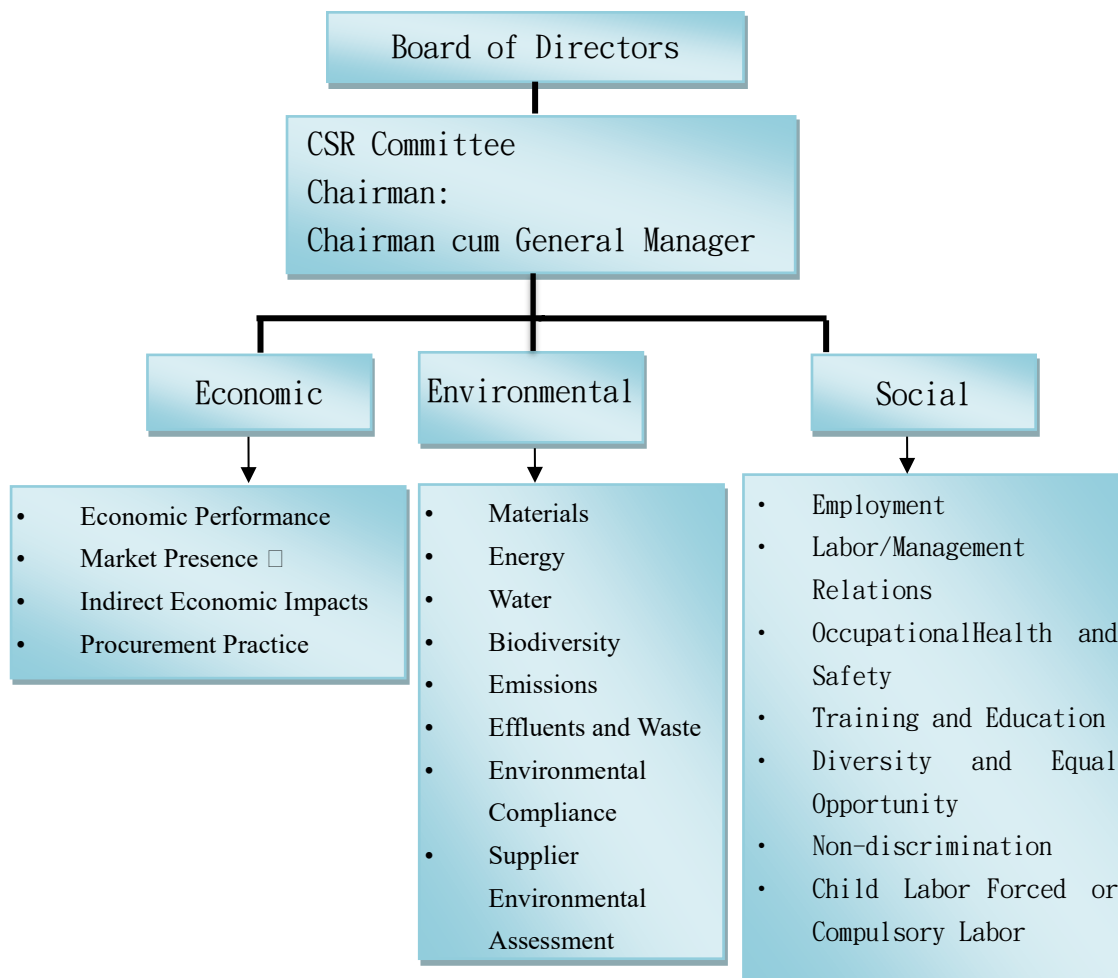


## CSR Task Force

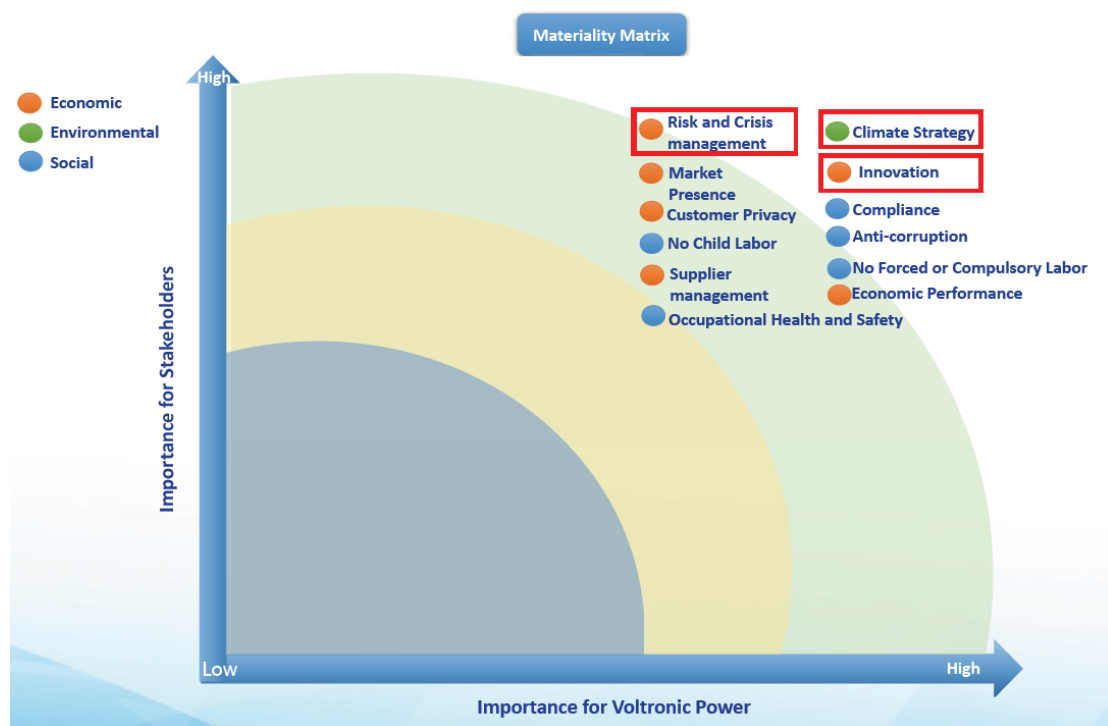
Voltronic Power Technology Corp. becomes the DMS (Design & Manufacturing Service) for uninterruptible power supplies (UPS) second to none throughout the world, customers over more than hundred countries and regions around the world °

