

2023 Sustainability Report



2024.03



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To the Carbon Free
Future

Supply Chain
Management

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Empowering the X-team

Overview

Introduction

XCharge 2023 Sustainability Report (Report) is intended for all stakeholders of XCharge. The report focuses on its management, practices and performance in areas of environmental, social and governance (ESG).

Compilation Basis

This report has been compiled in adherence to the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), as developed by the Global Sustainability Standards Board (GSSB). Additionally, it takes into account and responds to the S&P DJSI, the Sustainable Development Goals of the United Nations (UN SDGs), and other mainstream ESG indices. The report is also aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Reporting Scope

The report covers the period from January 1, 2023, to December 31, 2023, and includes references to previous years as specified.

The data and information disclosed in the report pertain to the business scope under the direct control of XCharge Group ("the company," "we," or "XCharge").

Source of Information

The information and data presented in this report are sourced from statistical reports and official documents of the Company, which have undergone review by the relevant departments. The report received approval from the Board of Directors of XCharge in February 2024.

Approval

The report received approval from the Board of Directors of XCharge in February 2024.

Disclaimer

Certain sections of this report are forward-looking and involve future development targets and plans. These statements are based on information as of the date of the report. The Company does not assume any obligation to update forward-looking statements contained in this report.

Sustainability Highlights

To the Carbon-free future



1,002,000 kWh

Saving Energy Recycle through CPFU



Total of 9,000 Hours

Of EHS training for employees



287,000 Metric tons of CO2 reduction

On our customers' end by offering our PV inverters



93%

Actual Paper Recovery and Recyclable Rate

Supply Chain Management



0 of total XCharge's current supplier is classified as high-risk supplier



Continue to achieve 100% raw materials compliance with the requirements of EU Restriction of Hazardous Substances (RoHS) directive



Continue to achieve 100% raw materials compliance with the requirements of EU REACH. Act on SVHC-Substances of Very High Concern.



Continue to achieve 100% non-use of conflict mineral raw materials



The revenue from products containing minerals from conflict-affected and high-risk areas is 0.



EPD and Carbon Footprint Certified products

Governance



Anti-corruption and compliance training sessions for 100% of employees



0 of corruption-related investigations and cases



ISO 20000 and ISO 27001 Certified

Empowering the X-team



63% of all management positions at XCharge are held by females



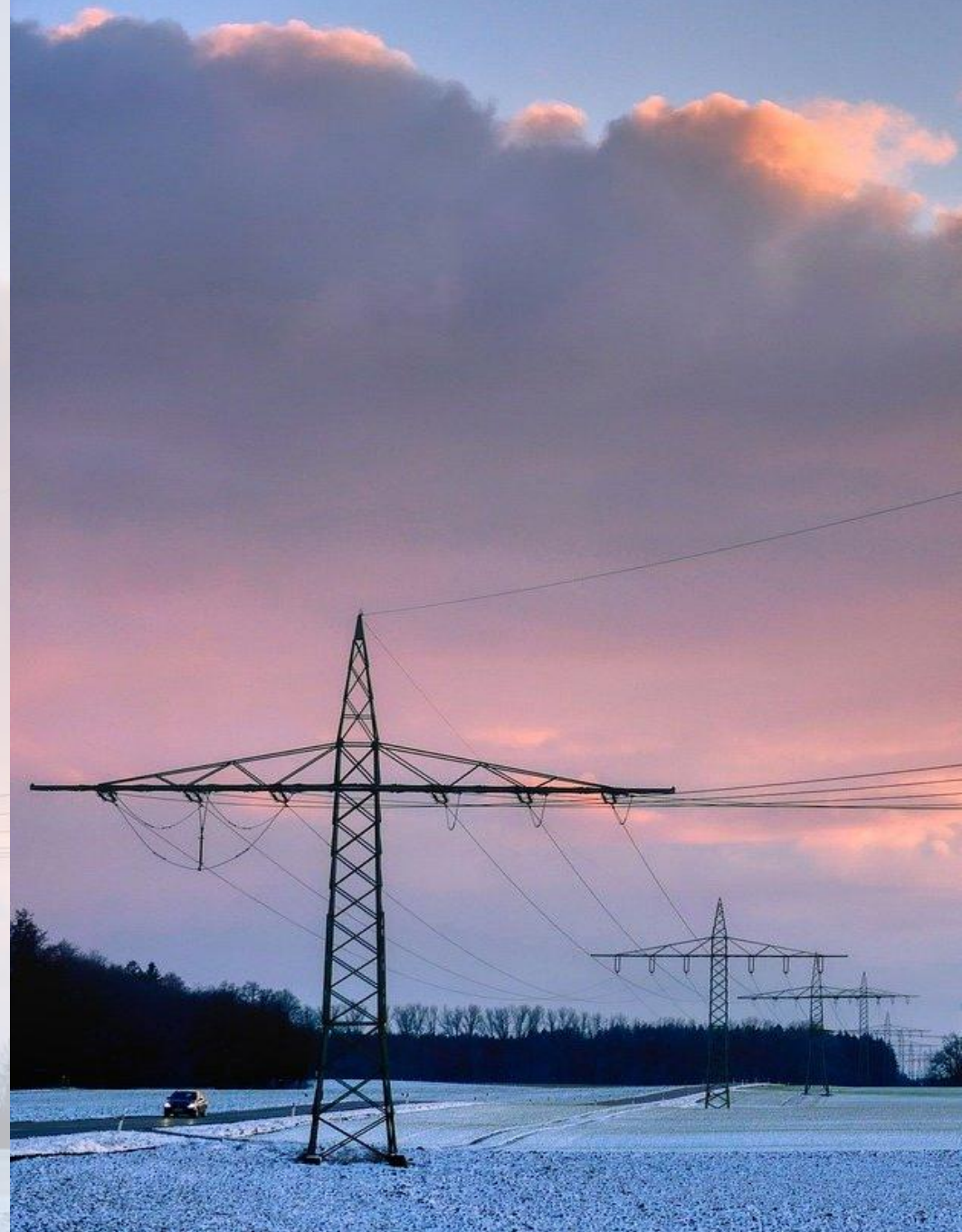
0 Work Injury



0 Child labor

1. To the Carbon-free future

XCharge has ingrained a commitment to carbon-free future and ecological protection into every facet of production and operations. The company has established an environmental management system, harnessing technological advancements and collaborating with industry chains and partners to propel toward a carbon-free future.



