

Powertech Technology Inc. 2024 Human Rights Due Diligence Report



With the ever-changing international trends and legal regulations, human rights management needs to keep pace with the times. Powertech technology Inc. (PTI) identifies, assesses, and designs risk mitigation measures for human rights risk issues, and continuously improves and tracks them to effectively reduce the occurrence and impact of human rights risks. This aims to create a diverse, inclusive, and belonging workplace environment, fulfilling human rights policies and corporate sustainability responsibilities.

Contents

1	Human Rights Commitment and Policy	<u>3</u>
2	Human Rights Governance	<u>8</u>
3	Human Rights Due Diligence	<u>11</u>
4	Conclusion	<u>22</u>

1

Human Rights Commitment and Policy

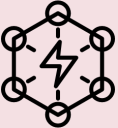


| Human Rights Commitment and Policy




PTI is committed to prohibiting slavery, child labor, human trafficking, forced labor, and any form of inhumane treatment. It supports and adheres to internationally recognized human rights norms and principles, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization (ILO) Conventions, and the OECD Guidelines for Multinational Enterprises. It also complies with the laws of the countries where it operates to formulate human rights-related policies, applicable to all stakeholders, including customers, suppliers/contractors and joint ventures.



By joining the Responsible Business Alliance (RBA) and obtaining the SA8000 Social Accountability certification, PTI regularly reviews its human rights policies, management, and practices to ensure that the human rights of our own operations (Note 1) and value chain (Note 2) are protected. This includes “paying a living wage, avoiding or reducing overtime or excessive working hours, setting maximum working hours, providing equal remuneration for men and women, paying workers for annual leave, and setting minimum consultation or notice periods before mass terminations”.


Note:

1. Own Operations: including employees, direct activities, products, or services.
2. Value Chain: including customers, suppliers/contractors, joint ventures, partners, and others.

Policy	Impact Object	Content
 Corporate Sustainable Development Policy	Own Operations Value Chain	<p>Promise We promise to conduct business in a socially responsible and environmentally sustainable manner.</p> <p>Technology We develop advanced technology to create a sustainable future for business, society and environment.</p> <p>Integration We integrate the interests of all stakeholders to ensure sustained and mutually rewarding relationships.</p> <p>https://www.pti.com.tw/en/csr/management/vision</p>
 RBA Code of Conduct Policy	Own Operations Value Chain	<p>We Commit to:</p> <ul style="list-style-type: none">• Complying with customer's requirement, applicable laws and regulations to respect and support the fundamental human rights of employees.• Adopting the highest standards of code of business conduct and ethics as our business operation and employee guidelines.• Establishing a safe and healthy working environment to achieve the ultimate target of zero accident.• Fulfilling the environmental protection policy to meet the goal of sustainable development.• Designing and implementing the management system in accordance with the legal regulation and customer's requirement to reduce the risks and achieve continuous improvement. <p>https://www.pti.com.tw/en/csr/management/system</p>
 Labor Policy	Own Operations Value Chain	<ul style="list-style-type: none">• Don't use child labor, and don't use forced, bonded or involuntary labor.• Work and rest periods in line with the Labor Standards Act.• Do follow the applicable laws for employee compensation and benefits.• Do fair treatment and respect for each employee; prohibit any form of harassments and inhumane treatments, including corporal punishment, threatening, abuse, slavery.• Provide equal opportunities to work. Do not discriminate employees or job applicants because of race, color, age, gender, sex orientation, disability, nationality, pregnancy, religion, political affiliation, union membership, marriage condition, or any other personal characteristic protected by laws.• Do respect and protect employees' rights of freedom of speech and freedom of assembly and association. Do protect employees from retaliation and threats.• Do comply with local labor laws, customers' related requirements, and international standards. <p>https://www.pti.com.tw/en/csr/management/system</p>

