

A photograph of a modern, multi-story office building with a glass facade. The building is partially obscured by lush green trees in the foreground. The sky is clear and blue. The building's signage is visible at the top.

**Powertech**  
Technology Inc.



力成科技

# 2023

**Powertech Technology Inc.**

---

**Human Rights Due Diligence Report**

# Contents

---

In order to fulfill the sustainability responsibility of the enterprise and practice human rights policies, PTI has developed a human rights due diligence process. Through risk identification and assessment to human rights issues, designing risk mitigation measures, making improvement and follow-up tracking, it effectively reduces the occurrence and impact of human rights risks, creating a belonging workplace environment with diversity, equity, and inclusion.

”

<b>1 Human Rights Commitment and Compliance</b>	<b><u>3</u></b>
<b>2 Human Rights Governance Organization</b>	<b><u>7</u></b>
<b>3 Human Rights Due Diligence Process</b>	<b><u>9</u></b>
<b>4 Conclusion</b>	<b><u>19</u></b>

# 1




## Human Rights Commitment and Compliance



### | Human Rights Policies and Commitment



PTI is committed to the prohibition of slavery, child labor, human trafficking, forced labor and any form of inhumane treatment. We support and abides by international labor human rights regulations, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights (UNGPs), International Labour Organization (ILO) Conventions and the Organisation for Economic Cooperation and Development (OECD), etc. PTI complies with local regulations and regularly reviews its human rights policies, management and practices by joining the Responsible Business Alliance (RBA) and passing the SA8000 Social Accountability Standards certification to ensure that the human rights of our own operations Note <sup>1</sup> and value chain Note <sup>2</sup> are guaranteed.

Note:

- 1.Our Own Operations: Include employees, direct activities, products or services.
- 2.Value Chain: Include customers, suppliers / contractors, partners and others.

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

Policy	Impact Object	Content
 <p><b>Anti-Bribery Policy</b></p>	<p>Our Own Operations Value Chain</p>	<ul style="list-style-type: none"> <li>• Abide by integrity and ethics and engage in business activities based on the principles of fairness, honesty, trustworthiness and transparency.</li> <li>• Forbidden to directly or indirectly provide, receive, promise any improper benefits, or engage in other violations of integrity, legal requirements, or fiduciary obligations.</li> <li>• Comply with relevant Anti-Bribery laws, regulations and customer requirements.</li> <li>• Encourage reasonable reporting and protect the whistleblower from any form of retaliation or unfair treatment.</li> <li>• Implement Anti-Bribery Management System and keep on striving for continuous improvement in order to achieve the goals of bribery prevention.</li> </ul>
 <p><b>Responsible Minerals Sourcing Policy</b></p>	<p>Value Chain</p>	<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, “Responsible Minerals Sourcing” practices are follows:</p> <ul style="list-style-type: none"> <li>• Exercise due diligence with relevant suppliers consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and encourage our suppliers to do likewise with their suppliers.</li> <li>• RMI “Conflict Metal Reporting Template (CMRT)”, “Extended Mineral Reporting Template (EMRT)” are used for investigation on suppliers’ conflict metal. PTI also requests suppliers to commit to the prevention over the use of metals from CAHRAs.</li> <li>• Require suppliers to trace the source of metals, confirm the RMAP Conformant Smelters &amp; Refiners in our supply-chain to meet conflict-free.</li> <li>• Immediately discontinue engagement with suppliers who pose a reasonable risk to be supporting conflict.</li> </ul>

Policy	Impact Object	Content
 <p><b>Ethics Policy</b></p>	<p>Our Own Operations Value Chain</p>	<p><b>Business Integrity</b> We prohibit any and all forms of bribery, corruption, extortion and embezzlement.</p> <p><b>No Improper Advantage</b> Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted.</p> <p><b>Disclosure of Information</b> 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><b>Intellectual Property</b> 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><b>Fair Business, Advertising and Competition</b> Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard customer information must be available.</p> <p><b>Protection of Identity and Non-Retaliation</b> Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers are to be maintained, unless prohibited by law.</p> <p><b>Personal Information Protection</b> 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><b>Confidential Information</b> Protect company and customer related information services, technology, financial etc., shall not be disclosed to any third party without permission.</p>
 <p><b>Environment, Safety and Health Policy</b></p>	<p>Our Own Operations</p>	<ul style="list-style-type: none"> <li>• Notify employees, customers and related parties with environment, safety and health policy.</li> <li>• Comply with the legislations of environmental protection, safety, health, and customer requests.</li> <li>• Consult and participate in prevention of injury, illness, accident and lost control by the workers and workers’ representatives.</li> <li>• Accommodate international environmental protection trend and context to drive energy-saving and waste-minimizing activities actively.</li> <li>• Review and improve constantly the environmental, safety and health management system to promote the objectives and whole performance.</li> </ul>

