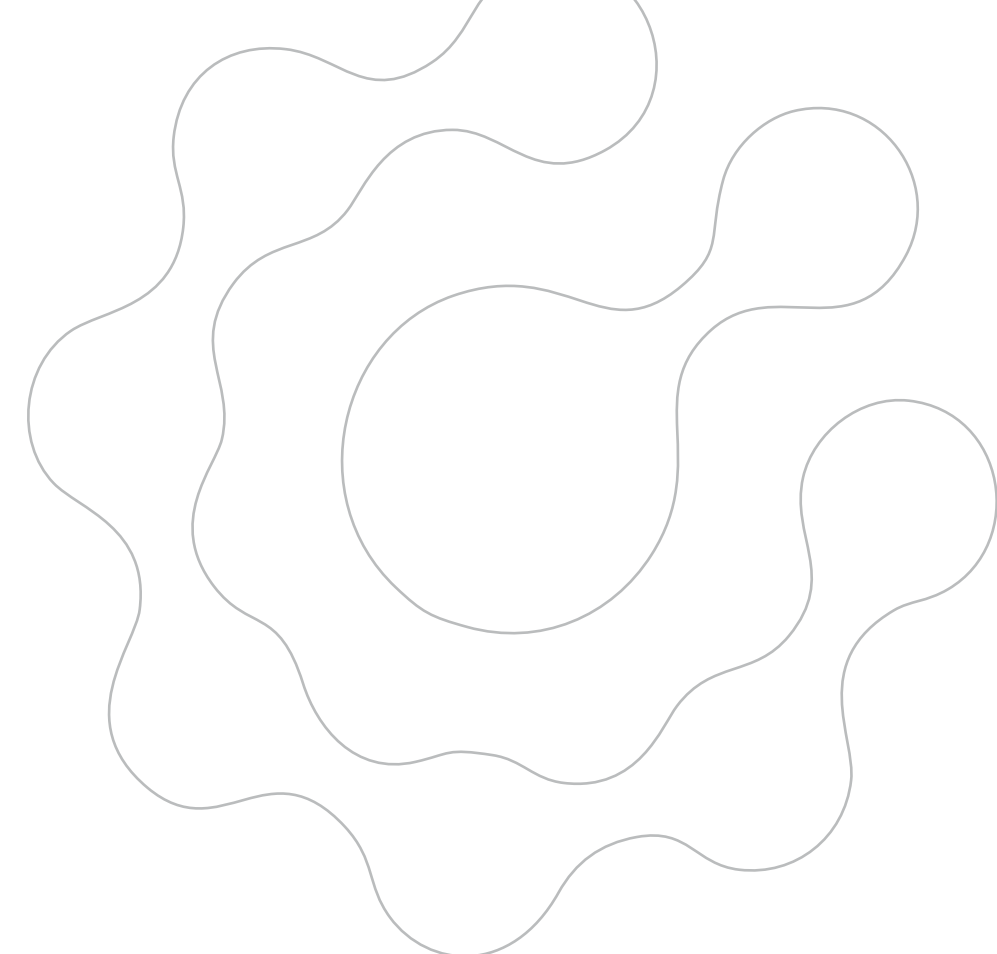




This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



CoP - COMMUNICATION OF PROGRESS 2022



www.tpe.group

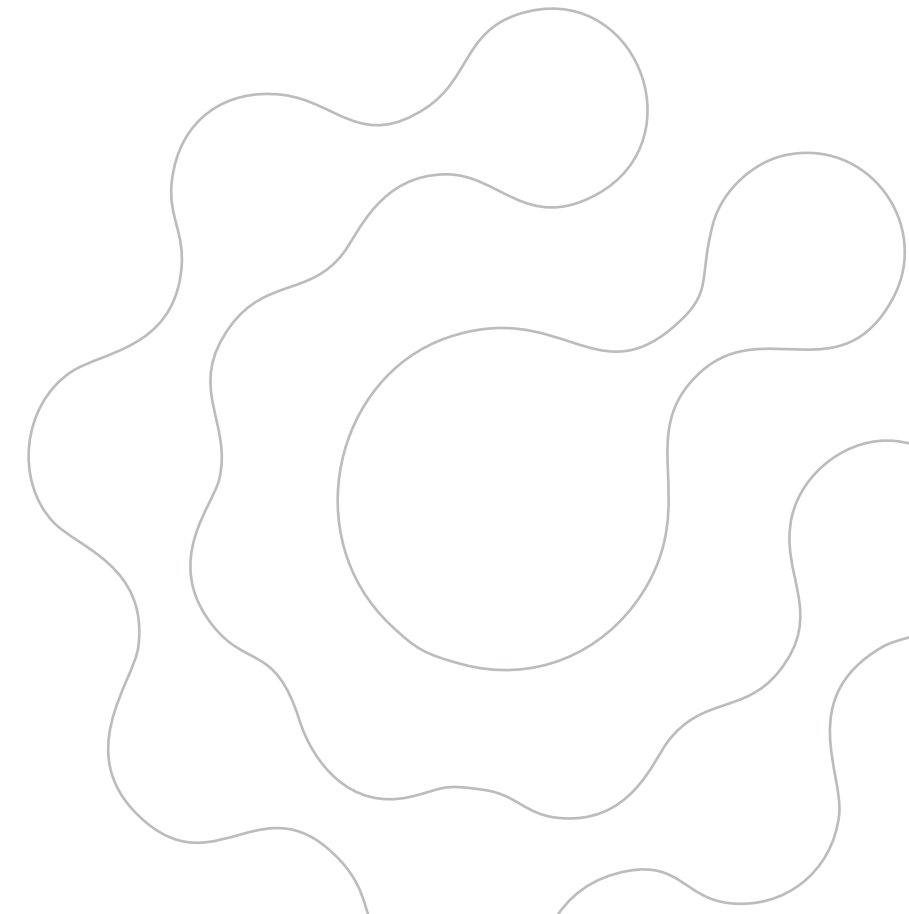


MANAGEMENT COMMITMENT

I am happy to confirm that Tech Power Electronics Group reiterates its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, the Environment and the fight against corruption.

In this annual Progress Report, we describe the actions we are taking to continually improve the integration of the Global Compact and its principles into our business strategy, culture and day-to-day business. We are also committed to sharing this information with our stakeholders through our main communication channels.

Stefan Hauer



SUMMARY

1. Reminder of the ten principles of the United Nations Global Compact
2. Human rights and international labor standards
3. Environment
4. Fight against corruption
5. Summary

TPE France

TPE Romania



1. REMINDER OF THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS

PRINCIPLE 1

Businesses are encouraged to promote and respect the protection of international human rights law within their sphere of influence; and

PRINCIPLE 2

To ensure that their own companies are not complicit in human rights abuses.

INTERNATIONAL LABOR STANDARDS

PRINCIPLE 3

Businesses are encouraged to respect freedom of association and recognize the right to collective bargaining;

PRINCIPLE 4

The elimination of all forms of forced or compulsory labour;

PRINCIPLE 5

The effective abolition of child labor; and

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation.





1. REMINDER OF THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

ENVIRONMENT

PRINCIPLE 7

Companies are invited to apply the precautionary approach to problems affecting the environment;