Policy	Impact Object	Content
 Responsible Minerals Sourcing Policy	Value Chain	<p>PTI sustained attention to the conflict minerals issue, we avoid conflict mineral(s) that directly or indirectly finance, or benefit armed groups from conflict-affected regions. PTI related business transactions in accordance with RBA. To ensure that metals of gold, tantalum, tin and tungsten are not excavated from conflict affected and high-risk areas (CAHRAs) such as Democratic Republic of Congo.</p> <p>https://www.pti.com.tw/en/csr/management/system</p>
 Environment, Safety and Health Policy	Own Operations Value Chain	<ul style="list-style-type: none">• Notify employees, customers and related parties with environment, safety and health policy.• Comply with the legislations of environmental protection, safety, health, and customer requests.• Workers and their representatives shall be consulted and involved in the prevention of work-related injuries and ill health, incidents of workplace harassment or unlawful acts, accident prevention, and loss control.• Accommodate international environmental protection trend and context to drive energy-saving and waste-minimizing activities actively.• Review and improve constantly the environmental, safety and health management system to promote the objectives and whole performance. <p>https://www.pti.com.tw/en/csr/management/system</p>
 Anti-Bribery Policy	Own Operations Value Chain	<ul style="list-style-type: none">• Abide by integrity and ethics and engage in business activities based on the principles of fairness, honesty, trustworthiness and transparency.• Forbidden to directly or indirectly provide, receive, promise any improper benefits, or engage in other violations of integrity, legal requirements, or fiduciary obligations.• Comply with relevant Anti-Bribery laws, regulations and customer requirements.• Encourage reasonable reporting and protect the whistleblower from any form of retaliation or unfair treatment.• Implement Anti-Bribery Management System and keep on striving for continuous improvement in order to achieve the goals of bribery prevention. <p>https://www.pti.com.tw/en/csr/management/system</p>

Policy	Impact Object	Content
<div><div>Ethics Policy</div></div>	Own Operations Value Chain	<p>Business Integrity We prohibit any and all forms of bribery, corruption, extortion and embezzlement.</p> <p>No Improper Advantage Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted.</p> <p>Disclosure of Information Information regarding labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with local applicable law.</p> <p>Intellectual Property Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights; and customer information is to be safeguarded.</p> <p>Fair Business, Advertising and Competition Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard customer information must be available.</p> <p>Protection of Identity and Non-Retaliation Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers are to be maintained, unless prohibited by law.</p> <p>Personal Information Protection Ensure to protect personal information of employees, customers, suppliers and any other related third party. Personal information shall be collected on the legitimate purpose, processing and use.</p> <p>Confidential Information Protect company and customer related information services, technology, financial etc., shall not be disclosed to any third party without permission.</p> <p>https://www.pti.com.tw/en/csr/management/system</p>
<div><div>Supplier Code of Conduct</div></div>	Value Chain (Suppliers / Contractors)	<p>To ensure that the working environment in PTI's supply chain is safe, employees are treated with respect and dignity, business operations support environmental protection, and ethical conduct is maintained, PTI has established the Supplier Code of Conduct. PTI requires suppliers to comply with this Code and the laws and regulations of the countries and regions in which they operate. PTI also encourages suppliers to require their downstream suppliers to recognize and adopt this Code, thereby jointly assuming social, environmental, and ethical responsibilities.</p> <p>https://www.pti.com.tw/en/csr/stakeholder/supply</p>