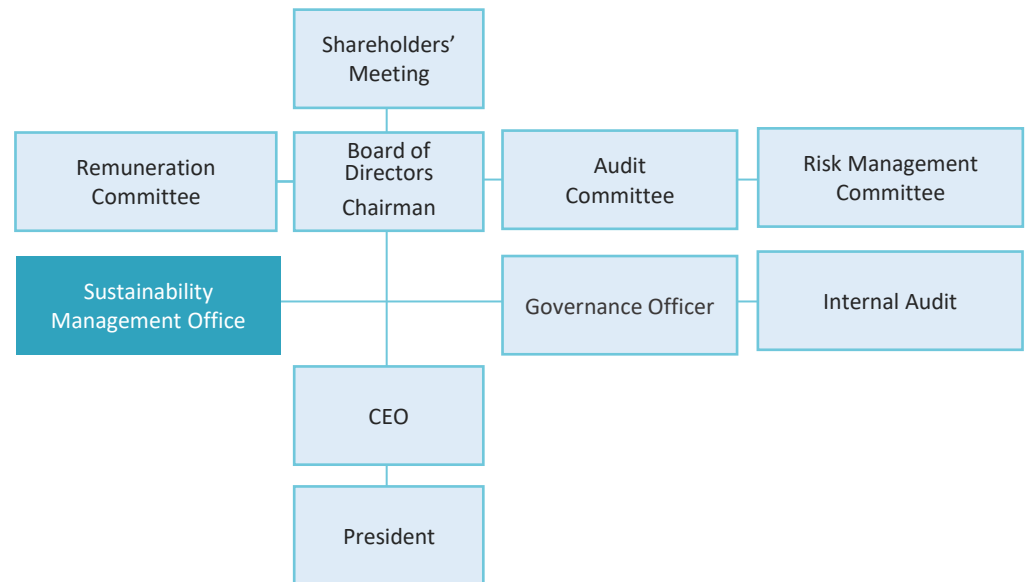
# 2

## Human Rights Governance Organization

### Human Rights Governance Organization

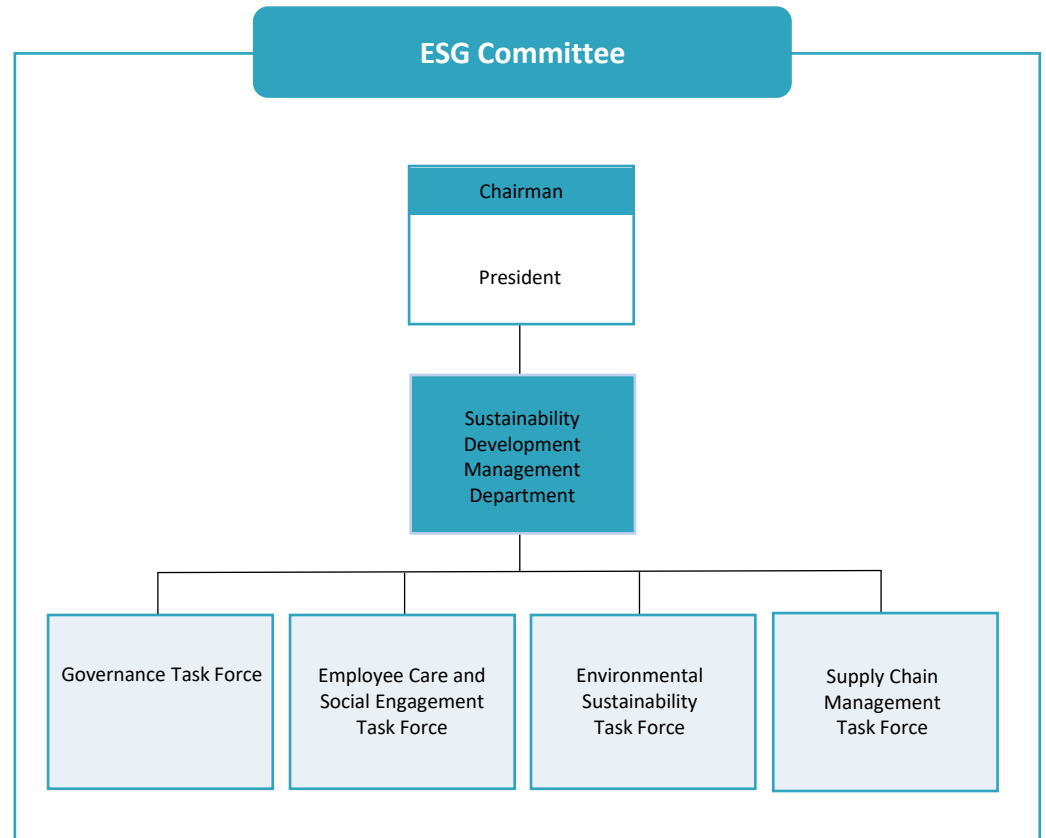
- Established “Sustainability Management Office”