PRINCIPLE 8

To undertake initiatives to promote greater environmental responsibility; and

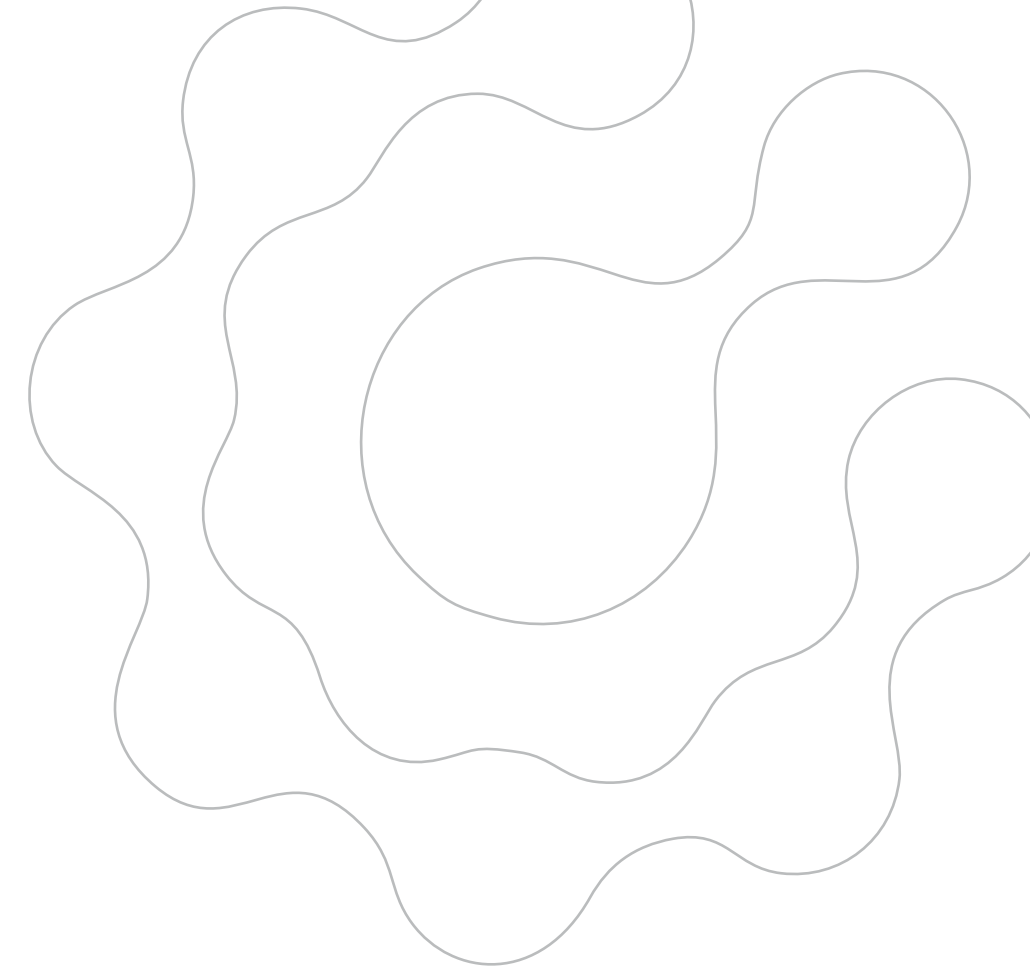
PRINCIPLE 9

To promote the development and dissemination of technologies that respect the environment.

FIGHT AGAINST CORRUPTION

PRINCIPLE 10

Businesses are urged to act against corruption in all its forms, including extortion and bribery.





2. HUMAN RIGHTS AND INTERNATIONAL LABOR STANDARDS

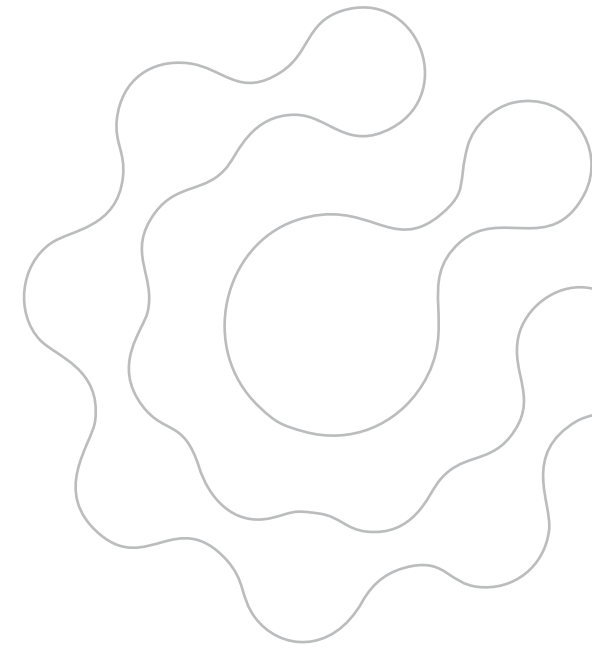
HUMAN RIGHTS

Tech Power Electronics Group is committed to respecting Human Rights in its various entities based in Germany, France, Estonia, Tunisia, India and Romania, as well as in its sphere of influence: local communities and suppliers.

