

Supplier Sustainability Commitment

Introduction

Awareness of the importance of sustainable development and the need for integrated action in environmental, social, and ethical areas is growing worldwide. Richtek is committed to operating a sustainable business throughout its global supply chain. To achieve this goal, it is essential that our business partners follow this path with us. Therefore, we require our suppliers to comply with the principles outlined in this document and to ensure that their own suppliers and business partners do the same.

This document outlines Richtek’s requirements for suppliers, grounded in globally recognized frameworks such as the United Nations’ Sustainable Development Goals (SDGs), the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. We also take into account the Responsible Supply Chain Initiative (RSCI) launched by the German Association of the Automotive Industry (VDA), which reflects industry-specific needs in automotive sustainability.

In light of current regulations, such as the European Union’s Corporate Sustainability Reporting Directive (CSRD), cooperation with suppliers regarding transparency and sustainable reporting is essential. CSRD introduces the obligation to report on ESG (environment, society, and corporate governance) and requires us to provide reliable data that supports our sustainability goals. Therefore, our suppliers are obliged to collect and share key performance indicators (KPIs) that align with international reporting standards, such as CSRD, upon request or on a regular basis. Suppliers must promptly notify Richtek of any non-compliance or incidents that may affect sustainability performance.

Our goal is to foster a sustainable, responsible, and ethical supply chain that adheres to these international standards. This ensures that our collective efforts contribute to a more sustainable future in the automotive industry.

The requirements set forth in this document form an integral part of Richtek’s General Terms and Conditions of Purchase (available at [Supplier Code of Conduct | Richtek Technology](#)).

We appreciate your cooperation and commitment to building a sustainable future together.

Approved by the Management Board.

I. Environmental

1. Management system	Suppliers with ISO 14001 Environmental Management certification and ISO 50001 Energy Management System certification are preferred.
2. Responsibility for environment	Suppliers have to follow the precautionary principles, take initiatives to support greater environmental responsibility and foster development and dissemination of cleaner technologies in order to reduce greenhouse gas emissions and strive for carbon neutrality as early as possible.
3. Environmentally friendly manufacturing	At all stages of production optimum protection of the environment must be guaranteed. Proactive attitude aimed at eliminating or minimizing the consequences of accidents that can have a negative impact on the environment is understood here. Particular importance is attributed to the use and development of technologies and taking actions that: <ul style="list-style-type: none"> - reduce water and electricity consumption in own operations and supply chain, - minimize air pollution, - minimize waste and allow to implement sustainable resources management, - reduce organization's carbon footprint, - incorporate reuse and recycling and support circular economy, - introduces innovative solutions that contribute to environmental benefits, - reduce emission of noise, - protect biodiversity by preventing habitat degradation, minimizing impacts on ecosystems, and supporting the conservation of endangered species and local wildlife (by integrating biodiversity considerations into production processes, suppliers contribute to preserving natural ecosystems and ensuring long-term environmental sustainability), - ensure sustainable soil management by preventing degradation, monitoring impacts, rehabilitating degraded areas, and promoting practices such as erosion control, water retention, and natural renewal.
4. Environmentally friendly products	Suppliers products must comply with environmental standards, adopted for a given market segment and laws. This applies to both complete product life cycle, as well as the materials used. Chemicals and other materials which may threaten the environment as a result of the release must be clearly identified. The management of hazardous materials is especially created so they are used, transported, stored, recovered, reused and disposed of on the basis of appropriate procedures. Suppliers need to take measures to reduce CO ₂ emissions in their direct operations, as well as at n-tier suppliers, what translates into a final product's carbon footprint (CF) or life cycle assessment (LCA).
5. Energy management	Suppliers should follow a systematic approach in achieving improvement of energy performance and efficiency in order to continually reduce their energy use and consumption and therefore their energy costs and their greenhouse gases emissions, with particular focus on increase of renewable energy sources.
6. Circular Economy	Suppliers must adopt and promote principles of the circular economy. This involves reducing waste, reusing materials, and recycling resources wherever possible. The focus should be on minimizing environmental impact by maximizing resource efficiency and designing products and processes that support closed-loop systems. Efficient use of water, raw materials, and other resources is crucial. Suppliers should prioritize sustainable sourcing and ensure that natural resources are used responsibly.
7. Reporting	Suppliers are encouraged to report their environmental performance using internationally recognized ESG reporting frameworks such as GRI, CDP, or other suitable standards relevant to their operations. These reports should include key performance indicators (KPIs) related to greenhouse gas emissions, energy consumption, resource management, and biodiversity impact, as well as progress towards sustainability objectives. Even if not formally required by specific regulations such as the CSRD, suppliers are expected to provide sufficient data to support our environmental targets and reporting needs.