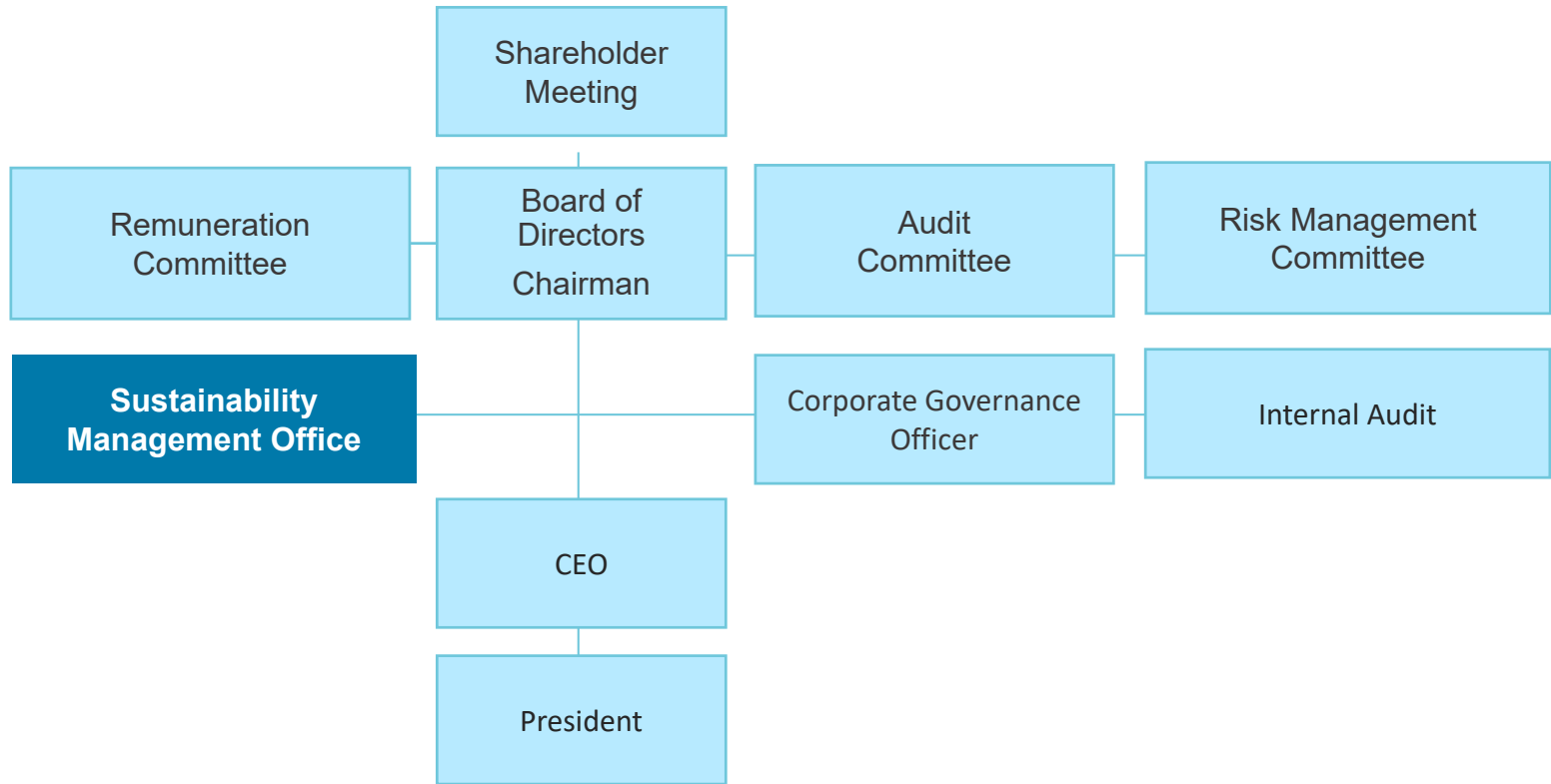
Policy	Impact Object	Content
 Privacy and Cookie Policy	Own Operations Value Chain	<p>To ensure that all website users, such as customers, suppliers, or other stakeholders, can effectively exercise their rights granted by data protection laws and regulations, PTI commits to processing and utilizing personal data collected through the website within the specified scope of purposes. PTI adopts appropriate technical and rigorous management measures to safeguard the personal data security of website users. Additionally, PTI regularly monitors changes in laws and policies to update its policies promptly, continuously striving to protect the privacy and security of website users.</p> <p>https://www.pti.com.tw/en/cookie-privacy</p>



| Human Rights Governance Organization

■ Established “Sustainability Management Office”

PTI has established the "Sustainability Management Office" as a dedicated unit under the board of directors. This office is responsible for corporate sustainability development and human rights policies, system research or proposals, execution of relevant management guidelines, and promotion of specific projects. It reports annually to the board of directors on sustainability development and human rights strategies and execution results.



2

Human Rights Governance

■ Establishment of “ESG Committee”

PTI established " ESG Committee", with four task forces: "Governance", "Employee Care and Social Engagement", "Environmental Sustainability" and "Supply Chain Management". The relevant management representative is the convener. The Sustainability Development Management Department is responsible for coordinating, allocating, executing and operating work, assisting in the promotion of business related to corporate sustainable development policies and goals, and coordinating the implementation of various sustainable development plans and human rights management and practice. Regular meetings are held every quarter to review the implementation of various sustainable development, social responsibility and human rights management systems.



| Human Rights Strategy

PTI established and implemented a human rights protection strategy to systematically prevent and mitigate risks of operational and supply chain disruptions caused by human rights violations, ensuring corporate reputation and brand stability. It also upholds social responsibility and complies with international human rights standards to support sustainable development.