This commitment is included in various documents:

- our rules of procedure
- our Purchasing Manual transmitted and/or available for consultation by all our suppliers
- our Quality Global Manual.
- our Code of Conduct
- Declaration Conflict Minerals

According to its principles, Tech Power Electronics Group has undertaken not to use forced labor and/or child labor for its activity. Having suppliers present all over the world or even in countries at risk, Tech Power Electronics Group has integrated this requirement into its Purchasing Manual which is submitted to all of its suppliers. So far, no violation of this principle has been observed. Otherwise, Tech Power Electronics Group undertakes to terminate all relations with this supplier.



LABOR STANDARDS

A. SOCIAL DIALOGUE

Meetings between management and employee representatives take place every month in every site of TPEG. The staff representatives inform the rest of the employees of this meeting and ask them to send them their questions in order to deal with them during this meeting. A report is then drawn up and distributed to all staff via the bulletin boards / shopfloor-management tools etc.

A quarterly information meeting has been set up in all sites which all employees can participate. During this meeting, the management presents the quarterly results, the projects in progress, the evolution of the personnel, the strategy. This meeting ends with a Q&A session.

In France and Romania, a quarterly internal newspaper (Nova News) is distributed to all staff in which various subjects are discussed: human resources (training, departure – arrival), commercial projects, quality indices,

R&D projects, redevelopment work , unusual items...
It will be discussed to introduce it also in the other sites.

In Germany (Teningen and Oberursel) an official elected works council is established since several years.

Modification of the “Collective telework agreement” which was put in place in 2018 in France and Romania. In the other sites it was introduced during the Corona-Pandemic.

This allows employees, whose activity allows it, to carry out one day of telework per week according to the conditions of the signed agreement between management and employee representatives. The change allows more employees to access teleworking and to add an additional day possible per week. (2 days against 1 before)

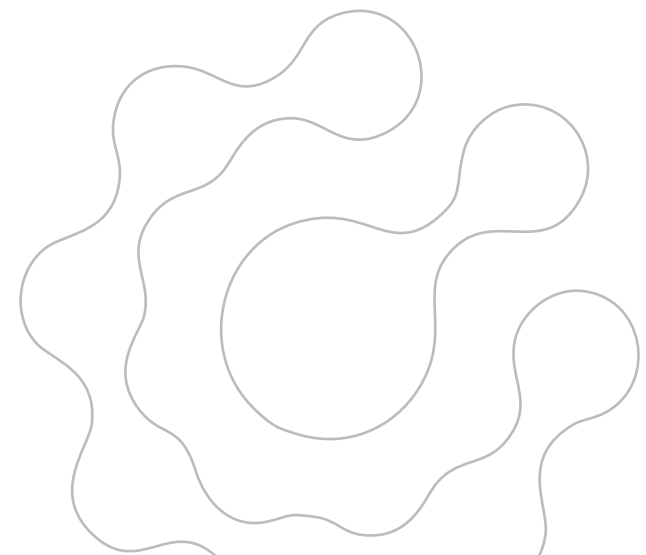


LABOR STANDARDS

B. FIGHT AGAINST DISCRIMINATION

Tech Power Electronics Group has clearly indicated the commitment to fight and eliminate any type of discrimination or sexism that may exist against its employees in terms of recruitment, training, career-management.

Our commitment to fight against all discrimination is clearly indicated in the internal regulations and the groupwide exiting Code of Conduct which are accessible to all employees. A charter on preventing and combating sexist and sexual violence is also in place.





