

Farglory Group

Sustainable Enterprise Development Best Practice Principles

Chapter 1 General Principles

Article 1 In order to practice the Company's corporate social responsibility and promote economic, environmental, and social progress so as to achieve the goal of sustainable development, these Principles have hereby been formulated for all employees to comply with so as to manage the impact of the Company's overall operational activities on the economy and environment as well as social risks.

Article 2 The scope of these Principles covers the Company's overall operating activities. When the Company is engaged in operating activities, it shall actively practice corporate social responsibility so as to align with international development trends. It shall also, by assuming the role of corporate citizenship, increase its contribution to the national economy; improve the quality of life of employees, communities, and society; and promote competitive advantages on the basis of corporate responsibility.

Article 3 The Company shall promote sustainable development and be mindful of the rights and interests of stakeholders. When pursuing sustainable operations and profits, it shall emphasize environmental, social, and corporate governance factors and incorporate them into the Company's management policies and operating activities.

The Company shall conduct risk assessments on environmental, social, and corporate governance issues related to the Company's operations based on the principle of materiality, and it shall formulate relevant risk management policies or strategies.

Article 4 The Company shall practice sustainable development in accordance with the following principles:

- (1) Implementing corporate governance.
- (2) Developing a sustainable environment.
- (3) Maintaining social welfare.
- (4) Strengthening information disclosure on sustainable development.

Article 5 The Company shall consider the correlation between developmental

trends in domestic and foreign sustainability issues and the Company's core business, the impact of the Group's overall operating activities on stakeholders, etc., and it should formulate sustainable development policies or related management promotion plans. If shareholders put forward proposals related to sustainable development, the Company's Board of Directors may consider incorporating them into the agenda of a shareholders meeting.

Chapter 2 Implementation of Corporate Governance

Article 6 The Company shall establish an effective corporate governance structure and relevant ethical standards to improve corporate governance.

Article 7 The directors of the Company shall fulfill their duty of care as good managers, urge the Company to implement sustainable development, review its implementation effectiveness, and continue to make improvements at any time so as to ensure the proper implementation of the sustainable development policy.

The Company's Board of Directors shall, in promoting the Company's sustainable development goals, fully consider the interests of stakeholders and include the following matters:

- (1) Putting forward the Company's sustainable development mission or vision and formulating sustainable development policies.
- (2) Incorporating sustainable development into the Company's operating activities and development direction, and formulating the Company's sustainable development policy or relevant management promotion plans.
- (3) Ensuring the accuracy of information disclosure related to the Company's sustainable development.

The Company's economic, environmental, and social issues arising from its operating activities shall be dealt with by senior management as authorized by the Board of Directors, and its operating procedures as well as the relevant personnel in charge of various matters shall be clearly defined.

Article 8 The Company shall regularly organize education and training to promote sustainable development, including advocating on matters such as Paragraph 2 of the preceding article.

Article 9 In order to improve the management of sustainable development, the Company should establish a governance structure for promoting sustainable development and set up a unit for promoting sustainable development, which will be responsible for proposing and implementing promotion plans for the Company's sustainable development policies or related management and will regularly report to the Board of Directors.

The Company shall formulate reasonable salary and remuneration policies to ensure that salary planning aligns with its organizational strategies and goals as well as the interests of stakeholders.

The Company's employee performance appraisal system shall be integrated into the sustainable development policy, and a definite and effective reward and punishment system shall be established.

Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify the Company's stakeholders, understand the reasonable expectations and needs of stakeholders by means of appropriate communication, and appropriately respond to important sustainable development issues of concern to them.

Chapter 3 Development of a Sustainable Environment

Article 11 The Company shall abide by environmental regulations and international standards, properly protect the natural environment, and commit to achieving its environmental sustainability goals when implementing operating activities and internal management.

Article 12 The Company shall commit to improving its energy use efficiency and using reclaimed materials and supplies with low environmental impact so that the earth's resources can be used sustainably.

Article 13 The Company shall establish an appropriate environmental management system based on the characteristics of the investment holding business. The system shall include the following items:

- (1) Collecting and evaluating information on the impact of operating activities on the natural environment.
- (2) Establishing measurable environmental management sustainability goals and reviewing them regularly.

- (3) Formulating specific plans or action plans and other measures, and regularly reviewing the effectiveness of their operation.

Article 14 The Company shall establish a dedicated environmental management unit as necessary to formulate, promote, and maintain relevant environmental management systems and action plans as well as to regularly hold environmental education courses.

Article 15 The Company shall consider the impact of the Company's business on ecological benefits; promote and advocate the concept of sustainable consumption; and engage in procurement, operations, service provision, and other activities in accordance with the following principles so as to reduce the impact of the Company's operations on the natural environment and human beings:

- (1) Reducing the consumption of resources and energy.
- (2) Reducing the discharge of pollutants, toxic substances, and waste and properly disposing of waste.
- (3) Maximizing the sustainable use of reclaimable resources.
- (4) Extending the durability of operating assets.
- (5) Improving service effectiveness.

Article 16 The Company shall strengthen relevant environmental protection and treatment facilities so as to avoid contaminating water, air, and land; it shall also strive to minimize its adverse effects on human health and the environment, and it shall adopt the best available pollution prevention and control technologies.

Article 17 The Company shall evaluate the current and future potential risks and opportunities of climate change for enterprises and take relevant response measures, and it shall conduct and disclose its corporate greenhouse gas inventory in accordance with common domestic and foreign standards or guidelines. The scope shall include:

- (1) Direct greenhouse gas emissions: greenhouse gas emission sources owned or controlled by the Company.
- (2) Indirect greenhouse gas emissions: generated from the use of energy such as input electricity, heat, or steam.
- (3) Other indirect emissions: emissions generated by company activities that are not indirect energy emissions but come from emission

sources owned or controlled by other companies.