The business philosophy of Voltronic Power always regards "Governance", "Economy", "Environment" and "Society" as the Four Stones of Corporate Social Responsibility for all stakeholders and the pursuit of Enterprises Sustainable Development °

In order to promote the implementation of corporate social responsibility, Voltronic Power according to the resolution of the board of directors, in November 2015 establishing To Promote Corporate Social Responsibility Task Force and was upgraded as To Promote Corporate Social Responsibility Committee in 2017, which is directly supervised by the chairman (who is the executive director with responsibility for corporate social responsibility), be responsible for corporate social responsibility policy, system and related management policy, propose and implement specific action plans, regularly report to the board of directors and publish corporate social responsibility report. Regarding economic, environmental and social issues arising from operating activities, the board of directors authorized general manager and general manager office to deal, then report to board of directors the handle results.



## Attention issues materiality matrix



Voltronic Power has conducted a materiality analysis:

	Material Issue 1	Material Issue 2	Material Issue 3
<b>Material Issue</b> <b>Specify company's material issue:</b>	<b>Select the category company's material issue belongs to:</b> <ul style="list-style-type: none"> <li><input type="radio"/> Business ethics</li> <li><input checked="" type="radio"/> Climate strategy</li> <li><input type="radio"/> Community engagement</li> <li><input type="radio"/> Corporate governance</li> <li><input type="radio"/> Environmental management</li> <li><input type="radio"/> Human capital management</li> <li><input type="radio"/> Human rights</li> <li><input type="radio"/> Impacts from products &amp; services</li> <li><input type="radio"/> Innovation</li> <li><input type="radio"/> Long term economic trends/issues</li> <li><input type="radio"/> Long term environmental trends/issues</li> <li><input type="radio"/> Long term social trends/ issues</li> </ul>	<b>Select the category company's material issue belongs to:</b> <ul style="list-style-type: none"> <li><input type="radio"/> Business ethics</li> <li><input type="radio"/> Climate strategy</li> <li><input type="radio"/> Community engagement</li> <li><input type="radio"/> Corporate governance</li> <li><input type="radio"/> Environmental management</li> <li><input type="radio"/> Human capital management</li> <li><input type="radio"/> Human rights</li> <li><input type="radio"/> Impacts from products &amp; services</li> <li><input checked="" type="radio"/> Innovation</li> <li><input type="radio"/> Long term economic trends/issues</li> <li><input type="radio"/> Long term environmental trends/issues</li> <li><input type="radio"/> Long term social trends/ issues</li> </ul>	<b>Select the category company's material issue belongs to:</b> <ul style="list-style-type: none"> <li><input type="radio"/> Business ethics</li> <li><input type="radio"/> Climate strategy</li> <li><input type="radio"/> Community engagement</li> <li><input type="radio"/> Corporate governance</li> <li><input type="radio"/> Environmental management</li> <li><input type="radio"/> Human capital management</li> <li><input type="radio"/> Human rights</li> <li><input type="radio"/> Impacts from products &amp; services</li> <li><input type="radio"/> Innovation</li> <li><input type="radio"/> Long term economic trends/issues</li> <li><input type="radio"/> Long term environmental trends/issues</li> <li><input type="radio"/> Long term social trends/ issues</li> </ul>