In response to the human rights issues faced in the course of operations, PTI has set up a Sustainability Management Office, which is responsible for stipulating policies and systems, introducing and implementing related management policies, which directly reports to the Board of Directors yearly on the ESG strategy, human rights policy and implementation efficacy.



■ 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 representatives are the conveners. 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.

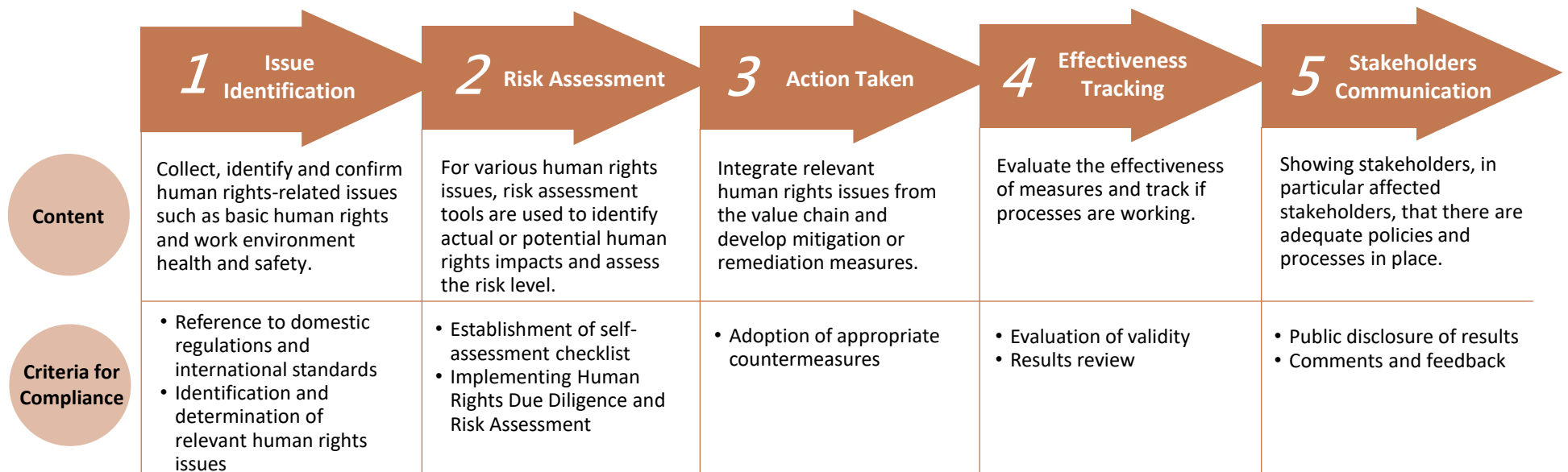




# 3

## Human Rights Due Diligence Process

PTI adheres to the RBA Code of Conduct and regularly performs human rights due diligence. Through processes such as identification of potential human rights issues, risk assessment, action taking, effectiveness review and stakeholders communication, it fulfills its commitment and responsibility for human rights protection.



