation, based upon the principle of mutual benefit, and international law. In no case may a people be deprived of its own means of subsistence.
3. The States Parties to the present Covenant, including those having responsibility for the administration of Non-Self-Governing and Trust Territories, shall promote the realization of the right of self-determination, and shall respect that right, in conformity with the provisions of the Charter of the United Nations.

#### **PART II**

##### **Article 2**

1. Each State Party to the present Covenant undertakes to take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means, including particularly the adoption of legislative measures.
2. The States Parties to the present Covenant undertake to guarantee that the rights enunciated in the present Covenant will be exercised without discrimination of any kind as to race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.
3. Developing countries, with due regard to human rights and their national economy, may determine to what extent they would guarantee the economic rights recognized in the present Covenant to non-nationals.

##### **Article 3**

The States Parties to the present Covenant undertake to ensure the equal right of men and women to the enjoyment of all economic, social and cultural rights set forth in the present Covenant.

##### **Article 4**

The States Parties to the present Covenant recognize that, in the enjoyment of those rights provided by the State in conformity with the present Covenant, the State may subject such rights only to such limitations as are determined by law only in so far as this may be compatible with the nature of these rights and solely for the purpose of promoting the general welfare in a democratic society.

##### **Article 5**

1. Nothing in the present Covenant may be interpreted as implying for any State, group or person any right to engage in any activity or to perform any act aimed at the destruction of any of the rights or freedoms recognized herein, or at their limitation to a greater extent than is provided for in the present Covenant.
2. No restriction upon or derogation from any of the fundamental human rights recognized or existing in any country in virtue of law, conventions, regulations or custom shall be admitted on the pretext that the present Covenant does not recognize such rights or that it recognizes them to a lesser extent.

#### **PART III**

##### **Article 6**

1. The States Parties to the present Covenant recognize the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right.
2. The steps to be taken by a State Party to the present Covenant to achieve the full realization of this right shall include technical and vocational guidance and training programmes, policies and techniques to achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual.

## **Article 7**

The States Parties to the present Covenant recognize the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular:

(a) Remuneration which provides all workers, as a minimum, with:

- (i) Fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work;
- (ii) A decent living for themselves and their families in accordance with the provisions of the present Covenant;

(b) Safe and healthy working conditions;

(c) Equal opportunity for everyone to be promoted in his employment to an appropriate higher level, subject to no considerations other than those of seniority and competence;

(d) Rest, leisure and reasonable limitation of working hours and periodic holidays with pay, as well as remuneration for public holidays

## **Article 8**

1. The States Parties to the present Covenant undertake to ensure:

(a) The right of everyone to form trade unions and join the trade union of his choice, subject only to the rules of the organisation concerned, for the promotion and protection of his economic and social interests. No restrictions may be placed on the exercise of this right other than those prescribed by law and which are necessary in a democratic society in the interests of national security or public order or for the protection of the rights and freedoms of others;

(b) The right of trade unions to establish national federations or confederations and the right of the latter to form or join international trade-union organisations;

(c) The right of trade unions to function freely subject to no limitations other than those prescribed by law and which are necessary in a democratic society in the interests of national security or public order or for the protection of the rights and freedoms of others;

(d) The right to strike, provided that it is exercised in conformity with the laws of the particular country.

2. This article shall not prevent the imposition of lawful restrictions on the exercise of these rights by members of the armed forces or of the police or of the administration of the State.

3. Nothing in this article shall authorize States Parties to the International Labour Organisation Convention of 1948 concerning Freedom of Association and Protection of the Right to Organize to take legislative measures which would prejudice, or apply the law in such a manner as would prejudice, the guarantees provided for in that Convention.

## **Article 9**

The States Parties to the present Covenant recognize the right of everyone to social security, including social insurance.

## **Article 10**

The States Parties to the present Covenant recognize that:

1. The widest possible protection and assistance should be accorded to the family, which is the natural and fundamental group unit of society, particularly for its establishment and while it is responsible for the care and education of dependent children.

Marriage must be entered into with the free consent of the intending spouses.

2. Special protection should be accorded to mothers during a reasonable period before and after childbirth. During such period working mothers should be accorded paid leave or leave with adequate social security benefits.

3. Special measures of protection and assistance should be taken on behalf of all children and young persons without any discrimination for reasons of parentage or other conditions. Children and young persons should be protected from economic and social exploitation. Their employment in work harmful to their morals or health or dangerous to life or likely to hamper their normal development should be punishable by law. States should also set age limits below which the paid employment of child labour should be prohibited and punishable by law.

## **Article 11**

1. The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent.

2. The States Parties to the present Covenant, recognizing the fundamental right of everyone to be free from hunger, shall take, individually and through international co-operation, the measures, including specific programmes, which are needed:
  - (a) To improve methods of production, conservation and distribution of food by making full use of technical and scientific knowledge, by disseminating knowledge of the principles of nutrition and by developing or reforming agrarian systems in such a way as to achieve the most efficient development and utilization of natural resources;
  - (b) Taking into account the problems of both food-importing and food-exporting countries, to ensure an equitable distribution of world food supplies in relation to need.

#### **Article 12**

1. The States Parties to the present Covenant recognize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health.
2. The steps to be taken by the States Parties to the present Covenant to achieve the full realization of this right shall include those necessary for:
  - (a) The provision for the reduction of the stillbirth-rate and of infant mortality and for the healthy development of the child;
  - (b) The improvement of all aspects of environmental and industrial hygiene;
  - (c) The prevention, treatment and control of epidemic, endemic, occupational and other diseases;
  - (d) The creation of conditions which would assure to all medical service and medical attention in the event of sickness.

#### **Article 13**

1. The States Parties to the present Covenant recognize the right of everyone to education. They agree that education shall be directed to the full development of the human personality and the sense of its dignity, and shall strengthen the respect for human rights and fundamental freedoms. They further agree that education shall enable all persons to participate effectively in a free society, promote understanding, tolerance and friendship among all nations and all racial, ethnic or religious groups, and further the activities of the United Nations for the maintenance of peace.
2. The States Parties to the present Covenant recognize that, with a view to achieving the full realization of this right:
  - (a) Primary education shall be compulsory and available free to all;
  - (b) Secondary education in its different forms, including technical and vocational secondary education, shall be made generally available and accessible to all by every appropriate means, and in particular by the progressive introduction of free education;
  - (c) Higher education shall be made equally accessible to all, on the basis of capacity, by every appropriate means, and in particular by the progressive introduction of free education;
  - (d) Fundamental education shall be encouraged or intensified as far as possible for those persons who have not received or completed the whole period of their primary education;
  - (e) The development of a system of schools at all levels shall be actively pursued, an adequate fellowship system shall be established, and the material conditions of teaching staff shall be continuously improved.
3. The States Parties to the present Covenant undertake to have respect for the liberty of parents and, when applicable, legal guardians to choose for their children schools, other than those established by the public authorities, which conform to such minimum educational standards as may be laid down or approved by the State and to ensure the religious and moral education of their children in conformity with their own convictions.
4. No part of this article shall be construed so as to interfere with the liberty of individuals and bodies to establish and direct educational institutions, subject always to the observance of the principles set forth in paragraph 1 of this article and to the requirement that the education given in such institutions shall conform to such minimum standards as may be laid down by the State.

#### **Article 14**

Each State Party to the present Covenant which, at the time of becoming a Party, has not been able to secure in its metropolitan territory or other territories under its jurisdiction compulsory primary education, free of charge, undertakes, within two years, to work out and adopt a detailed plan of action for the progressive implementation, within a reasonable number of years, to be fixed in the plan, of the principle of compulsory education free of charge for all.

## **Article 15**

1. The States Parties to the present Covenant recognize the right of everyone:
  - (a) To take part in cultural life;
  - (b) To enjoy the benefits of scientific progress and its applications;
  - (c) To benefit from the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.
2. The steps to be taken by the States Parties to the present Covenant to achieve the full realization of this right shall include those necessary for the conservation, the development and the diffusion of science and culture.
3. The States Parties to the present Covenant undertake to respect the freedom indispensable for scientific research and creative activity.
4. The States Parties to the present Covenant recognize the benefits to be derived from the encouragement and development of international contacts and co-operation in the scientific and cultural fields.

## **PART IV**

### **Article 16**

1. The States Parties to the present Covenant undertake to submit in conformity with this part of the Covenant reports on the measures which they have adopted and the progress made in achieving the observance of the rights recognized herein.
- 2.(a) All reports shall be submitted to the Secretary-General of the United Nations, who shall transmit copies to the Economic and Social Council for consideration in accordance with the provisions of the present Covenant;
  - (b) The Secretary-General of the United Nations shall also transmit to the specialized agencies copies of the reports, or any relevant parts therefrom, from States Parties to the present Covenant which are also members of these specialized agencies in so far as these reports, or parts therefrom, relate to any matters which fall within the responsibilities of the said agencies in accordance with their constitutional instruments.

