

EPISIL TECHNOLOGIES INC

Sustainable Development Best Practice Principles

Chapter 1 General principles

Article 1 In order to fulfill corporate social responsibility and promote the balance and sustainable development of economy, society and environmental ecology, this code is formulated for compliance.

Article 2 The scope of application of this code includes the overall operating activities of the company and group companies

The Company promotes sustainable development in the course of business operations so as to follow international development trends. It acts as a responsible corporate citizen to contribute to the economic development of the country, to improve the quality of life of employees, the community and society, and to enhance competitive edges built on sustainable development.

Article 3 In promoting sustainable development initiatives, the Company gives due consideration to the rights and interests of stakeholders. While pursuing sustainable operations and profits, the Company also gives due consideration to the environment, society and corporate governance, and includes these principles in its corporate management guidelines and business operations

Article 4 To implement sustainable development initiatives, the Company follows the principles below:

1. Implement corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enforce disclosure of sustainable development information.

Article 5 The company shall abide by the provisions of laws and regulations, as well as the contract signed with TPEX and related norms, and consider the development trend of sustainable development at home and abroad, the overall operating activities of the company itself and its subsidiaries, and formulate corporate sustainable development policies and systems or related management policy, and approved by the board of directors

Chapter 2 Exercising corporate governance

Article 6 The director of the company shall exercise the due care of good administrators to urge the

company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policy.

The Board of Directors should promote sustainable development from the following aspects:

- A. Making sustainable development the guiding principle of the company's operations and development
- B. Identifying the company's sustainable development mission or vision, and declaring its sustainable development policy.
- C. Ensuring the disclosure of sustainable development information.

Article 7 For the purpose of managing sustainable development initiatives, the company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies or systems, and regularly report to the board of directors.

Article 8 The Company shall based on respect for the rights and interests of stakeholders, identify stakeholders of the company, establish a designated section for stakeholders on the Company's website, understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately responds to the important sustainable development issues which they are concerned about.

Article 9 The Company is advised to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 10 The company shall abide by the relevant laws and regulations and implement the following items in order to create a fair competition environment:

- A. Avoid engaging in acts that violate unfair competition.
- B. Fulfilling tax obligations.
- C. Anti-bribery and corruption, and establish a proper management system.
- D. Corporate donations comply with internal operating procedures.

Chapter 3 Fostering a sustainable environment

Article 11 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12 The Company is advised to endeavor to improve the utilization efficiency of various energy more efficiently and reduce the use of materials that have a high impact on the environment so that the resources on earth can be used sustainably

Article 13 The Company is advised to establish a proper environmental management system based on the characteristics of its industries. The system shall include the following tasks:

- A. Collecting information to evaluate the impact of the Company's business operations on the natural environment.
- B. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant.
- C. Adopting enforcement measure

Article 14 The Company is advised to establish a dedicated unit or assign dedicated personnel for maintaining relevant environmental management systems and concrete action plans, and should hold environmental education courses for its managerial officers and other employees.

Article 15 The Company takes into account the effect of business operations on ecological efficiency, promotes and advocates the concept of sustainable consumption, and conducts research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from business operations:

- A. Reduce resource and energy consumption of products and services.
- B. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
- C. Improve recyclability and reusability of raw materials.
- D. Maximize the sustainability of renewable resources.
- E. Enhance the durability of products.
- F. Improve efficiency of products and services.

Article 16 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 operation. If its unavoidable, in consideration of cost-effectiveness and technical and financial feasibility, efforts should be made to reduce adverse impacts on human health and the environment, and the best feasible pollution prevention and control technology measures should be adopted.

Article 17 The Company shall monitor the impact of climate change on business operations then, based on operational conditions and greenhouse gas inventory results, it shall establish policies for energy conservation and carbon and greenhouse gas reduction. The company's carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of business operations on climate change.

Chapter 4 Preserving public welfare

Article 18 The Company shall comply with relevant laws and regulations, protect the legitimate rights and interests of employees, and respect the International Bill of Human Rights, and do not endanger the basic rights of employees.

The company's human resource policy should respect the principle of basic labor human rights protection and establish appropriate management methods and procedures

Article 19 The Company shall provide information for its employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20 The Company shall provide safe and healthful work environments for its 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 shall organize training on safety and health for its employees on a regular basis.

Article 21 The Company is advised to create an environment conducive to the development of its employees' careers and establishes effective training programs to foster career skills.

Article 22 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 decisions.

Article 23 The Company is advised to take responsibility for its products and services, and take marketing ethics seriously. It further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations.

Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industry.

The Company shall follow relevant laws, regulations and international guidelines in

regard to marketing and labeling of its products and 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 25 The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle the complaints. It shall comply with laws and regulations related to the "Personal Information Protection Act" for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26 The Company is advised to assess the environmental and social impact of procurement activities on the supply source communities, and shall cooperate with its suppliers to jointly promote the sustainable development initiative.

Article 27 The Company is advised to, through commercial activities, endowments, volunteering service or other charitable professional services, etc., to dedicate resources to organizations that commercially resolve social or environmental issues. It further shall participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhancing disclosure of sustainable development information

Article 28 The Company shall disclose information according to relevant laws, regulations and the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies" and shall fully disclose relevant and reliable information relating to its sustainable development initiatives to improve information transparency.

Relevant information relating to sustainable development which the Company shall disclose includes:

- A. The policy and relevant management guidelines for implementing sustainable development initiatives.
- B. The risks and the impact on corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
- C. Goals and measures for realizing the sustainable development initiatives established by the Company, and performance in implementation.
- D. Implementation Performance of Sustainable Development.

E. Other information relating to sustainable development initiatives.

Article 29 The Company produce ESG reports to disclose the status of implementation of the sustainable development policy. The reports shall include:

A. The policy, systems or relevant management guidelines for implementing sustainable development initiatives.

B. Major stakeholders and their concerns.

C. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare, and promotion of economic development.

D. Future improvements and goals.

Chapter 6 Supplementary provisions

Article 30 The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve its established sustainable development framework and to obtain better results from the implementation of the sustainable development policy.

Article 31 These Best Practice Principles, and any amendments hereto, shall be implemented after adoption by resolution of the Board of Directors.