

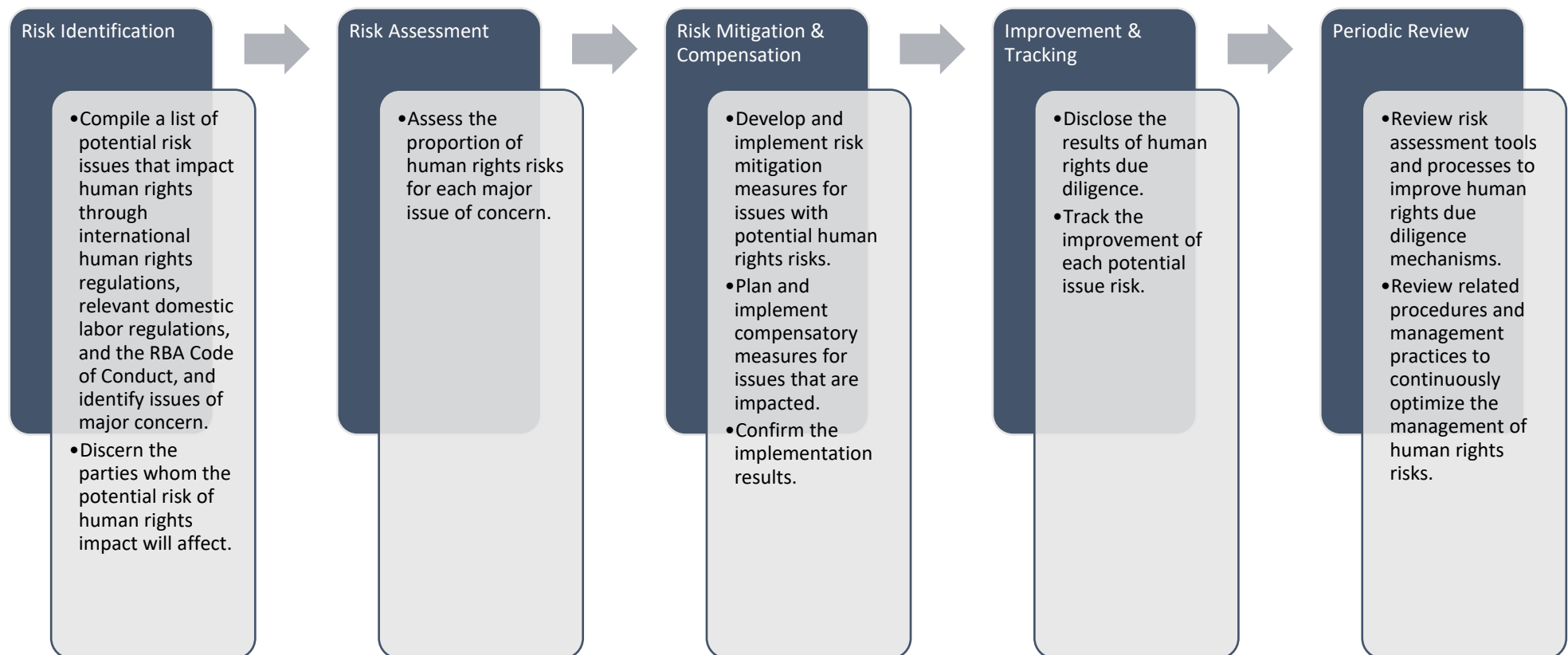
# Phison Electronics Corp.

## Human Rights Due Diligence

Release date: April 11, 2025

In order to implement the “Human Rights Policy”, the Company has established a human rights due diligence procedure. Every year, we review information on domestic and overseas human rights issues, relevant labor laws and regulations in Taiwan and Responsible Business Alliance(RBA) Code of Conduct to identify potential human rights concerns, the affected parties and the source of the risk, examine the corresponding management based on the results of risk assessment, and formulate or adjust risk mitigation measures to improve and follow up on relevant measures in order to effectively control and reduce the impact and influence of human rights risks and achieve management objectives.