	<input type="radio"/> Occupational health & safety <input type="radio"/> Risk and crisis management <input type="radio"/> Other (please specify above)	<input type="radio"/> Occupational health & safety <input type="radio"/> Risk and crisis management <input type="radio"/> Other (please specify above) <input type="radio"/> No material issue identified	<input type="radio"/> Occupational health & safety <input checked="" type="radio"/> Risk and crisis management <input type="radio"/> Other (please specify above) <input type="radio"/> No material issue identified
<b>Business Case</b> Provide a brief rationale for why this issue is material to company's business:	In response to climate change, energy conservation and carbon reduction, the control of global average temperature rise in this century within 2 degrees Celsius, and the control of global temperature rise above the pre-industrial level of 1.5 degrees Celsius are the main objectives of the Paris Climate Change Agreement. In response to climate change, energy conservation and carbon reduction, Voltronic Power is committed to developing InfiniSolar for a long time, combining solar system, AC utility, and battery power source to supply continuous power, and prioritizing the use of the cheapest and most economical power supply to assist public utilities, enterprises of all types and family communities in various countries and regions to achieve the goal of energy conservation and carbon reduction.	Although Voltronic Power has been devoting itself to the development of InfiniSolar for a long time since nine years ago, but it is necessary to make continuous R&D and innovation every year. Therefore, Voltronic Power has set the goal that a new series of InfiniSolar must be developed every year so as to improve the storage capacity and operational convenience.	Because Voltronic Power's customers are located in 135 countries and regions around the world, the sales revenues are mostly in US dollars, while most of the raw materials are purchased in Renminbi (RMB) from China, which all are different from the Reporting Currency (NT) of Voltronic Power. Therefore, the risk of exchange rate fluctuation is absolutely important to Voltronic Power. In addition, due to the continuous growth of Voltronic Power, the increasing amount of data and information, information security risks under the electronic processing system have absolute importance for Voltronic Power.
<b>Business Impact</b> Select the type of impact this material issue has on company's business (cost/ revenue/risk):	<input type="radio"/> Cost <input checked="" type="radio"/> Revenue <input type="radio"/> Risk	<input type="radio"/> Cost <input checked="" type="radio"/> Revenue <input type="radio"/> Risk	<input type="radio"/> Cost <input type="radio"/> Revenue <input checked="" type="radio"/> Risk
<b>Business strategies</b> Specify company's	In response to climate change, energy	A new series of InfiniSolar is	For exchange rate fluctuation risks, a

primary business strategies, initiatives or products that address this issue:	conservation and carbon reduction, Voltronic Power's climate business strategy is committed to developing InfiniSolar for a long time, combining solar system, AC utility, and battery power source to supply continuous power, and prioritizing the use of the cheapest and most economical power supply to assist public utilities, enterprises of all types and family communities in various countries and regions to achieve the goal of energy conservation and carbon reduction.	developed every year to improve the storage capacity and operation convenience.	quarterly sensitivity and stress test shall be conducted; if necessary, report to Board of Directors and to select appropriate hedging tools. Information systems build secure firewalls; backup databases to hard drives and tapes regularly; conduct simulation exercises irregularly; and ensure information security from time to time.
Long-Term Target/Metric Does company have a long-term target or metric to measure company's progress on this issue in a systematic way? Specify this target or metric if available:	Sales revenue and sales volume from InfiniSolar will grow by an average of 5% annually over the next five years.	In the next five years, a new series of InfiniSolar which must meet the market demand, will be developed every year.	It's continuously going on every year.
Target Year Specify the year for the long-term target	From the base period of 2018 to 2023, sales revenues and sales volume increased by 25% compared with 2018.	In the next five years, a new series of InfiniSolar which must meet the market demand, will be developed every year.	It's continuously going on every year.
Executive Compensation Is this metric or target used to determine the compensation of executive committee member(s)? If yes, specify how this metric is used.	This target is used as one of the KPIs to determine the various compensation of executive committee members. With a score of 1 to 5, the growth rate is 1% to 5%, with corresponding scores.	This target is used as one of the KPIs to determine the various compensation of executive committee members. A new series of InfiniSolar which meets the market requirement is developed every year, with 5 points, otherwise is 0 points.	

## Responding to UN SDGs



The most material goal of the Voltronic Power 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 Change", that Voltronic Power 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. 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".

### Material goal of Voltronic Power



### Responding to UN SDGs



### SDGs Practice and Devp Goal



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

#### Business/Social/Environmental Benefit KPI

- One-fourth 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.



Continuous sales revenues growth and work opportunities.

#### Business/Social/Environmental Benefit KPI

- In 2018 sales revenue grew by 15.67%
- In 2018 employee salaries and benefits grew by 18.61%.



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

#### Business/Social/Environmental Benefit KPI

- In 2018 sales revenue grew by 15.67%
- Assist users of high energy-saving and carbon-reducing products with energy-saving and carbon-reducing benefits that at least equal to plant twenty-five million trees annually.

Performance of social responsibility:

Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary(Note 2)	
1. Does the company conduct environmental, social and governance risk assessments according to the principle of materiality, and formulate relevant risk management policies or strategies accordingly? (Note 3)			<p>(1) Environmental protection</p> <p>Our business philosophy is the pursuit of environmental protection and harmonious symbiosis. We strive to create and maintain a safe and clean environment, by ensuring our products are in compliance with international environmental laws and regulations. We spare no efforts to the protection of the green planet, by relentlessly enhancing the efficiency of resource utilization.</p> <p>The Company strives to protect environment by adhering to all the relevant environmental laws/regulations. There has been no breach of laws/regulations in environmental protection. Our main factories have passed the ISO14001, ISO 9001 and OHSAS18001.</p> <p>We urge our suppliers to comply with relevant laws, regulations, and technical standards regarding environmental protection. These include ROHS (Restriction of Hazardous Substances Directive), pollution control, waste processing and other laws/regulations in environmental protection. Suppliers should present relevant certificates or documents regarding surveys on environmental protection or compliance with environmental protection codes, per requests from Voltronic Power.</p> <p>(2) Climate change and energy management</p> <p>Risk management for climate change is a key issue to corporate sustainability. The Company seeks to enhance energy efficiency and reduce carbon emissions, in response to the climate crisis. Our business strategy is to maintain dedicated in the long run to the development of InfiniSolar (a hybrid inverter) by integrating the solar system, AC system and batteries to provide continuous power. The smart prioritization of the cheapest and the most economic source of power assists public utilities, corporates, homes and communities in different regions and countries to reduce energy consumption and carbon emissions. The water consumption in our company is only for</p>	No discrepancy

Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary(Note 2)	
			<p>day-to-day consumption by employees. The only source of greenhouse gas (GHG) emissions by the Company is the carbon dioxide (CO2) due to externally purchased electricity. We are a low emission company with only one GHG emission.</p> <p>Voltronic Power is a designer, developer, and manufacturer of UPS (uninterruptible power supply), inverters and PV (photovoltaic) inverters. As a midstream player in the supply chain, we develop products according to customers' requirements and our customers resell our products to end users in different industries. Therefore, climate change does not have direct influence or create direct risks to the R&amp;D and manufacturing of our products. In fact, PV inverters work to reduce GHG emissions and contribute to energy efficiency and environmental protection. Solar panels convert sunlight into electricity for the grids, and utilization of solar power and storage will play a pivotal role in the balancing of power grids in the future. As power supply is increasingly tight and there is shortage during peak hours, PV inverters and storage systems can store electricity off-peak and support the demand at peak. This reduces the need for further deployment of fossil fuels and nuclear power plants. It is the best solution for energy efficiency and environmental protection.</p> <p>The Company's products have a reuse or recycle ratio of over 80% at the end of their lives. This is compliant with the EU's WEEE Directors requirement for at least 70% reuse/recycle ratios.</p> <p>(3) Society – employment relations</p> <p>The Company has duly established employee guidebooks and related management methods in accordance with labor related laws and Gender Equality in Employment Act amidst compliance with international labor-related rules &amp; regulations (including compliance with local laws and international standards, human rights assessments which have been complied with by subsidiaries). All such laws and ordinances concerned are readily available to all employees through the Company's website amidst the efforts to safeguard employees for their inherent interests. The Company is</p>	

Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary(Note 2)	
			<p>committed to complying with applicable labor and employment laws, as well as international standards. The Company insists on a policy to hire employees disregarding gender, age, religion, ethnic race, nationality, sexual orientation, other legal protections, absolutely free of any potential discrimination.</p> <p>The company puts into implementation thoroughly all varieties of employment and labor related laws and regulations. Under no circumstances shall the Company hire child labor or illegal labor. The Company strictly bans potential sexual harassment and prohibits forced labor services. By all available means, the Company provides safe, secure and healthful working environment.</p> <p>Amidst multifaceted and equal opportunity corporate culture, here at the Company we strictly enforce the "equal pay for equal work" and "gender equality" principles. In all key strongholds amidst various categories of staff members, we assure above 100% (inclusive) of the statutory threshold in salary policy as required by the laws prevalent locally, disregarding the gender.</p> <p>Females account for at least 25% of the board composition. (At least one independent director is female, one director female.) Over 1/3 of the senior managers (i.e. two or one levels below General Manager or similar roles) are female.</p> <p>(4) Corporate governance</p> <p>We do not seek to strengthen corporate governance just for show. We are committed as corporate governance is the most important element of corporate social responsibility. We believe that if we do our part as a corporate citizen, we will excel in corporate governance.</p> <p>Corporate governance involves corporate social responsibility to different stakeholders in the economy, the environment, and the society, as well as the pursuit of sustainable development. This is the reason why we place risks and crisis management as one of the three key issues to sustainable development. The Company has established</p>	



Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary(Note 2)	
			<p>a risk management policy and a crisis management mechanism by urging our colleagues to take heed of risk management and crisis responses. The purpose is to ensure proper management of risks and crises by enhancing the effectiveness of risk management and crisis responses to achieve corporate sustainability.</p> <p>Please refer to our official website at <a href="http://www.voltronicpower.com.tw">http://www.voltronicpower.com.tw</a> for corporate responsibility reports.</p>	
2. Does the company implement a full-time (part-time) sector to promote corporate social responsibility, and for the Board of Directors to authorize the high-level management to take action and report the disposition status to the Board of Directors?			<p>To drive corporate social responsibility initiatives, the Company's CSR Committee is part of the Board of Directors and under direct supervision by Chairman, i.e. the executive director in charge in corporate social responsibility. The General Manager Office plays a supporting role by submitting relevant management guidelines and action plans to the Corporate Governance and Sustainability Committee for implementation of CSR and sustainability measures and regular reporting to the Board of Directors. We publish CSR and sustainability reports in the second quarter of each year.</p> <p>The reports are available at our company website at <a href="http://www.voltronicpower.com.tw">http://www.voltronicpower.com.tw</a> for corporate responsibility reports.</p>	No discrepancy
3. Environmental Issues				
(1) Does the company establish a proper environmental management system in response to its industry characteristics?	V		(1) The Company is a committed a corporate citizen, striving to comply with environmental laws and regulations to ensure environmental protection. We adhere to all the laws and regulations in environmental protection. Our factories in China have obtained the ISO14001, ISO9001 and OHSAS18001 certification.	No discrepancy
(2) Does the company endeavor to upgrade the utilization efficiency of various resources, and use the regenerated material with a low impact on	V		(2) Voltronic Power is a designer, developer, and manufacturer of UPS (uninterruptible power supply), inverters and PV (photovoltaic) inverters. As a midstream player in the supply	No discrepancy

Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary(Note 2)	
environmental load?			chain, we develop products according to customers' requirements and our customers resell our products to end users in different industries. Therefore, the R&D and manufacturing of our products does not cause direct environmental impacts or risks. The Company's products have a reuse or recycle ratio of over 80%, compliant with the current requirement from the EU's WEEE Directives for at least 70% reuse/recycle ratios.	
(3) Does the company assess existing and potential risks and opportunities associated with climate change and adopt the corresponding responses and measures?	V		(3) Risk management in relation to climate change is a key issue to corporate sustainability. The Company's response to climate change is to enhance energy efficiency and reduce carbons. We spare no efforts in GHG emission management, energy efficiency and carbon reductions. We strive to develop green products to provide high-performance products or solutions to customers. Our strategic business line is InfiniSolar, a hybrid inverter that we have been developing for a long time. We commenced the R&D of InfiniSolar eight years ago, with new series launched every year by improving storage efficiency and ease-of-use, to assist public utilities, corporates, homes and communities in different regions and countries in energy efficiency and carbon reduction.	No discrepancy
(4) Does the Company calculate the GHG emissions, water consumption and total wastes during the past two years, and formulate policies to achieve energy efficiency, reduction of carbon emissions, GHS emissions, water consumption or manage wastes?	V		(4) The Company's greenhouse gas emission sources in daily operations are only the carbon emissions (CO2) generated by purchased electricity (municipal power supply) required by the Company's business operation as a company with only the single greenhouse gas low-emission and the household living water (municipal water supply). In Year 2019, the total electricity consumption was 16,021,998 KWs with total carbon emissions at 14,043,437kg. In 2019, the total water consumption came to 103,918 KWs with carbon emissions at 16,459kg. Also in Year 2019, the aggregate total office paper consumption came to 32,083 kg with carbon emissions at 32,788 kg. The Company is operating amidst the growing phase (with	No discrepancy

Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary(Note 2)	
			<p>operating revenues at NT\$11,407,894 thousand in 2018 and NT\$12,936,382 thousand in 2019). Toward carbon dioxide and greenhouse gas discharge, the Company has firmly set up the policies toward "energy conservation, waste minimization and waste reduction". As Voltronic Power Technology Corp. has set up the target for energy saving &amp; carbon reduction at 0.75% expense ratio measured by revenues, this target was met for the years 2018 and 2019. As Voltronic Power Technology Corp. has set up the target for energy saving &amp; carbon reduction at 0.85% expense ratio measured by operating costs, this target was met for the years 2018 and 2019. As Voltronic Power Technology Corp. has set up the target for energy saving &amp; carbon reduction at 3.85% expense ratio measured by net incomes, this target was met for the years 2018 and 2019. The Company's publicity &amp; dissemination policies and the descriptions thereof:</p> <p>Publicity &amp; dissemination on energy management promotion: The Company puts forth maximum possible efforts to advocate employees to turn off the lights as most often as possible. The indoor office area is fully equipped with energy-saving LED lamps, air-conditioned to maintain a constant temperature of 25 to 26 degrees to minimize the concentration of carbon dioxide in indoor air amidst the heavy potted greening plants, with 0.218 kg. in carbon emission generated on the first floor of the elevator. The Company encourages employees to walk more staircases to reduce elevator rides.</p> <p>Publicity &amp; dissemination on water resources management promotion: The Company encourages employees to minimize water consumption and equips all offices in Taiwan with rainwater recycling equipment. Through rainwater recycling irrigation green for plants, the Company virtually minimizes water consumption.</p> <p>Publicity &amp; dissemination on waste utilization efficiency and management promotion: In terms of office paper consumption,</p>	

Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary(Note 2)	
			<p>the Company advocates employees to reduce paper photocopying and use more recycled paper. The Company also encourages staff members to reduce the use of paper towels to set up resource recycling bins, The Company also encourages staff members to reduce the use of paper towels by setting up resource recycling bins and offering each employee a towel for hand drying. There are also kitchen waste barrels in the tearoom for waste sorting and disposal. The details of our measures to reduce carbon emissions and energy consumptions and our policy in greenhouse gas reductions are available in our Corporate Social Responsibility (CSR) Report.</p> <p>Please refer to our CSR reports for detailed information on our environmental initiatives via our company website at <a href="http://www.voltronicpower.com.tw">http://www.voltronicpower.com.tw</a>.</p>	
<p>4. Maintenance of Community Public Welfare</p> <p>(1) Does the company establish related management policies and procedures in accordance with related laws and international covenants on human right?</p>	Y		<p>(1) The Company complies with labor laws, Act of Gender Equality in Employment and international labor laws and regulations (including our subsidiaries adhering to relevant laws, regulations, international standards, and human right assessments in the jurisdictions where they operate). To protect the rights of employees, we have also prepared employee manuals and relevant management guidelines, available at our intranet for the inquiry by employees at any time.</p> <p>We have issued the Statement for Human Rights.</p> <p>Statement 1: We respect and support human rights as advocated by international covenants.</p> <p>Statement 2: We do not work with those who trash human rights.</p> <p>Statement 3: We firmly acknowledge and support the right for collective negotiations.</p>	No discrepancy

Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary(Note 2)	
			<p>Statement 4: We seek to eliminate coerced or compulsory labor in any form.</p> <p>Statement 5: We abolish child labor.</p> <p>Statement 6: We reject any discrimination in relation to work and occupations.</p> <p>The Human Right Charter strictly prohibits (1) child labor or illegal labor; (2) sexual harassment; (3) coerced and forced labor.</p> <p>We provide a safe and healthy work environment to our employees. We adhere to the SA8000 Social Accountability Standards regarding our cooperation with suppliers and business partners.</p>	
(2) Does the company formulates and implemented an employee welfare scheme (including wages, holidays and other benefits) and reflected appropriately the business performance onto employee remunerations?	V		(2) We comply with the Labor Standards Act and we have put in place an internal standard for performances and rewards. We hope to grow our business so that our employees see a corresponding increase in their salaries.	No discrepancy
(3) Does the company provide employees with a safe and healthy working environment, and implement safety and health education to employees on a periodical basis?	V		(3) The Company takes the safety and health of the workplace seriously by going beyond the requirements by the Labor Standards Act. We organize health checks for employees and provide on-the-job training and education regarding labour safety and health. This covers health management and fire safety, so that our employees are better aware of occupational safety and health issues. The Company's offices in Taiwan submit fire prevention proposals to the competent authorities each year. All the regional offices have strict access control and there are security guards to protect the safety of employees. The Company's main factories site has obtained the OHSAS 18001 certification.	No discrepancy
(4) Does the company establish effective career competency development and training plans for employees?	V		(4) We provide training & education so that our employees can develop their professional capabilities. The Company seeks to empower our employees by combining industry training & development and performance management so that our	No discrepancy

Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary(Note 2)	
			employees can fulfill their maximum potential and we can achieve sustainable operations.	
(5) Does the company observe the relevant laws, regulations and international standards regarding the health, safety, customer privacy, marketing and labeling of products/services, and has formulated relevant policies and complaint procedures to protect the right of consumers?	V		(5) Our products are not sold to consumers, and hence we have not formulated or published a policy regarding consumers' rights. Our products are customized, and our services and labels follow the relevant rules and regulations of different regions as well as international standards. We seek to achieve sustainable business with a customer-oriented quality system and customer complaint processing procedures.	No discrepancy
(6) Does the company set up supplier management policies by requesting suppliers to adhere to relevant standards in environmental protection, occupational health & safety or labor & human rights and reporting their implementations accordingly?	V		(6) We strive to protect the environment and the society. We have put in place a robust set of requirements for suppliers in environmental protection, code of conduct, and corporate social responsibility. These are the basis of our evaluations of the appropriateness of suppliers in a timely manner. The Company advocates to suppliers regarding the adherence to the International Human Rights Law, labor laws in different countries, the SA8000 Social Accountability Certification, and OHSAS18001 (Occupational Health and Safety Assessment Series). We encourage our suppliers to adopt these standards. In 2018, we selected 81.93% of our new suppliers based on the deployment of these standards. The ratio increased to 84.4% in 2019.  Please refer to our CSR reports for detailed information on our environmental initiatives via our company website at <a href="http://www.voltronicpower.com.tw">http://www.voltronicpower.com.tw</a> .	No discrepancy
5. Does the company refer to internationally acceptable standards or guidelines for the compilation of CSR reports to disclose non-financial information? Are these reports confirmed or endorsed by third-party evaluation organizations?	V		The Company prepares CSR reports on a voluntary basis. We follow all the disclosure standards of core options according to Global Reporting Initiatives (GRI) released by the Global Sustainability Standards Board (GSSB). We also provide the GRI indexing in our CSR reports. However, some of the contents are supplementary details according to the BLOOMBERG ESG SURVEY Disclosure Score. The 2019 CSR report added extra disclosure according the requirement by SAM - Corporate Sustainability Assessment 2020.	No discrepancy

Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary(Note 2)	
			Our CSR reports are confirmed by third parties and declared independently by third parties.	
<p>6. In case a company establishes its own Corporate Social Responsibility Code in accordance with “Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies”, please describe its operation and the deviation from the established Best Practice Principles:</p> <p>The Company’s day-to-day operations are implemented as disclosed in corporate governance, economy, environmental protection, and corporate social responsibility. Please refer to “Report on Corporate Governance” of Chapter 3 of this annual report for details regarding corporate governance. We comply with the Corporate Social Responsibility Best Practice Principles for TSEC/GTSM Listed Companies.</p>				
<p>7. Other important information facilitating to understand the operation status of corporate social responsibility:</p> <p>(1) In addition to our core business, we strive to protect the environment and pursue prosperity by working with stakeholders. Corporate social responsibility: adherence with international covenants; relevant laws in different countries and regions; value creation via business sustainability to enhance the rights of stakeholders; maintenance of good corporate governance; compliance with relevant laws and regulations.</p> <p>(2) Social concern: small donations or assistance from time to time to support the disadvantaged groups and public interest groups; offering of UPS systems and knowhow via government agencies to the regions with low electricity penetration.</p> <p>(3) Active involvement of green energy trade shows in Taiwan and overseas (e.g. Cebit in Germany; Computex in Taiwan; Renewable Energy India Expo and solar shows in other countries); collaboration with green energy policies around the world.</p> <p>(4) Employees: The Employee Welfare Committee provides small subsidies for training &amp; education and health management of employees.</p>				

