

Environmental Protection

Environmental Policy

Voltronic Power's primary business is the production and sales of UPS (Uninterruptible Power System). Additionally, Voltronic Power offers professional ODM design and manufacturing of power converters (also known as inverter), AVR (automatic voltage regulator), PV inverter. 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.

Environmental Management Policy of Voltronic Power

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

Environmental Reporting - Quantitative Data

	Specify the KPI	Specify the Target that is linked to the KPI
KPI1	KPI : Continuous sales of high energy-saving carbon reduction products to assist users in energy-saving carbon reduction.	Target: Assist users of high energy-saving and carbon-reducing products with energy-saving and carbon-reducing benefits that reduce carbon emissions by at least 550,000 tons annually. Target year: Annually Ongoing
KPI 2	KPI : The greenhouse gas emission of Voltronic Power, there are no Direct (Scope 1) GHG emissions, while Indirect (Scope 2) GHG emissions only are carbon emission (CO ₂) from the outsourcing electricity which needed for the company operation. Therefore, controlling the financial benefits of electricity expenditure (carbon emissions cost).	Target: 1, the "related carbon emissions cost accounted for the proportion of operating revenue" should not more than 0.75% ; 2, the "related carbon emissions cost accounted for the proportion of costs and expenses" should not more than 0.85% ; 3, the "related carbon emissions cost accounted for the proportion of operating net profit" should not more than 3.85% . Target year: Annually Ongoing
KPI 3	KPI : Ensure that all products in the supply chain are green products.	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

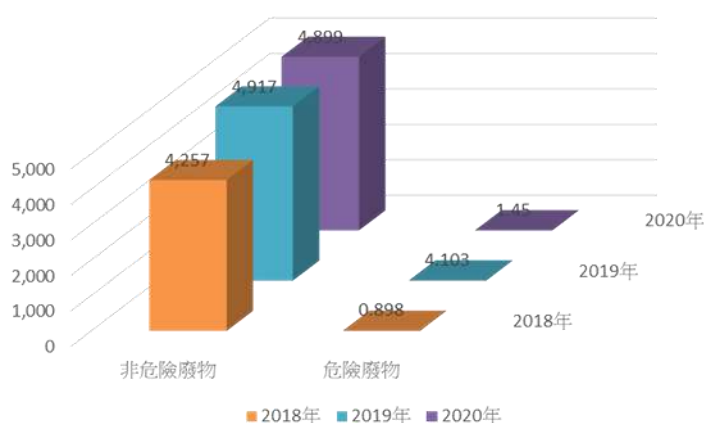
		(Registration, Evaluation, Authorization, and Restriction of Chemicals) Act on SVHC-Substances of Very High Concern. Continue to achieve 100% non-use of conflict mineral raw materials. Target year: Annually Ongoing
KPI4	KPI : Depends on the negative carbon emissions (net of carbon emissions) generated by the sales of goods (PV Inverters and on-line UPSs with significant energy saving and carbon reduction efficiency), which are including in Other indirect (Scope 3) GHG emissions.KP	Target and Target year: Inverter series obtained ISO14001 in 2022 By 2035, to be carbon-neutral and net zero emission in our operations. By 2050, to have a net-zero supply chain

Climate Risk Management: We are in the process of integrating the TCFD framework in our risk management

Water Management

Voltronic Power's offices and factories in Taiwan and China all 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, however the business group still raises all employees' awareness of saving water.

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. Voltronic Power shall be in advance by written to notice the legitimate professional institution of the specific collection time, place , collecting waste (liquid) specific quantities.