To the Carbon-free future

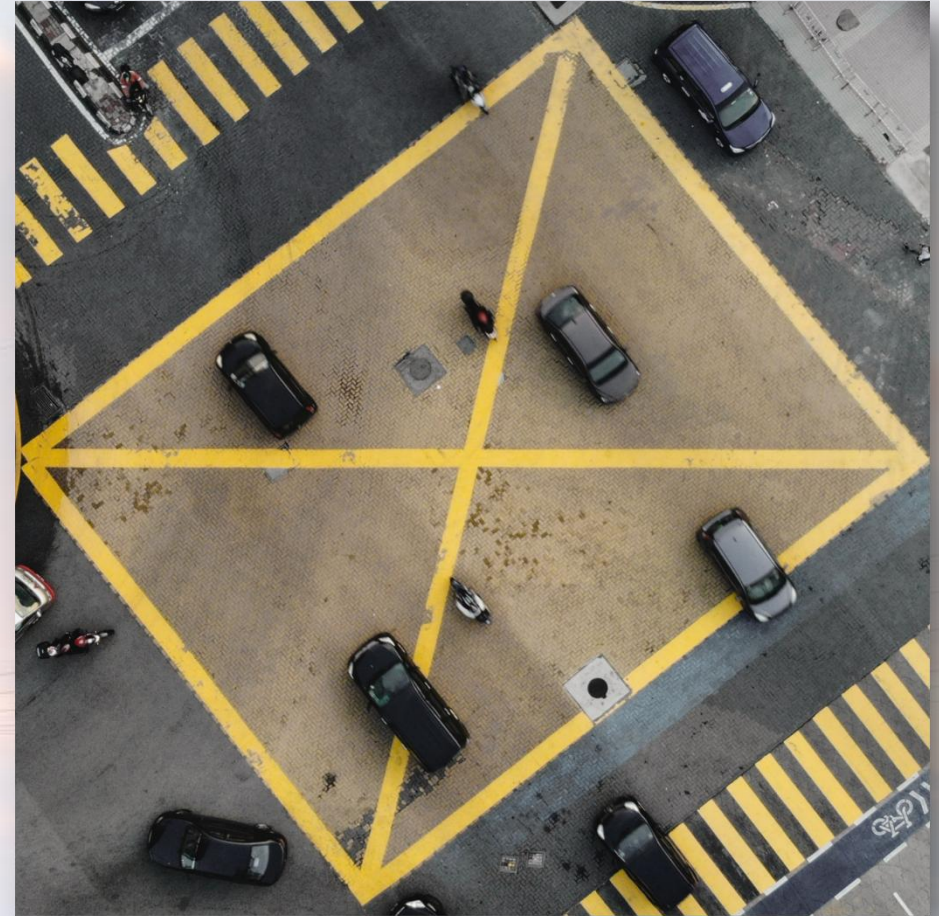
Addressing Climate Change - Governance

XCharge acknowledges that climate change is a driving force for the development of the EV charging industry and recognizes its significance in our ESG management.

We have established a management system in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and guidance, focusing on governance, strategy, risk management, and metrics and targets to effectively address climate change.

Within our ESG governance framework, climate change management has been integrated, with dedicated attention from the environmental committee. We consistently conduct comprehensive identification and assessment of climate change risks and opportunities. For identified ones, XCharge commits to ongoing monitoring and the progressive implementation of responsive measures.

In line with our vision of a carbon-free future, XCharge is actively tackling climate change through practical actions. Carbon reduction measures and involvement in new energy are integrated into various aspects of our company's operations, including product design, manufacturing, logistics, and supply chain management. Our commitment extends throughout our business, ensuring a comprehensive approach to lessening climate impacts.



To the Carbon-free future

Addressing Climate Change - Strategy

XCharge has identified physical and transition risks, progressively refining strategies to mitigate, adapt to, and withstand climate change in the future.

Type of risks	Risk classification	Risk description	Potential Financial Impacts	Strategy	
Physical Risks	Acute	<ul style="list-style-type: none"> Extreme weather events, such as cyclones, hurricanes, or floods 	<ul style="list-style-type: none"> Decreased Increased operation costs 	<ul style="list-style-type: none"> Developing a climate change emergency response plan 	
	Chronic	<ul style="list-style-type: none"> Accelerated damage to materials, equipment and infrastructure 	<ul style="list-style-type: none"> Declined production capacity, increased operation costs 	<ul style="list-style-type: none"> Increasing R&D investment and optimizing resource consumption efficiency 	
		<ul style="list-style-type: none"> Disease proliferation 	<ul style="list-style-type: none"> Increased operation costs 	<ul style="list-style-type: none"> Enhancing human resources management system 	
Transition Risks	Policy and Legal	<ul style="list-style-type: none"> Enhanced carbon-pricing mechanisms and increased pricing of GHG emissions 	<ul style="list-style-type: none"> increased costs in operation and R&D to ensure compliance 	<ul style="list-style-type: none"> Shifting energy use toward lower emission sources 	
		<ul style="list-style-type: none"> Enhanced emissions-reporting obligations 	<ul style="list-style-type: none"> Increased operating costs 	<ul style="list-style-type: none"> Engage suppliers with lower emissions and higher compliance standards 	
	Market	Technology	<ul style="list-style-type: none"> Higher competition in technology development and deployment 	<ul style="list-style-type: none"> Increased R&D cost 	<ul style="list-style-type: none"> Strengthening R&D strategic planning and optimizing investments
			<ul style="list-style-type: none"> Resource shortage and higher input costs, such as energy, water and raw materials 	<ul style="list-style-type: none"> Increased input costs 	<ul style="list-style-type: none"> Enhancing supply chain management Developing a strategic procurement plan to reduce the costs and risks associated with raw material acquisition
			<ul style="list-style-type: none"> Shifts in client preferences for certain type of charging solutions 	<ul style="list-style-type: none"> Decreased market demand and revenue 	<ul style="list-style-type: none"> Establishing improved communication with clients, partners, and end users and promptly adjusting products and solutions to align with market needs

To the Carbon-free future

Addressing Climate Change – risk management, metrics & targets

XCharge has integrated climate change risk management into the Risk and Crisis Management Procedure, undertaking comprehensive system construction, encompassing risk identification, assessment, response, as well as ongoing monitoring and review of climate change risks, as outlined in the “Governance – Risk and Crisis Management” section.

Our commitment to a carbon-free future is systematically advancing, marked by the establishment of short-term, medium-term, and long-term carbon reduction goals. Steady progress in climate change management is achieved through collaborative efforts across production, supply chain, quality control, human resources, and all relevant stakeholders. Regular tracking of these targets is in place, enabling prompt adjustments and optimizations for improved results and higher efficiency.



Total of 9,000 Hours
Of EHS training for employees



93%
Actual Paper Recovery and
Recyclable Rate



1,002,000 kWh
Saving Energy Recycle through CPFU



287,000 Metric tons of CO2
reduction
On our customers' end by offering
our PV inverters

To the Carbon-free future

Low carbon production and operation – the Certified Environmental Management System

Name of Authentication	Basis of Certification	Certificate Registration No	Period of validity	Type of Audit	Audit Date
Environmental management system certification	ISO14001:2015	31623E10028ROM	To 2026.02.14	Re-Certify	2023.02

XCharge regards the protection of the environment as a corporate obligation. Throughout various business and production activities, we comprehensively integrate environmental considerations and actively participate in environmental management.

We have achieved ISO 14001 Environmental Management System certification. Guided by the Environmental, Health, and Safety (EHS) Guidelines, XCharge consistently improves the environmental management system.



To the Carbon-free future



Compliance Emissions

XCharge implements effective management and consistently meets reduction targets. The handling, disposal, and recycling of waste, as well as emissions control, are conducted in accordance with local regulations and appropriately documented.