- By adopting the RBA Code of Conduct and SA8000 management system, the company aligns with global human rights initiatives and trends.
- Continuous advocacy and training enhance employees' awareness of human rights.

| Human Rights Education and Training—Operations and Value Chain

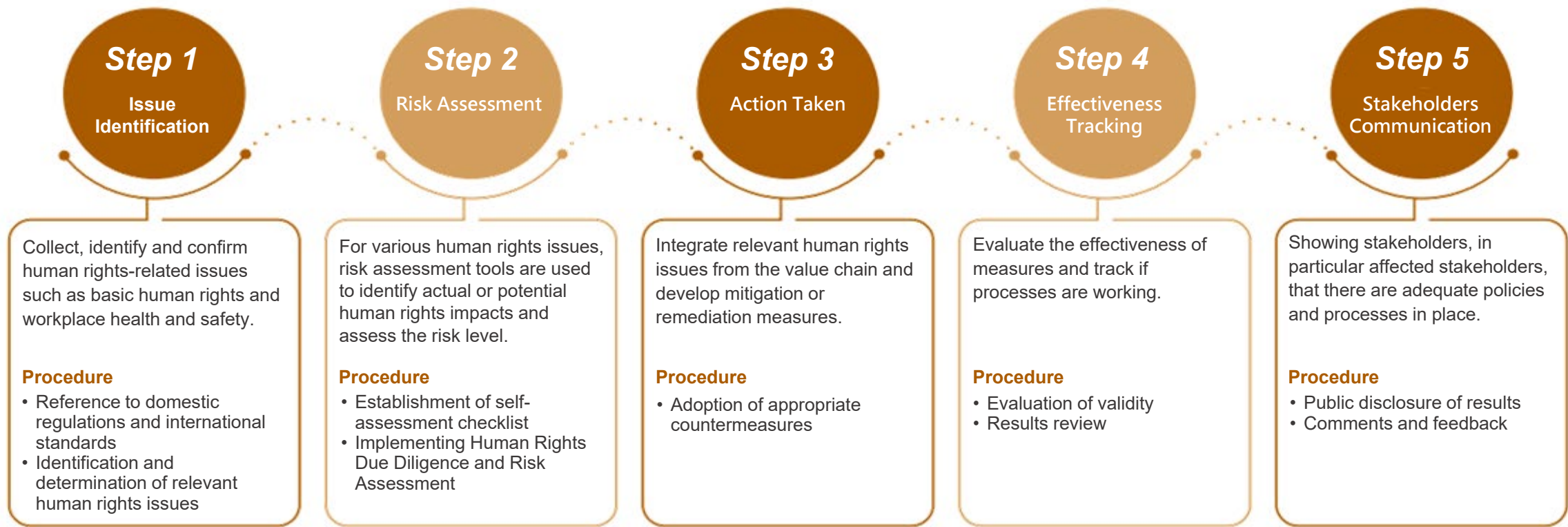
The stable operation of enterprises is closely related to various laws and policies. To enhance employees' and suppliers' awareness of laws and policies, PTI regularly conducts human rights education and training for all employees (including contract workers) to enhance their awareness of laws and policies. This training aims to continuously strengthen employees' understanding of laws and human rights policies. For partners (including contractors), PTI also promotes human rights through emails, annual supplier advocacy meetings, and pre-entry contractor guidelines, continuously building a workplace culture that respects human rights. In 2024, the "Supplier Social Responsibility Advocacy" involved 148 suppliers and 181 representatives from chemical, direct material, and labor intermediary suppliers. In 2024, PTI's human rights-related education and training had a total of 42,599 participants, with a total training time of 28,674.50 hours.

No.	Course Name	Hours	Attendees	Total Hours
1	RBA and SA8000 Training Course Series	0.50	21,483	10,741.50
2	Analysis of Revised Provisions in the RBA VAP Standard	3.50	37	129.50
3	Employee Management Regulations (Online course)	1.00	1,496	1,496.00
4	Supervisor Interviews Online Courses	1.00	72	72.00
5	Supervisor Management and Care Skills Enhancement	3.00	128	384.00
6	Newcomer Caring Program - Mentor Training Online Course (Basic)	0.50	125	62.50
7	Newcomer Caring Program - Mentor Training (Advanced)	4.50	82	369.00
8	General Educational Training for New Employees (RBA Code of Conduct, Employee Ethics, and SA8000)	0.65	1,380	897.00
9	Introduction and Risk Assessment of Workplace Abuse	1.00	78	78.00
10	Prevention of Workplace Sexual Harassment	1.00	11,172	11,172.00
11	Guidelines for Foreign Workers in Taiwan (Accommodation Section)	0.50	3,273	1,636.50
12	Guidelines for Foreign Workers in Taiwan (General Section)	0.50	3,273	1,636.50

