

INTRODUCTION FROM CHER WANG

HTC Corporation aims to bring brilliance to life. As a global innovator in smart mobile and virtual reality devices and technology, HTC has produced award-winning products and industry firsts since its inception in 1997, and is now leading the VR industry with the HTC VIVE line of products, content and platforms. Our mission to combine technology with our humanity to unleash the imagination is at the heart of everything we do, inspiring best-in-class design and game-changing mobile and virtual reality experiences to make life better for consumers around the world.

This statement is made on behalf of HTC Corporation and its group of companies ("HTC") pursuant to s.54 of the Modern Slavery Act 2015 and sets out the steps that HTC has taken and is continuing to take to combat modern slavery, encompassing slavery, servitude, forced labour and human trafficking, within the business or supply chain.

HTC respects human rights and workplace rights, and has a zero tolerance approach to modern slavery. Through our integrated Environment, Social and Governance ("ESG") program, we are fully committed to acting ethically and with integrity and transparency in all business dealings, and to putting effective systems and controls in place to safeguard against illegal or unethical activity taking place across our business.

ORGANISATION STRUCTURE

HTC is based and listed in Taiwan, and has business operation centres in Taipei, Taiwan; Taoyuan, Taiwan; Seattle, USA; Berkeley, USA; Slough, UK; Beijing, China and Shanghai, China. Further details on the structure and performance of HTC Corporation can be found in the Company's Annual Report 2021, quarterly earnings, events and presentations, which are available on the HTC website [here](#).

OUR SUPPLY CHAIN

Our supply chains include the sourcing of service providers including but not limited to manufacturing, sales, marketing and aftersales. We operate a comprehensive supplier policy and maintain an approved supplier list. We conduct due diligence on all suppliers before accepting them as an approved supplier. This due diligence includes an online search to ensure that the particular organisation has never been convicted of offenses relating to modern slavery, and regular on-site audits, which include a review of working conditions.

While Covid-19 pandemic restrictions had limited the application of some of our on-site audits for safety concerns in the last couple of years, they resumed in 2022 with a number of suppliers completing HTC's full ESG audit, and we anticipate that these audits shall continue going forward.

In addition to the above, as part of our contract with suppliers, we endeavour to require that they confirm to us that:

1. They have taken steps to eradicate modern slavery within their business.
2. They hold their own suppliers to account over modern slavery.
3. For UK based suppliers. They pay their employees at least the national minimum wage / national living wage (as appropriate).
4. For international suppliers. They pay their employees any prevailing minimum wage applicable within their country of operations.
5. We may terminate the contract at any time should any instances of modern slavery come to light.
6. All first-tier approved suppliers are required to sign and comply with our HTC Supplier Code of Conduct.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

Our Supplier Code of Conduct is based on the Responsible Business Alliance (“RBA”) Code of Conduct. The HTC Supplier Code of Conduct is designed to protect workers’ human rights, health and safety, and the environment, including the prohibition of any form of forced labour, slavery or trafficking of people. We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We are working towards implementing policies that will reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure modern slavery and human trafficking is not taking place anywhere in our supply chains.

STAFF MANAGEMENT

We attach great importance to the human rights of our global workforce, and the principles of equality and anti-discrimination are at HTC’s core. We provide equal and fair employment opportunities for all employees. We adhere to all applicable laws and there is zero tolerance of any form of discrimination.

NO CHILD LABOUR

HTC strictly prohibits the use of child labour in our own manufacturing facilities as well as those of our manufacturing suppliers. We mandate proof of age for employment to ensure we meet all local labour laws and the legal requirements of the countries where we operate.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

As part of our initiative to identify and mitigate risk we have in place systems to:

- Identify and assess potential risk areas in our supply chains.
- Mitigate the risk of slavery and human trafficking occurring in our supply chains.
- Monitor potential risk areas in our supply chains.

- Protect whistle-blowers.

SUPPLIER ADHERENCE TO OUR VALUES AND ETHICS

We have zero tolerance for slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our values, we have in place a supply chain compliance programme. This consists of the HTC Supplier Code of Conduct that all our suppliers must agree to and observe. We conduct annual supplier review compliance audits on our suppliers according to the HTC Supplier Code of Conduct, to ensure our suppliers conform to their ESG responsibilities. Labour rights are the main part of the audit. In addition to the on-site audit, our auditing team also offers coaching and consultation, and provides the suppliers with all the latest information during the audit process, to give them every opportunity for growth. This process also applies to the new suppliers' approval process.

TRAINING

HTC's Code of Conduct is a guideline to provide high ethical standards for all employees in conducting HTC's business activities. To ensure thorough understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we aim to put a training programme in place that will provide training to our procurement staff. We also require our business partners to provide training to their staff and suppliers and providers.

OUR EFFECTIVENESS IN COMBATTING SLAVERY AND HUMAN TRAFFICKING

We have arranged an independent third party, SGS S.A. (SGS), to conduct an externally facilitated review with HTC's QSM team to bring insights on ways we can tackle slavery and human trafficking. By using the HTC audit tool, we can assess how effective we have been in ensuring that slavery and human trafficking is not taking place in any part of our business or supply chains. Audits of suppliers are ongoing to ensure none use any type of forced, prison, indentured or bonded (including debt bondage) labour. Except as required by their contracts of employment, the suppliers' employees are free to enter and exit the manufacturing facilities and the accommodation provided by the suppliers.

FURTHER STEPS

Following a review of the effectiveness of the steps we have taken this year, we intend to take the following further steps to combat slavery and human trafficking in our supply chains:

- 1) HTC's Supplier Code of Conduct describes our corporate ESG responsibility requirements for our suppliers. HTC will assess compliance to these requirements and will consider the suppliers' progress in meeting these requirements and their ongoing performance in making supplier selections;
- 2) Enhance supply chain management; and

- 3) Continue to carry out Supply Chain ESG compliance audits on all of our supply chain partners where possible.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31st December 2022.



Cher Wang
Chairwoman and CEO
HTC Corporation

Date: *March 7, 2023*