Liquid waste – water operations



Solid waste – packaging



Gas Emissions

To the Carbon-free future

Compliance Emissions

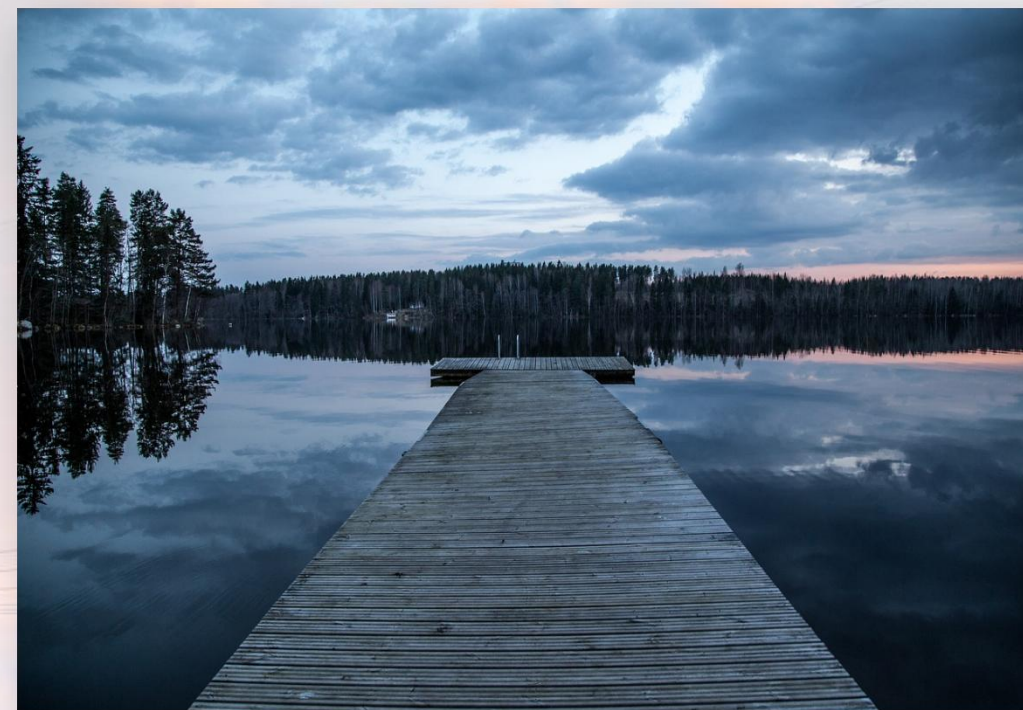
Liquid waste – water operations

Due to the nature of our business operations, the company does not engage in industrial waste (liquid). Specifically, we do not generate industrial wastewater, waste gas, waste residue, or hazardous waste.

XCharge's water consumption is solely for drinking purposes and office operations, and we do not utilize water in our production processes.

The domestic water sources exclusively rely on the municipal water supply, aligned with the relevant industrial district water supply contracts. Consequently, we do not generate any polluted water.

Wastewater primarily consists of domestic sewage, which undergoes environmental protection measures. The sewage is treated through sedimentation in septic tanks and then discharged via sewage pipelines into the municipal network.



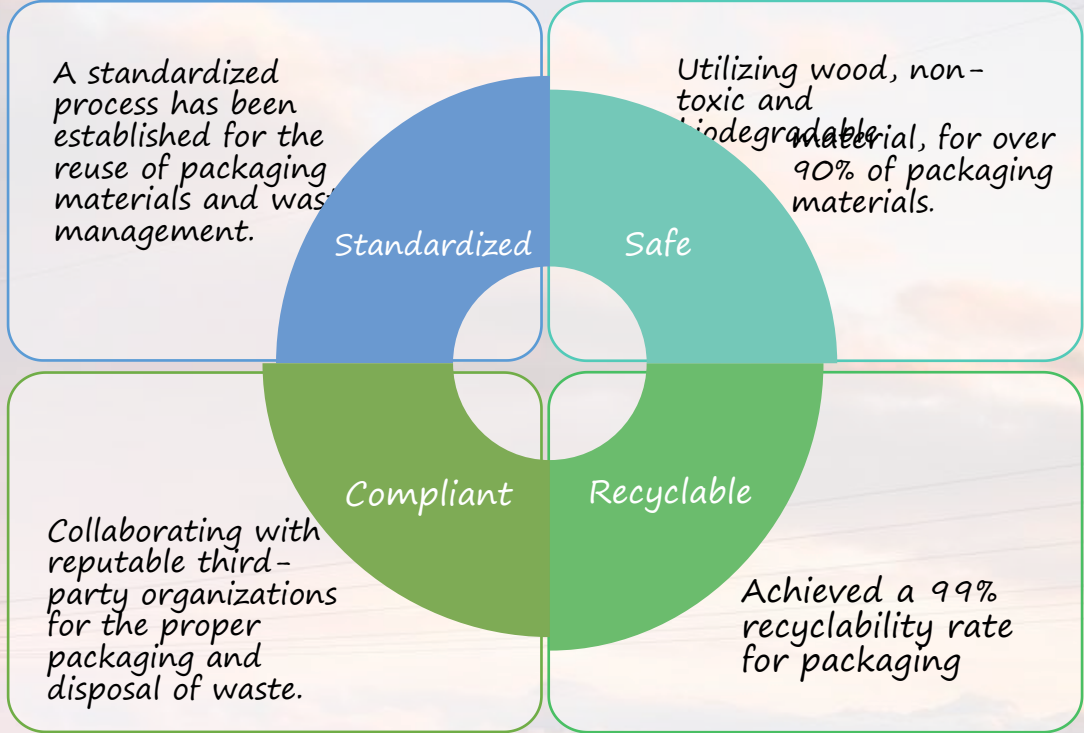
To the Carbon-free future

Compliance Emissions

Solid waste - packaging

The waste mainly comprises packaging materials. Solid waste mainly comprises discarded packaging materials, which are collected and reused as shipping packaging.

XCharge has entrusted a legitimate waste processing company to manage the waste.



To the Carbon-free future

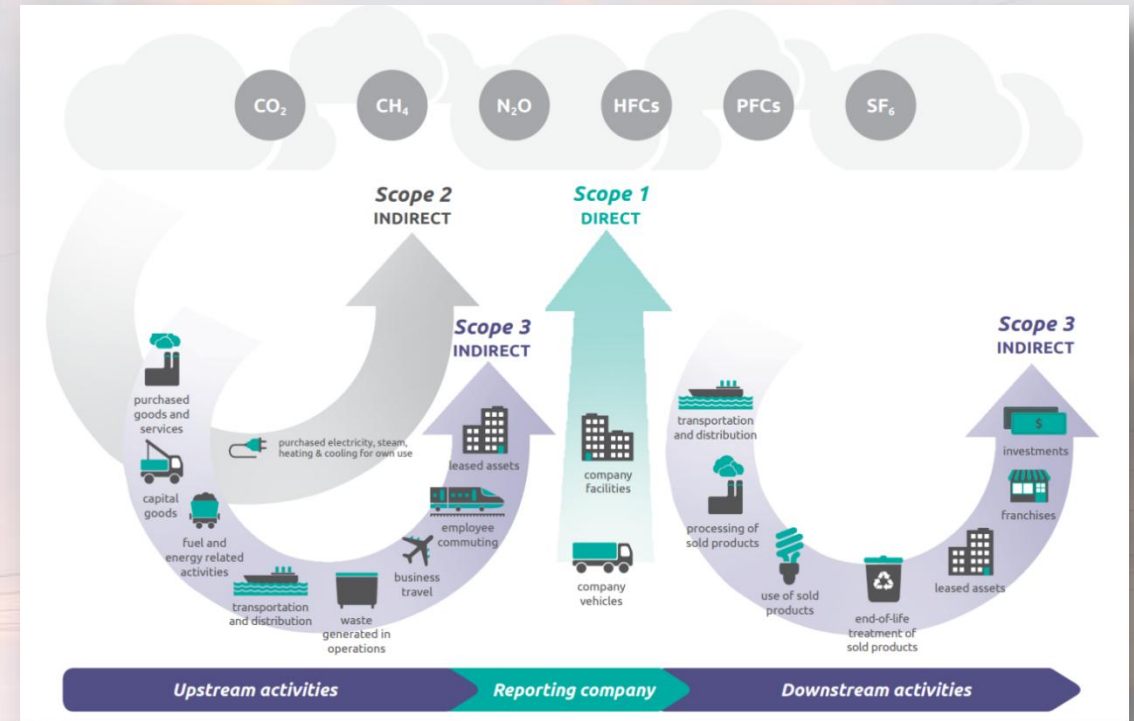
Compliance Emissions

Gas Emissions

The Emissions Aspect encompasses indicators related to greenhouse gas (GHG) emissions, ozone-depleting substances, NOX, SOX, and other notable air emissions.