C. INTEGRATION

Welcoming and integrating new employees are key steps to ensure successful recruitment and their well-being in their new work environment.

Thus, newcomers complete an integration process that allows them to discover all the services (activities and contacts) and existing interactions.

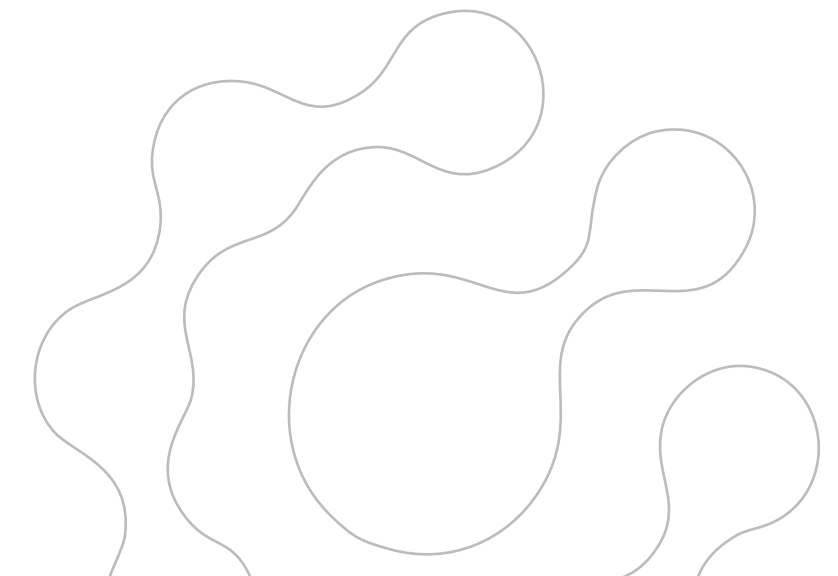
Once the course is completed, they complete a report of astonishment and discuss with the human resources manager and general manager about their experience to identify the positive points and improvements for future employees.

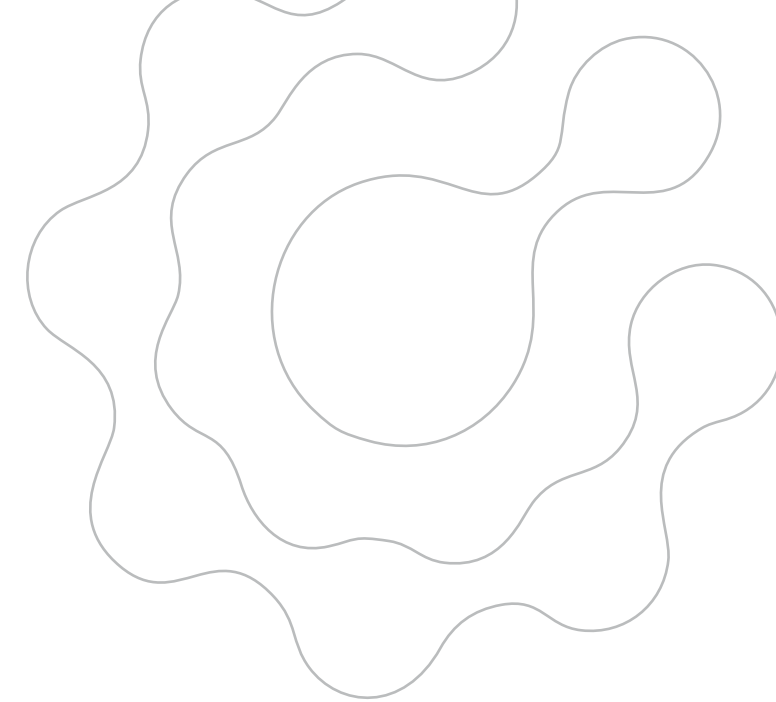
D. TRAINING

Our employees are one of the main resources and assets of the group. Developing employees is a strategic axis of the group which is included in our Quality Manual and the vision of the group. Priority areas of training are defined each year so that our employees acquire at all levels the skills necessary for the strategic development of the company but also for personal development.

