Phison Electronics Human Rights Due Diligence Procedure

1. **Background**

   Phison Electronics formulated the "Human Rights Policy" in 2020. 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.
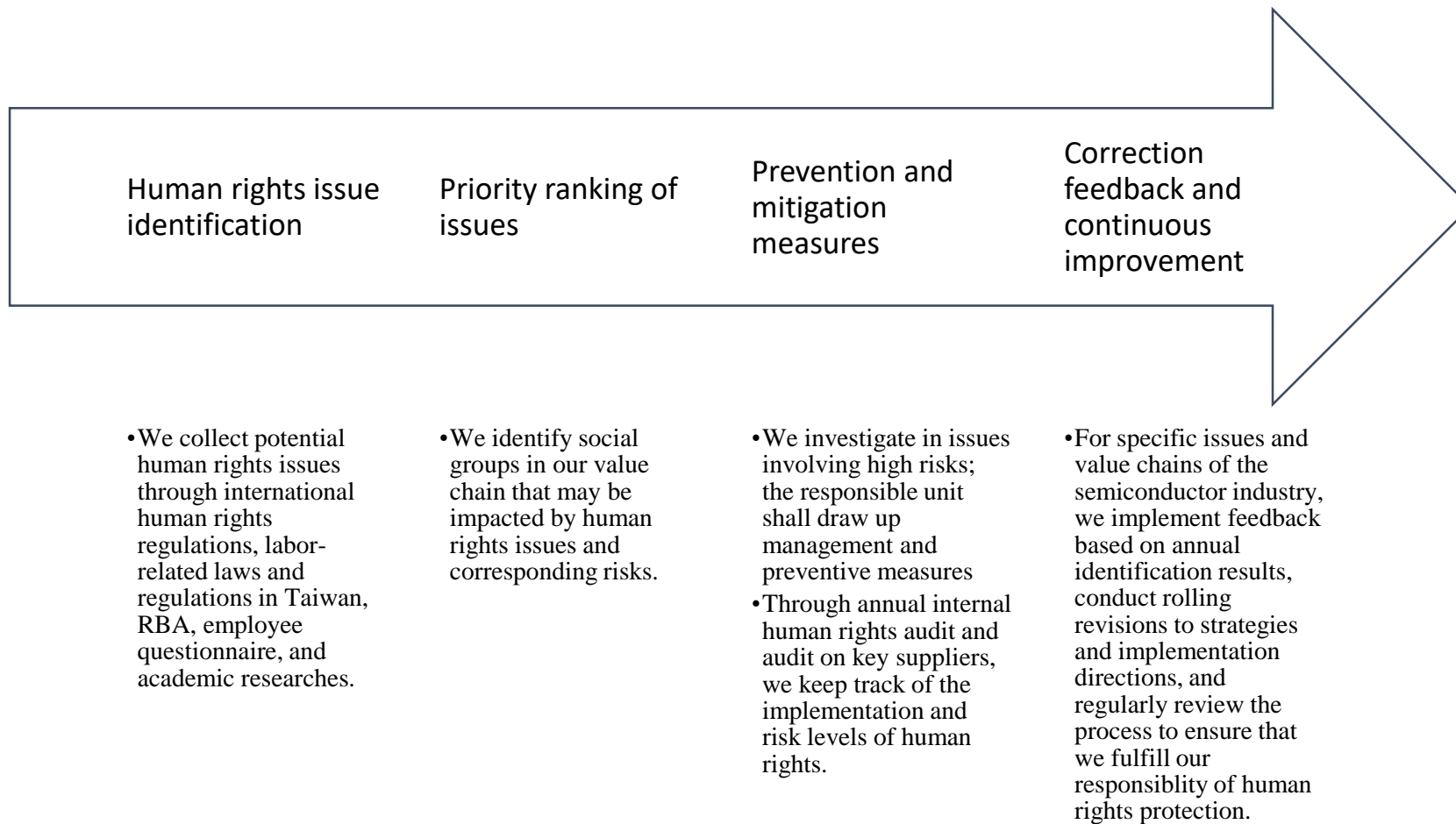
2. **Group evaluated**

   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 Rights Due Diligence Process**

Human rights issue identification	Priority ranking of issues	Prevention and mitigation measures	Correction feedback and continuous improvement
•We collect potential human rights issues through international human rights regulations, labor-related laws and regulations in Taiwan, RBA, employee questionnaire, and academic researches.	•We identify social groups in our value chain that may be impacted by human rights issues and corresponding risks.	•We investigate in issues involving high risks; the responsible unit shall draw up management and preventive measures •Through annual internal human rights audit and audit on key suppliers, we keep track of the implementation and risk levels of human rights.	•For specific issues and value chains of the semiconductor industry, we implement feedback based on annual identification results, conduct rolling revisions to strategies and implementation directions, and regularly review the process to ensure that we fulfill our responsiblity of human rights protection.

4.   Identification and evaluation of human rights risk

Value Chain	Category	Group evaluated	Human rights issues	Management measures
Upstream	➢ Raw material supplier) ➢ Processing plant) ➢ Co-factory ➢ Assembly and test plants ➢ System factory) ➢ Labor contractor)	1. Children 2.Women 3.Native workers 4.Foreign workers 5.Dispatched workers	1.No child labor 2. Prohibition of 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	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, and formulate a sustainable procurement policy. The next-tier suppliers are required to approve and implement this Code of Conduct. 2. RBA audits of key suppliers are carried out every year, and the audits include labor, health and safety, environment, ethics and management systems. 3. Those who fail the audit must submit an improvement plan within 2 weeks.

Value Chain	Category	Group evaluated	Human rights issues	Management measures
Midstream	➢ Our own employees	1. Children 2. Persons with disabilities 3. Native workers 4. Foreign workers 5. Dispatched workers 6. Women 7. Indigenous people	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. Prohibition of human	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 2 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

Value Chain	Category	Group evaluated	Human rights issues	Management measures
			trafficking 9. Prohibition of forced labor 10. Freedom of association 11. Collective bargaining	activities in accordance with the needs of employees. 4. Conduct pregnancy assessment and postpartum assessment for pregnant employees, and track their health status.
Downstream	➢ Corporate customers ➢ Individual customers	1. Children 2. General customers 3. Corporate customers	1. Information Security 2. Customer privacy 3. Personal information protection	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

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