The greenhouse gas emissions of XCharge consist solely of Indirect GHG emissions (Scope 2), which are attributed to carbon emissions (CO₂) from the outsourced electricity required for company operations. No Direct GHG emissions (Scope 1) are generated.

The reporting of GHG emissions is aligned with the guidelines outlined in the WRI and WBCSD 'GHG Protocol Corporate Accounting and Reporting Standard' (GHG Protocol).

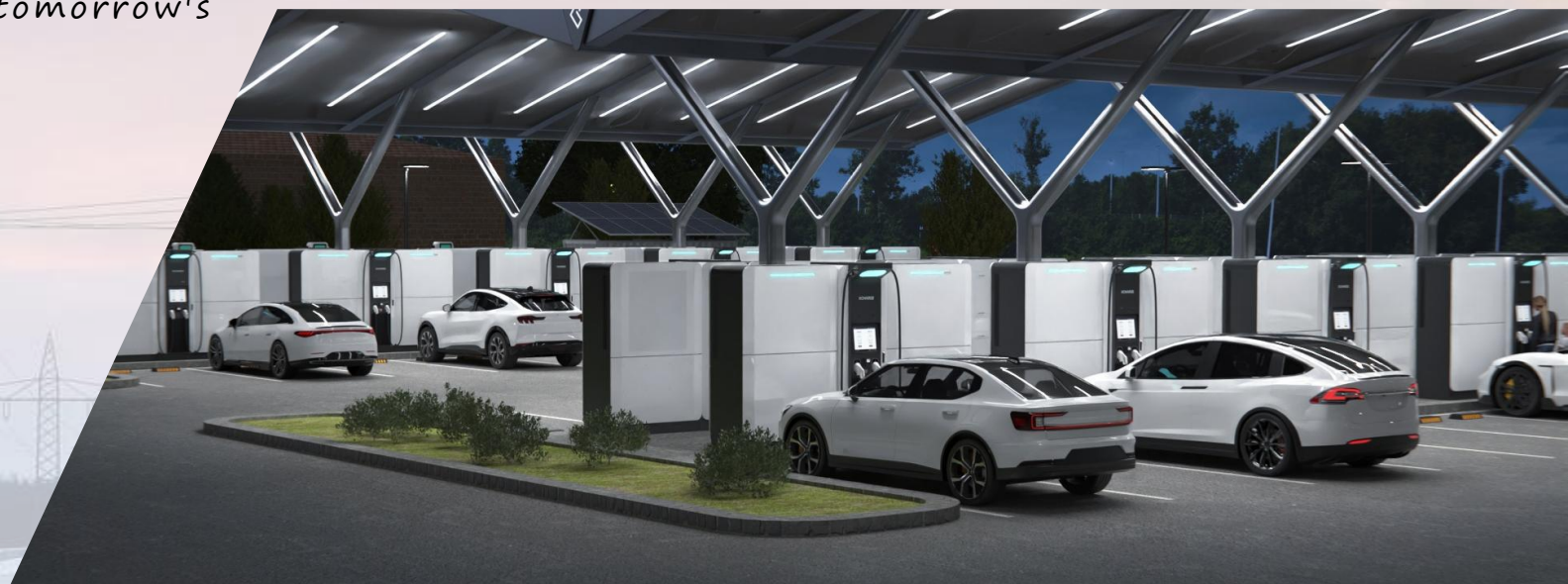


To the Carbon-free future

Sustainable products and business models

Committed to driving the world's transition to a low-carbon, clean-energy-powered future, XCharge adheres to the practice of being driven by continuous technological innovations.

With substantial investments in research and development, coupled with an in-house team of innovative talents, XCharge ensures the creation of sustainable energy solutions that not only meet today's challenges but also anticipate tomorrow's developments.



To the Carbon-free future

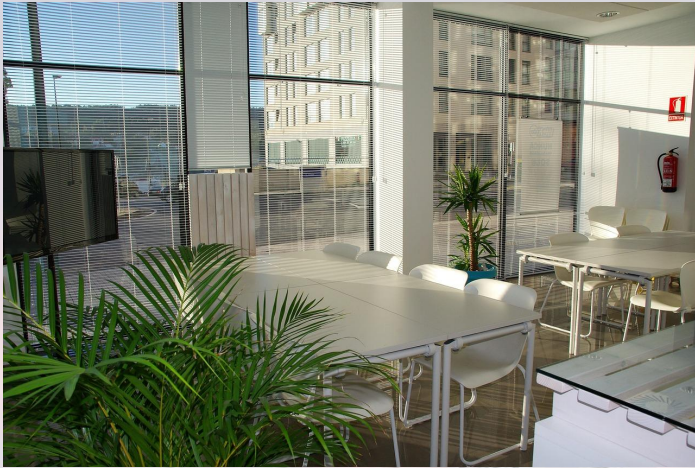
Sustainable products and business models

Environmentally-friendly	Investment-friendly	Society-friendly
<p>Maximized Efficiency with Dynamic Power Allocation</p> <p>Smart chargers automatically adjust the output of both connectors according to the vehicle's requested charge rate, enhancing resource efficiency.</p>	<p>Diversified and Comprehensive Product Portfolio</p> <p>Wide DC Portfolio covering 60kW to 400kW, flexible to meet diverse scenarios and compatible with various standards which makes the charging solution globally applicable</p>	<p>High Compliance in Various Standards and Markets</p> <p>XCharge fully complies with international standards for data security, user privacy and third-party considerations.</p>
<p>Advanced Cooling System Prolongs Product Lifespan and Enhance Resource Utilization</p> <p>Cooling systems including patented Z-shaped wind channel/active thermal cooling function increase cooling efficiency allowing for best-in-class performance and durability</p>	<p>Seemingly Switched Operation Modes Secure Higher ROI for Charge Point Operators</p> <p>Intelligent software with different operation modes helps to bolster operational revenue</p>	<p>Adoption of B2G functions Serve as Charging Infrastructure Back-up</p> <p>NZS, as a bi-directional EV charger with B2G function, can serve as non-stop power reserve during emergencies and power outages.</p>
<p>"Net-Zero" Concept Alleviate Grid Tensions</p> <p>NZS with battery integration can provide more power with less grid while enabling peak-shaving and bolstering grid stability</p>	<p>Future-Proofed Charging Experience with Easy Upgrades</p> <p>All products support OCPP and secure OTA upgrades, ensuring easy maintenance and resilience of the charging system, helping client remain competent in the market.</p>	<p>Non-stop Operation Realized by Power Storage</p> <p>NZS with power storage function ensures the smooth and stable operations of charging stations and end users' charging experience.</p>
<p>Adoption of PV function boasts Green Energy Transition</p> <p>NZS Generation 2 adopts photovoltaic function, reducing carbon emissions with the integration of renewable energy.</p>	<p>Top-level In-house R&D Capabilities</p> <p>Product reliability, stability, and serviceability substantiated by continuous R&D improvements, assisting clients in tackling unique challenges.</p>	<p>Grid infrastructure-friendly solution accelerates EV transition</p> <p>The NZS, with its low input demand, circumvents unnecessary grid extensions and provides practical solutions for areas with inadequate grid infrastructure, thus accelerating the pace to achieve EV transition goals.</p>
<p>System and Product Certified with Carbon Footprint, EPD and ISO</p> <p>XCharge has retained a series of environmental certifications including ISO 14001, EPD and Carbon Footprint.</p>	<p>Responsive In-house Aftersales Services</p> <p>On-call in-house aftersales and experts guarantee clear resolution timelines</p>	
	<p>Free from Lengthy Administrative Processes</p> <p>NZS with low input demand eliminates the need for additional technical equipment and lengthy administrative processes.</p>	

To the Carbon-free future

The Eco-office practices

Electricity



The lighting, air-conditioning and ventilation systems in the office area, particularly in the meeting rooms, at XCharge are mandated to be switched off during non-working hours.

