

Sustainable Development Principles of Oriental Union Chemical Corporate

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Chapter I

General Provisions

- Article 1 To fulfill corporate social responsibility initiatives and to promote economic, social and environmental sustainable development and equilibrium, Oriental Union Chemical Corporation formulates Corporate Social Responsibility Principles in accordance with “Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies” by Taiwan Stock Exchange Corporation.
- Article 2 The Principles are based on the scope of the entire operations of the Company and its subsidiaries (both herein referred to as “The Company”). In fulfilling the corporate social responsibility initiatives, the Company shall identify its stakeholders, realize and give due consideration to the rational expectations, requirements as well as rights and interests of stakeholders through appropriate communication.
- While pursuing sustainable operation performance, the Company also pays high attention to and incorporates the factors of environment, society and corporate governance into its management guidelines and operation activities.
- Article 3 For the purpose of managing corporate sustainable development initiatives and the installment of a specific framework for promotion, the Company should establish a dedicated (concurrent) ESG Committee to supervise the implementation in line with the principles, system of the corporate sustainable development or relevant management guidelines and plans.
- Article 4 The Company shall, in accordance with the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies to manage its economic, environmental and social risks and impacts.
- Article 5 To implement corporate sustainable development initiatives, the Company follows the principles below:
- (1) Exercise corporate governance.
 - (2) Foster a sustainable environment.
 - (3) Preserve public welfare.
 - (4) Enhance information disclosure of corporate sustainable development.

Chapter II Exercise Corporate Governance

Article 6 The Board of Directors of the Company exercises the duty of care as good administrators to urge the company to perform its corporate sustainable development initiatives, examine the results of the implementation thereof and continually make adjustments so as to ensure the thorough implementation of its corporate sustainable development principles.

While performing corporate sustainable development, the Company gives due consideration to the interests of the stakeholders, which include:

- (1) Formulate the “Sustainable Strategy Blueprint” and management guidelines related to the corporate sustainable development.
- (2) Incorporate the sustainable development into the operation activities and development of the Company, and approve the specific promotion plan in such regard.
- (3) Ensure the timeliness and correctness of the disclosure of information related to the corporate sustainable development.

The company shall organize education and training for relevant personnel to implement the corporate sustainable development.

Article 7 The Company shall establish effective corporate governance framework and relevant ethical standards so as to enhance corporate governance.

Article 8 The Company shall comply with relevant laws and regulations when engaging in business activities so as to maintain a fair environment without unfair competition, bribery or corruption.

Chapter III Foster a Sustainable Environment

Article 9 The Company shall follow relevant environmental laws and regulations, as well as international norms to establish its environmental management system, which includes:

- (1) Collect and assess ample and timely information of the impact of operation activities on natural environment.
- (2) Establish measurable sustainable environment goal, review the continuity and relativity of such development.
- (3) Formulate concrete or action plans for implementation and review performance results thereof.

The Company should set up a dedicated unit or personnel for environmental management to formulate, promote and maintain relevant environmental management systems and specific action plans, and also hold courses in such regard.

The Company should consider the impact on ecological benefits when carrying out

operative activities and internal management, and strive to achieve its goals in reducing the impact on natural environment and mankind.

Article 10 The Company should evaluate the potential risks and opportunities resulting from the global climate change while conducting operative activities, and adopt relevant countermeasures regarding to climate change issues.

Article 11 The Company shall endeavor to optimize its utilization in all sorts of energy and natural resources, reducing products & services energy, water resources consumption, as well as increasing the recycling and reuse of raw materials or products.

Article 12 The company shall construct and strengthen relevant environmental protection treatment facilities, properly dispose of waste, reduce the discharge of pollutants, toxicants and wastes into water, air and soil, and adopt appropriate measures for pollution prevention and technical control.

Article 13 The Company shall adopt the standards or guidelines commonly applied at home and abroad to collect and disclose statistics on GHG emissions, water intake, energy consumption and various types of wastes. The scope of GHG statistics should include:

- (1) Direct GHG emissions: The source of GHG emissions is owned or controlled by the Company.
- (2) Indirect GHG emissions: those generated from the utilization of energy such as imported electricity, heat or steam.
- (3) Other indirect emissions: emissions from company activities, involving no indirect emissions from energy sources, but sources owned or controlled by other companies.