(1) Facts about the Company’s performance in ethical corporate management:

Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary	
<p>1. Establish Operation Policy and Scheme of Ethical Corporate Management</p> <p>(1) Does the company expressly specify policy, practice of operation in ethical corporate management in its corporate statutes and bylaws and external documents, and do the Board of Directors and management level actively actualize the promise of operation policy?</p>	V		<p>(1) The Company has duly established "Ethical Corporate Management Best Practice Principles" which functions as the very grounds of honesty and integrity. In Year 2016, the Company promoted to set up the Ethical Management Committee. The committee is subordinate to the Board of Directors and is directly supervised by the chairman of the</p>	No discrepancy

Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary	
(2) Has the company put in place an assessment mechanism for the risks associated with dishonest behavior, and regularly analyzed and assessed the operating activities exposed to higher risks of dishonest behavior, and formulated preventive measures accordingly and covering at least the preventive measures specified in the second paragraph of Article 7, the Ethical Corporate Management Best Practice Principles TWSE/GTSM Listed Companies?	V		<p>Board of Directors while the General Manager Office functions as the concurrent unit responsible for integrity management policies and prevention programs. We place a heavy emphasis on business ethics and strictly prohibit any direct or indirect offering, commitment, asking or accepting any improper benefits or any unethical or illegal behavior, or any breach of fiduciary duties by directors, managers or employees in the process of commercial dealings. The Company seeks to balance the interest of different stakeholders. The formulation and supervision of execution, Annual Report or CSR Report provide details and standardize the Company's directors, managers, employees' policies on the Company's integrity management and the Board's active commitment for implementation.</p> <p>(2) The Company has duly enacted "Ethical Corporate Management Best Practice Principles", "Rules Governing Code of Ethical Conduct" and "Accusation Report system" as well as the regulating procedures which have been put into faithful enforcement. We firmly demand our entire staff members, including all staff members of our subsidiaries, to strictly comply with the ethical conduct criteria, safeguard the Company's goodwill, comply with laws and ordinances concerned to maximize performance of assigned duties. We advocate our core value and compliance system to our colleagues via training, education, and advocacy campaigns. The Company acknowledges that a healthy and orderly supplier relation is the foundation of a win-win outcome. We ask our suppliers to issue the Letter of Commitment to Business Ethics.</p> <p>Whenever an unfaithful behavior is heard from an accusation report or noticed, the Company will immediately investigate into the fact forthwith. Where a behavior in contravention of laws and ordinances concerned or ethical conduct code, or against the good-faith principles, the Company's management shall immediately demand that offender to discontinue the wrongdoing and impose penalty as appropriate. Through</p>	No discrepancy



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(3) Does the company specify a scheme to prevent dishonest behaviors, and expressly describe in operation procedures, conduct guidelines, punitive measures and compliant channels accordingly, in order to properly implement the abovementioned scheme?	V		<p>necessary and appropriate statutory procedures, the Company would claim for damage indemnity. These efforts could well safeguard the Company in goodwill and interests. The Company has set up the special mailbox for such purposes: <a href="mailto:whistleblower@voltronic.com.tw">whistleblower@voltronic.com.tw</a>)</p> <p>(3) The Company has established "Rules Governing Code of Ethical Conduct" and "<u>Ethical Corporate Management Best Practice Principles</u>" to normalize our key personnel's behaviors, and our internal auditing personnel also carry out regular audits to enhance the implementation of policy of Ethical Corporate Management Best Practice Principles. Toward varied law compliance realms, the Company has set up a variety of relevant regulations. These realms include anti-corruption, anti-harassment, environmental protection, preparation of financial statements/internal control system, anti-inside trading, protection over patents, protection of personal information and privacy, custody of documents, management over information security and the like. Here at the Company, we do not build self-brand name. We do not compete against customers. That means under no circumstances shall the Company get involved in an act against competition, against trust and monopolization. We require all our employees to be fully aware of laws and regulations relevant to our businesses, to ensure correct and appropriate business and ethical judgment.</p>	No discrepancy
<p>2. Actualize Ethical Corporate Management</p> <p>(1) Does the company evaluate the record of ethical corporate management of the transaction parties, and expressly specify clauses dealing with behaviors of ethical corporate management in the signed contracts of the transaction parties?</p>	V		<p>(1) The Company has established mechanisms for evaluating customers and suppliers. When entering into a contract, rights and obligations of both sides will be specified in the contract and be kept confidential. All suppliers commit themselves into Best-Practice Principles on Ethical Corporate Management as well. Through the great teamwork between the up- and down-streams, we never cease efforts to maximize core competitive edge. We try to focus on only such products in the pricing of the maximum possible competitive edge to simplify the</p>	No discrepancy