Transportation



XCharge encourages employees to choose trains over planes for business travel, especially for flights lasting less than 2 hours.

XCharge offers shuttle bus service for employee commuting, bringing convenience to employees while reducing carbon emissions during commuting.

Paperless Offices



XCharge continues to advance paperless offices, reducing paper resource consumption through online travel applications and expense reimbursement systems.

For printed paper and cardboard that has already been generated, we encourage employees to reuse them, taking practical actions to support resource conservation.

2. Supply Chain Management

XCharge has integrated a commitment to a sustainable and responsive supply chain throughout our production and operational processes. The company actively collaborates with industry chains and partners to advance a management approach that prioritizes ESG responsibilities.



Supply Chain Management

Supply Chain Management System

XCharge has formulated complete supply chain management norms and management matrix, and developed internal management regulations including the “Supplier Management Manual” , “Supplier Development and Certification Process” , “Performance Management Regulations” and “Cost Control Process”.

The system ensured comprehensive supply chain management, covering the whole lifecycle phases including supplier sourcing, approval, performance evaluation, risk detection, and cost management. It safeguards the company with an efficient, healthy, and sustainable supply chain.

XCharge Supply Chain Management Regulations

Supplier Management Manual

Supplier development and certification process

Performance Management Regulations

Cost Control Process

Supply Chain Management

Supplier Constitution

During the reporting period (Jan 01 to Dec 31, 2023), XCharge collaborated with 180 suppliers globally, spanning the upstream, midstream, and downstream sectors.

Up-stream

- Batteries
- Transformer
- Semiconductor components
- Plastic materials
- Steel case
- Capacitors
- PCB
- Wires
- Packaging material
- Software design

Mid-stream

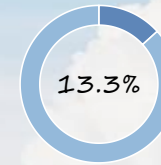
- R&D
- Manufacturing and product sales

Downstream

- Communications equipment industry
- Operators
- Office equipment industry
- Computer server industry
- Consumer electronics industry
- Home appliances industry
- Transportation equipment industry
- Power equipment industry
- Medical equipment industry
- Individual users

Critical tier 1 suppliers

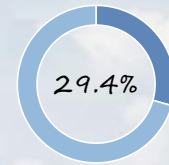
16



(Critical Tier 1/ Tier 1)

Critical non-tier 1 suppliers

10



(Critical non-tier 1/Non Tier-1)

Of these suppliers, 26 were identified as critical suppliers (tier 1 and non-tier 1), representing 14.4% of the total procurement. Critical suppliers, as per the company's operation, are characterized as high-volume suppliers, critical component suppliers, and non-substitutable suppliers.

Supply Chain Management

Supplier Qualification and Evaluation

According to XCharge's management process, all suppliers are obligated to strictly comply with regulations, encompassing, but not limited to, product quality, safety production, labor protection, and environmental compliance.

Suppliers are required to acquire several third-party certifications and sign a series of documents during the qualification process.

On-site assessments and ongoing monitoring and evaluation are implemented before and after onboarding accordingly to ensure streamlined cooperation and foster a mutually beneficial relationship.



Mandatory Certification

Product Quality	ISO9001 Quality Management System Certification
Safety Production	IATF16949 Management System Certification
Labor Protection	Occupational Health and Safety Management System Certification
Environmental Compliance	ISO14001 Environmental Management System Certification

Mandatory Documents

- Supplier Corporate Social Responsibility Management Agreement
- Prohibited Substances Contents Guarantee for Green Products (GP)
- EU REACH SVHC-Substances Limitation Guarantee
- Conflict Minerals Management Survey

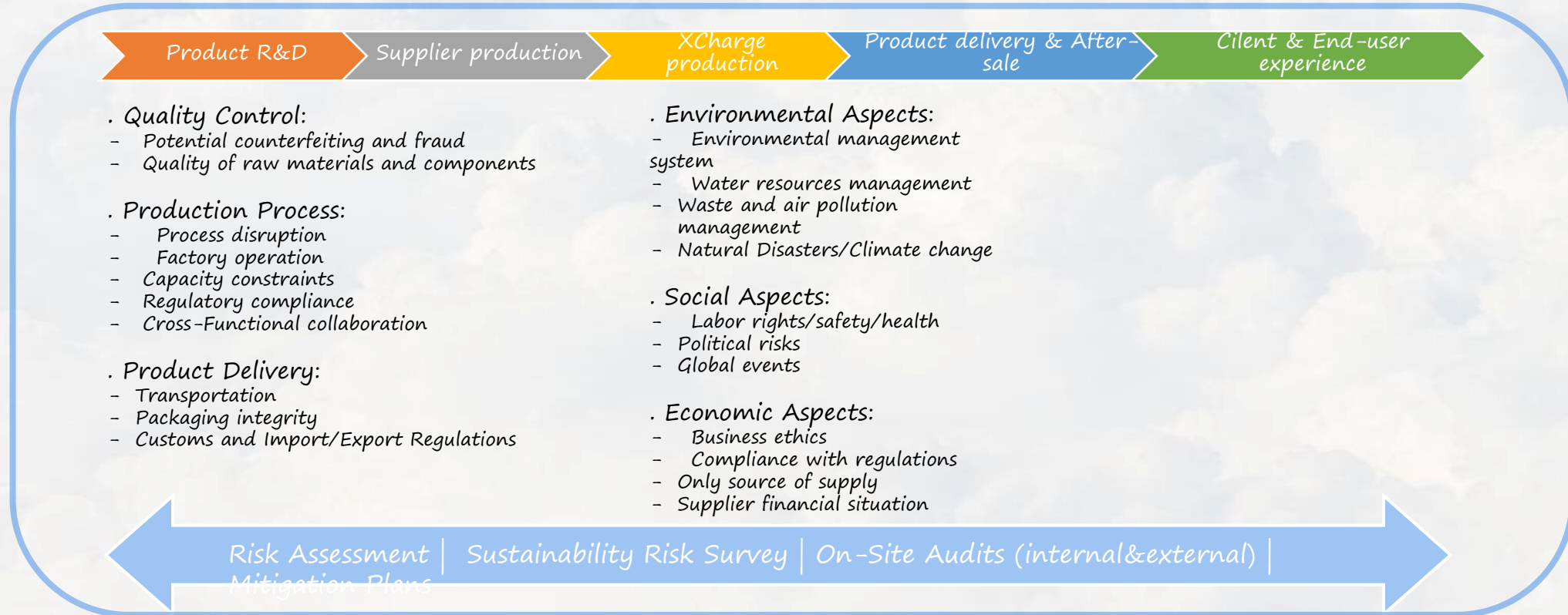


Supply Chain Management

Supply Chain Risk Management

To establish a resilient and sustainable supply chain, XCharge actively participates in risk monitoring and management practices. Concentrating on critical aspects such as suppliers' quality control, management standards, production processes, product delivery, and ESG considerations, XCharge has developed a comprehensive risk assessment procedure and contingency plans, ensuring the smooth flow of various business activities.