The Company should formulate policies for energy conservation & carbon reduction, water resource reduction or other waste management, and incorporate the carbon rights acquisition into its carbon reduction strategy, so as to promote and reduce the impact of the Company's operations on climate change.

Chapter IV Preserve Public Welfare

Article 14 The Company shall comply with relevant labor laws and regulations, abide by the international human rights treaties, protect and keep intact the legal rights and interests of its employees, who will be provided with the information of the national labor laws applicable and their rights thereof.

The Company shall ensure that its employment policies do not contain differential treatments based on gender, race, age, socioeconomic class, marital and family status, and achieves equality in terms of on-the-job, welfare, compensation, employment conditions, training, assessment and promotion opportunities.

Article 15 The Company shall establish a bilateral communication channel with employees, respect employee representatives for exercising negotiation power, and notify

employees in a reasonable manner of the operational changes that may have a significant impact.

For situations that endanger labor rights, the Company shall provide an effective and appropriate grievance mechanism to ensure the equality and transparency of the grievance process.

- Article 16 The Company shall provide safe and healthful work environments, where the necessary health and emergency measures are equipped, for its employees to curb the danger, and the safety & health education and training shall be conducted to employees to prevent occupational accidents.
- Article 17 The Company shall create an environment conducive to the career development of its employees and establish effective training programs to foster career skills.
The Company shall formulate and implement reasonable salary and remuneration policies and employee welfare measures to ensure that the relevant plans are in line with the strategic goals of the organization and the interests of stakeholders, and that business performance results can be reflected in employee compensation or welfare.
- Article 18 The Company shall comply with relevant laws and regulations of the government and the industry to ensure the quality of its products and services, as well as the safety procedures of products during R&D, procurement, production and operation.
Any safety compliance, commercial confidential of customers, marketing promotion or advertisement for products or services shall abide by relevant laws and regulations, or international norms, and contain no behavior of deceit, misleading and fraudulence.
- Article 19 The Company shall evaluate the impact of purchasing behavior on the environment and society of the communities where suppliers are located, in line with its suppliers and business partners to contribute and implement the corporate sustainable development.
The Company shall formulate a supplier management policy when signing contracts with major suppliers, which contract should include both parties' compliance with the corporate sustainable development policies.
The company should avoid transactions with suppliers that conflict the company's sustainable development policy. Should the supplier violate the company's supplier management policy and be found with a prominent impact on the environment and society of the source community, the contract may be terminated or rescinded.
- Article 20 The Company should evaluate the impact of the company's operations on the community, and appropriately employ local manpower to enhance community recognition.
The Company may, by means of investment, commercial activities, donations, corporate volunteer or other professional services, devote resources through business

models to organizations that solve social or environmental problems, or of social participation in relevant activities of the civic organizations dedicating in community development and education, philanthropic and public welfare organizations, and local government institutions, to promote community development.

Chapter V Enhance Information Disclosure of Corporate Sustainable Development

Article 21 The Company should disclose information according to relevant laws and regulations, aiming at the full disclosure of relevant and reliable information relating to its corporate sustainable development initiatives, to improve information transparency.

Article 22 The Company shall produce the sustainability report in accordance with the requirements of relevant laws and regulations, adopt prevailingly recognized internationally norms or guidelines to disclose the status and performance of the Company's sustainable development, and obtain assurance or warranty from a third party to improve the reliability of the information.

The disclosed content of information for corporate sustainable development shall include:

- (1) Implement corporate sustainable development principles, system or related management guidelines, and specific promotion plans.
- (2) Main stakeholders and their concerns.
- (3) The Company's performance and review in implementing corporate governance, developing sustainable environment, maintaining social welfare as well as promoting economic development.
- (4) Direction and goals for future improvement.

Article 23 The company shall pay attention to the development of relevant standards for the sustainable development of domestic and foreign enterprises and changes in the corporate environment, so as to review and improve the established enterprise sustainable development system to enhance the effectiveness of promoting the corporate sustainable development.

Article 24 The Principles shall be implemented after the approval of the Board of Directors, and shall be reported to Shareholders meeting ensued. Same shall also be applied to the amendment of the Principles.