3 / Human Rights Due Diligence

PTI conducts an annual human rights due diligence process, identifying potential human rights issues, assessing risks, taking action, reviewing effectiveness, and communicating externally. Through these steps, it fulfills its commitment and responsibility to uphold human rights.

| Human Rights Due Diligence Process



| Issue Identification

PTI collects human rights issues with reference to domestic and international regulations and international standards. The relevant impact identification conditions are as follows:

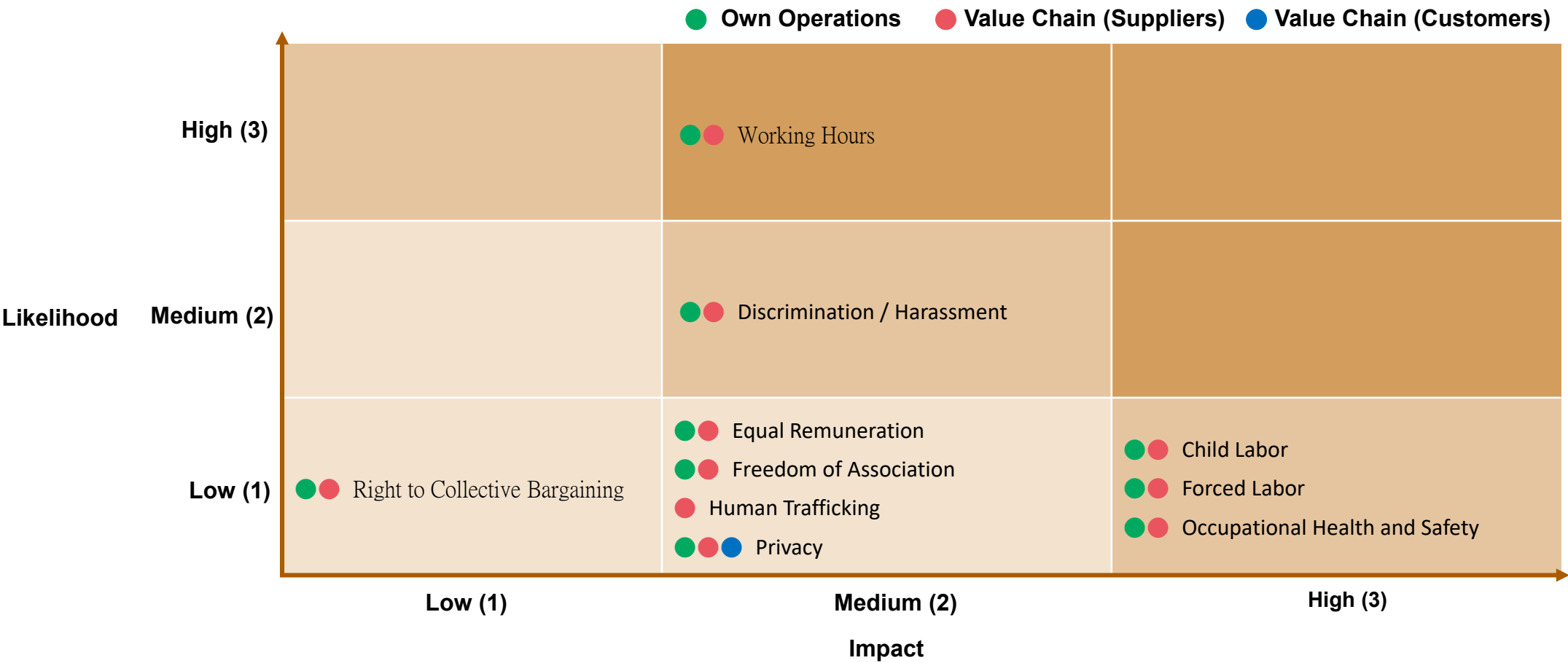
Items	Own Operations	Value Chain
		Customers, Suppliers, Joint Ventures, Partners and Others
Groups at Risk for Human Rights	Employees, Women, Indigenous People, Migrant Workers, People with Disability, Third-party Employees (Note)	Women, Children, Indigenous People, Migrant Workers, People with Disability, Third-party Employees, Local Communities
Potential Human Rights Issues	Child Labor, Working Hours, Discrimination/Harassment, Forced Labor, Occupational Health and Safety, Equal Remuneration, Freedom of Association, Right to Collective Bargaining, Privacy	Child Labor, Working Hours, Discrimination/Harassment, Forced Labor, Occupational Health and Safety, Equal remuneration, Freedom of association, Right to Collective Bargaining, Privacy, Human Trafficking

Note: “Third-party Employees” mean not PTI employees, including dispatched personnel or outsourced personnel, such as cleaning, security, group catering, etc.