### **Article 17**

1. The States Parties to the present Covenant shall furnish their reports in stages, in accordance with a programme to be established by the Economic and Social Council within one year of the entry into force of the present Covenant after consultation with the States Parties and the specialized agencies concerned.
2. Reports may indicate factors and difficulties affecting the degree of fulfilment of obligations under the present Covenant.
3. Where relevant information has previously been furnished to the United Nations or to any specialized agency by any State Party to the present Covenant, it will not be necessary to reproduce that information, but a precise reference to the information so furnished will suffice.

### **Article 18**

Pursuant to its responsibilities under the Charter of the United Nations in the field of human rights and fundamental freedoms, the Economic and Social Council may make arrangements with the specialized agencies in respect of their reporting to it on the progress made in achieving the observance of the provisions of the present Covenant falling within the scope of their activities. These reports may include particulars of decisions and recommendations on such implementation adopted by their competent organs.

### **Article 19**

The Economic and Social Council may transmit to the Commission on Human Rights for study and general recommendation or, as appropriate, for information the reports concerning human rights submitted by States in accordance with articles 16 and 17, and those concerning human rights submitted by the specialized agencies in accordance with article 18.

### **Article 20**

The States Parties to the present Covenant and the specialized agencies concerned may submit comments to the Economic and Social Council on any general recommendation under article 19 or reference to such general recommendation in any report of the Commission on Human Rights or any documentation referred to therein.

### **Article 21**

The Economic and Social Council may submit from time to time to the General Assembly reports with recommendations of a general nature and a summary of the information received from the States Parties to the present Covenant and the specialized agencies

on the measures taken and the progress made in achieving general observance of the rights recognized in the present Covenant.

#### **Article 22**

The Economic and Social Council may bring to the attention of other organs of the United Nations, their subsidiary organs and specialized agencies concerned with furnishing technical assistance any matters arising out of the reports referred to in this part of the present Covenant which may assist such bodies in deciding, each within its field of competence, on the advisability of international measures likely to contribute to the effective progressive implementation of the present Covenant.

#### **Article 23**

The States Parties to the present Covenant agree that international action for the achievement of the rights recognized in the present Covenant includes such methods as the conclusion of conventions, the adoption of recommendations, the furnishing of technical assistance and the holding of regional meetings and technical meetings for the purpose of consultation and study organized in conjunction with the Governments concerned.

#### **Article 24**

Nothing in the present Covenant shall be interpreted as impairing the provisions of the Charter of the United Nations and of the constitutions of the specialized agencies which define the respective responsibilities of the various organs of the United Nations and of the specialized agencies in regard to the matters dealt with in the present Covenant.

#### **Article 25**

Nothing in the present Covenant shall be interpreted as impairing the inherent right of all peoples to enjoy and utilize fully and freely their natural wealth and resources.

### **PART V**

#### **Article 26**

1. The present Covenant is open for signature by any State Member of the United Nations or member of any of its specialized agencies, by any State Party to the Statute of the International Court of Justice, and by any other State which has been invited by the General Assembly of the United Nations to become a party to the present Covenant.
2. The present Covenant is subject to ratification. Instruments of ratification shall be deposited with the Secretary-General of the United Nations.
3. The present Covenant shall be open to accession by any State referred to in paragraph 1 of this article.
4. Accession shall be effected by the deposit of an instrument of accession with the Secretary-General of the United Nations.
5. The Secretary-General of the United Nations shall inform all States which have signed the present Covenant or acceded to it of the deposit of each instrument of ratification or accession.

#### **Article 27**

1. The present Covenant shall enter into force three months after the date of the deposit with the Secretary-General of the United Nations of the thirty-fifth instrument of ratification or instrument of accession.
2. For each State ratifying the present Covenant or acceding to it after the deposit of the thirty-fifth instrument of ratification or instrument of accession, the present Covenant shall enter into force three months after the date of the deposit of its own instrument of ratification or instrument of accession.

#### **Article 28**

The provisions of the present Covenant shall extend to all parts of federal States without any limitations or exceptions.

#### **Article 29**

1. Any State Party to the present Covenant may propose an amendment and file it with the Secretary-General of the United Nations. The Secretary-General shall thereupon communicate any proposed amendments to the States Parties to the present Covenant with a request that they notify him whether they favour a conference of States Parties for the purpose of considering and voting upon the proposals. In the event that at least one third of the States Parties favours such a conference, the Secretary-General shall convene the conference under the auspices of the United Nations. Any amendment adopted by a majority of the States Parties present and voting at the conference shall be submitted to the General Assembly of the United Nations for approval.

2. Amendments shall come into force when they have been approved by the General Assembly of the United Nations and accepted by a two-thirds majority of the States Parties to the present Covenant in accordance with their respective constitutional processes.

3. When amendments come into force they shall be binding on those States Parties which have accepted them, other States Parties still being bound by the provisions of the present Covenant and any earlier amendment which they have accepted.

**Article 30**

Irrespective of the notifications made under article 26, paragraph 5, the Secretary-General of the United Nations shall inform all States referred to in paragraph 1 of the same article of the following particulars:

(a) Signatures, ratifications and accessions under article 26;

(b) The date of the entry into force of the present Covenant under article 27 and the date of the entry into force of any amendments under article 29.

**Article 31**

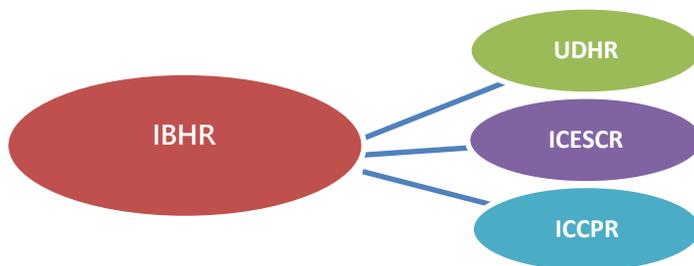
1. The present Covenant, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited in the archives of the United Nations.

2. The Secretary-General of the United Nations shall transmit certified copies of the present Covenant to all States referred to in article 26.

**1.4 International Bill of Human Rights**

The International Covenant on Economic Social and Cultural Rights (ICESCR), and the International Covenant on Civil and Political Rights (ICCPR). These are often referred to as “the International Covenants.”

The Universal Declaration of Human Rights (UDHR) and these two Covenants are known as the International Bill of Human Rights.



ICESCR	ICCPR
<ul style="list-style-type: none"> <li>•Freedom from discrimination</li> <li>•Right to equality between men and women</li> <li>•Right to life</li> <li>•Freedom from torture</li> <li>•Freedom from slavery</li> <li>•Right to liberty and security of person</li> <li>• Right to be treated with humanity in detention</li> <li>•Freedom of movement</li> <li>• Freedom of non-citizens from arbitrary expulsion</li> <li>•Right to fair trial</li> <li>•Right to recognition before the law</li> <li>•Right to privacy</li> <li>•Freedom of religion and belief</li> <li>•Freedom of expression</li> <li>•Right of peaceful assembly</li> <li>•Freedom of association</li> <li>•Right to marry and found a family</li> <li>• Right of children to birth registration and a nationality</li> <li>•Right to participate in public affairs</li> <li>•Right to equality before the law</li> <li>•Minority rights</li> </ul>	<ul style="list-style-type: none"> <li>•Freedom from discrimination</li> <li>•Right to equality between men and women</li> <li>•Right to work</li> <li>•Freedom to choose and accept work</li> <li>• Right to just and favourable conditions at work</li> <li>•Right to form trade unions</li> <li>•Right to strike</li> <li>•Right to social security</li> <li>• Right of mothers to special protection before and after birth</li> <li>• Freedom of children from social and economic exploitation</li> <li>• Right to an adequate standard of living</li> <li>• Freedom from hunger</li> <li>• Right to health</li> <li>• Right to education</li> <li>• Freedom of parents to choose schooling for their children</li> <li>• Right to take part in cultural life</li> <li>• Right to enjoy benefits of science</li> <li>• Right of authors to moral and material interests from works</li> <li>• Freedom to undertake scientific research and creative activity</li> </ul>

## The Core Instruments that provide the foundational legal framework for international human rights.

1. International Convention on the Elimination of All Forms of Racial Discrimination
2. Convention on the Elimination of All Forms of Discrimination against Women
3. Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography
4. Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict
5. Convention on the Rights of the Child
6. Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
7. International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families
8. International Convention for the Protection of All Persons from Enforced Disappearance
9. Convention on the Rights of Persons with Disabilities

### 1.5 Organisations and Human Rights

Human rights are the basic rights to which all human beings are entitled. There are two broad categories of human rights. The first category concerns civil and political rights and includes but not limited to such rights as the right to life and liberty, equality before the law and freedom of expression. The second category concerns economic, social and cultural rights and includes but not limited to such rights as the right to work, the right to food, the right to the highest attainable standard of health, the right to education and the right to social security.