XCharge systematically evaluates suppliers' risk levels through regular risk assessments. For critical suppliers, a sustainability risk survey is conducted, followed by a thorough risk assessment to pinpoint at-risk suppliers. Critical suppliers identified with high risk undergo on-site audits, and adherence to the Validity Auditing Process (VAP of RBA (Responsible Business Alliance Code of Conduct)). Suppliers with elevated risks are required to propose mitigation plans, ensuring effective control and containment of identified risks.



Supply Chain Management

Ongoing Supply Chain Monitoring

0 of total XCharge's current supplier is classified as high-risk supplier

Type of supplier	Number of suppliers assessed annually	Percentage assessed annually	Number of suppliers assessed at least once every 3 years	Percentage assessed at least once every 3 years	Total
All suppliers	60	33.3%	120	66.7%	100%
Number of suppliers with high sustainability risk	0	0	0	0	0

Supply Chain Management

Raw Material Management and Suppliers' Compliance of High Standards

XCharge is committed to enhancing the traceability of raw materials in the supply chain and strives to ensure the practice of responsible procurement principles.

We encourage suppliers to conduct due diligence on conflict minerals, ensuring that the materials and components they provide are free from conflict minerals.



Continue to achieve **100%** raw materials compliance with the requirements of EU Restriction of Hazardous Substances (RoHS) directive



Continue to achieve **100%** raw materials compliance with the requirements of EU REACH. Act on SVHC-Substances of Very High Concern.



Continue to achieve **100%** non-use of conflict mineral raw materials



The revenue from products containing minerals from conflict-affected and high-risk areas is **0**.

Supply Chain Management

EPD Certified

XCharge's Charging Station C6, C7, Net Zero Series and C9LQ have received the Environmental Product Declaration Certificate, with other charging station products to follow suit in the near future.



Smart DC Charger C6

Satellite High Power Charger C9LQ



Net Zero Series / NZS



C7 Ultra-Fast Charger



<https://www.epditaly.it/en/epd-inbound/>

<https://www.epd-norge.no/epder/bygg/elektroniske-og-elektriske-komponenter-kabler-produkter/charging-station>

Supply Chain Management

Carbon Footprint Certified

XCharge's Charging Station C6 obtained the Product Carbon Footprint Certificate in 2022.



C6EU

CARBON FOOTPRINT CERTIFIED

3. Governance

XCharge believes that effective corporate governance is crucial for achieving sustainable development goals. The company formulates policies and implements risk management systems to enhance overall governance capabilities, including adherence to high standards of business ethics, data and privacy security, and regulatory compliance, etc. The company also maintains close communication with various stakeholders to understand their needs and expectations, thereby creating long-term value for all parties involved.

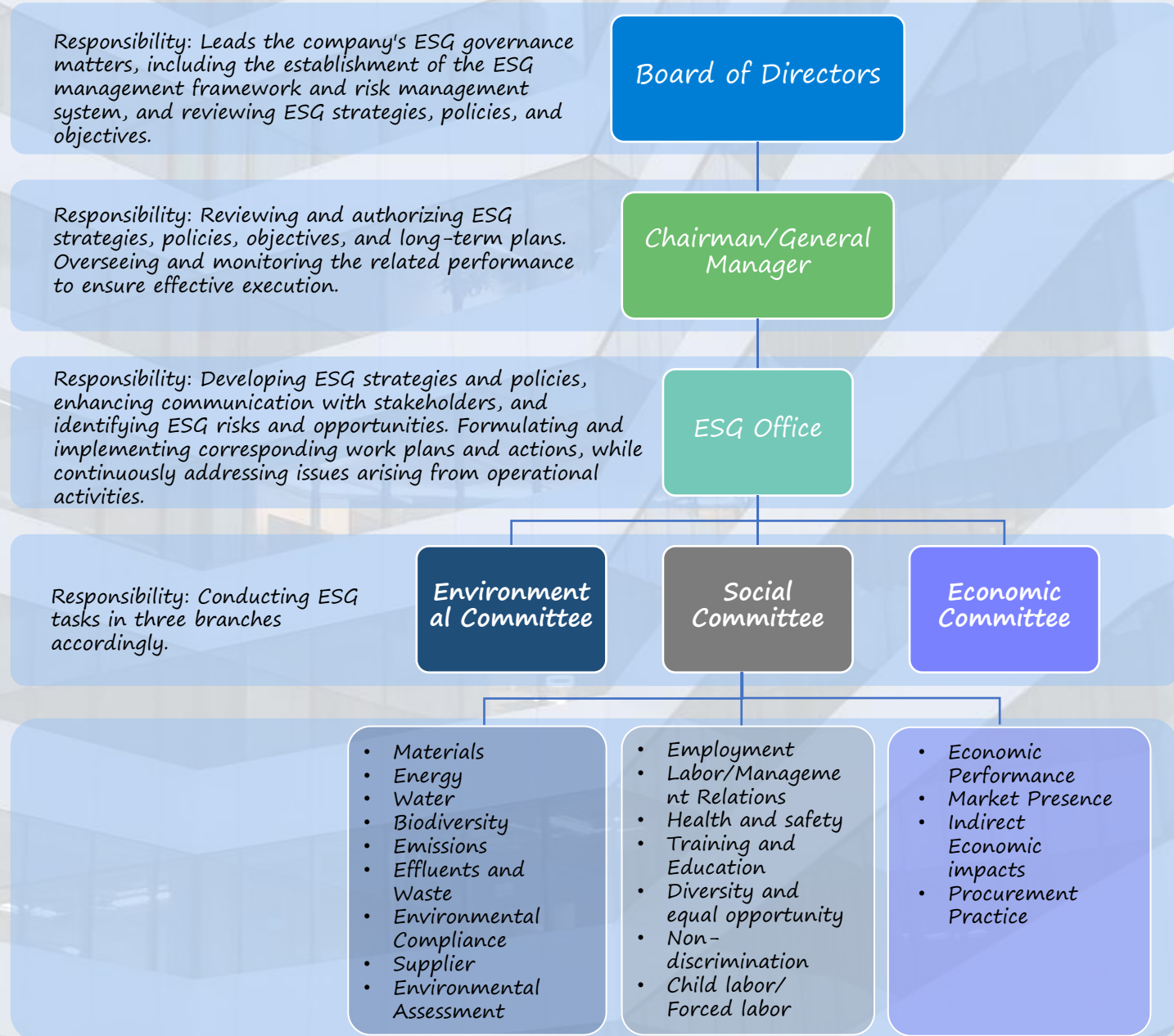


Governance

ESG Committee

XCharge has established the ESG Committee by the resolution of the Board of Directors. The committee is under the supervision of the chairman (who is also the general manager). The chairman is mandated to report regularly to the Board of Directors. Execution responsibilities are delegated to an office under the chairman.

The primary duties of the ESG Committee involve proposing and implementing specific action plans. Additionally, the committee is responsible for annually publishing ESG reports that align with the company's operational activities.



Governance



Stakeholder Engagement

Key topics and concerns

XCharge's responsibilities

Communication channels and response methods



Customers

- Market Presence
- Customer Privacy
- Non-Discrimination
- No Child Labor
- Anti-Corruption
- Compliance

- Deliver top-notch products and services that stand out in the market.
- Enhance customer satisfaction levels.
- Foster long-term, close relationships with customers built on mutual trust and commercial partnership.

- Cooperate with customers based on production and environmental standards, responsibilities, and inspections. Assist in prevention and improvement.
- Train employees and enforce rules for information disclosure when dealing with the media.
- Compose annual report on corporate social responsibility.



