



VTech Holdings Limited

Human Rights Policy

1. Purpose

VTech Holdings Limited (“Company” and together with all its subsidiaries referred to as “we”, “VTech” or “Group”) is committed to respecting and protecting human rights and upholding the fundamental human rights which all people shall respect and are expected to be safeguarded. This document (the “Policy”) outlines this commitment of VTech which is extended to all its related stakeholders including but not limited to its employees, customers, suppliers and the local communities at which we operate (“Stakeholders” unless otherwise specified). It shall be read in conjunction with our regularly updated Modern Slavery and Transparency in Supply Chains Statement (“Modern Slavery Statement”).

2. Principles of Our Commitment

Respect and protection of human rights are the fundamental values of VTech and the VTech brand and they are at the heart of its culture of integrity. VTech supports the internationally-recognised human rights principles laid out in the International Bills of Human Rights of the United Nations (“UN”) and the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work.

Our policies and operation are set up and structured with due consideration of the Ten Principles of the UN Global Compact, the UN’s Guiding Principles on Business and Human Rights, the OECD’s Guidelines for Multinational Enterprises, the Responsible Business Alliance (RBA) Code of Conduct which is widely observed in global supply chains, and other relevant international standards¹.

It is our commitment to take all necessary actions to adhere to the human rights principles and to embed them in our operations and relationship with others. Through our compliance with the laws and regulations relating to the protection of human rights at the locations where we operate, appropriate policies, procedures and practices are put in place to identify, assess, prevent and mitigate human rights’ risks and impacts that our operations and businesses may be exposed to. We work closely with the Stakeholders to remedy such risks and impacts.

3. Governance

The Company’s Board of Directors delegates to the Risk Management and Sustainability Committee (“RMSC”) the authority to review and monitor the risk management and internal control systems of the Group. The RMSC supported by the Sustainability team is tasked to

¹ This Human Rights Policy covers the principles related to the areas of Human Rights and Labour laid out in the Ten Principles of the UN Global Compact, the UN’s Guiding Principles on Business and Human Rights, the OECD’s Guidelines for Multinational Enterprises, and the RBA Code of Conduct.



assess the effectiveness of the policies and risk management programmes in addressing the risks of human rights in VTech’s operation and supply chains. The RMSC holds two (2) meetings each financial year to review the Group’s risk management and internal control systems. Multiple departments within VTech are responsible for implementing the policies and procedures to address risks and impacts related to human rights protection as well as supporting the Group’s and the Stakeholders’ overall adherence to this Policy.

4. Our Policy

We have established policies and guidelines in each of the thirteen (13) focus areas below that we consider are the key areas for protecting the human rights of our Stakeholders. We respect the rights of all our employees and at the same time, we expect them to meet and maintain high standards of integrity, honesty and behaviour. Expectations to uphold human rights and comply with ethical business practices are set out in VTech’s Code of Conduct and internal human resources management policies. In relation to our suppliers, we expect them to share our commitment to respect human rights and use their best endeavours to comply with our Supplier Code of Conduct.

VTech Code of Conduct:

https://www.vtech.com/wp-content/uploads/2022/05/e_VTech_CodeofConduct_EngApr2022.pdf

VTech Supplier Code of Conduct:

https://sustainability.vtech.com/VTech_Supplier_Code_of_Conduct_Eng

Below are our focus areas:

i. Freely Chosen Employment

VTech rejects emphatically all forms of forced, bonded (including debt bondage) or indentured labour, involuntary or exploitative prison labour, modern slavery or human trafficking. These practices are completely unacceptable to VTech. We are devoted to combating modern slavery and human trafficking, and committed to respecting and treating our employees with dignity. We ensure that the terms of employment are voluntary. Our employees work at VTech of their own free will and are free to leave the Company upon reasonable notice under the related internal regulations. We do not require employees to make deposits or hand over passports as a condition of employment, and work permits are only required if it is so prescribed by the applicable law. We do not accept any physical punishment for employee’s wrongdoing.

ii. Child Labour

We do not use child labour. We comply with all appropriate local and international regulations in relation to the restrictions on the employment of child labour.

iii. Freedom of Association



We respect our employees' freedom of association and the right to join any organisations or professional bodies of their own choices. Since the labour regulations for some of the places that we operate are not fully established, collective bargaining for staff working at those locations could not be comprehensively attained. However, we strive to engage with our employees and understand their needs through multiple communication channels to create direct dialogues with our employees.

iv. Benefits and Wages

The remuneration and benefits for all employees comply with or exceed the minimum legal requirements of the country where employees are employed. We do not make any deductions from wages as a disciplinary measure.

v. Overtime

Overtime is voluntary and employees are compensated for overtime in accordance with local laws.

vi. Health and Safety

We are committed to providing a healthy, clean and safe workplace for employees, contractors, visitors and the community. We comply with applicable health and safety regulations and standards. We strive to maintain healthy and safe working conditions and manage safety risks via comprehensive occupational health and safety management system.