The primacy of human rights has been emphasized by the international community in the International Bill of Human Rights (IBHR) and the Core Instruments that provide the foundational legal framework for international human rights.

All the organisations will benefit from a social and international order in which the rights and freedoms can be fully realized.

While most human rights law relates to relationships between the state and individuals, it is widely acknowledged that non-state organisations can affect individuals' human rights, and hence have a responsibility to respect them.

### 1.6 Human Rights and ESG

Recognition and respect for human rights have been regarded as essential to the rule of law and to concepts of social justice and fairness and as the basic underpinning of the most essential institutions of society such as the judicial system.

States have the duty and responsibility to respect, protect and fulfil human rights, as well as non-state organisations also have the duty and responsibility to respect, protect and fulfil human rights, including within their sphere of influence.

## 2 Principles and Considerations (ISO26000-6.3.2)

### 2.1 Principles

Human rights are inherent, inalienable, universal, indivisible and interdependent:

- Human rights are inherent, in that human rights belong to every person by virtue of being human;
- Human rights are inalienable, in that people cannot consent to giving them up or be deprived of them by governments or any other institution;
- Human rights are universal, in that human rights apply to everyone regardless of any status;
- Human rights are indivisible, in that no human rights may be selectively ignored; and
- Human rights are interdependent, in that realization of one human right contributes to the realization of other human rights.

### 2.2 Considerations

States have the duty and responsibility within their jurisdiction to protect individuals and groups against abuse of human rights as well as to respect and fulfil individuals and groups human rights. States are increasingly taking steps to encourage organisations within their jurisdiction to respect human rights, even those organisations operate outside their jurisdiction.

It is widely recognized that organisations and individuals have the potential and actual impact on human rights, directly and indirectly. Organisations have the duty and responsibility to respect all human rights, regardless of whether the state where those organisations in the state's jurisdiction is unable or unwilling to fulfil its duty and responsibility to protect human rights.

Respecting human rights means, in the first place, to not infringe the rights of others. The duty and responsibility includes

taking positive steps to ensure that organisations avoid passive acceptance or active participation in the taking positive steps to ensure that organisations avoid passive acceptance or active participation in the infringement of human rights. To discharge the duty and responsibility to respect human rights requires due diligence. Where if the state fails in the duty and responsibility to protect human rights, organisations should be especially vigilant to ensure that meet the duty and responsibility to respect human rights. Human rights due diligence may indicate he need to take actions beyond those required for the normal course of business.

The baseline duty and responsibility of non-state organisations is to respect human rights. However, organisations may face the expectation of stakeholders that go beyond respect and even may want to contribute to the fulfilment of human rights.

Organisations' greatest opportunities to support human rights will often be among their own operations and employees. In addition, organisations will have opportunities to work with their suppliers, peers or other organisations and the broader society. In some cases, organisations may wish to increase their influence through cooperation with other organisations and individuals. The assessments of opportunities for action and for greater influence will depend on the specific circumstances, some specific to the organisations, and some specific to the contexts in which they are operating. However, organisations should always consider the potential for negative or unintended consequences when seeking to influence other organisations.

Organisations should consider facilitating human rights education in order to promote awareness of human rights among rights holders and those with the potential to have impacts on them.

### **3 Human rights issue 1: Due diligence (ISO26000-6.3.3)**

#### **3.1 Description of the issue**

In order to respect human rights, organisations have the duty and responsibility to exercise due diligence to identify, prevent and address the actual or potential human rights impacts of their activities or the activities which they have relationships. Due diligence can also alert organisations of their obligations and responsibilities to influence the behavior of others, where these behaviors may be the cause of human rights violations in which the organisation may be implicated.

#### **3.2 Relevant actions and expectations**

Because due diligence applies to all core topics, including human rights. The specific human rights due diligence process should, in a manner that is appropriate to the organisation's size and circumstances, including the following components:

- the human rights policy for the organisation provides meaningful guidance for those within the organisation and those closely linked to the organisation;
- means to assess how existing and proposed activities affect human rights;
- means to integrate the human rights policies throughout the organisation;
- means to track performance over time, to be able to make necessary adjustments in priorities and approach; and
- actions to address the negative impact of their decisions and activities.

### **4 Human rights issue 2: Human rights risk situations (ISO26000-6.3.4)**

#### **4.1 Description of the issue**

There are certain circumstances and environments where organisations are more likely to face challenges and dilemmas related to human rights, and in which the risk of human rights abuse may be exacerbated. These include:

- conflict or extreme political instability, failure of democratic or judicial system, absence of political or civil rights;
- poverty, drought, extreme health challenges or natural disasters;
- involvement in extractive or other activities that may significantly affect natural resources such as water, forests or atmosphere or disrupt communities;
- proximity of operations to communities of indigenous peoples;
- activities that may affect or involve children;
- corruption culture;

#### **4.2 Related actions and expectations**

organisations should take particular care in dealing with situations characterized above. These situations may require the enhanced process of due diligence to ensure respect for human rights. For example, could be done through the independent human rights impact assessment.

When operating in environments in which one or more of these circumstances apply, organisations are likely to face with difficult and complex judgments about how to conduct themselves. Although there may be no simple formula or solution, organisations should base the decisions on the primary responsibility to respect human rights, and should also contribute to promoting and defending the overall fulfilment of human rights.

In responding, organisations should consider the potential consequences of these actions in order to actually achieve the desired objective of respecting human rights. It is particularly important not to compound or create other abuses. Situation's complexity should not be used as an excuse for inaction.

### **5 Human rights issue 3: Avoidance of complicity (ISO26000-6.3.5)**

#### **5.1 Description of the issue**

Complicity has both legal and non-legal meanings.

In the legal context, complicity has been defined in some jurisdictions as acts or omissions that having substantial effect on the commission of illegal acts such as crime, while having knowledge of, or intent to contribute to, that illegal acts. Complicity is associated with the concept of aiding and abetting illegal acts or omissions. In the non-legal context, complicity derives from broad societal expectations of behaviour. In the context, organisations may be considered complicit when assist in the commission of wrongful acts of others that are inconsistent with, or disrespectful of, international norms of behaviour that the organisations, through exercising due diligence, knew or should have known would lead to substantial negative impacts on society, the economy or the environment. organisations may also be considered complicit where stay silent about or benefits from such wrongful acts.

While the boundaries are imprecise and evolving, three forms of complicity can be described.

- Direct complicity : This occurs when organisations knowingly assist in a violation of human rights.
- Beneficial complicity : This involves organisations benefiting directly from human rights abuses committed by someone else.  
Examples include organisations tolerating action by security forces to suppress a peaceful protest against the decisions and activities or use of repressive measures while guarding the facilities, or organisations benefiting economically from suppliers' abuse of fundamental rights at work.
- Silent complicity : This can involve the failure by organisations to raise with the appropriate authorities the question of systematic or continuous human rights violations, such as not speaking out against systematic discrimination in employment law against particular groups.

#### **5.2 Related actions and expectations**

Security arrangements are one prominent area with the potential to create complicity in human rights abuses. In this regard, organisations should verify that the security arrangements respect human rights and are consistent with international norms and standards for law enforcement. Security personnel (employed, contracted or sub-contracted) should be adequately trained, including in adherence to standards of human rights, and complaints about security procedures or personnel should be addressed and investigated promptly and, where appropriate, independently.

Moreover, organisations should exercise due diligence to ensure that they not participating in, assisting or benefiting from human rights violations committed by the public security forces.

In addition, organisations should:

- do not provide goods or services to entities that use them to carry out human rights abuses;
- do not enter into formal or informal partnership or contractual relationship with partners that commit human rights abuses in the context of the partnership or in the execution of the contracted work;
- inform about social and environmental conditions in which purchased goods and services are produced;
- ensure that will not complicit in any displacement of people from their land unless be done in conformity with national laws and international norms, including exploring all alternative solutions, and ensuring affected parties are provided with adequate compensation;
- consider making public statements, or taking other actions indicating that do not condone human rights abuse, such as acts of discrimination, occurring in employment in the country concerned; and
- avoid relationships with entities engaged in anti-social activities. organisations can become aware of, prevent and address risks of complicity by integrating the common features of legal and societal benchmarks into its due diligence processes.

## 6 Human rights issue 4: Resolving grievances (ISO26000-6.3.6)

### 6.1 Description of the issue

Even where institutions operate optimally, disputes over the human rights impact of organisations' decisions and activities may occur. Effective grievance mechanisms play important roles in states' duty and responsibility to protect human rights. Equally, to discharge the duty and responsibility to respect human rights, organisations should establish mechanism for those who believe their human rights have been abused to bring to the attention of the organisations and seek redress. The mechanism should not prejudice access to available legal channels. Non-state mechanisms should not undermine the strengthening of state institutions, particularly judicial mechanisms, but can offer additional opportunities for recourse and redress.