Risk Assessment

PTI adopts the "Responsible Business Alliance Code of Conduct" as a framework to target potential human rights risk issues in its own operations and value chain, and based on the probability of occurrence and degree of impact of the risk issues.



Note: Risk = Impact × Likelihood; Below 3 is low risk, 3 (inclusive) to 5 is medium risk, 6 (inclusive) and above is high risk.

■ PTI Human Rights Risk Assessment Tools

Impact Object	Human Rights Risk Issues	Risk Assessment Tools
Own Operations	Child Labor, Working Hours, Discrimination/Harassment, Forced Labor, Occupational Health and Safety, Equal Remuneration, Freedom of Association, Right to Collective Bargaining, Privacy	<ul style="list-style-type: none">• RBA Self-Assessment Questionnaire• RBA Code /SA8000 Internal and External Audit• Annual Workplace Abuse Risk Assessment• Annual Labor and Ethical Risk Assessment• Employee Health Examination Report Index
Value Chain (Suppliers)	Child Labor, Working Hours, Discrimination/Harassment, Forced Labor, Occupational Health and Safety, Equal remuneration, Freedom of association, Right to Collective Bargaining, Privacy, Human Trafficking	<ul style="list-style-type: none">• Supplier Audits
Value Chain (Customers)	Privacy	<ul style="list-style-type: none">• Annual Risk Assessment• Internal Audit, Independent External Audit

Action Taken

Mitigation and Remedial Measures

PTI implements human rights mitigation and remedial measures in its operations across 10 sites. These measures address identified human rights risk issues, develop risk mitigation and remedial measures, regularly review the human rights control mechanisms, assess the effectiveness of the measures, and report the results of due diligence on human rights to the management for effective control. PTI conducts annual human rights due diligence to identify potential risks and substantive impacts as a reference for continuous improvement in human rights issues and evaluate the impact after corrective measures to ensure the effective protection of human rights.

Impact Object: Own Operations

Main Human Rights Issues	Risk Identification	Mitigation Measures	Remediation Measures
Working Hours	High	<div>【System】</div> <ul style="list-style-type: none">Implement mechanisms to control working hours and issue regular early warnings.Continuously enhance company policies and the working hours management system. <div>【Advocacy and Training】</div> <ul style="list-style-type: none">Regularly organize advocacy and training sessions on human rights topics.	<div>【Regulation】</div> <ul style="list-style-type: none">Enhance policies and the working hours system; alert supervisors when hours exceed legal limits. <div>【Compensation】</div> <ul style="list-style-type: none">Provide overtime pay in accordance with the law and offer timely rest through leave.
Discrimination / Harassment	Medium	<div>【System】</div> <ul style="list-style-type: none">Establish a comprehensive grievance handling mechanism, ensuring investigations are conducted confidentially by the grievance investigation team.Develop a mechanism to prevent workplace violations. <div>【Advocacy and Training】</div> <ul style="list-style-type: none">Regularly conduct anti-discrimination and anti-harassment training.	<div>【Regulation】</div> <ul style="list-style-type: none">Establish and implement human rights policies. <div>【Compensation】</div> <ul style="list-style-type: none">Prevent complainants from further workplace violations, such as adjusting the perpetrator's work environment.Provide care and monitor complainants' physical and mental health, offering access to psychological counseling resources.Ensure appropriate protective measures for complainants. <div>【Punishments】</div> <ul style="list-style-type: none">Conduct a thorough investigation of complaints. If violations are identified, take appropriate disciplinary actions or measures against the perpetrator. If the case involves criminal liability, the company may refer it to judicial authorities for further handling.

