

Phison Electronics Human Rights Due Diligence Procedure

1. Background

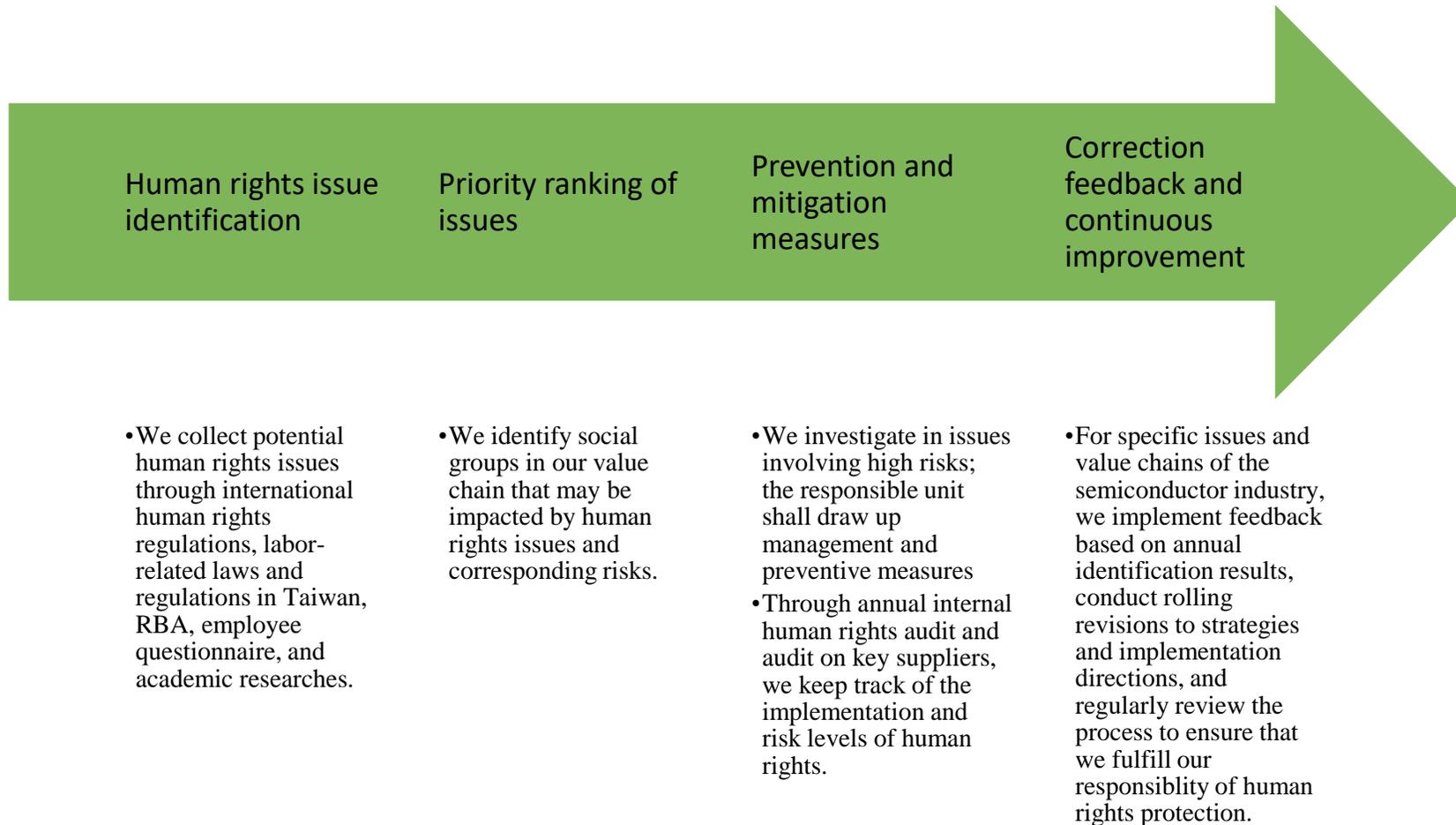
Phison Electronics regularly reviews and updates the existing "Human Rights Policy", and the latest version has been updated in April 2023. In order to implement the human rights policy, we use human rights due diligence procedures to collect relevant human rights issues, conduct screening and assessment of the significance of issues, implement prevention and mitigation measures, and finally modify action and continue improve and fulfill corporate social responsibility.

2. Group evaluated

Phison Electronics evaluates the overall value chain, including the upstream (raw material suppliers, processing plants, cooperating factories, assembly and test plants, system factories and labor contractors), the midstream (Phison's own employees), the downstream (customers and individual users), and finally extend to the general public.

In addition to our own employees, at all stages of the value chain, we also conduct risk identification for children, women, foreign workers, dispatched workers, persons with disabilities, indigenous people and other sub-groups that are relatively vulnerable to human rights issues. The company is dedicated to using dialogue and feedback mechanisms to constantly revise human rights strategy and management approach to reduce human rights risks in the value chain.