### 6.2 Related actions and expectations

Organisations should establish, or otherwise ensure the availability of, remedy mechanisms for own use and that of stakeholders. For these mechanisms to be effective, they should be:

- **legitimate** : This includes clear, transparent and sufficiently independent governance structures to ensure that no party to particular grievance process can interfere with the fair management of the process;
- **accessible** : Their existence should be publicized and adequate assistance provided for aggrieved parties who may face barriers to access, such as language, illiteracy, lack of awareness or finance, distance, disability or fear of reprisal;
- **predictable** : There should be clear and known procedures, clear time frame for each stage and clarity as to the types of process and outcome they can and cannot offer, and means of monitoring the implementation of any outcome;
- **equitable** : Aggrieved parties should have access to sources of information, advice and expertise necessary to engage in a fair grievance process;
- **rights-compatible** : The outcomes and remedies should accord with internationally recognized human rights standards;
- **clear and transparent** : Although confidentiality might sometimes be appropriate, the process and outcome should be sufficiently open to public scrutiny and should give due weight to the public interest; and
- **based on dialogue and mediation** : The process should look for mutually agreed solutions to grievances through engagement between the parties. Where adjudication is desired, parties should retain the right to seek this through separate, independent mechanisms.

## 7 Human rights issue 5: Discrimination and vulnerable groups (ISO26000-6.3.7)

### 7.1 Description of the issue

Discrimination involves any distinction, exclusion or preference that has the effect of nullifying equality of treatment or opportunity, where that consideration is based on prejudice rather than a legitimate ground. Illegitimate grounds for discrimination include but are not limited to: race, colour, gender, age, language, property, nationality or national origin, religion, ethnic or social origin, caste, economic grounds, disability, pregnancy, belonging to an indigenous people, trade union affiliation, political affiliation or political or other opinion. Emerging prohibited grounds also include marital or family status, personal relationships and health status such as HIV/AIDS status. The prohibition of discrimination is one of the most fundamental principles of international human rights law.

The full and effective participation and inclusion in society of all groups, including those who are vulnerable, provides and increases opportunities for all organisations as well as the people concerned. Organisations have much to gain from taking an active approach to ensuring equal opportunity and respect for all individuals.

Groups that have suffered persistent discrimination, leading to entrenched disadvantages, are vulnerable to further discrimination, and their human rights should be the focus of additional attention in terms of protection and respect by organisations. While vulnerable groups typically include those mentioned in 7.2, there may be other vulnerable groups in the particular community in which organisations operate.

Discrimination can also be indirect. This occurs when an apparently neutral provision, criterion or practice would put persons with a particular attribute at a disadvantage compared with other persons, unless that provision, criterion or practice is objectively justified by a legitimate aim and the means of achieving that aim are appropriate and necessary.

## 7.2 Related actions and expectations

Organisations should take care to ensure that it does not discriminate against employees, partners, customers, stakeholders, members and anyone else with whom it has any contact or on whom it can have an impact.

Organisations should examine its own operations and the operations of other parties within its sphere of influence to determine whether direct or indirect discrimination is present. It should also ensure that it is not contributing to discriminatory practices through the relationships connected to its activities. If this is the case organisations should encourage and assist other parties in their responsibility to prevent discrimination. If this is not successful it should reconsider its relations with such organisations. It may, for example, undertake an analysis of typical ways in which it interacts with women, as compared with men, and consider whether policies and decisions in this regard are objective or reflect stereotyped preconceptions. It may wish to seek advice from local or international organisations with expertise in human rights. Organisations may be guided by the findings and recommendations of international or national monitoring or investigative procedures.

Organisations should consider facilitating the raising of awareness of their rights among members of vulnerable groups.

Organisations should also contribute to redressing discrimination or the legacy of past discrimination, wherever practicable. For example, it should strive to employ or do business with organisations operated by people from groups historically discriminated against; where feasible, it should support efforts to increase access to education, infrastructure or social services for groups denied full access.

Organisations can take a positive and constructive view of diversity among the people with whom it interacts. It could consider not only the human rights aspects but also the gains for its own operations in terms of the value added by the full development of multi-faceted human resources and relations.

The following examples of vulnerable groups are described together with specific related actions and expectations:

- **Women and girls** comprise half of the world population, but they are frequently denied access to resources and opportunities on equal terms with men and boys. Women have the right to enjoy all human rights without discrimination, including in education, employment and economic and social activities as well as the right to decide on marriage and family matters and the right to make decisions over their own reproductive health. Organisations' policies and activities should have due regard for women's rights and promote the equal treatment of women and men in the economic, social and political spheres .
- **People with disabilities** are often vulnerable, in part because of misperceptions about their skills and abilities. Organisations should contribute to ensuring that men and women with disabilities are accorded dignity, autonomy and full participation in society. The principle of non-discrimination should be respected, and organisations should consider making reasonable provisions for access to facilities.
- **Children** are particularly vulnerable, in part because of their dependent status. In taking action that can affect children, primary consideration should be given to the best interests of the child. The principles of the Convention on the Rights of the Child, which include non-discrimination, a child's right to life, survival, development and free expression, should always be respected and taken into account. Organisations should have policies to prevent their employees engaging in sexual and other forms of exploitation of children.
  - **Indigenous peoples** can be considered a vulnerable group because they have experienced systemic discrimination that has included colonization, dispossession from their lands, separate status from other citizens, and violations of their human rights. Indigenous peoples enjoy collective rights, and individuals belonging to indigenous peoples share universal human rights, in particular the right to equal treatment and opportunity. The collective rights include: self-determination (which means the right to determine their identity, their political status and the way they want to develop); access to and management of traditional land, water and resources; maintaining and enjoying their customs, culture, language and traditional knowledge free from discrimination; and managing their cultural and intellectual property. Organisations should recognize and respect the rights of indigenous peoples when carrying out their decisions and activities. Organisations should recognize and respect the principle of non-discrimination and the rights of individuals belonging to an indigenous people when carrying out decisions and activities.
- **Migrants, migrant workers** and their families may also be vulnerable owing to their foreign or regional origin, particularly if they are irregular or undocumented migrants. Organisations should respect their rights and contribute to promoting a climate of respect for the human rights of migrants, migrant workers and their families.

- **People discriminated against on the basis of descent, including caste.** Hundreds of millions of people are discriminated against because of their hereditary status or descent. This form of discrimination is based on a history of rights abuse justified by the wrongful notion that some people are considered unclean or less worthy because of the group into which they are born. Organisations should avoid such practices and, where feasible, seek to contribute to eliminating these prejudices.
- **People discriminated against on the basis of race.** People are discriminated against because of their race, cultural identity and ethnic origin. There is a history of rights abuse justified by the wrongful notion that some people are inferior because of their skin colour or culture. Racism is often present in regions with a history of slavery or oppression of one racial group by another.

## **8 Human rights issue 6: Civil and political rights (ISO26000-6.3.8)**

### **8.1 Description of the issue**

Civil and political rights include absolute rights such as the right to life, the right to a life with dignity, the right to freedom from torture, the right to security of person, the right to own property, liberty and integrity of the person, and the right to due process of law and a fair hearing when facing criminal charges. They further include freedom of opinion and expression, freedom of peaceful assembly and association, freedom to adopt and practise a religion, freedom to hold beliefs, freedom from arbitrary interference with privacy, family, home or correspondence, freedom from attacks on honour or reputation, the right of access to public services and the right to take part in elections

### **8.2 Related actions and expectations**

Organisations should respect all individual civil and political rights. Examples include, but are not limited to, the following:

- life of individuals;
- freedom of opinion and expression. Organisations should not aim to suppress anyone's views or opinions, even when the person expresses criticism of the organisations internally or externally;
- freedom of peaceful assembly and of association;
- freedom to seek, receive and impart information and ideas through any means, regardless of national borders;
- the right to own property, alone or in association with others, and freedom from being arbitrarily deprived of property; and
- access to due process and the right to a fair hearing before any internal disciplinary measure is taken. Any disciplinary measure should be proportionate and not involve physical punishment or inhuman or degrading treatment.

## **9 Human rights issue 7: Economic, social and cultural rights (ISO26000-6.3.9)**

### **9.1 Description of the issue**

Every person, as a member of society, has economic, social and cultural rights necessary for his or her dignity and personal development. These include the right to: education; work in just and favourable conditions; freedom of association; an adequate standard of health; a standard of living adequate for the physical and mental health and well-being of himself or herself and his or her family; food, clothing, housing, medical care and necessary social protection, such as security in the event of unemployment, sickness, disability, death of spouse, old age or other lack of livelihood in circumstances beyond his or her control; the practice of a religion and culture; and genuine opportunities to participate without discrimination in decision making that supports positive practices and discourages negative practices in relation to these rights.

