

# Sustainable Development Best Practice Principles

Enacted and resolved by the Board of Directors on March 24, 2016  
Amended and resolved by the Board of Directors on March 23, 2022

## Chapter I General Principles

### **Article 1**

In order to follow and fulfill corporate social responsibility, to contribute to balance of economic development, society, and sustainable development, these Principles are enacted and implemented by the Company.

### **Article 2**

These Principles shall apply to the entire operations of the Company and the Group. The Company actively fulfills its corporate sustainable development in the course of its business operations to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community, and society by acting as responsible corporate citizens, and to enhance competitive edges based on corporate sustainable development.

### **Article 3**

In order to meet the expectation and protect the rights and interests of the stakeholders, while looking for sustainable operations and profit making, the Company includes factors of environment, society, and corporate governance in the Company's management and operations.

### **Article 4**

To implement corporate sustainable development, the Company follows the following principles:

- I. Implement corporate governance.
- II. Develop sustainable environment.
- III. Maintain public welfare.
- IV. Disclose information of corporate sustainable development.

### **Article 5**

The Company shall take into consideration the correlation between the trends of domestic and international sustainable development and the Company and the Group's core business operations, and the impact of the operation of the Company and the Group as a whole on stakeholders when establishing policies, systems or relevant management guidelines, and concrete implementation plans for corporate sustainable development programs, which shall be submitted to the top management for approval.

## **Chapter II      Implement corporate governance**

### **Article 6**

The Board of Directors of the Company shall exercise the due care of good administrators to urge the Company to implement corporate sustainable development, review the results of the preventive measures at all times, and continually make adjustments so as to ensure thorough implementation of its corporate sustainable development goals.

The Board of Directors of the Company shall give adequate consideration to the interests of stakeholders in the Company's fulfillment of sustainable development and shall include the following matters:

- I. Include sustainability development in the Company's operational activities and development direction.
- II. Propose mission of sustainability (or vision, value) and develop policy statement of sustainable development.
- III. Ensure to disclose relevant information of sustainable development.

### **Article 7**

To ensure sound management of corporate sustainable development, it is advisable that the Company shall set up a dedicated (functional) unit in charge of promoting and executing the corporate sustainable development policies, systems or relevant management guidelines, and concrete implementation plans, and to report its progress to the Board of Directors on a regular basis.

### **Article 8**

The Company shall respect rights of the stakeholders, identify the stakeholders, and communicate with them through proper methods, and encourage their participation in order to understand their reasonable expectations and needs. Concerns of the stakeholders on important issues of sustainable development shall be properly responded.

### **Article 9**

It is advised that the Company shall formulate effective corporate governance structure and relevant ethical standards and principles for the sound corporate governance.

### **Article 10**

The Company complies with relevant laws and regulations during its operations to create an environment for fair competition:

- I. Avoid behaviors of unfair competition.
- II. Ensure to fulfill its tax obligations.
- III. Fight against corruption and briberies and set up the proper management system.
- IV. Procedures to comply with the internal operations of business donation.

### **Article 11**

The Company on a regular basis organizes training on business ethics and promotion of matters prescribed in the preceding Article for directors, supervisors, and employees, and should incorporate the foregoing into its employee performance appraisal system to establish a clear and effective reward and discipline system.

## **Chapter III Foster a Sustainable Environment**

### **Article 12**

The Company shall follow relevant environmental laws and regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business activities.

### **Article 13**

The Company shall endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

### **Article 14**

The Company establishes proper environment management systems based on the characteristics of their industries. Such environment management systems shall include the following tasks:

- I. Collect sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
- II. Establish measurable goals and examining whether such goals should be maintained and whether they are still relevant on a regular basis.
- III. Examine the purpose of the environmental sustainability goals or their achievement on a regular basis.

### **Article 15**

The Company shall establish a dedicated unit or assign dedicated personnel for environment management to maintain the environment management system.

### **Article 16**

The Company shall take into account the effect on ecological efficiency and conduct research and development, production and services in accordance with the following principles to reduce the impact on the natural environment from its business operations:

- I. Reduce resource and energy consumption of their products and services.
- II. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
- III. Improve recyclability and reusability of raw materials or products.
- IV. Maximize the sustainability of renewable resources.
- V. Enhance the durability of products.
- VI. Improve efficiency of products and services.

### **Article 17**

To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall avoid polluting water, air and land in the course of their business operations. If pollution is unavoidable, the Company shall take into account cost efficiency, technology and financial feasibility and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

### **Article 18**

It is advised that to monitor the impact of climate change on their operations, the Company shall establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon its operations and the result of a greenhouse gas volume check.

## **Chapter IV Protect Public Welfare**

### **Article 19**

The Company shall comply with relevant labor laws and regulations, protect the legal rights and interests of employees, respect internationally recognized principles of the labor force's human rights and shall not commit violations against the fundamental labor rights. The human resources policies of the Company shall be founded on the principles of the labor force's human rights and shall contain appropriate management methods and procedures.

### **Article 20**

The Company shall provide information for its employees so that the employees have knowledge of their rights under the labor laws of the countries where the company has business operations.

### **Article 21**

The Company shall provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company is advised to organize training on safety and health for their employees on a regular basis.

#### **Article 22**

The Company shall create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

#### **Article 23**

The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decision.

#### **Article 24**

To maintain product responsibility and uphold marketing ethics, the company establishes and discloses policies on consumer rights and interests and enforces such consumer rights and interests policies.

#### **Article 25**

The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of its industry.

The Company shall follow the laws and regulations of the government and relevant international guidelines when marketing or advertising their products or services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

#### **Article 26**

The Company provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with relevant laws and regulations for respecting consumers' rights of privacy, and shall protect personal data provided by consumers.

### **Article 27**

The Company shall assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly foster a stronger sense of corporate social responsibility.

### **Article 28**

The Company is advised to evaluate the impact of their business operations on the community and employ qualified personnel to enhance community acceptance.

The Company may, through commercial activities, non-cash property endowments, volunteering service or other free professional services, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

## **Chapter V Enhance Disclosure of Corporate Social Responsibility Information**

### **Article 29**

The Company is advised to disclose information according to relevant laws and regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which the Company shall disclose includes:

- I. The management scheme, strategy, policy and management guidelines for corporate social responsibility initiatives resolved by the Board of Directors.
- II. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
- III. Goals and measures for realizing the corporate social responsibility initiatives established by the companies.
- IV. Result of implementing corporate social responsibility initiatives.
- V. Other information relating to corporate social responsibility initiatives.

## Chapter VI Supplementary Provisions

### **Article 30**

The Company shall at all times monitor the development of domestic and international corporate social responsibility framework and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

### **Article 31**

If the Company set up its Audit Committee in accordance with the Securities and Exchange Act, all independent directors shall be members of the Committee. Since the date when the Audit Committee is set up, duties of supervisors prescribed in these Principles shall be replaced by those of the Audit Committee and effectiveness of rules governing supervisors shall be terminated.

### **Article 32**

These Principles, and any amendments hereto, shall enter into force after approved by the Board of Director.