3. Human Right Due Diligence Process



4. Identification and evaluation of human rights risk

Value Chain	Category	Group evaluated	Human rights issues	Management measures
Upstream	<ul style="list-style-type: none"> ➤ Raw material suppliers ➤ Processing plants ➤ Co-factory ➤ Assembly and test plants ➤ System factories ➤ Labor contractors 	<ol style="list-style-type: none"> 1. Children 2. Women 3. Native workers 4. Foreign workers 5. Dispatched workers 	<ol style="list-style-type: none"> 1. No child labor 2. Human trafficking 3. Non-discrimination 4. Equal Remuneration 5. Prohibition of forced labor 6. Pay overtime according to law 7. Occupational safety and health 8. Freedom of association 9. Free choice of occupation 	<ol style="list-style-type: none"> 1. Suppliers must sign the RBA Supplier Code of Conduct, which aims to ensure that the supply chain provides a safe working environment, employees are respected and given dignity, and they must also take environmental responsibilities and abide by ethics in their operations. 2. A sustainable procurement policy is formulated. The next-tier suppliers are required to approve and implement this Code of Conduct. 3. Organize supplier education and training every year to prevent suppliers from violating human rights due to ignorance of the code of conduct. 4. RBA audits of key suppliers are carried out every year, and the audits include labor, health and safety, environment, ethics and management systems. 5. Those who fail the audit must submit an improvement plan within 1 weeks. 6. A new supply chain employee complaint channel has been added to improve the timeliness of supply chain human

Value Chain	Category	Group evaluated	Human rights issues	Management measures
				rights management.

Value Chain	Category	Group evaluated	Human rights issues	Management measures
Midstream	Our own employees	<ul style="list-style-type: none"> ➤ Children ➤ Persons with disabilities ➤ Native workers ➤ Foreign workers ➤ Dispatched workers ➤ Women ➤ Indigenous people 	<ol style="list-style-type: none"> 1. No child labor 2. Non-discrimination 3. Overload (working hours) 4. Freedom from illegal infringement (including sexual harassment) 5. Equal Remuneration 6. Occupational safety and health 7. Responsible sourcing of minerals 8. Human trafficking 	<ol style="list-style-type: none"> 1. Formulate the "Human Rights Policy" to clearly prohibit the use of child labor and young labor. Human trafficking and forced labor are prohibited. Discrimination due to various reasons is prohibited. The employment policy and salary are not differentiated. Ensure that employees are free from discrimination and harassment. Create health and safety Workplace. Ensure employees' freedom of association and labor-management consultation rights. Protect employees' privacy and comply with business ethics. 2. The implementation of human rights policies is reviewed through internal human rights audits every year. If there is any defect in the audit, the responsible unit must propose an improvement plan within 1 weeks. 3. The 10-year cardiovascular risk of the employees is evaluated by using the workload assessment scale and the annual health check results of the employees, and the overall overload risk is calculated by combining the above two parts. At the same time, every month, infirmary send health reminders based on the list of over 46 hours of overtime provided by HR dep., and promote health activities in

Value Chain	Category	Group evaluated	Human rights issues	Management measures
			9. Prohibition of forced labor 10. Freedom of association 11. Collective bargaining	<p>accordance with the needs of employees.</p> <ol style="list-style-type: none"> 4. Every year, an unlawful infringement questionnaire is issued after the employee's physical examination to detect the risk of internal and external abuse (physical violence, psychological violence, verbal violence, sexual harassment, discrimination) for employees. Through follow-up by professionals in the infirmary, confirm whether the employee has lodged a complaint and the situation has been improved, and introduce other resources to assist the employee if necessary. 5. Conduct pregnancy assessment and postpartum assessment for pregnant employees, and track their health status. 6. Managed the maternity hazards by grading our workplace into three color-coded categories, namely green (it means the person to be protected won't suffer any health hazard when performing her job duties, but care should also be given to potential risks in her job); yellow (this environment may affect embryonic development, and maternal and infant health during pregnancy or breastfeeding); red (the one to be protected is prohibited from working in the area); we post

Value Chain	Category	Group evaluated	Human rights issues	Management measures
				<p>a sign clearly indicating the color-coded graded materiality hazards at the entrance of each area, so that female staff at the childbearing age, expectant mothers, mothers within one year after childbirth, or subcontractors can clearly realize which zone they are advised not to enter, thereby providing comprehensive materiality protection.</p>
Downstream	<ul style="list-style-type: none"> ➤ Corporate customers ➤ Individual customers 	<ol style="list-style-type: none"> 1. Children 2. General customers 3. Corporate customers 	<ol style="list-style-type: none"> 1. Information Security 2. Customer privacy 3. Personal information protection 	<ol style="list-style-type: none"> 1. Formulate an information security policy, and specifically regulate that employees need to abide by relevant rules during operating procedures, strictly implement the information security policy and customer privacy protection measures to protect the company's business secrets and customer data from leakage, and continue to obtain ISO 27001 certification to ensure information confidentiality, integrity and availability of assets. 2. Make clear labels on the marketing and labeling of consumer

Value Chain	Category	Group evaluated	Human rights issues	Management measures
				goods to prevent children from eating them or using them improperly.
Other	➤ General public	1. Community 2. Non-profits	1.Environmental regulation compliance 2. Social welfare	<ol style="list-style-type: none"> 1. The company is located in an industrial area and there is no general community around it. The company has set relevant operating specifications for emissions, noise, waste water and waste, and set specific quantitative targets to ensure that the impact of operations on the environment is minimized. 2. The company has long-term cooperation with non-profit organizations and universities to provide them with the necessary funds, manpower and projects, and through direct or indirect assistance, to help the disadvantaged groups in society.