### **9.2 Related actions and expectations**

To respect these rights, organisations have the duty and responsibility to exercise due diligence to ensure that it does not engage in activities that infringe, obstruct or impede the enjoyment of such rights. The following are examples of what organisations should do to respect these rights. Organisations should assess the possible impacts of their decisions, activities, products and services, as well as new projects, on these rights, including the rights of the local population. Further, it should neither directly nor indirectly limit or deny access to an essential product or resource, such as water. For example, production processes should not compromise the supply of scarce drinking water resources. Organisations should, where appropriate, consider adopting or maintaining specific policies to ensure the efficient distribution of essential goods and services where this distribution is endangered.

Socially responsible organisations could also contribute to the fulfilment of such rights, when appropriate, while keeping in mind the different roles and capacities of governments and other organisations related to the provision of these rights.

Organisations may consider, for example:

- facilitating access to, and where possible providing support and facilities for, education and lifelong learning for community members;
- joining efforts with other organisations and governmental institutions supporting respect for and realization of economic, social and cultural rights;
- exploring ways related to their core activities to contribute to the fulfilment of these rights; and
- adapting goods or services to the purchasing ability of poor people.

Economic, social and cultural rights, as with any other right, should also be considered in the local context.

## **10 Human rights issue 8: Fundamental principles and rights at work (ISO26000-6.3.10)**

### **10.1 General**

Fundamental principles and rights at work are focused on labour issues. They have been adopted by the international community as basic human rights and as such are covered in the human rights section.

### **10.2 Description of the issue**

The International Labour Organisation (ILO) has identified fundamental rights at work .

These include:

- freedom of association and effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination regarding employment and occupation.

### **10.3 Related actions and expectations**

Although these rights are legislated for in many jurisdictions, organisations should independently ensure that it addresses the following matters:

- **freedom of association and collective bargaining** : Workers and employers, without distinction whatsoever, have the right to establish and, subject only to the rules of the organisations concerned, to join organisations of their own choosing without previous authorization. Representative organisations formed or joined by workers should be recognized for purposes of collective bargaining. Terms and conditions of employment may be fixed by voluntary collective negotiation where workers so choose. Workers' representatives should be given appropriate facilities that will enable them to do their work effectively and allow them to perform their role without interference. Collective agreements should include provisions for the settlement of disputes. Workers' representatives should be provided with information required for meaningful negotiations.
- **forced labour** : Organisations should not engage in or benefit from any use of forced or compulsory labour. No work or service should be exacted from any person under the threat of any penalty or when the work is not conducted voluntarily. Organisations should not engage or benefit from prison labour, unless the prisoners have been convicted in a court of law and their labour is under the supervision and control of a public authority. Further, prison labour should not be used by private organisations unless performed on a voluntary basis, as evidenced by, among other things, fair and decent conditions of employment.
- **equal opportunities and non-discrimination** : Organisations should confirm that its employment policies are free from discrimination based on race, colour, gender, religion, national extraction, social origin, political opinion, age, or disability. Emerging prohibited grounds also include marital or family status, personal relationships, and health status such as HIV/AIDS status. These are in line with the general principle that hiring policies and practices, earnings, employment conditions, access to training and promotion, and termination of employment should be based only on the requirements of the job. Organisations should also take steps to prevent harassment in the workplace by:
  - regularly assessing the impact of its policies and activities on promotion of equal opportunities and non-discrimination;
  - taking positive actions to provide for the protection and advancement of vulnerable groups; this might include establishing workplaces for persons with disabilities to help them earn a living under suitable conditions, and establishing or participating in programmes that address issues such as promotion of employment for youth and older workers, equal employment opportunities for women and more balanced representation of women in senior positions.

– **child labour** : The minimum age for employment is determined through international instruments. Organisations should not engage in or benefit from any use of child labour. If organisations have child labour in its operations or within its sphere of influence, it should, as far as possible, ensure not only that the children are removed from work, but also that they are provided with appropriate alternatives, in particular, education. Light work that does not harm a child or interfere with school attendance or with other activities necessary to a child's full development (such as recreational activities) is not considered child labour.

#### Child labour

ILO Conventions provide the framework for national law to prescribe a minimum age for admission to employment or work that must not be less than the age for completing compulsory schooling, and in any case not less than 15 years. In countries where economic and educational facilities are less well developed, the minimum age may be as low as 14 years. Exception may also be made from 13 or 12 years for “light work”. The minimum age for hazardous work — work that is likely to harm the health, safety or morals of the child as a consequence of its nature or the circumstances under which it is carried out — is 18 years for all countries (see table below).

The term “child labour” should not be confused with “youth employment” or “student work”, which may be both legitimate and desirable if performed as part of a genuine apprenticeship or training programme that complies with applicable laws and regulations.

Child labour is a form of exploitation that is a violation of a human right. Child labour damages a child's physical, social, mental, psychological and spiritual development. Child labour deprives boys and girls of their childhood and their dignity. They are deprived of an education and may be separated from their families. Children who do not complete their basic education are likely to remain illiterate and never acquire the skills needed to get a job that enables them to contribute to the development of a modern economy. Consequently child labour results in under-skilled, unqualified workers and jeopardizes future improvements of skills in the workforce and future economic and social development. Child labour may also deprive youth and adult workers of work, and depress wages.

Organisations should make efforts to eliminate all forms of child labour. Efforts to eliminate the worst forms of child labour should not be used to justify other forms of child labour. Organisations should analyse the different circumstances of girls and boys and the different ways in which children from ethnic populations or populations that are discriminated against are affected, so that preventive and corrective measures can be targeted and effective. When children below the legal working age are found in the workplace, measures should be taken to remove them from work. To the extent possible, organisations should help the child who has been removed from the workplace and his or her family to access adequate services and viable alternatives to ensure that he or she does not end up in the same or a worse situation, either working elsewhere or being exploited. Effectively eliminating child labour requires broad collaboration in society. Organisations should co-operate with other organisations and government agencies to release children from work into free, full-time and quality education.

	Developed countries	Developing countries
Regular work	at least 15 years	at least 14 years
Hazardous work	18 years	18 years
Light work	13 years	12 years

### 11 Human Rights - Commitment

Does have a publicly available, company-specific policy in place for commitment to respect human rights in accordance with the UN Guiding Principles on Business and Human Rights or other internationally accepted standards?

#### VPT's Responsibility Policy of Respecting Human Rights

**One, Basis: United Nations Guiding Principles on Business and Human Rights.**

**Two, Foundational Principles**

- 1, Business enterprises should respect human rights. : Should comply with the human rights protection laws and regulations in various countries and regions to avoid violations of the human rights of others, and when enterprises are involved in human rights issues, adequate measures should be taken to implement prevention, mitigation and, where appropriate, remediation, in order to eliminate adverse human rights impacts.
- 2, The responsibility of business enterprises to respect human rights refers to internationally recognized human rights – understood, at a minimum, as those expressed in the “International Bill of Human Rights” : a) Right to life; b) freedom from torture and inhuman treatment; c) freedom from slavery and forced labor; d) freedom from imprisonment for debt; e) prohibition of retroactivity of criminal law; f) right of personality before law; g) freedom of thought, conscience and religion ; and the principles concerning fundamental rights set out in the “International Labor Organization’s Declaration on Fundamental Principles and Rights at Work” : 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 equal work; d) Prohibition of the use of child labor; e) Reasonable working conditions (including wages, working hours, rest, vacation and occupational safety and health).
- 3, the responsibility to respect human rights requires that business enterprises:
  - (a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur;
  - (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.
- 4, the responsibility of enterprises to respect human rights should be fully and equally applied to all operating positions, all departments, all business areas and all group companies.
- 5, In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including:
  - (a) A policy commitment to meet their responsibility to respect human rights;
  - (b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;
  - (c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.

### **Three, Operational principles**

#### **1, Policy commitment**

##### **Human Rights Policy Statement**

VPT 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 formulate the “VPT’s Responsibility Policy of Respecting Human Rights”, which guarantees the following basic rights: 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 equal work; d) Prohibition of the use of child labor; e) Reasonable working conditions (including wages, working hours, rest, vacation and occupational safety and health).

Statement 1: Support and respect the protection of internationally recognized human rights;

Statement 2: Never go hand in hand with human rights abusers;

Statement 3: Strongly support the freedom of association and recognize the right of collective bargaining;

Statement 4: Eliminate all forms of forced or compulsory labor;

Statement 5: Actual and effective abolition of child labor;

Statement 6: Eliminate discrimination related to work and occupation.