II. Social

1. Management system	Suppliers with ISO 45001 Occupational Health and Safety management certificate are preferred.
2. Health and safety at workplace	Suppliers as employers guarantee security and health protection at the workplace, at least in range of national provisions in force and supports constant development in order to improve the working conditions at the same time. Suppliers are required to implement fire safety and evacuation procedures that will ensure the protection of employees in emergency situations. Furthermore, the management of chemical and hazardous substances must be carried out in accordance with best practices and applicable regulations to minimize risks to the health and safety of employees.
3. Respect of human rights	Suppliers are obliged to respect the internationally approved human rights. In regards with all business actions taken in range of their influence, suppliers are to be concerned about not being involved in actions of violating human rights or by themselves, their business partners or subcontractors. An elementary human right is the right to land and natural resources, water, forests, etc., especially in the context of indigenous peoples. Suppliers should ensure that these rights are respected. Forced displacement is not acceptable. In the case of possible land issues, measures will be taken to guarantee the participation of indigenous peoples in the decision-making process regarding the land they live on and the natural resources therein.
4. Freedom of choice of employment	Forced or compulsory labour is not allowed. Employees must be free to terminate the employment contract in accordance with the relevant terms of notice.
5. Prohibition of child labour	It is not allowed, at any stage of production or treatment, to use child labour. Suppliers are obliged to respect at least the conventions of the International Labour Organization related to the minimal age of an employee and the prohibition of child labour. Child growth cannot be in no way restrained. Their safety and health cannot be endangered.
6. Equal opportunities/ prohibition of discrimination	Suppliers are obliged to provide equal opportunities regarding employment and to eliminate any signs of discrimination. Discrimination of employees cannot take place e.g. because of their origin, nationality, skin colour, religion, outlook, political and association activities, gender, orientation, disability, sickness or pregnancy. Suppliers are also expected to respect the rights of minorities and indigenous peoples.
7. Freedom of association and the right of collective bargaining	Suppliers must guarantee freedom of association and effective recognition of the right for collective bargaining. It needs to be guaranteed, that the employees can openly communicate with the management of the company about work conditions without fear of consequences. Employees' freedom of association, joining the union, appointing representatives and being appointed is respected.
8. Justice in terms of pay, working hours and social benefits.	Salary and social security benefits must comply with the fundamental principles connected to minimum wage, the applicable regulations related to overtime and social benefits dictated by a regulation work time and holiday/ off-time must correspond to at least provisions in force, industry standards or appropriate conventions of the International Labour Organization, depending on which regulation is more severe.
9. Privacy and data protection	When collecting, storing, processing or transferring personal data (e.g. name, address, telephone number, date of birth, health information) relating to employees, customers or other third parties, Suppliers must take great care and maintain strict confidentiality, while also observing applicable laws and rules.
10. Private or Public Security Forces	Personnel involved in providing security services to supplier operations should respect human rights, be properly trained and relate respectfully to people in order not to cause violations.

III. Governance (Ethical)

1. Obeying laws	Suppliers are obliged to abandon all forms of fraud or dishonesty, crime of bad management leading to bankruptcy, corruption, guaranteeing benefits, passive or active corruption. Suppliers are obliged to obey the laws and regulations applicable with respect to themselves or commercial relationship with Richtek.
2. Fair competition	Suppliers are required to obey rules protecting and supporting competition especially antitrust rules, adhere to the principles of fair competition and a ban on agreements with competitors and the implementation of other actions that violate the principles of the free market.
3. Avoiding conflicts of interest	In dealing with business partners Suppliers are required to make decisions solely on the basis of rational arguments and cannot be convinced because of the private or financial interests of the individual.
4. Confidentiality of business	Suppliers undertake to treat information from business partners, in particular of organizational, commercial and technical nature, which they have come to know as a result of commercial relations as confidential and not to disclose it to third parties.
5. Intellectual property	Suppliers are obliged to obey third party intellectual property rights and protect information and personal data of their clients.
6. Financial responsibility	Suppliers should maintain their company's records in a responsible manner. This applies to business records, including but not limited to, financial accounts, quality reports, time records, expense reports.
7. Disclosure of information	Suppliers should disclose financial and non-financial and non – financial information in accordance with applicable law and regulatory requirements.
8. Grievance Mechanism	Suppliers are expected to provide all employees, contractors, and other stakeholders with accessible, safe, and anonymous channels for reporting concerns related to environmental, legal, and ethical violations, without fear of retaliation. Suppliers are also expected to take action to prevent, detect, and correct any retaliatory actions.
9. Conflict Minerals	Richtek is committed to responsible sourcing of minerals in our global supply chain. We look forward to working with our global supply chain partners to determine the origin of any conflict minerals they may supply to us. Suppliers using the so-called 3TG conflict minerals: tin, tantalum and tungsten, their ores and gold as well as cobalt and mica from conflict-affected and high-risk areas (CAHRAs) must fulfil 'supply chain due diligence' obligations, according to "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High- Risk Areas". Suppliers should exclude smelters for those raw materials that do not have an adequate and audited due diligence process and provide us in a timely manner with the required compliance reports CMRT (Conflict Minerals Reporting Template) and EMRT (Extended Minerals Reporting Template).
10. Export controls and economic sanctions	Economic sanctions and export controls may restrict or prohibit business dealings with specified individuals, entities or countries. They can also restrict or prohibit the export or import of certain goods or services. We expect our Suppliers to comply with all applicable sanctions and export controls.
11. Counterfeit parts	Suppliers should also build a counterfeit-aware culture. This requires training the team, vetting sub-suppliers, working with reliable partners and investing in technology to help detect where counterfeit goods are being sold.
12. Supply Chain Management	Suppliers should commit to ensuring that their own supply chain also adheres to the environmental, social and ethical standards outlined in this document. Suppliers must implement oversight mechanisms for their subcontractors and subsuppliers to guarantee that sustainability principles are applied at all stages of the supply chain.