### Human Rights Due Diligence Process



## Phison Electronics Corp.

### Human Rights Risk Assessment Management Table

Assessment Target	Risk Assessment Percentage (%)	Issues of Concern	Groups at Risk	Human Rights Risk Percentage	Risk Mitigation Measures	Number of Risk-Mitigated Persons (Person)	Risk Mitigation Implementation Percentage (%)	Actual Percentage of Risk Occurrence (%)	Impact Compensation Measures	Risk Compensation Percentage (%)	Results
Employees	100%	Forced Labor	-Own employees -Women -Indigenous people -Migrant workers -Employees with physical and mental disabilities	0%	<ol style="list-style-type: none"> <li>Adequate and effective policy and procedures are established ensuring that any forced, bonded (including debt bondage) or indentured labor; involuntary or exploitative prison labor; slavery or trafficking of persons shall not to be used.</li> <li>Unreasonable restrictions on entry and exit from the workplace are prohibited, and in addition, there will be no unreasonable restrictions on the freedom of movement of employees in the workplace. The employee can resign under his/her own will and will not receive any punishment when</li> </ol>	-	-	-	-	-	There were no cases of forced labor violations during the year.

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					<p>there is reasonable notice.</p> <p>3. Prohibit prohibits any restriction activities on worker's freedom of movement such as hold personal ID, take cash pledge or collateral, seizure employee's salary, unlawful search, restriction on employee enter/exit the site, and forced overtime job, etc.</p> <p>4. In accordance with the law, prior to the hiring of migrant workers (or, in the case of foreign migrant workers, before their departure from their home country, and after the migrant workers arrive in the country of destination), other The employment agreement/contract shall not be changed or changed except for the change of the employment agreement), through the employment letter / agreement</p>						

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					/ contract, communicate the main terms and conditions of employment to the employees in writing and in the employee's native language, and explain them orally to make them understand the content of the contract.						
Employees	100%	Human Trafficking	-Own employees -Women -Indigenous people -Migrant workers -Employees with physical and mental disabilities	0%	1. We ensure that all sources of labor are directly employed or legally dispatched, and that no methods are used to engage workers against their will in work that is in violation of laws and regulations, or in work that is not commensurate with their labor and compensation.	-	-	-	-	-	There were no cases of human trafficking violations during the year.

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Employees	100%	Unlawful Infringement at Workplace	-Own employees -Women -Indigenous people -Migrant workers -Employees with physical and mental disabilities	100%	<ol style="list-style-type: none"> <li>1. New and current employees are required to complete human rights and illegal infringement-related training every year.</li> <li>2. Continue to arrange for newly appointed superiors to attend the "Workplace Unlawful Infringement Prevention" course,</li> <li>3. Establish a complete illegal infringement complaint and handling process.</li> <li>4. Provide employees with an anonymous suggestion box to collect opinions and identify potential risks early.</li> <li>5. The health center distributes the unlawful infringement investigation questionnaire, through which it identifies employees facing a risk of unlawful infringement, and tracks the follow-up.</li> </ol>	3,997	100%	0.03%	Adjustments to office seats and future work interactions require the presence of a third party.	100%	There was 1 appeal of unlawful infringement at workplace during the year. Although the appeal was not established, subsequent adjustments was still made based on plaintiff's needs.

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Employees	100%	Sexual Harassment	-Own employees -Women	100%	<ol style="list-style-type: none"> <li>Employees are required to complete “stalking and harassment” and “sexual harassment” prevention courses every year.</li> <li>Formulate sexual harassment prevention measures and disciplinary management measures. Establish a complete sexual harassment complaint and handling process.</li> <li>The health center distributes the unlawful infringement investigation questionnaire, through which it identifies employees facing a risk of sexual harassment, and tracks the follow-up.</li> </ol>	3,997	100%	0.03%	<ol style="list-style-type: none"> <li>In accordance with the provisions of the Complaint and Punishment Measures for the Prevention and Control of Sexual Harassment, a special task force shall be formed to conduct an investigation, and then a Complaint Committee shall be convened to make a written resolution based on the investigation results and circumstances.</li> <li>Implement appropriate punishment on the person complained against in accordance with the company’s reward and punishment management</li> </ol>	100%	There was 1 case of sexual harassment at workplace during the year. The actual situation has been understood and appropriate compensation measures have been taken. At the same time, the supervisors of the relevant units have been strengthened and re-educated at the management level.