Voltronic Power Technology Corp.  
Chairperson cum General Manager:

Hsieh Juor-Ming

## 2, Human Rights Regulations

VPT had formulated the following human rights regulations, which were fully and equally applicable and applied to all operating positions, all departments, all business areas and all group companies:

- (a) Policies and remedial procedures for prohibiting recruitment of child labor
- (b) Identity Card Identification Management System
- (c) Protection Management Program for Young Workers
- (d) Management System and remedial procedures for Prohibiting Discrimination
- (e) Management System of Special Labor Protection for Female Workers
- (f) Regulations on the Administration and remedial procedures for Prohibiting Forced Labor
- (g) Staff Satisfaction Management
- (h) Employee Suggestions, Appeals System and Procedures
- (i) Measures for Religious Belief Management
- (j) Corporate social responsibility management norms
- (k) Business conduct and ethics
- (l) Anti slavery and human trafficking programs
- (m) Rights and obligations of employees
- (n) Industrial injury management measures

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; (b) prohibit the use of child labor; (c) prohibit forced or compulsory labor; (d) working hours and rest; (e) basic wage guarantee and social insurance; (f) establish a system to protect employees' rights and interests; (g) labor contracts; (h) protection of young workers and female workers; (i) punishment measures; (j) no discrimination system or behavior; (k) Respect for employees' right to freedom of association and equal consultation.

## 3, Human rights risk identification and due diligence process

### Human Rights Risk Identification and Due Diligence Procedure

A) Scope: All operating positions, all departments, all business areas and all group companies.

B) Identification and sequencing of human rights issues

Issue Collection Pipeline: Development trends of International Human Rights Issues and Human Rights Issues Report, laws and regulations, complaints and reporting pipes, Employee Satisfaction Survey, etc. These issues include basic human rights, working environment, safety and health.

Review related value chain in company, to identify the possible "stakeholders" of human rights issues, including government agencies, investors, suppliers, employees, customers, etc. Discuss with the corresponding responsible departments and stakeholders to identify human rights issues that have significant negative impacts on different stakeholders (cover negative human rights impacts that may arise or intensify through a company's own activities or that are directly related to its business, products or services as a result of business relations). Particular attention should be paid to any particular human rights impact on individuals belonging to high-risk, vulnerable or marginalized groups or populations, as well as to the different risks faced by women and men.

A risk map of human rights issues with significant negative impacts will be prepared on two axes: probability of occurrence and degree of impact.

C) Human rights due diligence in high-risk projects

Human rights due diligence is conducted on priority human rights risk issues. Identify that such human rights risks had occurred, are about to occur or may occur; and the causes and sources of such human rights risks that had been, are about to occur or may occur (whether the company causes or contributes to an adverse impact, or whether it is involved solely because the impact is directly linked to its operations, products or services by a business relationship)

D) Cycle

Human rights risk identification and due diligence are carried out on a regular basis every year.

#### 4, drawing up and implementing programmes to eliminate, mitigate or prevent adverse impacts

The company should incorporate the results of impact assessment connecting relevant internal functions and processes and take appropriate action in accordance with the results of human rights due diligence in high-risk projects.

In setting priorities for action to eliminate, mitigate or prevent actual and potential adverse human rights impacts, first seek to prevent those most serious impacts, or slow responses that will lead to irremediable impacts.

(a) Effective integration requires that:

- (i) Responsibility for addressing such impacts is assigned to the appropriate level and function within the company;
- (ii) Internal decision-making, budget allocations and oversight processes enable effective responses to such impacts.

(b) Appropriate action will vary according to:

- (i) Whether the company causes or contributes to an adverse impact, or whether it is involved solely because the impact is directly linked to its operations, products or services by a business relationship;
- (ii) The extent of its leverage in addressing the adverse impact.

#### 5, tracking the effectiveness of the response

In order to verify whether adverse human rights impacts are being addressed, the company should track the effectiveness of the response. Tracking should:

- (a) Be based on appropriate qualitative and quantitative indicators;
- (b) Draw on feedback from both internal and external sources, including affected stakeholders.

#### 6, Disclosure of Information

In order to be responsible for how to eliminate human rights impacts, the company should be prepared to publish the relevant information. In all cases, the following should be notified:

- (a) To adopt a form and frequency comparable to the impacts of human rights in the company and to be accessible to the target audiences;
- (b) Provide adequate information to assess whether company had taken appropriate responses to specific human rights impacts;
- (c) There will be no further risk to affected stakeholders and personnel or violation of legitimate commercial confidentiality requirements.

Notices can take various forms, including interpersonal meetings, online dialogues, consultations with affected stakeholders and official public reports. The formal report itself includes traditional annual reports and corporate social responsibility reports, up-to-date online information and comprehensive financial and non-financial reports.

#### 7, Remedies

If the company confirms that had caused or aggravated adverse impacts, should provide remedies through legal procedures or cooperate on remedial issues.

#### 8, Commitment

In all cases, the company shall:

- (a) Compliance with all applicable regulations and respect for internationally recognized human rights;
- (b) To seek to abide by internationally recognized human rights principles when conflicting demands arise;
- (c) To regard as a matter of law-abiding the acts that cause or aggravate serious human rights violations.

Yes. Have a publicly available policy for our commitments to human rights. The policy covers the following:

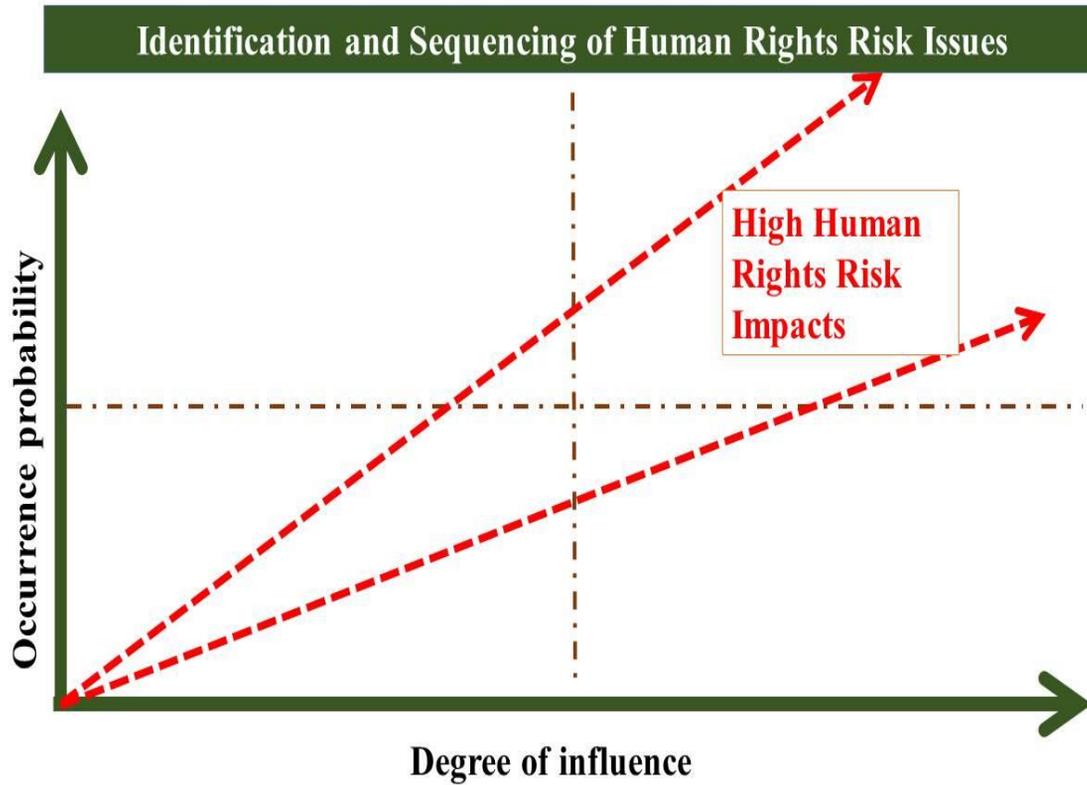
- A statement of commitment to respect human rights in accordance with internationally accepted standards
- Requirements for our own operations (employees, direct activities, products or services)
- Requirements for our suppliers
- Requirements for our partners
- Actions and procedures we undertake to meet our commitment

#### **Human Rights - Due Diligence Process**

Has company developed a due diligence process to proactively identify and assess potential impacts and risks relating to respecting human rights?

○ Yes, and process covers the following. Provide supporting evidence of a risk mapping or other form of assessment to identify areas of potential risk:

- Risk identification (usually in the form of risk mapping)
- Identification of where potential human rights issues could occur in the own operations
- Identification of where potential human rights issues could occur in the value chain or activities related to business
- Identification of what actual or potential human rights issues could be of concern
- Systematic periodic review of the risk mapping of potential issues





**HangSeng S.D.**



**Assurance Statement**

**Voltronic Power Technology  
2022 Independent Assurance Statement**

**June 5, 2023**

**Introduction and objectives of the engagement**

HangSeng S.D. Co., Ltd. ('HangSeng') has been engaged by Voltronic Power Technology Corp. ('VPT') to provide moderate/limited level independent assurance over the Sustainability Report 2022 (the 'Report') for the period from 1 January 2022 to 31 December 2022. The objective of our engagement is to provide assurance to VPT's stakeholders over the accuracy, reliability and objectivity of the reported information and that it covers the issues material to the business and its stakeholders.

