

Statement of social responsibility

The company promises to follow the laws and regulations of national labor, health and safety, environment, ethical standard and other social responsibilities, and follow the internationally recognized standards and other applicable industry standards and international conventions. The company formulates company policies, production processes and work environments that comply with labor condition, health and safety, environmental safety and ethics in accordance with industry standards, and continuously improves working condition and staff benefit. The company makes the following commitments in four aspects: labor policy, health and safety, environmental protection, and ethics, and requires all departments of the company to follow it strictly:

I. Labor policy

1. Freely chosen employment

Do not use forced, bonded (including debt bondage), contract-restraint or involuntary or exploitative prison labor, and do not use slavery or trafficking of persons. The staffs are prohibited from paying (deposit) or depositing ID Cards at the company when they are employed, and staffs work overtime voluntarily.

2. Young workers

The employment or the support of employment of under-age labor is strictly prohibited. The labor shall be 16 years old or above in employment. The company shall not assign the worker under the age of 18 to engage in works that may endanger the health or safety of juvenile.

3 Working hours

The company follows the working time complying with industrial standard under applicable regulation. Do not require the staffs to work longer than normal working time and overtime limit allowed by local law. The staff works overtime voluntarily, and extra compensation shall be paid to staff for all overtime works in accordance with regulation requirement.

4. Wage and benefit

The wage provided by the company to the staff in accordance with local regulation shall not be lower than the minimum wage standard in the region, the composition of wage is listed clearly through the document system, and corresponding holiday, working time wage, overtime fee and insurance are provided to the staff in strict accordance with the regulation.

5. Human treatment

The worker is treated in a violent and inhumane manner, any form of sexual harassment, sexual abuse, corporal punishment, mental or physical oppression, verbal abuse and violence to the staffs are prohibited.

6. Non- discrimination

The employment, salary, training opportunity, upgrade, work arrangement (including extra work), dismissal, etc. of the company are conducted based on the individual ability and post requirement of staff. Do not engage in or support any discrimination behaviors based on race, social class, nationality, religion, disability, gender, gender orientation, union membership or political relation.

7. Freedom of association

All staffs are entitled to form, participate in and organize the union selected and conduct collective bargaining on behalf of staffs and company. The company respects the right of the staff, the staff is free to join the selected organization, and there is not bad consequence or the retaliation from the company caused by it. The company will not interfere with the establishment, operation or management of such worker organizations or collective bargaining. The union and staff representative cannot be discriminated, harassed, coerced or retaliated, and can access to the union member in the workplace.

II. Health and safety

1. Occupational safety, public and industrial hygiene, and machine safeguarding

Strictly comply with relevant laws and regulations, effectively control the source of safety and health risk, and provide a healthy and safe working and living environment to the staff. Ensure that the drinking water, sanitation, fire safety, lighting and ventilation in the workplace comply with regulation requirement, take appropriate measure based on compliance, conduct safety hazard assessment to production equipment and other machine, and provide physical protection to machine that may cause injury to staff, minimize hazard factors in the work environment to the greatest extent, conduct health check and training regularly, and clearly post health and safety information in the workplace.

2. Emergency Preparedness

The company establishes a safety organization structure and various emergency response teams, formulates various safety emergency plans, and regularly conducts safety knowledge and emergency plan training to relevant staffs. Fire-fighting facilities and equipment shall be equipped in accordance with the regulations, and emergency plan drilling shall be conducted regularly, so as to ensure the validity of the plan.

3. Occupational injury and illness

The company draws up work guidelines to prevent, manage, track and report the work injury and illness, encourages the report of staff, classifies and records work injury and illness, provides necessary medical service, organizes corresponding staff to conduct work injury case analysis and takes corrective and preventive measures to eliminate the impact, so as to help the staff to return to work.

4. Physically Demanding Work

The company identifies, evaluates and controls the impact on staff caused by engaging in strong physical work, analyzes the work intensity and the impact of work environment on staff fatigue and puts forward prevention and control suggestions, so as to achieve the

purpose of reducing work intensity, improving work environment and conducting safe production.

5. Sanitation, Food, and Housing

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the Participant or a labor agent are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges

6. Health and Safety Communication

To provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards.