Impact Object: Own Operations

Main Human Rights Issues	Risk Identification	Mitigation Measures	Remediation Measures
Child Labor	Medium	<p>【System】</p> <ul style="list-style-type: none"> Establish operational guidelines and ensure compliance; create an age verification process during recruitment to prevent misuse. <p>【Advocacy and Training】</p> <ul style="list-style-type: none"> Regularly conduct advocacy and training on human rights topics. 	<p>【Regulation】</p> <ul style="list-style-type: none"> Develop and implement human rights policies to prevent the employment of child labor. <p>【Compensation】</p> <ul style="list-style-type: none"> Initiate remediation measures for child labor if employed inadvertently.
Forced Labor	Medium	<p>【System】</p> <ul style="list-style-type: none"> Establish workplace-friendly operational guidelines and ensure compliance. <p>【Advocacy and Training】</p> <ul style="list-style-type: none"> Regularly organize advocacy and training on human rights issues. 	<p>【Regulation】</p> <ul style="list-style-type: none"> Establish and implement human rights policies. <p>【Compensation】</p> <ul style="list-style-type: none"> Take appropriate and immediate corrective actions for violators. Conduct related advocacy and training sessions.
Occupational Health and Safety	Medium	<p>【System】</p> <ul style="list-style-type: none"> Regularly conduct risk identification, implement maternity care, employee assistance programs, provide regular health check-ups for on-duty employees, perform workplace environment monitoring, and eliminate workplace hazards. Arrange on-site doctor consultation services monthly, with a total of 262 sessions held in 2024. <p>【Advocacy and Training】</p> <ul style="list-style-type: none"> Regularly organize advocacy and training on occupational health and safety topics. 	<p>【Regulation】</p> <ul style="list-style-type: none"> Establish policies and regulations for occupational health and safety management. Provide immediate medical care and emergency response. <p>【Compensation】</p> <ul style="list-style-type: none"> Provide necessary health guidance and salary compensation. <p>【Punishments】</p> <ul style="list-style-type: none"> Conduct negotiations and take appropriate measures according to internal procedures.

Impact Object: Value Chain (Suppliers)

Main Human Rights Issues	Risk Identification	Mitigation Measures	Remediation Measures
Working Hours	High	<div>【System】</div> <ul style="list-style-type: none">Require suppliers to sign the "Powertech Supplier Code of Conduct Commitment" to ensure compliance with relevant laws and RBA Code of Conduct.Regularly reduce human rights risks through annual audits or review RBA VAP audit information. <div>【Advocacy and Training】</div> <ul style="list-style-type: none">Regularly hold annual supplier advocacy meetings to promote the importance of human rights; one session was held in 2024.	<div>【Regulation】</div> <ul style="list-style-type: none">Require suppliers to establish human rights-related policies, conduct regular internal audits, and complete improvements based on audit findings. <div>【Compensation】</div> <ul style="list-style-type: none">Suppliers are required to implement improvement measures regarding human rights risks and to continuously monitor the progress of these improvements. <div>【Punishments】</div> <ul style="list-style-type: none">If any issues are found during audits, suppliers must rectify them within a specified period. Severe violations will lead to termination of cooperation.
Child Labor	Medium		
Discrimination / Harassment	Medium		
Forced Labor	Medium		
Occupational Health and Safety	Medium		

Human Rights Management Mechanism

Own Operations	Value Chain (Suppliers)	Value Chain (Customers)
<ul style="list-style-type: none">Follow RBA Code of Conduct management, SA8000 Social Accountability International Standard.	<ul style="list-style-type: none">Annual supplier risk assessment and audit.Require suppliers to sign the "PTI Supplier Code of Conduct Commitment".	<ul style="list-style-type: none">Follow RBA Code of Conduct management.Protect customer privacy and confidentiality.Follow Taiwan Intellectual Property Management System (TIPS).

| Effectiveness Tracking

■ 2024 Performances of PTI's Human Rights Indicators – Own Operations

Item	Content	Target	Performance in 2024
Non-Discrimination / Non-Harassment	Number of discriminatory disputes	No incidents of discrimination and harassment	Not Achieved (Note)
Freedom of Association	Operations identified with material risks of violating the freedom of association and collective bargaining	No prohibition on the freedom of association	Achieved
Child Labor	Operations identified with material risks of child labor disputes and measures that help prevent child labor	No employment of child labor	Achieved
Forced Labor	Operations identified with material risks of forced or compulsory labor disputes and measures that help prevent forced or compulsory labor	No forced or compulsory labor	Achieved

Note: There was a total of 3 harassment cases in 2024. They were closed after internal investigation and disposal, subsequent enhancements were made to enhance advocacy.