**Nature and scope of the assurance**

The scope of the assurance, based on the HangSeng Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in the Report (except for the limitations and exclusions listed in the section below). Other data and information disclosed were not included in this assurance process. On-site assurance process was executed at the Administration Building, Headquarters of VPT, Neihu District, Taipei, Taiwan.

The VPT's management and relevant functional departments are responsible for the information contained in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all VPT's stakeholders.

The HangSeng protocols are based upon internationally recognized guidance, including International Standard on Assurance Engagements 3000 (ISAE 3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

The Report incorporated the relative sustainability reporting guidelines, such as Sustainability Accounting Standards Board (SASB) Electrical & Electronic Equipment Sustainability Accounting Standard and Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), also incorporated the professional institutions' corporate sustainability assessment, such as S&P CSA 2023 - DJSI Eligible.

The Report has been assured at a moderate/limited level of scrutiny using our protocols for:

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**HangSeng S.D.**



## **Assurance Statement**

- Evaluation of content veracity;
- Evaluation of the report against the GRI Sustainability Reporting Standards

The assurance comprised a combination of pre-assurance research, onsite interviews with relevant employees in the VPT headquarters, documentation and record online review and validation with affiliate's bodies where relevant.

We understand that the reported financial data and information are based on data from VPT's Annual Report and Accounts, which are subject to a separate independent audit process. The financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

We evaluated the performance data using the reliability principle together with VPT data protocols for how the data measured, recorded and reported. The performance data in scope was against VPT's significant Environmental, Social and Governance (ESG) issues, the 2050 sustainability commitment and the topics set forth in the GRI standards and TCFD.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing a 'moderate/limited level' assurance.

### **Limitations and exclusions**

- Review of the processes for gathering and consolidating the specified performance data and, checking the data consolidation. For example, where "identified sustainability performance and climate change information" has been verified by HangSeng Sustainability CPA Firm, we tested transposition from these sources to the report;
- There was a confidential issue that we cannot assess the salary data, so the assurance was not be conducted.

### **Responsibilities of Directors of VPT and of the assurance providers**

The Directors of VPT have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of VPT. However, our statement represents our independent opinion and is intended to inform all of VPT stakeholders. HangSeng was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

HangSeng provides a range of other ESG&TCFD services to VPT, none of which conflict of interest with this assurance work.

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**HangSeng S.D.**



## **Assurance Statement**

HangSeng's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. HangSeng expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

### Statement of independence and competence

HangSeng affirm our independence from VPT, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders. The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

### Assurance Opinion

On the basis of the methodology described and the assurance work performed, the information and data contained within the Report, nothing came to our attention to suggest that the Report does not properly describe VPT's adherence to the Principles. In accordance with HangSeng requirements for a moderate/limited level assurance engagement, we conclude that no systematic errors were detected which causes us to believe that the specified sustainability data and information presented in the Report is not reliable. We believe that VPT has chosen an appropriate option for the reporting.

### GRI Standards Conclusions, Findings and Recommendations

In our opinion, nothing came to our attention to suggest that the Report does not properly describe VPT's adherence to the GRI Sustainability Reporting Standards.

### **Reporting Principles**

#### **Stakeholder Engagement**

VPT had identified its stakeholders who affected by its activities and considered the reasonable expectations and interests from stakeholders, and took some certain ways to communicate and exchange information with stakeholders.

#### **Accuracy**

VPT's information in the report was accurate and as abundant as possible sufficiently detailed; enable to release more qualitative and quantitative information with indicators for stakeholders.

#### **Balance**

The Report followed the balance principle to report information in an unbiased way and provide

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**HangSeng S.D.**



**Assurance Statement**

a fair representation of the VPT's negative and positive impacts.

**Clarity**

The Report was presented different ways with words, charts, graphics and pictures to ensure that is accessible and understandable.

**Comparability**

The Report selected, compiled, and reported information consistently to enable an analysis of changes in the VPT's impacts over time.

**Completeness**

The Report provided sufficient information to enable an assessment of the VPT's impacts during the reporting period.

**Sustainability Context**

VPT had presented the efforts on sustainability development related to economic, environmental and social aspect sand combined the performance in the wide context as well.

**Timeliness**

Assurance shown that the reported data and information was timely and effective. VPT discloses its ESG report annually, which indicates good timeliness.

**Verifiability**

VPT had gather, record, compile, and analyze information in the way that the information can be examined to establish its quality.

**Findings and recommendations**

Good practices and recommendations for sustainability report and management process were described in the internal management report which has been submitted to the management of VPT for continuous improvement.

**Limitations of assurance**

Data tracing on headquarters level, not including original data of all subsidiaries. The assurance process only involved interviews with the heads of relevant departments and certain employees of headquarters and consultation with relevant documents. No external stakeholder involved.

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HangSeng S.D.



**Assurance Statement**

Signed:

*For and on behalf of*  
HANG SENG S.D. CO.,LTD

*Matthew Wu*

.....  
*Authorised Signature(s)*

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Chairman, Matthew Wu

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Issue Date : 2023-06-05

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**HangSeng Sustainability**



**Independent auditor’s assurance report on identified sustainability performance and climate change information reported in Voltronic Power Technology Corp.’s Sustainability report and TCFD report for the year ended 31 December 2022.**

**To: The Directors of Voltronic Power Technology Corp.**

**Reasonable Assurance Opinion and Limited Assurance Conclusion on Identified Sustainability and Climate Change Information**

We have undertaken an assurance engagement on identified sustainability performance and climate change information, as described below, and presented in the 2022 Voltronic Power Technology Corp.’s (VPT’s) Sustainability Report and TCFD (Task Force on Climate-Related Financial Disclosures) Report for the year ended 31 December 2022. This engagement was conducted by a multidisciplinary team with experience in sustainability performance, carbon emissions and climate change.

**a. Reasonable assurance opinion**

**In our opinion (and subject to the inherent limitations outlined elsewhere in this report):**

- **The identified sustainability performance and climate change information and related disclosures for the year ended 31 December 2022 identified below in Appendix A (reasonable assurance sustainability performance and climate change information) are prepared in all material respects, in accordance with VPT management’s measurement and reporting criteria applied for preparing that information.**
- **In relation to the VPT’s Sustainability Report and TCFD Report for the year ended 31 December 2022, VPT has in all material respects, implemented systems and approaches to manage its material sustainability risks and opportunities in respect of the sustainability performance and climate change information.**

**b. Limited assurance conclusion**

**Based on the procedures we have performed and the evidence we have obtained (and subject to the inherent limitations outlined elsewhere in this report), nothing has come to our attention that causes us to believe:**

- **In relation to the identified sustainability performance and climate change information for the year ended 31 December 2022 identified below in Appendix A (limited assurance sustainability performance and climate change information), that the information presented in those Reports is not prepared, in all material respects, in accordance with VPT management’s measurement and reporting criteria applied for preparing that information.**



- In relation to VPT’s statement of use of the 2022 Sustainability Report : Voltronic Power Technology Corp. has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards, which VPT has not complied in all material respects with the relevant GRI Standard requirements for making that statement.

#### Specific subject matter

We have been engaged to provide a reasonable assurance opinion and a limited assurance conclusion on the following information presented in the Report.

##### a. Reasonable assurance opinion

Our reasonable assurance engagement was performed in respect of the following sustainability performance information, in our opinion (and subject to the inherent limitations outlined elsewhere in this report):

- The identified sustainability performance and climate change information and related disclosures for the year ended 31 December 2022 identified below in Appendix A (reasonable assurance sustainability performance and climate change information) are prepared in all material respects, in accordance with the requirements of  **SASB STANDARDS** Electrical & Electronic Equipment Sustainability Accounting Standard and **S&P Global** Corporate Sustainability Assessment (CSA) 2023.

##### b. Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained (and subject to the inherent limitations outlined elsewhere in this report), nothing has come to our attention that causes us to believe:

- In relation to the identified sustainability performance and climate change information for the year ended 31 December 2022 identified below in Appendix A (limited assurance sustainability performance and climate change information), that the information presented in those Reports is not prepared, in all material respects, in accordance with the requirements of  **SASB STANDARDS** Electrical & Electronic Equipment Sustainability Accounting Standard or **S&P Global** Corporate Sustainability Assessment (CSA) 2023.