## | Issue Identification

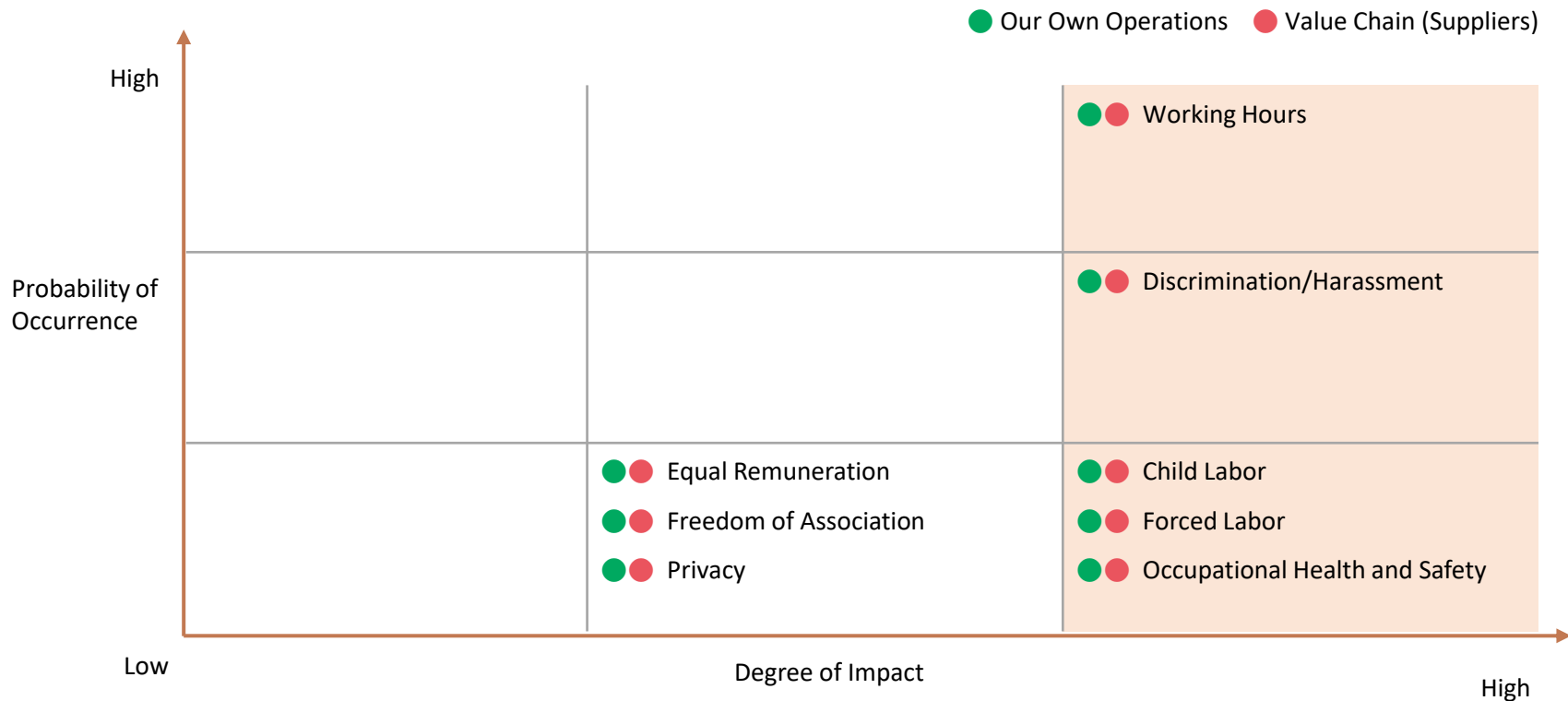
PTI collects human rights issues with reference to domestic and foreign regulations and international standards. The relevant impact identification conditions are as follows:

Items	Our Own Operations	Value Chain
		Suppliers, Partners and Others
<b>Groups at for Human Rights Risks</b>	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
<b>Potential Human Rights Issues</b>	Child Labor, Working Hours, Discrimination/Harassment, Forced Labor, Occupational Health and Safety, Equal Remuneration, Freedom of Association, Privacy	Child Labor, Working Hours, Discrimination/Harassment, Forced Labor, Occupational Health and Safety, Equal Remuneration, Freedom of Association, Privacy

Note: “Third-party employees” includes dispatched personnel or outsourced personnel, such as cleaning, security, group catering, etc. They are not PTI employees.

## 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. Based on the probability of occurrence and degree of impact of the risk issues, a human rights risk assessment matrix has established as shown below with the identification of five major human rights risk issues, including "Child Labor", "Working Hours", "Discrimination/Harassment", "Forced Labor" and "Occupational Health and Safety".