Greenhouse Gas Emission

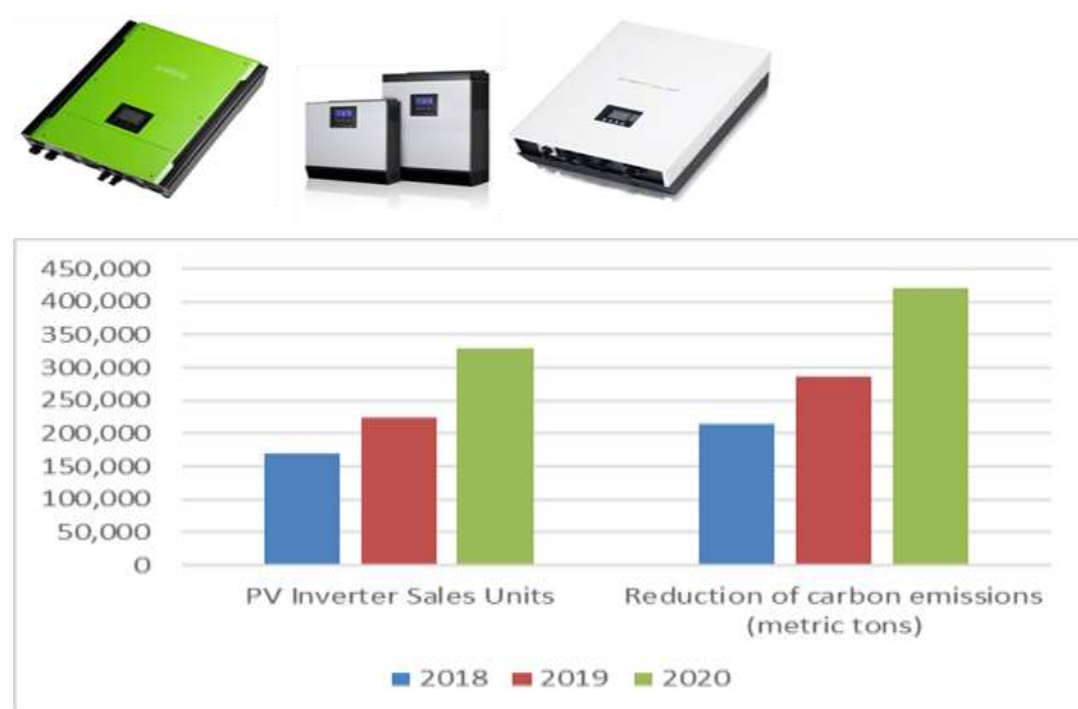
The greenhouse gas emission of Voltronic Power, only is carbon emission (CO₂) from the outsourcing electricity which needed for the company operation. Voltronic Power is a single greenhouse gases (CO₂) low emission company, but still cooperated with local government energy policies and measures and adopted "energy saving, consumption reduction, waste reduction" awareness policy.

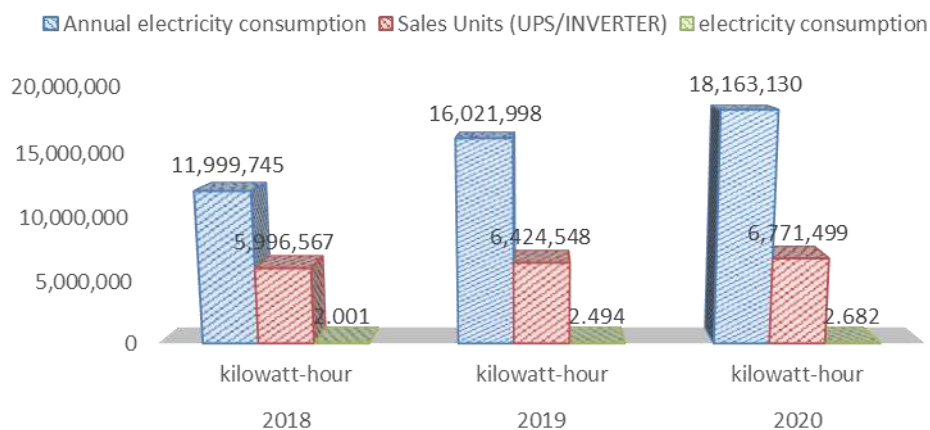
