

2021 Communication On Progress

About this document

All members of the Global Compact are required to issue an annual Communication on Progress (COP), a public disclosure to stakeholders on progress made in implementing the ten principles of the UN Global Compact, and in supporting broad UN development goals.

This document is the 8rd COP report of Shanghai Vico. We invite all our stakeholders (employees, clients, suppliers, investors, civil society, governments, local communities...), to read it and learn more about our commitment in favour of human rights, labour rights, environmental stewardship and anti-corruption, Although, we still have lack of more experience in it.

As specified in the COP policy, we introduce the document with a statement of continued support, which is signed by our Managing director Nelson Tan.

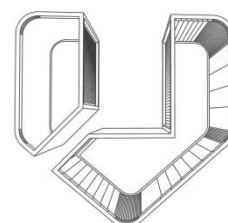
Statement of continued support

“Shanghai Vico has endorsed the Global Compact Principles since 2008 – to officially state its commitment regarding human rights, working conditions, environment and corruption. We implemented the 10 Principles in our company.

We also reinforced our commitment to share Global Compact Principles with our suppliers.

September 25, 2021

Nelson Tan, Managing Director.



Human Rights Implementation

Human rights and labour right are closely related. The description below reflects Shanghai Vico's approach on the following areas of human rights: right to decent standard of living, right to health, right to education and training, right to family life.

The two Global Compact principles on human rights are included:

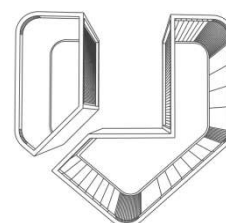
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Businesses should and make sure that they are not complicit in human rights abuses.

- We recognize and respect the protection of internationally proclaimed human rights. And we write the related right in the employee manual.
- We continuous subsidize and build the Vico hope-school (In China "hope-school" means a school which help children get better learning conditions in poor areas), include setting a foundation to award the starveling teacher and students each year. We regularly organize employees to participate in the school building and activities. In the June 1, 2014, the Children's Day, we provided a plenty of stationeries and clothes which could enhance the overall quality of the children's lives.



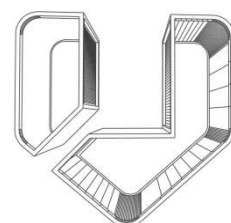
In 2015, we improved the teaching conditions in Vico hope-school, so that every child has



access to the computer technology. We aim to give children a possibility: Through knowledge to change their destiny.



In 2017, we spent the unforgettable children's day together with the teachers and students of hope primary school, and helped the poor children complete their wishes.





- Our labour union have a regular meeting with employees, and everyone can express his/her viewpoint freely on this meeting. And we will have a feedback for each suggestion and advice. The meeting will be hold once time per week.
- We also have a message board on the intranet, the employee can write any question about human right on it without signature. And we will take action with the questions.
- We also have an employee survey every year, aims at reporting employees' satisfaction and points of concerns.
- We set a foundation to help the employees that he/her meet an accident since 2013.

Labour rights implementation

This chapter, dealing with labour rights, describes Shanghai Vico freedom of association, workforce and non-discrimination.

Employee share ownership, social dialogue and relations, headcount (by type of contract, geographical zone and country, gender, professional category, age, seniority, function), hiring, layoffs and resignations, equal employment opportunity (disability, diversity of gender, generation and origin).

The four Global Compact principles on labour rights are included:

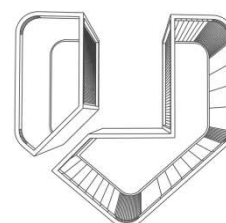
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,

Principle 4: Businesses should the elimination of all forms of forced and compulsory labour,

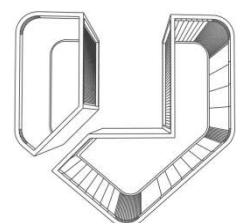
Principle 5: Businesses should the effective abolition of child labour

Principle 6: Businesses should and the elimination of discrimination in respect of employment and occupation.