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									<p>regulations.</p> <p>3. Proactively report to the competent authority to which it belongs in accordance with regulations.</p> <p>4. Follow-up will be conducted regularly by dedicated personnel to ensure that the punishment is actually carried out and that the victim does not suffer the same incident or retaliatory action.</p> <p>5. Once again, educate all employees on relevant regulations for preventing stalking and sexual harassment.</p>		
Employees	100%	Overtime Work	-Own employees -Women -Indigenous	100%	1. Regularly review and enlarge the workforce to meet project-specific and business needs and avoids overtime work caused by	3,997	100%	0%	-	-	There were no violations of laws and regulations related to

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			people -Migrant workers -Employees with physical and mental disabilities		insufficient human resources.  2. HR Department submits to the Division level managers a statement of average working hours by department, and marks the department where the average working hours per person per day exceeds 10 hours, so that the Division-level manager can understand the situation and make timely adjustment.						overtime work, extended working hours and wage during the year.
Employees	100%	Employment and Occupational Discrimination	-Own employees -Women -Indigenous people -Migrant workers -Employees with physical and mental disabilities	100%	1. The Employment Service Act and other laws and regulations regarding gender, age, mental and physical disabilities, and indigenous rights are followed, and discriminatory and differential treatment of employees is prohibited.  2. Regularly reviewing the Company's internal rules, regulations, and work procedures to ensure that they	3,997	100%	0%	-	-	There were no violations of laws and regulations related to employment and occupational discrimination during the year.



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					<p>are not potentially discriminatory.</p> <p>3. Through the formulation of human rights policies, the implementation of education and training, and internal promotion, we enhance the concepts of “diversity, equity, and inclusion” among our supervisors and employees.</p> <p>4. The health center distributes the unlawful infringement investigation questionnaire, through which it identifies employees facing a risk of sexual harassment, and tracks the follow-up.</p> <p>5. When an incident of suspected discrimination occurs, the victim can protect his/her rights and interests through the channels and procedures for filing a complaint of unlawful assault or sexual harassment in</p>						

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					the workplace, depending on the nature of the incident.						
Employees	100%	Equal Remuneration	-Own employees -Women -Indigenous people -Migrant workers -Employees with physical and mental disabilities	100%	1. Do not discriminate against employees on the basis of race or ethnicity, disability, sex, sexual orientation, gender identity or gender expression when recruiting, screening, hiring, distribution, allocation, pay, promotion, award or training opportunities.  2. Not allow any discrimination against the women's pregnancy and after the postnatal, include protection of employment, welfare and wage which are ruled by laws and regulations.	3,997	100%	0%	-	-	There were no complaints about equal remuneration during the year.
Employees	100%	Child Labor	Children	0%	1. During the recruitment, have an effective method to check and to identify the true age of the person who comes to accept the interview. Ensure the age of	-	-	-	-	-	There were no cases of child labor during the year.

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					<p>the onboarding employee is at least 15 years old. Prevent the mistake happened to hire child labor due to the receiving of an untrue age data.</p> <p>2. The company will follow the “RESPONSIBLE BUSINESS ALLIANCE CODE OF CONDUCT” in the future when conducting relevant employment.</p>						
Employees	100%	Occupational Safety and Health	-Own employees -Women -Indigenous people -Migrant workers -Employees with physical and mental disabilities	100%	<p>1. Continue to obtain the certificate of ISO 45001 Occupational health and safety management systems.</p> <p>2. Identify OHS regulations applicable to all operating locations, implement standardized management procedures and training, adhere to the principles of formulating safety regulations, regularly assess risks, audit and confirm effects of implementation and principles of continuous</p>	3,997	100%	0%	-	-	There were no work-related incident, or deaths resulting from major industrial accidents.