III. Environmental protection

1. Regulation observation, pollution prevention and resource Reduction

Strictly comply with relevant laws and regulations, obtain all necessary environmental permits, approval documents and registration certificates, maintain and update regularly, legally process solid waste, control the use of hazardous chemicals, and conduct regular monitoring and processing to the waste water and waste gas generated in all activities of the company.

Strengthen the investment in energy-saving and emission reduction of the enterprise and the technological transformation degree, with rational planning and system management, so as to ensure that various environmental indicators are within the scope of the regulation. Actively eliminate backward production equipment and process, actively implement clean production, improve the comprehensive utilization of resources, and reduce pollutant emission. Formulate scientific and feasible emergency plan for emergent environmental incident and organize emergency drilling, so as to ensure environmental safety.

2. Green product

Strictly comply with all applicable laws and regulations for prohibiting or restricting specific substances and customer requirements, and strictly control the material purchasing and production process, so as to ensure that the products meet the requirements of green environmental protection.

3. Energy consumption and greenhouse gas emission

The company prepares the program to manage energy consumption and greenhouse gas emission, tracks and records it regularly, and improves energy efficiency and minimizes energy consumption and greenhouse gas emission starting with product design.

IV. Moral rule

The company always follows the laws and regulations of the country where the business is operated, the business operation mode and custom to carry out the business. When there is a conflict between the moral rules, customs, laws and regulations of these countries and the beliefs insisted by the company, the company seeks to be consistent with the moral ideas insisted by the company. The company establishes and implements Code of Business Behavior and Moral Rule, provides a means for staff to report the violation of the code and formulates a communication process, so as to ensure that the information of the staff is confidential without needing to fear retaliation.

1. Honest operation

The company follows the highest standard of integrity in all business interactions, and the company prohibits any and all forms of bribery, corruption, extortion and misappropriation of public funds.

2. Disclosure of Information

The information related to business activity, organizational structure, financial condition and performance is published in accordance with applicable regulations and main industry practices. All disclosed information is reviewed by the Finance Dept. and Legal Public Relation Dept. to ensure the accuracy and completeness of the information.

3. Intellectual property and information safety

Strictly abide by related laws and regulations of intellectual property and respect intellectual property. Finish information safety protection work, and do not disclose confidential information of company, customer or supplier, or personal information to others.

4. Fair business

Strictly follow all applicable fair competition laws and antitrust laws. Any staff shall not manipulate or use privileged information or other unfair ways to obtain unfair benefits. The company adheres to fair standards of transaction, advertising and competition.

5. Responsible Sourcing of Minerals

The company formulates the supplier management policy to ensure that the purchased products do not include tantalum, tin, tungsten and gold under reasonable condition. The company cannot directly or indirectly provide funds or benefit from the armed organizations of Democratic Republic of the Congo or its surrounding countries/regions that abuse human rights. Through signing Guarantee Agreement on Nonuse of Conflict Minerals with suppliers, the source of suppliers and the implementation of supervision chain are managed and controlled, and specific measures of due diligence are guaranteed to be provided to customer when there is request.

Policy and strategy target of CSR management of supply chain

We also attaches great importance to the social responsibilities of suppliers and partners, while fulfilling the social responsibilities. As an important part of Richtek strategy, we will continue to implement ethical purchasing and green purchasing, and strengthen CSR management of supply chain, so as to achieve two strategic targets:

- ① Increase the awareness and ability of the social responsibilities of Gongjin and its supply chain, and promote the sustainable development of the industrial chain;
- ② Work closely with suppliers to strengthen the continuous improvement and management of social responsibility of supply chain together, ensure the production of product by a mode complying with social responsibility, and establish the brand and confidence of social responsibility of supply chaininglobalcustomers.

1. Strengthening of CSR management target

CSR has become the threshold for the introduction of strategic cooperation supplier of Richtek, and it is regulated that CSR review is conducted when strategic cooperation supplier is certified. The self-inspection of CSR system is conducted to the supplier cooperated. Gongjin formulates and issues "Purchasing Guideline for Gongjin Social Responsibility" to supplier to promote the supplier to meet the requirement of the social responsibility system.

2. Formulation of CSR agreement of supplier

Richtek formulates CSR agreement of supplier Commitment of Social Responsibility, and Occupational Health and Safety, the contents include child labor, forced labor, occupational health and safety, and the right to organize free and collective bargaining of trade union. The company signs a CSR agreement with all suppliers to strengthen the CSR requirement on supplier.