- In Shanghai Vico, there are 4 association (basketball club, football club, table tennis club and Running club) which found in 2013. All employee can join it freely. And the company give a strong support on it. In 2016 and 2018 (once in two years), we held an internal

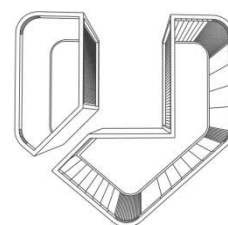


Sport Games Similar to a Family Day, in order to provide employees with an opportunity to communicate freely.



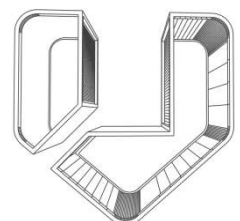


- In Shanghai Vico, We are concerned about the employee's family life, we believe that the company's development is inseparable from the support of family members of employees. Every two years we organize Family Day in order to enrich the social events for employees and their families. In August 26, 2015, we held a big outdoor home game in Gu Village Park (in Shanghai), and offer a buffet patty. In September 3, 2017, we held another outdoor game in Shanghai Automobile Expo Park.





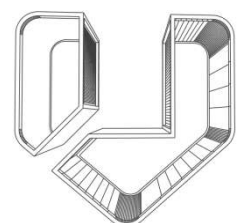
- In 2016 Children's Day, we held a family day for children of employees, used to improve them and their parents contact.



- At the end of each year, we will hold annual partys, and all the staff will join together to witness the company's development and achievements in the past year, including the performance of the company and the fulfillment of social responsibility.

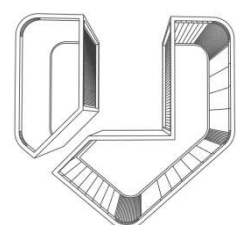


- We have a formal regulation of recruitment. We check the identification, passport in order to avoid child labour came in. and in this regulation all people have equal right to compete one position. Till now no any child labour be found in Shanghai Vico.
- We never force and compulsory labour. Although, some workers sometimes worked more than the statutory overtime limit to meet demand from the customers, but claimed that all the extra hours were voluntary.
- In addition, we provide employees with various training courses and career development space. In 2019, We organize outdoor group building activities for key employees to enhance mutual understanding and work enthusiasm.





- In 2021 Vico moved into a new facility and provided a better and healthier environment for its employees. Employees can exercise and relax in the free gym during non-working hours.



- We provide same chance for all employees whatever his/her gender, age, colour and etc.

Environmental stewardship implementation

This chapter describes Shanghai Vico's environmental strategy, actions and outcomes. The three Global Compact principles on environment are included:

Principle 7: Businesses are asked to support a precautionary approach to environmental challenges.

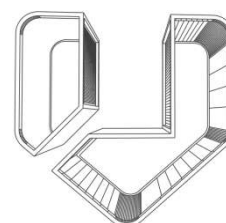
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

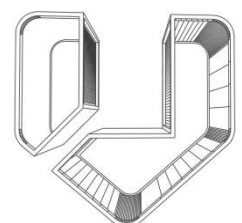
- For principle 7,8 and 9, Shanghai Vico established Environmental management system in march, 2011. We published a policy, and 30 procedures to regulate the company's behavior in all activities. In these procedures we identify the all environmental factors in our plant and established the related preventive actions or corrective actions. For the important environmental factors, we also have the special procedure to prevent it happened.
- In 2013, we passed the SGS' supervision and verification with 0 non-confirmed item and the environmental key performance have an improvement.
- In 2014, we passed the "ISO14001 Environmental Management Systems"



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- Every year, we will actively participate in environmental protection activities, including plant greening and community greening. In 2018, we carried out tree planting training and practice in our company.



- In January 2020, COVID-19 broke out. The outbreak of the epidemic has brought great challenges to public health. In order to protect the health of employees, Vico has launched an emergency mechanism, including the daily distribution of free medical masks to employees, and the registration management of entry and exit personnel. Until 2022, Vico has had no employee health and safety incidents due to the New Coronavirus Omicron infection.



Anti-corruption implementation

This chapter describes Shanghai Vico's approach and actions against corruption.

The Global Compact principle on anti-corruption is:

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

We established a regulation to tell our employee that any corruptions behaviour is forbided and tell them how to deal with when the potential corruption appear.

There is no any corruption case happened in 2021.