Evaluation Items	Facts of performance(Note 1)			The discrepancy of such implementation from Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies, and the reason for any such discrepancy
	Yes	No	Description of Summary	
(2) Has the company established a unit under the Board of Directors to promote corporate operation in ethical corporate management, and regularly report to the Board of Directors (at least once per year) its execution and oversight of the business ethics policy and prevention of dishonest behavior?	V		<p>transaction behaviors. Under no circumstances shall the Company try to win over a purchase order through not absolutely justifiable means to strive for unjust benefits in competition.</p> <p>(2) The Company advocates the Ethical Management Committee which is attached under the Board of Directors, directly supervised by the chairman. The General Manager Office is a concurrent unit which reports to the board of directors on a regular basis. All departments concerned have stipulated respective Best-Practice Principles to assure faithful fulfillment of such Principles.</p> <p>To avoid conflict of interests and provide a whistleblowing channel, the Company set up the Ethical Corporate Management Best Practice Principles. Relevant execution in Year 2019: In the entire year, the Company was free of any offense-reports, anti-corruption or anti-competition acts at all.</p>	No discrepancy
(3) Does the Company stipulate a policy of preventing interest conflict, provide due statement channels, and actualize the execution?	V		(3) If necessary, the Company requires new recruits to sign the Letter of Confidentiality for Business Secrets and the Agreement for Procurement Ethics. In addition, the Company has put in place the Rules Governing Code of Ethical Conduct and the Corporate Management Best Practice Principles and requires adherence to these standards and principles.	No discrepancy
(4) Has the Company established an effective accounting system and an internal control system to implement operation in ethical corporate management, designated internal auditors or commissioned external auditors accordingly to formulate audit plans based on the assessment of risks associated with dishonest behavior as the basis for the audit of dishonest behaviors?	V		(4) The Company has set up effective accounting system and specifically responsible accounting unit. Here at the Company, the internal audit unit also works out the annual audit plan to carry out a variety of audit duties based on the outcome of risk assessment. It also works out the plans for subsequent corrective action to assure sound performance in audit. On a quarterly basis, the unit would report to the board of directors. In the self-evaluation inside the enterprise, all staff members shall conduct self-examination into the Internal Control System design and the effectiveness of the enforcement thereof.	No discrepancy
(5) Does the Company hold internal, external	V		(5) At any time, the Company's publicity unit promotes our	No discrepancy

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educational training for operation in ethical corporate management on a periodical basis?			colleagues' resolute commitment to observe norms governing the corporate operations in ethical corporate management during meetings and on the bulletin board for substantial implementation. In Year 2019, all participants received per capita training programs for one hour. We also advocate business ethics in the supplier conferences so that they understand our principles and business philosophy based on integrity.	
3. Operation Status of Corporate Reporting System of an Offense				
(1) Does the Company establish substantial offense reporting and incentive systems, and establish convenient offense reporting channels, and assign proper exclusively responsible personnel to accept the reported subject of an offense?	V		(1) The Company has established a reporting system by setting up an accusation reporters' mailbox at our official site ( <a href="mailto:whistleblower@voltronic.com.tw">whistleblower@voltronic.com.tw</a> ), human resources and audit unit that are available to whistleblowers who can also submit information to independent directors, managers, direct supervisors or other appropriate personnel; external whistleblowers can submit whistleblowing reports to the preceding accusation reporters' mailbox(emails will be automatically forwarded to the Company's independent directors and senior executives) or supervisors and related units in charge of our business group and organization, and whistleblowers' identity and the contents of whistleblowing shall be kept confidential to protect whistleblowers from improper dispositions. After receiving a whistleblowing report, we will appoint paid staff to receive reports and assist in handling cases and give a reply.	No discrepancy
(2) Has the Company established the standard investigational procedures of receiving whistleblowing reports, subsequent measures after investigations and the confidentiality mechanism?	V		(2) The Company has maintained a rigorous attitude to keep the whistleblowing and subsequent investigation confidential, specified in the internal rules. We guarantee to keep complaints or a whistleblower's personal information and information offered by the whistleblower absolutely confidential according to Personal Information Protection Act.	No discrepancy
(3) Does the Company take measures to protect an	V		(3) We guarantee that whistleblowers will never be punished.	No discrepancy

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	Yes	No	Description of Summary	
offense reporting party from suffering improper disposition due to an offense report?				
4. Strengthen Information Disclosure Does the Company disclose the content of operation principles of ethical corporate management and promotion performance in its website and Market Observation Post Site?	V		The Company discloses related information at Market Observation Post System and our official website according to related regulations. Besides, corporate operations in ethical corporate management related information has been disclosed in the annual report and CSR report.	No discrepancy
5. If the Company has established its Ethical Corporate Management Best Practice Principles in accordance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, discrepancies between the operations and the established principles shall be illustrated: To foster a corporate culture of ethical management and sound development to strengthen its business operations, the Company has established Ethical Corporate Management Best Practice Principles to observe the principles in accordance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies that shows no discrepancy.				
6. Other important information which can facilitate the understanding of the Company's operations in ethical corporate management: (such as the Company's review and of amendment of its Ethical Corporate Management Best Practice Principles) The Company observes the Company Act, Securities and Exchange Act, Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies or other regulations related to commercial activities to fulfill the principle of operations in ethical corporate management to create a business environment of sustainable development. Our suppliers issue the Letter of Commitment to Business Ethics and sign Supplier CSR Management Agreement with Voltronic Power.				