vii. Equal Opportunity and Non-Discrimination

Our hiring, compensation, training, promotion, termination and retirement policies and practices do not discriminate on the grounds of age, sex, marital status, race, religion, disability or any other non-job related factors. Remuneration is determined with reference to performance, qualifications and experience.

viii. Harassment and Abuse

We do not tolerate any physical, sexual, psychological or verbal harassment or abuse towards our employees.

ix. Human Rights in the Supply Chain

We are committed to managing our supply chain in a socially and environmentally responsible manner. It is a contractual requirement for our suppliers that provide goods and services related to our manufacturing process to acknowledge, accept and align their practices with our Supplier Code of Conduct. We also expect these suppliers to put in place similar requirements for their own suppliers. Human rights risks of suppliers are monitored and managed via various measures including supplier CSR audits and self-assessments.

x. Responsible Mineral Sourcing



We recognise our responsibility to source materials in an ethical and sustainable way throughout our supply chain. VTech does not directly procure minerals from mines, smelters or refiners. Our Conflict Minerals Policy requires that all materials and goods supplied to VTech shall not contain tin, tantalum, tungsten and gold, cobalt or mica that directly or indirectly finance or benefit armed groups in conflict-affected and high-risk areas.

VTech Conflict Minerals Policy:

https://sustainability.vtech.com/VTech_Conflict_Minerals_Policy_Eng

xi. Privacy and Data protection

We are committed to respecting the right to privacy of our employees and customers. We comply with the latest privacy laws and data protection regulations in the respective countries and strive to implement reasonable and appropriate practices in our collection, use, sharing and disposal of personal information.

xii. Product Responsibility

We care about the health and safety of our customers in all our business activities. We have implemented a comprehensive quality management system framework with quality assurance policies and procedures in place to monitor product quality and reliability starting from the product development stage on an ongoing basis. These include inspection of incoming materials, quality audit in the manufacturing process, quality evaluation of finished products and after-sales quality management.

xiii. Protection of Children's Rights and Well-being

The rights and well-being of children are of paramount importance to VTech. For our infant, toddler and preschool products, we comply with the related standards and industry guidelines regarding product safety and marketing activities for children's products. Rigorous quality procedures are in place to ensure the health and safety of children users of our products.

We also follow the US Children's Online Privacy Protection Act (COPPA) and other relevant regulations when managing personal data for children.

5. Due Diligence

VTech seeks to avoid causing or contributing to adverse human rights impacts through its own activities and is dedicated to addressing such impacts, if they do occur, in a timely and appropriate manner. We make efforts to prevent or mitigate adverse human rights impacts that are directly related to our operations, products and services through our business relationships. We use an ongoing due diligence process to identify, assess, prevent and mitigate potential and actual human rights risks across our businesses and value chain. We conduct human rights risks assessment regularly that covers our major operations including local and overseas manufacturing sites and offices. To minimise negative human rights



impacts, we implement risk prevention and mitigation measures according to the risk severity and likelihood identified in the relevant focus area. Such measures are tracked, evaluated and improved when necessary to ensure effectiveness. Progress and results of the due diligence are reported and reviewed by the RMSC from time to time.

6. Reporting Grievances and Remedy

VTech maintains a Whistleblowing Policy to facilitate the report of matters of serious concern by employees and third parties, in confidence and with anonymity, without the fear of any recrimination or victimization. Multiple communication channels are provided to all parties interested in reporting suspected violations of this Policy. Grievance reports can be submitted through the communication channels stated in the Whistleblowing Policy.

We have established procedures to determine the appropriate mode of investigation and implement any subsequent corrective actions. We will take prompt and necessary steps to mitigate adverse impacts and make appropriate remedies available to the affected Stakeholders based on the issues and circumstances identified in our investigation.

VTech Whistleblowing Policy:

https://www.vtech.com/wp-content/uploads/2022/05/e_VTech_Whistleblowing_Policy_EngMay162022.pdf

Beyond addressing such reports, we continue to look for ways such as by expanding the focus areas in paragraph 4 above and updating regularly our Modern Slavery Statement, to support the promotion of human rights within our operations and our sphere of influence on our own initiative.

7. Engagement

Sufficient organizational awareness on human rights is promulgated across the Group. This Policy and other related internal policies and procedures are communicated to employees via internal bulletin boards and training. We seek to engage and collaborate with our Stakeholders to prevent, mitigate and address adverse impacts on human rights. Annual CSR workshops given to our suppliers include guidance on meeting the requirements under our relevant policies. We report on human rights risks and impacts regularly through our annual sustainability report and Modern Slavery Statement, and other appropriate disclosure(s).

8. Implementation

Our Sustainability team acting under the RMSC's guidance is responsible for the maintenance of this Policy. It will review the Policy on an annual basis with respect to its relevance and effectiveness and will make recommendation for improvements to RMSC as necessary. The Policy is accessible to our employees via the Company's internal portal, and to other interested parties via our corporate website (https://sustainability.vtech.com/reports_policies) or on request.

March 2023