■ 2024 RBA SAQ, RBA VAP and SA8000 Audit Execution Status – Own Operation

Assessment of PTI Sites in 2024

Item	Hsinpu Plant (P1)	Hukou Plant (P2)	Datong Plant (3A)	Datong Plant (3C)	Datong Plant (3D)	Hsinchu Science Park Plant 1 (P8)	Wenhua Plant 1 (P9)	Xinxing Plant (P10)	Hsinchu Science Park Plant 2 (P11A)	Hsinchu Science Park Plant 3 (P11B)
SAQ (2024)	●	●	●	●	●	●	●	●	●	●
VAP (2022-2023)	200	-	-	-	-	200	200	200	196.5	-
VAP (2024)	-	200	193.8	187.5	190.7	-	-	-	-	200

Note: • SAQ: Self Assessment Questionnaire VAP: Validated Assessment Program
• VAP audit implementation period: 2022/11~2024/11
• SAQ Score: Full Score 100 ● Low Risk (≥80) ● Medium Risk (≥60 and <80) ● High Risk (<60)
• VAP Score: Full Score 200 ● Conducted during 2022-2023 ● Conducted in 2024

SA8000 Surveillance Audit Execution Status

● Implemented ○ Not implemented

Item	Hsinpu Plant (P1)	Hukou Plant (P2)	Datong Plant (3A)	Datong Plant (3C)	Datong Plant (3D)	Hsinchu Science Park Plant 1 (P8)	Wenhua Plant 1 (P9)	Xinxing Plant (P10)	Hsinchu Science Park Plant 2 (P11A)	Hsinchu Science Park Plant 3 (P11B)
SA8000	●	●	●	●	●	●	●	●	●	○

Note: Frequency - surveillance audit every half a year; renewal audit every three years.

■ 2024 Supply Chain Management Indicators– Value Chain (Suppliers)

Content	Target	2024 Achievements
Supplier social responsibility risk	Suppliers who do not have a significant risk of violating human rights	Achieved
Supplier qualification rate of conflict minerals investigation operations	100% conflict-free minerals	Achieved
Hold supplier social responsibility advocacy meetings, and supplier participation rate	>85%	Achieved

■ 2024 RBA Code Audit Execution Status – Value Chain (Suppliers)

In 2024, PTI conducted 38 supplier audits for supply chain management, covering 36 key and high-risk suppliers, as well as 2 labor service suppliers. These audits evaluated compliance with the Responsible Business Alliance Code of Conduct and the business continuity management system, aiming to control, avoid, or mitigate negative social impacts. Following the audits, suppliers were required to address issues within a set timeframe, and all irregularities were resolved upon follow-up. The audit results indicated that PTI suppliers do not face significant risks such as forced labor, compulsory labor, or child labor.



| Stakeholders Communicate

■ Public disclosure of results

The 2024 human rights risk assessment results of PTI identified four medium-risk items and one high-risk item. We regularly review our human rights control mechanisms and evaluate the effectiveness of related measures. The human rights due diligence report is provided to the management team for effective human rights management. Information related to due diligence policies, processes, and activities, including both Chinese and English versions of the human rights due diligence report and sustainability report, is publicly disclosed on the official website. We maintain positive communication and interaction with stakeholders.

■ Comments and feedback

PTI has established an open and transparent feedback mechanism, allowing internal and external stakeholders to provide feedback or lodge complaints on human rights issues. Stakeholders can express suggestions or raise concerns about PTI confidentially and without fear of retaliation. This transparent and accessible communication platform fosters harmonious relationships.

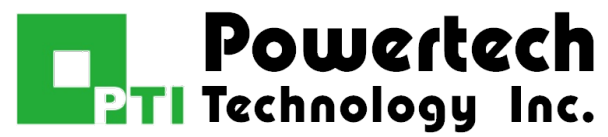


4 / Conclusion

Companies bear a fundamental responsibility to uphold and protect human rights. At PTI, we conduct annual human rights risk due diligence to proactively identify and mitigate any potential violations. Our commitment extends to continuous monitoring of global human rights trends, corporate policies across domestic and international landscapes, and evolving business environments that may impact ethical practices. We systematically review and refine our policies to align with best practices, fostering transparent and constructive engagement with stakeholders. Their feedback serves as a critical foundation for evaluating and adapting our human rights commitments and policies, ensuring they remain responsive to the expectations and evolving needs of our global community.

”





Copyright© 2025 Powertech Technology Inc. All Rights Reserved.

Empower the Future

**Let us create new paths to sustainability one step at a time,
towards a brighter future.**