Each year, various training courses are offered:

linguistic, technical, normative, commercial skills, etc.





3. ENVIRONMENT

ENERGY

Tech Power Electronics Group tries to best participate in the preservation of the environment by monitoring its various energy consumptions. Good daily practices and common sense go with raising awareness among our staff, such as turning off the premises when we are away. In order to reduce our energy consumption, in 2021 we carried out roof insulation work. The work made it possible to obtain a thermal resistance of the insulation greater than or equal to 6 m².K/W

WASTE

Tech Power Electronics Group encourages its employees to print only what is necessary. During the entry of a new employee and his integration process, training on communication tools is carried out. This reminder that the printing of emails is not necessary. Information filed in a file will even be easier to find. Moving to an office instead of an email, which generates computer flows, is sometimes simpler, faster to obtain information and user-friendly. Tech Power Electronics sorts and recycles its waste (paper, cardboard, etc.)



DISPLACEMENTS

The professional car fleet is mainly made up of hybrid and electric vehicles. Charging stations for electric vehicles are available to all staff.

REACH - ROHS

Being concerned by the REACH regulation and the European RoHS directive which aims to reduce the use of substances dangerous for the environment in electronic and electrical products as a user and for the placing on the market of articles, we ask our suppliers to complete a declaration of conformity concerning all the products delivered to us.

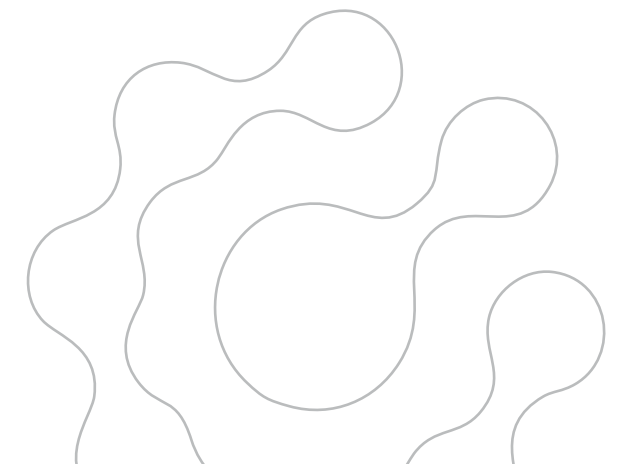
This declaration is sent to all of our suppliers. We have a 95% return rate. Our customers also ask us to complete and return this declaration of conformity to them. We meet this request 100%. Our standard manufacturing processes are RoHS



VARIOUS

In 2020, in an attempt to limit the consumption of plastic cups, the coffee machine in the refectory was changed to accept personal cups.

In 2021 the plastic cups were removed to be replaced by paper cups. A reusable cup was also provided to each employee. Since summer 2021, Tech Power Electronics has been a signatory of the “French Business Climate Pledge”





HEALTH CRISIS

Within Tech Power Electronics Group we made the decision to buy fabric masks. By making this decision, we expect global benefits that resonate with Tech Power Electronics Groups values:

Societal: support for a Jura company (initially specializing in the fabric covering of seats and armchairs for theaters and cinemas) which has transposed its skills into the design of AFNOR-certified protective masks and seats for theaters and cinemas) which has transposed its skills into the design of AFNOR-certified protective masks.

Ecological: disposable masks are produced in China and are not certified as ecological manufacturing. In addition, in their manufacture as well as in their treatment as waste (assuming that they do not leave the circuit) do not allow reconditioning and lead to the use of energy and non-reusable default materials. : from their 3rd use, our volume of disposable mask VS volume of disposable mask becomes more interesting individually.

The agreement on telework has been strengthened, beyond the general agreement already in place with an “Exceptional telework charter” signed between management and employee representatives. This allows any employee to carry out 100% teleworking when their position allows it. Procedures and Guide to Good Practices have been communicated to support all teams. The implementation of videoconferencing with different tools such as “Zoom” or “Teams”, makes it possible to maintain links with work colleagues. Thus our quarterly communications were able to take place by videoconference from offices, meeting rooms and homes in order to limit the number of people in the same place.