The Company shall keep statistics on greenhouse gas emissions, water consumption, and the total weight of waste, and it shall formulate policies for energy conservation, carbon reduction, greenhouse gas reduction, water use reduction, or other waste management so as to reduce the impact of the Company's operating activities on climate change.

Chapter 4 Maintenance of Social Welfare

Article 18 The Company shall abide by relevant laws and regulations and comply with international human rights conventions, such as gender equality, right to work, prohibition of discrimination, and other rights.

The Company shall abide by internationally recognized labor rights, such as freedom of association, the right to collective bargaining, caring for disadvantaged groups, banning child labor, eliminating all forms of forced labor, eliminating employment and workplace discrimination. Furthermore, the Company shall confirm that its human resources utilization policies are free of differential treatment based on gender, race, socioeconomic class, age, marital and family status, etc. so as to ensure equality and fairness in the workplace, employment conditions, salary, welfare, training, performance appraisal, and promotion opportunities.

The Company's operational activities and management systems shall not cause harm to labor rights and interests. For matters that endanger labor rights and interests, the Company shall provide an effective and appropriate complaint mechanism to ensure that the complaint process is equal and transparent. The complaint channel shall be concise, convenient and smooth, and employees' complaints shall be appropriately responded to.

Article 19 The Company shall provide employees with information so that they can understand the labor laws of this country as well as the rights they are entitled to.

Article 20 The Company shall provide a safe and healthy working environment for employees, including providing necessary health and first aid facilities, and striving to reduce hazards to employee safety and health so as to prevent occupational accidents.

The Company shall regularly implement labor safety and health education and training for employees.

Article 21 The Company shall create a sound environment for the career development of employees and establish an effective training plan of skill development for career advancement.

The Company shall formulate and implement reasonable employee welfare measures (including salary and remuneration, vacation, other benefits, etc.), and operating performance or results shall be properly reflected in employee salary and remuneration so as to ensure the recruitment, retention, and incentive for human resources and achieve its sustainable operations goals.

Article 22 The Company shall establish channels for regular communication and dialogue with employees so that employees can exercise their right to obtain information and express opinions on the Company's operations, management activities, and decisions.

The Company shall notify employees in a reasonable manner of changes in operations that may have a significant impact on them.

Article 22-1 The Company should treat clients or consumers using its products or services in a fair and reasonable manner, including contractual fairness and good faith, duties of care and loyalty, truthfulness in advertising and solicitation, suitability of goods or services, notification and disclosure, appeal protection, professionalism of business personnel, and other principles.

Article 23 The Company shall be responsible for the services provided and attach great importance to marketing ethics. It shall ensure the transparency and security of information in its procurement, operation, and service provision processes so as to prevent the provision of services from causing harm to the rights and interests of clients.

Article 24 The Company shall ensure service quality in accordance with government laws and regulations as well as relevant regulations of the industry.

The Company shall comply with relevant laws, regulations, and

international standards regarding client health and safety, client privacy, and marketing and labeling of its products and services, and it shall not deceive, mislead, defraud, or engage in any other behavior that undermines client trust or harms client rights and interests.

Article 25 The Company shall assess and manage various risks that may cause operational disruptions so as to reduce their impact on clients and society.

Article 26 The Company shall request its suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, and labor rights. Before engaging in business dealings, the Company should evaluate whether its suppliers have records of impacting the environment and society so as to avoid carrying out transactions with suppliers whose policies conflict with the Company's social responsibility policies.

When signing a contract with a major supplier, the Company shall abide by the corporate social responsibility policies of both parties. Additionally, if the supplier violates the policy and has a significant impact on the environment and society of the community which is the source of the supply, the Company may terminate or cancel the terms of the contract at any time.

Article 27 The Company may utilize equity investments, business activities, in-kind donations, corporate volunteer services, or other public welfare professional services to invest resources in organizations with business models dedicated to solving social or environmental problems, and the Company may participate in citizen organizations for community development and community education as well as the related activities of charitable organizations and local government agencies for the purpose of promoting community development.

Chapter 5 Enhancement of Information Disclosure on Sustainable Development

Article 28 The Company shall disclose information in accordance with relevant laws and regulations, and it shall fully disclose relevant and reliable information related to sustainable development so as to enhance information transparency.

The Company shall disclose relevant information on corporate social responsibility as follows:

- (1) Sustainable development policies or related management promotion plans.
- (2) Risks and impacts on the Company's operations and financial status caused by factors such as implementing corporate governance, developing a sustainable environment, and safeguarding social welfare.
- (3) The promotional goals and measures formulated by the Company as well as the implementation performance of sustainable development.
- (4) Primary stakeholders and their issues of concern.
- (5) Disclosure of information on major suppliers' management and performance of major environmental and social issues.
- (6) Other information related to sustainable development.

Article 29 When preparing sustainability reports, the Company shall adopt internationally recognized standards or guidelines to disclose the promotion of sustainable development. It shall regularly review the latest regulatory requirements of the competent authority, comply with relevant regulatory requirements, and obtain third-party verification so as to improve information reliability.

Chapter 6 Supplementary Provisions

Article 30 The Company shall regularly pay attention to the development of domestic and foreign standards related to sustainable development as well as changes in the corporate environment and shall review and improve the sustainable development system established by the Company accordingly so as to enhance the effectiveness of promoting sustainable development.

Article 31 These Principles shall come into effect after being approved by the chairman, and the same shall apply to the revisions thereof.

Article 32 These Principles were formulated on April 7, 2022.