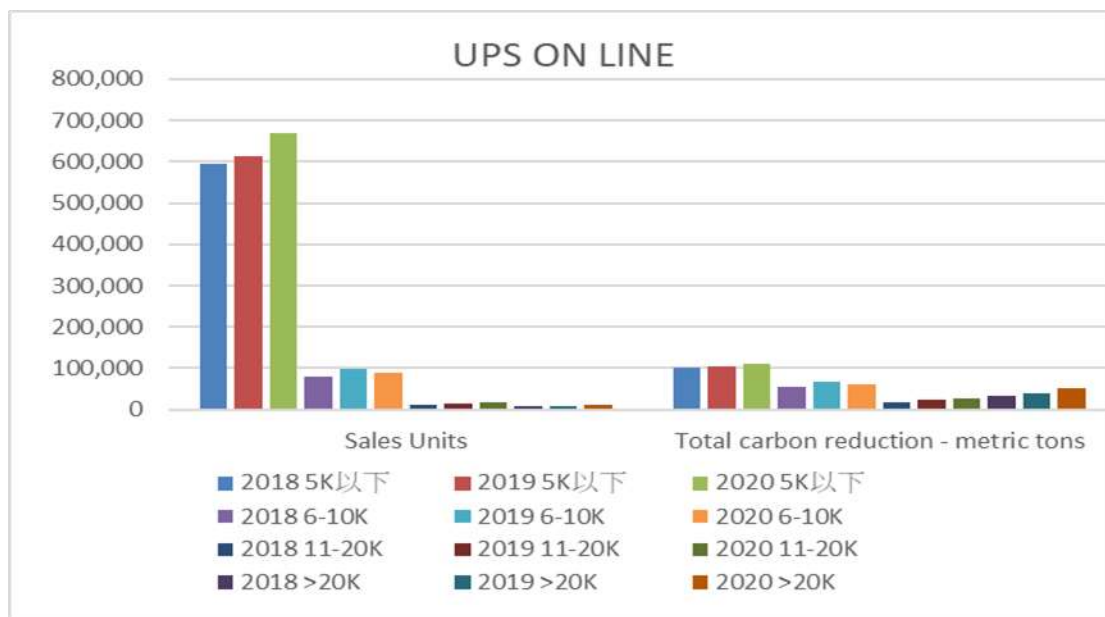
In 2018, 2019 and 2020 year, the "related carbon emissions cost accounted for the proportion of operating revenue" were individually 0.58%, 0.50% and 0.48%. The "energy saving and carbon reduction" evaluation target of Voltronic Power is not more than 0.75%. In 2018, 2019 and 2020 year, the "energy saving and carbon reduction" evaluation targets of "related carbon emissions cost accounted for the proportion of operating revenue" all achieved.