Human Rights Risk Issues	Issue Description	Risk Assessment Tool
<b>Child Labor</b>	<ul style="list-style-type: none"> <li>The hiring of child labor resulted from failure to check the age of the new employees.</li> </ul>	<ul style="list-style-type: none"> <li>RBA Self-Assessment Questionnaire</li> <li>RBA Code /SA8000 Internal and External Audit</li> <li>Annual Workplace Abuse Risk Assessment (Note)</li> <li>Annual Labor and Ethical Risk Assessment</li> </ul>
<b>Working Hours</b>	<ul style="list-style-type: none"> <li>Failure to comply with working hour-related regulations. For example, employees who work for 6 consecutive days without taking one day off , overtime exceeds working hours regulations.</li> </ul>	
<b>Discrimination /Harassment</b>	<ul style="list-style-type: none"> <li>Employees are faced with actions such as threats, abuse, exploitation, discrimination or sexual harassment.</li> </ul>	
<b>Forced Labor</b>	<ul style="list-style-type: none"> <li>Forced labor includes being forced to work, restricting on employees' freedom of movement, rights or leaves, forced overtime, etc.</li> <li>Violence, threat, or false imprisonment methods such as paying deposits during employment and withholding identity documents.</li> <li>Conflict minerals.</li> </ul>	
<b>Occupational Health and Safety</b>	<ul style="list-style-type: none"> <li>A health hazard occurs to employees in workplace, resulting in the need for treatment to recover health fully or partially. For instance: Work injuries, occupational disease, use of hazardous substances, working in a dangerous environment, etc.</li> </ul>	

Note:

“Workplace Abuse Risk Assessment”- In order to prevent employees from experiencing internal and external workplace violence, we have established the Prevention and Management of Unlawful Infringement in the Performance of Duties as a measure to prevent and deal with workplace violence and have explicitly declared a zero-tolerance of all kinds of physical, verbal, psychological, and sexual harassment to ensure the physical and mental health of our employees.

## Action Taken

### Mitigation and Remediation Measures

Develop risk mitigation and remediation measures for the identified major human rights risk issues, regularly review the human rights management and control mechanism, evaluate the effectiveness of improvement of relevant measures, and report the results of human rights due diligence to the management for effective management and control. Human rights due diligence is carried out every year to identify potential risks and physical impacts as a reference for continuous improvement of human rights issues, and to evaluate the impact after correction to ensure the implementation of protection of human rights.

Impact Object	Human Rights Risk Issues	Mitigation Measures	Remediation Measures
Our Own Operations	Working Hours	Activate the work hour control mechanism and issue regular work hour alert notices.	<ul style="list-style-type: none"> <li>Formulate and implement company policies and systems.</li> <li>Good production scheduling planning, reasonable task arrangement, to avoid manpower shortage, and replenish sufficient manpower.</li> <li>Overtime pay or leave must be provided and in accordance with the law.</li> </ul>
	Child Labor	All hiring is conducted under the law and hiring of child labor is prohibited.	<ul style="list-style-type: none"> <li>Child labor remedial measures.</li> </ul>
	Discrimination /Harassment	Improve internal complaint communication channels and implement related education and training.	<ul style="list-style-type: none"> <li>Take appropriate immediate corrective action and impose reasonable disciplinary measures against offenders.</li> <li>Appropriate protection measures for complainants to prevent them from being subject to retaliation or unfair treatment.</li> </ul>
	Forced Labor	Formulate regulation and specifications to serve as guidelines.	<ul style="list-style-type: none"> <li>Violators are required to take appropriate immediate corrective action.</li> <li>Conduct related conceptualization and training.</li> </ul>
	Occupational Health and Safety	Regularly perform risk identification, implement maternal care and employee assistance programs, provide regular health check-ups for employees, and implement workplace environment monitoring and elimination of workplace hazards.	<ul style="list-style-type: none"> <li>Provide sufficient medical care assistance and care.</li> <li>Provide comprehensive occupational health and safety training.</li> <li>Employee leave is given according to the law.</li> </ul>

Impact Object	Human Rights Risk Issues	Mitigation Measures	Remediation Measures
<p><b>Value Chain (Suppliers)</b></p>	<ul style="list-style-type: none"> <li>• Working Hours</li> <li>• Child Labor</li> <li>• Discrimination /Harassment</li> <li>• Forced Labor</li> <li>• Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Supplier Forum</li> <li>• Require suppliers to sign a Code of Conduct Declaration to ensure compliance with relevant legislation and the RBA Code of Conduct.</li> <li>• Suppliers' Conflict-Free Minerals Management</li> </ul>	<ul style="list-style-type: none"> <li>• Require suppliers to establish human rights-related systems and policies, conduct regular internal audits, and complete audit findings improvement.</li> <li>• If any non-conformity is found in the audit, the supplier will be requested to make improvement within a period of time; in serious cases, the cooperation will be terminated.</li> </ul>