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					<p>improvement, so as to strengthen the existing OHS management system.</p> <p>3. The health center identifies employees having health risks by referencing the employee physical checkup report, the working hour statement provided by the HR Department, and the overwork assessment form, and informs the unit supervisor for subsequent adjustment</p>						

Note 1: Some issues may be rated as 100% because they involve all assessment targets, but this does not mean that the issue is actually or significantly at risk of human rights issues.

Note 2: The following 14 human rights issues were included in our human rights risk identification program: forced labor, human trafficking, child labor, employment and occupational discrimination, sexual harassment, unlawful Infringement at workplace, overtime work, equal compensation, occupational safety and health, employee health management, maternity protection, freedom of association, right to collective bargaining, and personal data protection. After risk identification, the significant concerns were identified as the 9 items listed in the table.

## Value Chain Human Rights Risk Assessment Management Table

Assessment Target	Issues of Concern	Groups at Risk	Risk Mitigation Measures	Impact Compensation Measures	Results
Upstream of the value chain - supplier employees	<ol style="list-style-type: none"> <li>Child labor</li> <li>Human trafficking</li> <li>Discrimination</li> <li>Equal Remuneration</li> <li>Forced labor</li> <li>Occupational safety and health</li> <li>Freedom of association</li> </ol>	<ul style="list-style-type: none"> <li>-Supply chain labor</li> <li>-Women</li> <li>-Indigenous people</li> <li>-Migrant workers</li> <li>-Employees with physical and mental disabilities</li> </ul>	<ol style="list-style-type: none"> <li>Manage human rights risks in supply chains by conducting a supplier sustainability risk audit, an annual RBA audit, or an RBA Validated Assessment Program (VAP) on suppliers to avoid such risks.</li> <li>Hold training courses every year to enhance suppliers' understanding of the Responsible Business Alliance (RBA) Code of Conduct and Phison Supplier Code of Conduct, and review their own compliance.</li> <li>Add a complaint filing channel on the supply chain management platform for suppliers' employees, and providing a real-time feedback mechanism.</li> </ol>	Require suppliers to take measures to improve on human rights risks and continuously track the progress of improvement.	The improvement rate after the RBA audit of key suppliers was 79.73%.
Downstream of the value chain- corporate customers	<ol style="list-style-type: none"> <li>Information Security</li> <li>Customer privacy</li> <li>Personal information</li> </ol>	-Corporate customers	<ol style="list-style-type: none"> <li>Formulate an information security policy and specify the relevant rules that employees must abide by during work procedures. Strictly implement the information security policy and customer privacy protection measures to protect the company's business secrets and</li> </ol>	If after investigation it is found that the company is indeed involved in a violation of the privacy and personal information protection policy or applicable laws and regulations related to privacy and personal information	There was no leakage or infringement of customer privacy during the year, and no relevant complaints were received.

Assessment Target	Issues of Concern	Groups at Risk	Risk Mitigation Measures	Impact Compensation Measures	Results
	protection		customer information from leaks and continue to obtain ISO 27001 certification to ensure the confidentiality, integrity and availability of information assets.	protection, the company will immediately review and improve management measures.	
Local community	<ol style="list-style-type: none"> <li>1. Water resources management</li> <li>2. Noise</li> <li>3. Air pollution</li> </ol>	-Residents	<ol style="list-style-type: none"> <li>1. Phison is located in an industrial park, with no community around it. Furthermore, our company focuses on IC design, and there is no wastewater, air pollution and noise problems caused by the manufacturing process. In addition, the company has formulated relevant operating specifications for emissions, noise, wastewater, and waste to ensure that the impact of operations on the environment is minimized.</li> </ol>	Opted for the “nature-based solution (NBS)” by continuing tree planting activities.	<ol style="list-style-type: none"> <li>1. There were no sanctions imposed by the competent authority due to violation of environmental laws and regulations during the year.</li> <li>2. The cumulative number of trees planted reached 11,590.</li> </ol>