

Evertex Fabrinology Limited

Sustainable Development Principles

Chapter I General Principles

Article 1 : In order to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, established pursuant to "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and other relevant laws and regulations for compliance.

Article 2 : The scope of application of the Principles includes the entire operations of the Company. The Company will actively fulfill its sustainable development in the course of its business operations so as 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 built on sustainable 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, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

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

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

Article 5 : The Company shall take into consideration the development of domestic and international sustainable development principles and the entire operations of the Company so as to establish policies, systems or relevant management guidelines for sustainable development programs, which shall be approved by the Board of Directors and reported to stockholders' meeting.

When shareholders propose relevant proposals involving sustainable development, the board of directors should consider and list them as shareholders' meeting proposals.

Chapter II Exercising Corporate Governance

Article 6 : The Company shall follow its "Corporate Governance Principles", "Company Business Integrity Code", and "Standards of Ethical Conduct" to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7 : The directors 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 policies.

The Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its sustainable development initiatives:

1. Identifying the Company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines.
2. Making sustainable development the guiding principle of the Company's operations

and development and ratifying concrete promotional plans for sustainable development initiatives.

3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

Article 8 : The Company may organize education and trainings on the implementation of corporate sustainable development initiatives.

Article 9 : For the purpose of managing sustainable development initiatives, the Company should establish a governance structure to promote sustainable development, and set up a general manager's office as a full-time (part-time) unit to promote sustainable development, to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and report to the Board of Directors as appropriate.

The Company's remuneration policies shall be reasonable to ensure that the remuneration arrangements support the strategic aims of the organization and align with the interests of stakeholders.

The Company's employee performance evaluation system is combined with sustainable development policies, and the Company establishes a clear and effective incentive and discipline system.

Article 10 : The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholders on the Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

Chapter III Exercising Fostering a Sustainable Environment

Article 11 : The Company shall follow relevant domestic 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 will 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 13 : The company should establish an appropriate environmental management system based on its industrial characteristics, which includes the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans and examining the results of the operation with concrete timeframe.

Article 14 : Occupational safety and Health Section of the Company is responsible for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and shall hold environment education courses on a periodic basis.

Article 15 : To take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, the Company conduct 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 the business operations:

1. Reduce resource and energy consumption of the products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly in accordance with laws and regulations.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. 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 timely constructs and improves environmental protection treatment facilities to avoid polluting water, air and land, and uses its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17 : The Company shall assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.

The Company, complying with the guidelines of ISO-14064, enforces corporate greenhouse gas inventory and makes disclosures thereof, the scope of greenhouse gas disclosure should 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 externally purchased or acquired electricity, heating, or steam.
3. Other indirect greenhouse gas emissions: emissions from company activities that are not from energy sources but originate from sources owned or controlled by other companies.

The Company should establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of business operations on climate change.

Chapter IV Preserving Public Welfare

Article 18 : The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

To comply with the internationally recognized human rights of labor, such as freedom of association, right to collective bargaining, care for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, elimination of employment and employment discrimination, etc. The company shall ensure its human resource policies do not contain differential treatments, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

Article 19 : The Company duly provides information for employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the Company have business operations.

Article 20 : The Company provides safe and healthful work environments for the employees,

including necessary strain protection facilities and endeavors to curb dangers to employees' safety and health and to prevent occupational accidents and occupational diseases. The Company, in accordance with laws and regulations, organizes training on safety and health for employees on a regular basis.

Article 21 : The Company should create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

The Company shall adopt reasonable remuneration policies and employee welfare measures (Including salary, vacation and other benefits, etc.) 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 establishes 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.

The Company respects the employee representatives' rights to bargain for the working conditions and provides the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The Company, in accordance with laws and regulations and by reasonable means, informs employees of operation changes that might have material impacts.

Article 23 : With regard to the products and services, the Company shall take marketing ethics seriously. In the process of procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services. The Company further shall, in accordance with laws and regulations, establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24 : The Company ensures the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries.

The Company shall follow relevant laws, regulations and international guidelines when 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 evaluates and manages all types of risks that could cause interruptions in operations, so as to reduce the impact on customers, consumers and society.

Article 26 : The Company shall assess the impact its procurement has on society as well as the environment of the community that the Company is procuring from and shall cooperate with its suppliers to jointly implement sustainable development.

The Company should adopt the supplier management policy, require suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights. Prior to engaging in commercial dealings, the Company shall assess whether there is any record of a supplier's impact on the environment and society and avoid conducting transactions with those against the corporate social responsibility and sustainable development policy.

Article 27 : The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company through equity investment, commercial activities, endowments, volunteering service or other charitable professional services

etc., dedicates resources to organizations that commercially resolve social or environmental issues, and participates in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Article 27-1 : The Company is advised to, through donations, sponsorships, investments, procurements, strategic cooperation, voluntary technology services, and/or other models of support, continue providing resources to art and cultural activities or cultural and creative industries to help promote cultural development.

Chapter V Enhancing Disclosure of Corporate 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:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
2. 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.
3. Goals and measures for realizing the sustainable development initiatives established by the Company, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to sustainable development initiatives.

Article 29 : The Company shall adopt internationally widely recognized standards or guidelines when producing sustainability report to disclose the status of its implementation of its sustainable development policy. It also is advisable to obtain a third party assurance or verification of reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter VI Supplementary Provisions

Article 30 : The Company shall always monitor the development of domestic and foreign sustainable development standards and business environment changes to examine and improve its established sustainable development framework and obtain better results from the implementation of its sustainable development policy.

Article 31 : These Rules, and any amendments hereto, shall be implemented after adoption by the audit committee and the board of directors, report to the shareholders' meeting, and the same is true for revisions.

The Principles was amended on March 24, 2023