Employees

- Market Presence
- Non-Discrimination
- No Forced or Compulsory Labor
- Occupational Health and Safety

- Ensure and respect human rights.
- Promote personnel development.
- Provide legal and fair assessment and treatment.
- Maintain a safe and healthy working environment.
- Enhance personnel welfare and health promotion.

- Utilize staff mailboxes and message boards.
- Offer free employee health checks.
- Conduct supervisor and supervisee communication meetings.
- Compose annual report on corporate social responsibility.



Communities

- Jobs and Employment Opportunities
- Local Environmental Protection Compliance

- Job and Employment Opportunities Creation
- Compliance with Environmental Regulations

- Prioritize local recruitment.
- Ensure compliance with environmental regulations.
- Conduct supervisor and supervisee communication meetings.
- Compose annual report on corporate social responsibility.



Shareholders and providers of capital

- Market Presence
- Economic Performance
- Investment
- Anti-Corruption
- Labor/Management Relations

- Adhere to the most updated regulations and policies from competent authorities.
- Sustain a long-term and stable dividend policy.
- Deliver appropriate investment returns.

- Hold the annual regular meeting of shareholders.
- Participate in the Institutional Investor Conference.
- Regularly release financial reports and operational information announcements.
- Compose annual report on corporate social responsibility.



Suppliers

- Market Presence
- Supplier Environmental Assessment
- Supplier Assessment for Labor Practices

- Ensure legal and fair transactions.
- Understand environmental safety and health considerations and specification details.
- Understand and assist XCharge with implementation.

- Sign an environmental protection commitment letter.
- Request and assess suppliers based on production and environmental standards, responsibilities, and inspections. Collaborate on prevention and improvement.
- Compose an annual report on corporate social responsibility.

Governance

Business Ethics and Anti-Corruption

XCharge places an emphasis on business ethics, adopting a "zero-tolerance" stance toward any improper behavior. In accordance with international laws such as the Foreign Corrupt Practices Act (FCPA) and the Sarbanes-Oxley Act, XCharge has articulated fundamental principles centering on ethical business conduct, avoidance of undue benefits, and fair transactions. These principles serve as guiding tenets for business operations and management, supported by a comprehensive set of corresponding management measures.

XCharge has established an all-encompassing Business Ethics Management System, incorporating a suite of regulations. Key documents include the "XCharge Code of Business Conduct and Ethics," "XCharge Employee Handbook," and "Employee Confidentiality Agreements." XCharge expects not only its employees and executives but also suppliers, business partners, and entities in business contact with us to actively support and adhere to these ethical principles.

Human resources, compliance and legal department

Conducting annual internal auditing process, identify and mitigating corporate ethical risks at their roots.

Executives and employees

Signing and complying with documentation, including the "Employee Handbook" and "Employee Confidentiality Agreements."
Participating in the company's business ethics and anti-corruption training.

Suppliers and business partners

Signing and adhering to integrity agreements and associated provisions, ensuring a transparent and healthy supply chain.
Engaging in XCharge's annual assessment procedure

Governance

Business Ethics and Anti-Corruption – Reporting Channel

Key components of XCharge's Business Ethics Management System include our reporting channels. We have established a comprehensive array of reporting channels, both anonymous and real-name, including letters, emails, phone calls, internal social network platforms, message boards, and regular communication meetings.

We actively encourage stakeholders, including employees, suppliers, and business partners, to report any known or potential instances of improper behavior or violations of the company's ethical policies, local regulations, and laws. To facilitate transparency, the reporting channels are widely publicized.

Upon receiving a report, our system requires that managers from relevant departments promptly address the issues and provide timely feedback. Reports with significant implications for the company's interests are escalated directly to the highest level of executives, including the CEO. Disciplinary measures are also regulated and will be executed accordingly.

Additionally, a stringent protection policy is in place for anonymous whistleblowers, ensuring legal compliance and safeguarding personal information and report content.



Governance

Risk and Crisis Management

XCharge has developed a robust and efficient Risk and Crisis Management System, collaboratively administered by cross-functional teams from various departments, including HR, supply chain, production, quality control, finance, legal, and compliance. This comprehensive system is overseen by the Chairman/General Manager, ensuring a unified and strategic approach.

The company diligently engages in regular risk monitoring and identification processes encompassing both internal and external factors across 10 distinct areas, such as business ethics, market changes, finance, operations, and societal influences. Notably, we have integrated ESG considerations into our framework, addressing issues such as production and operations, supply chain management, and the impact of climate change within the 10 sectors.

Meanwhile, the company conducts thorough risk assessments and proactively implements treatment measures. We consistently review and refine our strategies, drawing insights from ongoing situations and the outcomes of our treatment measures. This iterative process ensures continuous improvement in risk management, fortifying the company's resilience against potential challenges.

Risk and Crisis Management Procedure

Internal Risks

- Business Ethics Risks
- Strategic Risks
- Management Risks
- Financial and Economic Risks
- Production and Operations Risks

External Risks

- Social Factors Influence
- Legal and Regulatory Compliance
- Macro Risks
- Technological Competence
- Market Changes

Planning, implementation, inspection, supervision, review, management, and continuous improvement of Risk and Crisis Management Policies.

Risk management system construction

- Defining objectives, establishing measurable criteria, categorizing risks, and integrating them with the organizational strategy.

Risk identification

- Identifying various risks that may impact organizational goals, including potential threats from both internal and external sources.

Risk assessment

- Evaluating the probability, impact, and urgency of each identified risk to determine its relative priority.

Response

- Formulating corresponding mitigation strategies for each risk, which may involve risk reduction, transfer, acceptance, or other appropriate measures.

Risk monitoring and review

- Continuously monitoring and assessing risk treatments, updating assessments as the business environment evolves.

Communication, consultation, guidance, training, tracking, and assessment.

4. Empowering the X-team

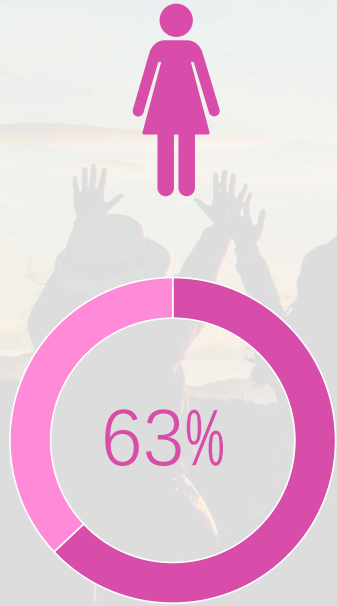
As an international, passionate, and determined organization, XCharge is committed to fostering a diverse, open, and dynamic community for our employees, and empowering members of the X-team to exceed their potential consistently.

We have established an international X-team with top talents through global recruitment and fostered an inclusive and respectful human resources system that prioritizes the well-being of our employees. By providing rich benefits, emphasizing occupational health and safety, and integrating care into the professional growth path of each team member, we aim to achieve mutual success for both the company and individuals.



Empowering the X-team

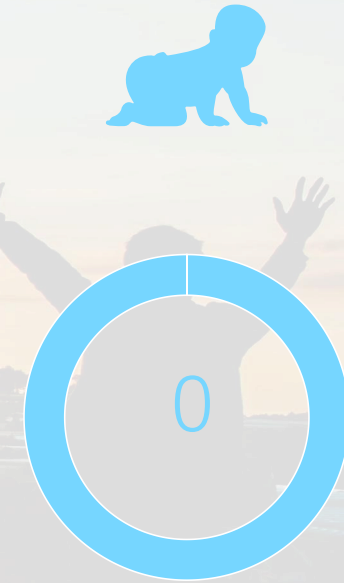
Achievements



As end of 2023, 63% of all management positions at XCharge are held by females



0 Work Injury



0 Child labor

Empowering the X-team

A diverse, open and dynamic community

XCharge credits its diversity and vitality to its international team, comprising individuals from diverse cultural and ethnic backgrounds. The X-team actively embraces talent on a global scale. By the end of 2023, the company has successfully attracted top talents from over 10 countries and regions spanning four continents, further enhancing the competitive advantages for XCharge.