## | Effectiveness Tracking

### ■ 2023 Performances of PTI's Human Rights Indicators – Our Own Operations

Item	Content	Target	Performance in 2023
<b>Non-Discrimination</b>	Number of discriminatory disputes	No incidents of discrimination and harassment	Not Achieved (Note)
<b>Freedom of Association</b>	Operations identified with material risks of violating the freedom of association and collective bargaining	No prohibition on the freedom of association	Achieved
<b>Child Labor</b>	Operations identified with material risks of child labor disputes and measures that help prevent child labor	No employment of child labor	Achieved
<b>Forced Labor</b>	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 were a total of 7 harassment cases in 2023. They were closed after internal investigation and disposal, subsequent enhancements were made to enhance advocacy.

### ■ 2023 RBA Code Audit Execution Status – Value Chain (Suppliers)

In 2023, PTI selected 24 suppliers from our annual audit schedule or those identified as high-risk, along with 2 labor service suppliers, to conduct a total of 26 audits on the Responsible Business Alliance Code of Conduct system and the business continuity management system to control, avoid or reduce negative social impacts through the audit. After the audit, we demanded the suppliers to improve within a time limit, and follow-ups showed that all irregularities were closed. No supplier has been classified as a sub-standard supplier. According to the supplier audit, PTI supply chain does not have suppliers with major risks such as forced or compulsory labor or child labor.

■ 2023 RBA SAQ, RBA VAP and SA8000 Audit Execution Status – Our Own Operations

• An Assessment of PTI Sites in 2023

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)
SAQ (2023)	●	●	●	●	●	●	●	●	●
VAP (2022)	-	200	200	200	200	-	-	-	196.5
VAP (2023)	200	-	-	-	-	200	200	200	-

Note: • SAQ: Self Assessment Questionnaire VAP: Validated Assessment Program

• SAQ Score: Full Score 100 ● Low Risk ( $\geq 85$ ) ● Medium Risk ( $\geq 65$  and  $< 85$ ) ● High Risk ( $< 65$ )

• VAP Score: Full Score 200 ● Conducted in 2022 ● Conducted in 2023

• SA8000 Surveillance Audit Execution Status

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)
SA8000	●	●	●	●	●	●	●	●	●

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



■ **Human Rights Courses in 2023 – Our Own Operations, Value Chain (Suppliers)**

In order to improve employees’ and suppliers’ awareness of laws and policies: we organize regular human rights training on the basic concepts of laws and regulations to strengthen employees' knowledge and awareness of laws and policies. For business partners (including contractors), the related information/notices are also promoted through emails, annual supplier forum, and instructions before entering the facility, creating a workplace culture of respect for human rights. In 2023, 184 representatives from 156 suppliers in the fields of chemicals, direct materials and labor recruitment agencies attended the Annual Supplier Forum. PTI human rights training status in 2023 is as follows:

Course Name	Hours	Number of People	Total Hours
RBA and SA8000 Training Course Series	1.00	20,127	20,127.0
Employee Management Regulations (Online course)	1.00	1,515	1,515.0
Supervisor Interviews Online Courses	1.00	539	539.0
Supervisor Management and Care Skills Enhancement	3.00	125	375.0
Newcomer Caring Program - Mentor Training Online Course (Basic)	0.50	152	76.0
Newcomer Caring Program - Mentor Training (Advanced)	4.50	169	378.5
General Educational Training for New Employees (RBA Code of Conduct, Employee Ethics, and SA8000)	0.65	543	353.0
Introduction and Risk Assessment of Workplace Abuse	1.00	75	75.0
Guidelines for Foreign Workers in Taiwan	0.50	2,469	1,234.5
<b>Total</b>	-	25,714	24,673.0

## Stakeholders Communication

PTI has established an open and transparent channel for expressing opinions, allowing internal/external stakeholders to provide feedback or complaints on human rights issues and raise questions in a confidential manner without fear of retaliation. PTI reveals public information related to human rights governance on open platforms such as the human rights due diligence report, ESG report and the company's website, so that stakeholders can understand their needs and expectations on human rights issues.

### Comprehensive Communication Channels



# 4 | Conclusion

Enterprises are given the responsibility of human rights protection, PTI is committed to eliminating any infringements and violations of human rights through annual regular human rights due diligence. We continue to pay attention to global human rights trends, the development of domestic and foreign corporate human rights policies and changes in the operating environment, review and improve accordingly and continue to maintain positive communication and interaction with stakeholders.



Copyright © 2024 Powertech Technology Inc. All Rights Reserved.