In 2018, 2019 and 2020 year, the "related carbon emissions cost accounted for the proportion of costs and expenses" were individually 0.71%, 0.62% and 0.60%. The "energy saving and carbon reduction" evaluation target of Voltronic Power is not more than 0.85%. In 2018, 2019 and 2020 year, the "energy saving and carbon reduction" evaluation targets of "related carbon emissions cost accounted for the proportion of costs and expenses" all achieved.

In 2018, 2019 and 2020 year, the "related carbon emissions cost accounted for the proportion of operating net profit" were individually 3.13%, 2.53% and 2.40%. The "energy saving and carbon reduction" evaluation target of Voltronic Power is not more than 3.85%. In 2018, 2019 and 2020 year, the "energy saving and carbon reduction" evaluation targets of "related carbon emissions cost accounted for the proportion of operating net profit" all achieved.

Voltronic Power provides customers with carbon emission reduction statistics as follows:





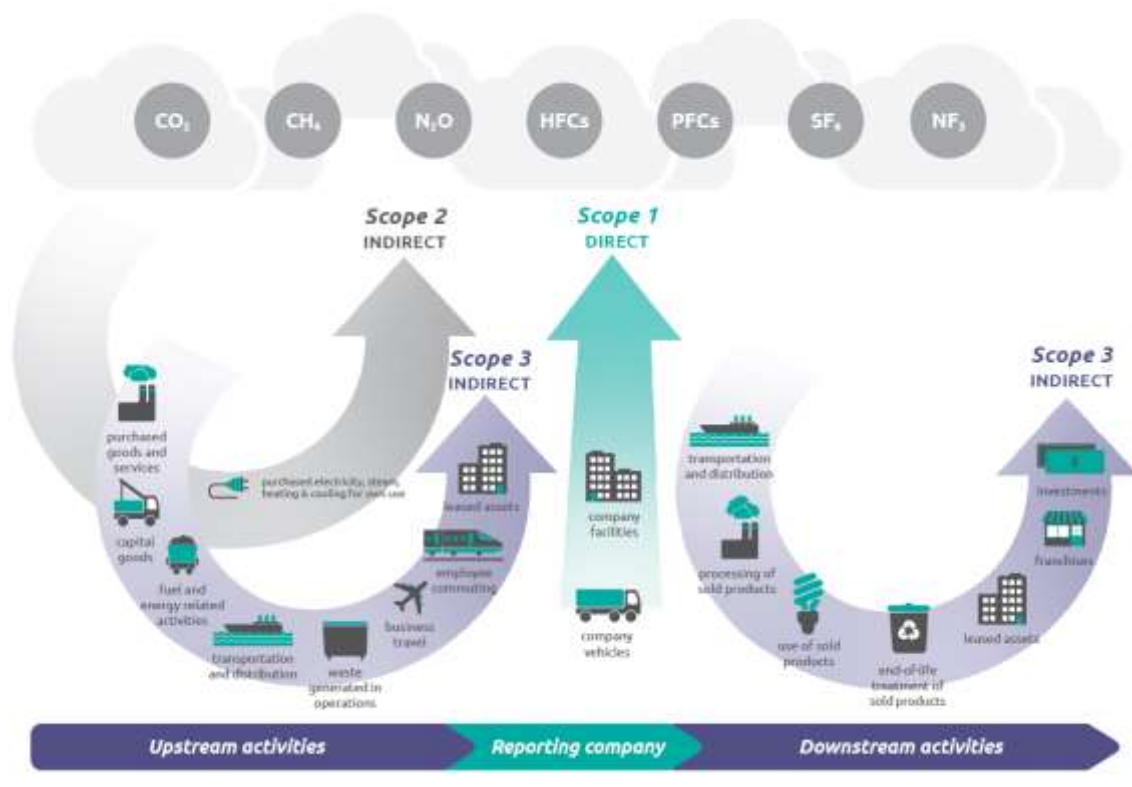
Environmental protection target

Voltronic Power cooperates with various energy conservation and carbon reduction measures to fulfill the environmental responsibility of enterprises in the global village. For Other indirect

Voltronic Power 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".

GHG emissions, energy conservation and carbon reduction measures are as follows:

Category	Practice and content	Environmental protection target
Paperless	<ol style="list-style-type: none"> 1.Internal information transmission is conducted by e-mail, not by paper. 2. The company does not set up fax machines. 3. Payroll issuance is bank transfer, employee salary information system inquiries, do not print payroll notice. 4. All kinds of financial reports and CSR reports are inquired systematically without printing paper reports separately. 5. Avoid providing disposable paper cups. 6.No hand washing paper for employees 	Reducing the amount of paper used and reduce the amount of trees felled.
Purchased goods and services also Upstream transportation and distribution	<ol style="list-style-type: none"> 1,Require important upstream suppliers which must have energy saving and carbon reduction measures and provide relevant reports. 2, Increase the proportion of local purchases. 	Reducing Carbon Emissions from Purchasing Goods and Services and also from Upstream transportation and distribution.
Business travel	Make the best use of e-mail or/and Telephone conference or/and Videoconference with customers to reduce unnecessary business travel.	Reducing Carbon Emissions from Business Travel.
Employee commuting	<ol style="list-style-type: none"> 1. Increase the proportion of employees hired locally. 2. Encourage employees to use mass transit as much as possible. 3. Encourage employees to commute together as much as possible. 4. In Shenzhen and Zhongshan factories, China, free accommodation for direct workers is provided. 	Reducing Carbon Emissions from Employee Commuting



Voltronic Power supports the Paris Agreement to reach the declaration of Net-Zero-Emission in 2050

Although Taiwan is not a member of the United Nations and cannot participate in the United Nations or other international organizations, as one of the citizens of international enterprises, Voltronic Power supports the declaration of achieving Net-Zero-Emission in 2050 under the Paris Agreement.

Voltronic Power agrees to measure and report greenhouse gas emissions on a regular basis, implement decarbonization strategies through real business change and innovation, including improving efficiency, renewable energy, material reduction and other carbon emission elimination strategies, and neutralize all remaining offsets with additional, quantifiable, real, lasting and social benefits in accordance with the Paris Agreement Carbon emissions, by 2050 to achieve a year-round Net-Zero-Emission.

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

By 2035, to be carbon-neutral and net zero emission in our operations.

By 2050, to have a net-zero supply chain.

Voltronic Power Technology Corp.

Chairman cum General Manager: Hsieh Juor-Ming