Meanwhile, in upholding an open and equal workplace for the X-team, XCharge consistently and unequivocally opposes any form of discrimination or harassment based on factors such as gender, age, ethnicity, region, religion, or physical condition.



X-team at the Test Center in Madrid, Spain, in Partnership with SGS



X-team and Local Officials at the Opening of Facility in Texas, the U.S.



X-team at the Power2Drive Exhibition in Munich, Germany

Empowering the X-team

Human Rights Protection & Staff Welfare

With a focus on maintaining a healthy and supportive work environment for our employees, XCharge has established a comprehensive system that includes regulations to safeguard human rights and well-structured benefit packages. XCharge recognizes the importance of employee well-being for the company's development. Adhering to this belief, we continually enhance the employee experience, actively working towards creating a sustainable and satisfying work environment.



Responsibility Policy of Respecting Human Rights

XCharge adheres to labor laws and regulations in diverse countries and regions, aligning with international human rights conventions such as the "International Bill of Human Rights," the United Nations Guiding Principles on Business and Human Rights, and the "International Labor Organization's Declaration on Fundamental Principles and Rights at Work."

We have crafted the "XCharge Responsibility Policy of Respecting Human Rights," ensuring the following guarantees:

- Freedom of association and collective bargaining.
- Free choice of employment and prohibition of forced labor.
- Equal employment and remuneration for men and women performing the same work.
- Prohibition of child labor and exploitation of underage workers.
- Ensuring reasonable working conditions, encompassing wages, working hours, breaks, vacation, and occupational health and safety.
- Non-discrimination based on race, social class, nationality, religion, physical disability, gender, sexual orientation, union membership, political affiliation, or age.
- Humane management practices, including the prevention of unreasonable punishment, abuse, sexual harassment, and mistreatment in any form.

Empowering the X-team

Human Rights Protection & Staff Welfare

Recognizing the significance of employees' well-being for company development, XCharge is committed to providing the X-team with stable and comprehensive benefits packages. These packages cover various aspects, including healthcare, career development, incentives, lifestyle, and team building. Meanwhile, as the company grows rapidly and the team expands, XCharge is striving to further improve the overall welfare of the X-team so as to enhance employees' sense of belonging and happiness.

Staff Welfare

- Paid annual leave
- Paid sick leave
- Marriage leave
- Maternity leave / Paternity leave / Parental leave / Caregiver leave
- Bereavement leave
- Business trip allowance
- Support for Visa and Residency Applications
- Free laptop

Career Development

- Free professional training
- Performance assessment & Promotion process

Incentives

- Annual salary adjustments
- Annual/monthly performance bonuses
- Performance awards for outstanding teams and individuals

Healthcare

- Annual health check-ups
- Supplementary commercial health insurance
- Overseas travel insurance
- Accidental injury insurance
- Critical illness insurance

Care/Lifestyle

- Shuttle service
- Festival gifts and allowance
- Birthday celebration
- Sports club
- Vending machines
- Flexible working hours
- Work-from-home policies
- Free parking
- Lunch & dinner catering services

Team Building

- Travel excursions
- Team lunch/dinner
- Party nights
- Promotion celebration
- Sports competitions

XCharge Employee Benefit Packages

Empowering the X-team

Building the Communication Channel

XCharge places a high priority on incorporating the voices and opinions of its employees. To facilitate open and effective communication, we have established comprehensive approaches that include both top-down and bottom-up channels. These diverse communication methods encompass the annual human rights risk diligence process, social media platforms, the opinion box, and an email channel for complaints.

The company actively encourages employees to share their valuable feedback and suggestions, aiming to safeguard the human rights and welfare of all employees while continually improving the company's management practices. In the effort to promote open communication, particular attention has been paid to individuals in high-risk, vulnerable, or marginalized groups, as well as addressing the different risks faced by men and women.

Employee Opinion Box:

Anonymous channel: The human resources department will regularly open the Opinion Box (open once every two weeks). Reasonable and can-be-solved suggestions will be solved in time.



Employee Complaint Email Box:

Real Name channel: A dedicated email box has been set up for real name complaints. The suggestions or complaints that are closely related to self-interests and expect to receive a reply belong to real-name complaints, such as personal salaries, holidays, individuals considered unfair treatment, etc. Employees with an urgent need for immediate settlement for their suggestions or complaints are encouraged to use the real name complaint channel.



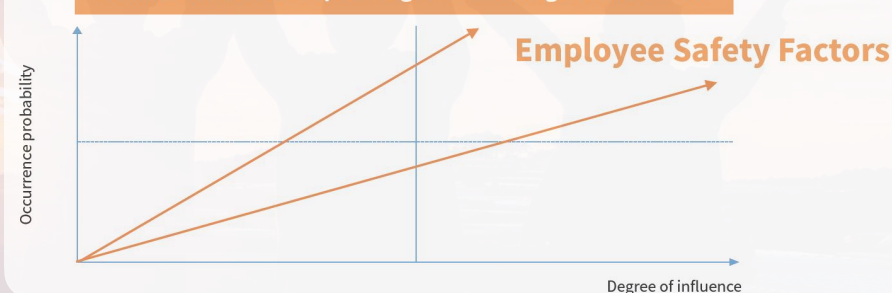
Human Rights Risk Identification and Due Diligence Process



The process of identifying and conducting due diligence on human rights risks is conducted annually, led by the ESG office to address the issues identified in the process.

- Discuss with the corresponding departments and stakeholders to identify human rights issues.
- Identify that such human rights risks have occurred, are about to occur, or may occur;
- Identify the causes and sources of such human rights risks that have been, are about to occur or may occur (whether the company causes or contributes to an adverse impact, or whether it is involved solely because the impact is directly linked to its operations, products or services by a business relationship).
- A risk map of human rights issues with significant negative impacts will be prepared on two axes: probability of occurrence and degree of impact

Identification and Sequencing of Human Rights Risk Issues



Social Media

A social media channel has been established for internal communication, serving as a platform for disseminating company news, team-building activities, welfare policies, and other relevant content. This channel is not only a source of information but also an open avenue for gathering employees' ideas and suggestions. Regular surveys and questionnaires are conducted through this platform to ensure continuous engagement and feedback from the workforce.



Appendix – XCharge System Certification

No.	Name of Authentication	Basis of Certification	Certificate Registration No	Period of validity	Type of Audit	Audit Date
1	Quality management system certification	ISO9001:2015	31623Q10036ROM	To 2026.02.14	Re-Certify	2023.02
2	Environmental management system certification	ISO14001:2015	31623E10028ROM	To 2026.02.14	Re-Certify	2023.02
3	Occupational health and safety management system certification	ISO45001:2018	31623S10135ROM	To 2026.05.29	Surveillance Audit	2023.05
4	ISO27001 Information security management system	ISO/IEC27001:2013	11322Z120002ROM	To 2025.01.03	Surveillance Audit	2022.01.04
5	ISO20000 information technology service management system	ISO/IEC20000-1:2018	08922ITSM20001ROC	To 2025.01.03	Surveillance Audit	2022.01.04
6	IATF16949 management system certification	IATF16949:2016	12984/0; 0470078	To 2026.03.07	Re-Certify	2023.03



THANKS!



Charge the World with
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