4. FIGHT AGAINST CORRUPTION

Businesses are urged to act against corruption in all its forms, including extortion and bribery. As the end-of-year celebrations approach, many suppliers send gifts (chocolate, nougat, wine, ham, etc.) to their contacts. In order to avoid any corruption whatsoever, the presents received are given to the Works Council, which puts them into play during the internal raffles that it organizes.

Our teams must under no circumstances offer pecuniary or in-kind benefits to win a case. Tech Power Electronics Group respects the principle of free competition. Thus for new projects, we draw up identical specifications which will be sent to the panel of potential suppliers. Each offer received is examined with objective criteria: **price, deadlines, services, quality**.

All of our accounting is managed by computer, thus avoiding any risk of corruption. Our accounts are audited annually by an external service provider.



5. SUMMARY OF TPE FRANCE

1. HUMAN RIGHTS AND INTERNATIONAL LABOR STANDARDS

In France and Romania, a quarterly internal newspaper (Nova News) is distributed to all staff in which various subjects are discussed: human resources (training, departure – arrival), commercial projects, quality indices, R&D projects, redevelopment work , unusual items..

2. ENVIRONMENT

In 2021, a CSR rating was relaunched on the EcoVadis platform.
According to this rating, the TPE France obtained a silver medal.
The different ratings according to the domains allow to have 78th percentile.
This means that 78% of companies with this rating have a lower score than TPE France!



ENVIRONMENT
60 / 100



ETHICS
50 / 100



OVERALL SCORE
58 / 100



LABOR & HUMAN RIGHTS
60 / 100



SUSTAINABLE PROCUREMENT
60 / 100

5.1 SUMMARY OF TPE FRANCE

3. INDICATORS

| KPI | 2021 | 2020 | 2019 |
|--|---------|-------|-------|
| Distribution male/female (in % of women) | 52 | 52 | 53 |
| Absence of personell | 4,2 | 5,1 | 4,5 |
| Number of accidents at work | 1 | 0 | 1 |
| Number of training lessons | 1257 | 1109 | 1087 |
| Water consumption (m3) | 893 | 1050* | 694 |
| Power consumption MW/h | 504 | 427 | 460 |
| Gas consumption (m3) | 45370** | 27370 | 34688 |
| * the water billing period is longer in 2020 than in other years | | | |
| **consideration of all gas consumption, cistern and town gas | | | |



5.2 SUMMARY OF TPE ROMANIA

1. Human rights and international labor standards

In France and Romania, a quarterly internal newspaper (Nova News) is distributed to all staff in which various subjects are discussed: human resources (training, departure – arrival), commercial projects, quality indices, R&D projects, redevelopment work , unusual items...

2. Environment

3. Indicators / Site Arad

| KPI | 2021 | 2020 | 2019 |
|--|-------|-------|-------|
| Distribution male/female (in % of women) | 63 | 66 | 61 |
| Absence of personell | 3,6 | 3,5 | 2,6 |
| Number of accidents at work | 0 | 0 | 0 |
| Number of training lessons | 454 | 798 | 991 |
| Water consumption (m3) | 486 | 576 | 1140 |
| Power consumption MW/h | 318 | 251 | 258 |
| Gas consumption (m3) | 21478 | 18936 | 16956 |



5.2 SUMMARY OF TPE ROMANIA

4. INDICATORS / SITE MEDIAS

| KPI | 2021 | 2020 | 2019 |
|--|-------|-------|-------|
| Distribution male/female (in % of women) | 83 | 83 | 82 |
| Absence of personell | 4,8 | 9,6 | 7,1 |
| Number of accidents at work | 0 | 0 | 0 |
| Number of training lessons | 5672 | 6779 | 6920 |
| Water consumption (m3) | 1250 | 1536 | 1608 |
| Power consumption MW/h | 300 | 378 | 396 |
| Gas consumption (m3) | 45000 | 54360 | 52320 |