#### VPT’s responsibilities

VPT’s board of directors is responsible for the selection, preparation and presentation of



the identified sustainability performance and climate change information in accordance with management’s criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, key issues, commitments with respect to sustainability performance and climate change, and design, implementation and maintenance of internal control and maintaining adequate records and making estimates that are relevant to the preparation of the Report and the GRI statement, such that it is free from material misstatement, whether due to fraud or error. In addition, VPT’s board of directors is responsible for, in relation to application of the GRI Standards to preparation of the Report, ensuring the Report is prepared in accordance with the GRI Reporting Principles and GRI Standards. The board of directors is also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the identified sustainability performance information and for ensuring that those criteria are publicly available to the Report users.

#### **Inherent limitations**

Where VPT’s reporting of the identified sustainability performance and climate change information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third-party information.

Our assurance report does not extend to any disclosures or assertions relating to management’s future performance plans, forward-looking statements or strategies disclosed in the Report.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

In addition, greenhouse gas (“GHG”) quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

#### **Limitation**

Due to the influence of the new coronal pneumonia virus (covid-19), the assurance engagement was limited to carry out at the headquarter and factory of VPT in Taipei, Taiwan. We also conducted remote meetings on the major manufacturing unit located at Shenzhen and ZhongShan, China and Vietnam. We have not observed any significant



situations to limit our assurance engagement. The assurance engagement is carried out based on the data and information provided by VPT, assuming they are complete and true.

### **Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Our firm also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Service Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Our responsibilities**

Our responsibility is to express either a reasonable assurance opinion or limited assurance conclusion on the identified sustainability performance information and climate change as set out in the Reasonable Assurance and Limited Assurance sections of the Subject Matter paragraph, based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of the greenhouse gas emissions, in accordance with ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. Those Standards require that we plan and perform our engagement to obtain the appropriate level of assurance about whether the identified sustainability performance and climate change information is free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level



of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

#### **Summary of work performed**

##### **a. Reasonable assurance opinion**

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410 involves performing procedures to obtain evidence about the measurement of the identified sustainability performance information and climate change in the Report. The nature, timing and extent of procedures identified depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the identified sustainability performance and climate change information, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to VPT's preparation of the identified sustainability performance and climate change information.

- For the relevant sustainability performance and climate change information (listed in Appendix A), we:
  - Tested the suitability and application of management's criteria to the reported information on a sample basis;
  - Performed analytical procedures to evaluate the relevant data generation and reporting processes against management's criteria;
  - Inspected supporting documentation on a sample basis to corroborate the statements of management and senior executives in our interviews;
  - Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in preparing the sustainability performance and climate change information;
- Established and documented the existence and status of the implementation of systems and approaches that VPT uses to manage identified risks and opportunities related to its sustainability performance and climate change.
- We also performed such other procedures as we considered necessary in the circumstances

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.



**b. Limited assurance conclusion**

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of VPT's use of its reporting criteria as the basis of preparation for the identified sustainability performance and climate change information, assessing the risks of material misstatement of the identified sustainability performance and climate change information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the identified sustainability performance and climate change information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment. A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information, and applying analytical and other appropriate procedures.

- For the identified sustainability performance and climate change information (listed in Appendix A), we:
  - Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to reporting sustainability performance and climate change information and identified material sustainability and climate change risks and opportunities;
  - Performing limited tests of detail on the identified sustainability performance and climate change information, on a selective basis, as part of assessing whether (i) the data has been appropriately measured, recorded, collated and reported; and (ii) activities set out by management are appropriately evidenced and reported; and
  - Performing analytical procedures to evaluate the relevant data generation and reporting processes against management's criteria.
- We examined the GRI content index prepared by management to assess whether management has made disclosures in accordance with all the GRI Standards requirements for presenting the Report in accordance with the GRI Standards, to obtain limited assurance about management's assertion to that effect.
- We also performed such other procedures as we considered necessary in the circumstances.



**HangSeng Sustainability**



We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

#### **Restriction of Liability**

Our report, including our opinion/conclusions, has been prepared solely for the Board of Directors of VPT in accordance with the agreement between us and for no other purpose. We permit this report to be published in VPT's FY 2022 Sustainability Report and FY2022 TCFD Report, to assist the Board of Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the identified sustainability performance information.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and VPT for our work or for our report and the conclusion contained therein. We agree to publication of our assurance report within VPT's Reports provided it is clearly understood by recipients or readers of the Reports that they enjoy such receipt for information only and that we accept no duty of care to them whatsoever in respect of our assurance report.

Maintenance and integrity of VPT's website is the responsibility of VPT's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the identified sustainability performance and climate change information as reported, or our independent assurance report that may occur subsequent to the initial date of publication of the Report on VPT's website.

**HangSeng Sustainability**

Wu, Shin

Certified Public Accountant

Taiwan, 1st June 2023

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**APPENDIX A :**

**List of the identified sustainability performance and climate change information (KPIs) in the scope of the assurance engagement**

Category	Selected KPIs	Management's Measurement and Reporting Criteria	Category	GRI CSA SASB disclosure	Level of assurance
Number of units produced by product category	product category	Number ( units )	RT-EE-000.A	Reasonable	
	UPS	6,749 thousand			
	PV Inverter	539 thousand			
	Energy Storage System	5 thousand			
	Variable Frequency Drive	224 thousand			
	EV Charger	2 thousand			
Number of employees		3,238	RT-EE-000.B	Reasonable	
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior		Discussion and Analysis Anti-Bribery & Corruption (ABC) Compliance Policy Anti-competitive behavior topic management disclosures	GRI 205-1 GRI 205-2 RT-EE-510a.1	Reasonable
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption :		Quantitative 0	GRI 205-3 RT-EE-510a.2	Reasonable
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations :		Quantitative 0	GRI 206-1 RT-EE-510a.3	Reasonable
Energy Management	ACCOUNTING METRIC		Quantitative	GRI 302-1 CSA 2.3.1 RT-EE-130a.1	Reasonable
	(1) Total energy consumed :		89,538GJ ( 24,822MWh )		
	(2) percentage grid electricity :		98.8%		
Water and Effluents	Water Consumption	Water withdrawal 、 discharge 、 Consumption	Quantitative 0.192330 Million cubic meters	GRI 303-3 GRI 303-4 GRI 303-5 CSA 2.5.1	Reasonable
Emissions	Direct (Scope 1) GHG emissions	All direct emissions within the operational control	Quantitative 258.36 (Mt CO <sub>2</sub> e/ year)	GRI 305-1 CSA 2.2.1	Reasonable
	Indirect (Scope 2) GHG emissions	Indirect emissions generated from purchased electricity, heat, steam or cooling.	Quantitative 21,486 (Mt CO <sub>2</sub> e/ year)	GRI 305-2 CSA 2.2.2	Reasonable
	Other indirect (Scope 3) GHG emissions	All other indirect emissions from sources such as business travel, waste management, and the value chain.	Quantitative 804,667 (Mt CO <sub>2</sub> e/ year)	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.	Quantitative metric tones 1,002,145		Limited
Waste Waste			Quantitative metric tones		
	Waste Disposal	a) Total waste generated	3,798	GRI 306-3 GRI 306-4 GRI 306-5 CSA 2.4.1	Limited
		b) Total waste used/recycled/ sold	3,225		
		TOTAL WASTE DISPOSED (A -B) - Waste landfilled	573		
	Hazardous Waste Management	Amount of hazardous waste generated :	2.95	RT-EE-150a.1 CSA2.4.2	Reasonable
percentage recycled :		0%			
	Quantitative Number and aggregate quantity of reportable spills, quantity recovered :	0	RT-EE-150a.2	Reasonable	
Product Lifecycle Management	ACCOUNTING METRIC		Quantitative		
	Percentage of products by revenue that contain IEC 62474 declarable substances :		100%	RT-EE-410a.1	Reasonable
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria :		100%	RT-EE-410a.2	Reasonable
	Revenue from renewable energy-related and energy efficiency-related products :		NT 22,725Million	RT-EE-410a.3	Reasonable
Product Safety	ACCOUNTING METRIC		Quantitative		
	Number of recalls issued, total units recalled :		0	RT-EE-250a.1	Reasonable
	Total amount of monetary losses as a result of legal proceedings associated with product safety :		0	RT-EE-250a.2	Reasonable
Materials Sourcing	Description of the management of risks associated with the use of critical materials		Discussion and Analysis VPT Supplier (Supply Chain) Management Policy	RT-EE-440a.1	Reasonable
Occupational Health and Safety			Quantitative		
	Fatalities	Work-related fatalities	0	CSA3.5.3	Reasonable
	Lost-Time Injury Frequency Rate (LTIFR) - Employees	Company's lost-time injury frequency rate for employees (per one million hours worked)	0.93	CSA3.5.4	Reasonable
	Lost-Time Injury Frequency Rate (LTIFR) - Contractors	Contractors' lost-time injury frequency rate for employees (per one million hours worked)	Not applicable	CSA3.5.5	Reasonable
	Occupational Illness Frequency Rate (OIFR) - Employees	Company's occupational illness frequency rate for employees (per one million hours worked)	0.62	GRI403-10	Reasonable