



Voltronic Power

Advancing Power

Voltronic Power Technology Corp.

**Supplier (Supply Chain) Management
Policy**

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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)

4.4.3 Combating 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	< 1000ppm	Pretreatment method: IEC62321Section10 Inspection instruments: CV-AAS,AFS,ICP-OES,ICP-MS
	Cr ⁺⁶	Metal	not detection	IEC62321Section8 (Metal Only)
		Non-Metal	< 1000ppm	IEC62321Section9 (Ploymers)

Halogenated Organic Compounds	PBBs	All	< 1000ppm	Pretreatment method: IEC62321Section7 Inspection instruments: GC/MS
	PBDEs	All	< 1000ppm	
Packaging Content Restrictions	Pb + Cd + Hg + Cr ⁺⁶	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 ⁺⁶ 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 Cashion, 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.

	FY2018	FY2019	FY2020	FY2021
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	62	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

			<p>Chemicals) Act on SVHC-Substances of Very High Concern.</p> <p>Continue to achieve 100% non-use of conflict mineral raw materials.</p> <p>Target year: Annually Ongoing</p>
Critical non-tier 1 suppliers	13	100%	<p>Provide a description of target:</p> <p>Continue to achieve 100% raw materials compliance with the requirements of EU Restriction of Hazardous Substances (RoHS) directive</p> <p>and the requirements of EU REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) Act on SVHC-Substances of Very High Concern.</p> <p>Continue to achieve 100% non-use of conflict mineral raw materials.</p> <p>Target year: Annually Ongoing</p>

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.

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.

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