

## Chapter I General Principles

- Article 1** In order to carry out the corporate social responsibilities (CSR) and to promote sustainability and balance in the economic, social, and environmental realm, Ablerex Electronics Co., Ltd. (hereafter refers to as “The Company”) has established this policy to manage the company’s social risks and influences advised to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”. The principles apply to all subsidiary companies and overall business under the Company.
- Article 2** Through fulfilling the responsibilities of corporate citizenship, promoting financial contributions to the country, improving the quality of employees, society and everyday life, and encouraging Sustainable Development to become the Company’s competitive advantage. The Company should practice Sustainable Development with enthusiasm as to meet the international trend of balancing environmental, social, and corporate governance development.
- Article 3** In fulfilling Sustainable Development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.  
The company shall conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies.
- Article 4** Practicing the Sustainable Development should be as follow:  
1. Implement corporate governance.  
2. Develop a sustainable environment.  
3. Protect social welfare.  
4. Enhance disclosure of Sustainable Development information.
- Article 5** The Company should comply with the rules and regulations of this policy, take into consideration the trends of domestic and international Sustainable Development and the Company should set up the Sustainable Development policy, rule and management for overall operational activities and its subsidiaries.



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## Chapter II Implementing Corporate Governance

**Article 6** The Company's board of directors should fulfill the duties of a good supervisor, to oversee the Sustainable Development and periodically review its results and announce the determination, give full consideration to the interests of stakeholders and to disclose the need for improvement, as to ensure the implementation of the Sustainable Development.

**Article 7** In order to build a wholesome Sustainable Development management, the Company will open up a full-time (part-time) team dedicated to Sustainable Development. The team will be in charge of proposal and execution of Sustainable Development strategies, and reporting to the board of directors periodically.

**Article 8** The Company should recognize and observe the rights of its stakeholders, apprehend reasonable expectations, and requests through decent communication and involvement, and respond accordingly to their important Sustainable Development queries which they are concerned about.

**Article 9** The Company is advised to set up "Corporate Governance Best-Practice Principles" and the "Guidelines for the Adoption of Codes of Ethical Conduct" to construct an effective governance structure and related ethical standards for a wholesome company.

**Article 10** All operating activities in the Company should comply with its relative policies and observe the following items to ensure fair competition:

1. Avoid prejudice competitive behaviors.
2. Truthfully fulfill tax obligations.
3. Refuse bribery and conduct an upstanding management system.
4. All corporation contributions comply with the company's internal operating systems.

**Article 11** The Company is advised to host Corporate Ethics Educational Training for the directors, supervisors and staff to educate them on the previous article and set up a clear and effective reward system in conjunction with the staff performance appraisal system.

## Chapter III Develop a Sustainable Environment

**Article 12** The Company is advised to comply with environmental protection laws and related

international standard regulations, as to protect the natural environment. Make striving for environmental sustainability a goal during operational activities,

**Article 13** The Company is advised to strive to promote effective usage of energies, and to use environmentally friendly recycled materials as to sustain our earthly resources.

**Article 14** The Company is advised to establish an environmental management units or dedicated staff to maintain the environmental management system and periodically host environmental education training to management and staffs.

**Article 15** This Company is advised to consider the ecological benefits and help to educate the consumers on the concept of sustainable consumption. It should operate all activities including research development, production and service, according to the following guidelines as decrease the company's impact on the natural environment:

1. Reduce resource and energy consumption of goods and services
2. Reduce pollutant emissions, poisons and waste, the properly disposal of waste is required.
3. Enhance the recyclability and reuse of raw materials or products
4. Maximize the sustainable use for renewable resources
5. Extend the products' durability
6. Increase effectiveness of products and services

**Article 16** To raise awareness of water conservation, the company should use water resources properly and conservatively and implement water related management policies if necessary.

The company should avoid the pollution of water, air and land from operating, if unavoidable, the Company need to adopt the best available pollution prevention and technical control under considering the cost-effectiveness and financial feasibility. Shall do the best efforts to reduce the adverse effects on human health and the environment.

**Article 17** This Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.

The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of input electricity, heating, or steam.
3. Indirect emissions from others: Emissions from company activities : Indirect emissions from energy sources but from sources owned or controlled by other companies.

The company is advised to monitor the impact of climate change on their operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon their operations and the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of their business operations on climate change.

#### Chapter IV Protecting Social Welfare

**Article 18** This company should protect the worker's legal rights and respect the international labor standards to comply with related labor laws. It shall not endanger basic labor rights violations.

The company's human resources policy should establish appropriate management practices and procedures to follow the basic principles of labor protection of human rights.

**Article 19** This Company is advised to provide its employees with information about the country's labor laws and their rights.

**Article 20** This Company is advised to provide its employees with a safe and healthy environment, including the mandatory health and first aid facilities. This company should reduce any factors that may cause risks to the employees' safety and wellbeing to prevent occupational hazards. This company should periodically implement training on safety and wellbeing for the employees.

**Article 21** The Company should create an environment suitable for employees' career development, and construct an efficient career development-training plan.  
The company shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

**Article 22** The Company should provide a channel for periodic communications with the employees to communicate management events and policies as well as to provide

an opportunity for the employees to express their views.

**Article 22-1** The company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. Said company shall also develop the relevant strategies and specific measures for implementation.

**Article 23** The Company is advised to ensure product and service quality in accordance to the government regulations and industry regulations. Any marketing and advertisements of the company's products and services should comply with government regulations and international standards. Falsification, deception, fraud and any other conducts that may impair consumer's trust and breach their rights are prohibited.

**Article 24** The company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries. The company shall follow relevant laws, regulations and international guidelines when customer health, safety, customer privacy, marketing or labeling their 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 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 implement the corporate social responsibility initiative. The company should formulate supplier management policies and require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When The Company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.



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Article 26 The company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, 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 Enhanced Sustainable Development Disclosure

Article 27 This Company is advised to disclose information according to related regulations and the "Corporate Governance Best-Practice Principles". Provide relevant and reliable information related to Sustainable Development as to raise transparency. The related information the Company disclosed to the public is as follow:

1. Corporate management mechanisms, strategies, administrations and management policies approved by the Board of Directors.
2. Risks and effects on the company's operation and finance due to the implementation of corporate governance, development of sustainable environment and protection of social welfare.
3. Proposed Sustainable Development goals and enactments.
4. Main stakeholders and their concerns.
5. Other Sustainable Development related information.

#### Chapter VI Supplementary Provision

Article 28 The Company should observe domestic and international Sustainable Development developments and refinements in corporate environment, in order to evaluate the company's Sustainable Development and thus improve its Sustainable Development results.

Article 29 These rules and regulations will take effect after the approval of the Board of Directors.