

Sercomm Corporation Sustainable Development Best Practice Principles

Chapter 1. General Principles

Article 1

In order to fulfill its corporate social responsibility and promote economic, environmental, and social progress toward sustainable development, the Company has established these *Sustainable Development Best Practice Principles* for compliance.

Article 2

These Principles shall apply to all operational activities of the Company and its affiliates. While engaging in business operations, the Company actively practices sustainable development to align with international trends. Through its role as a corporate citizen, the Company seeks to enhance its contribution to the national economy, improve the quality of life for employees, communities, and society, and promote competitive advantages based on sustainable development.

Article 3

The Company shall consider the interests of stakeholders in promoting sustainable development. In addition to pursuing profitability, it shall also emphasize environmental, social, and corporate governance factors and integrate them into management policies and operational activities. The Company should conduct risk assessments of environmental, social, and corporate governance issues related to its operations based on the principle of materiality, and establish relevant risk management policies or strategies.

Article 4

The Company's approach to sustainability should be based on the following principles:

- I. Implement corporate governance.
- II. Foster a sustainable environment.
- III. Preserve public welfare.
- IV. Enhance disclosure of corporate sustainable development information.

Article 5

The Company shall consider the developmental trends of domestic and international sustainability issues, their relevance to its core business operations, and the impact of the Company and the Group's overall activities on stakeholders. Based on these considerations, the Company shall formulate sustainability policies, systems, or relevant management guidelines and specific implementation plans, and report to the Board of Directors for discussion.

When shareholders propose motions related to sustainable development, the Company's Board of Directors should consider including them as agenda items for the shareholders' meeting.

Chapter 2. Implementing Corporate Governance

Article 6

The Company should comply with the *Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies*, the *Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies*,

and the *Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEx Listed Companies*, and establish an effective governance structure and ethical standards to ensure sound corporate governance.

Article 7

Directors of the Company shall exercise their duty of care and urge the Company to perform its sustainable development initiatives, periodically review the results of implementation, and make continual improvements to ensure the effective execution of the Company's sustainable development policies.

When promoting the Company's sustainability goals, the Board of Directors should take into account the interests of stakeholders and include the following matters:

- I. Propose a sustainability mission or vision, and formulate relevant policies, systems, or management guidelines.
- II. Integrate sustainable development into the Company's operations and development direction, and approve specific implementation plans.
- III. Ensure the timeliness and accuracy of sustainability-related information disclosure. The Board of Directors should authorize the Sustainable Development Committee to address economic, environmental, and social issues arising from the Company's operations. The Committee should regularly report its progress to the Board of Directors, and its procedures and responsibilities shall be clearly defined.

Article 8

The Company should regularly conduct educational training programs to promote sustainable development, including the matters specified in the preceding article.

Article 9

To enhance sustainability management, the Company should establish a governance framework and a Sustainable Development Committee responsible for proposing and implementing sustainability policies, systems, management guidelines, and specific plans, and for regularly reporting to the Board of Directors. The Company should establish a fair compensation policy to ensure that salary planning aligns with organizational goals and stakeholder interests.

The employee performance evaluation system should be integrated with sustainability policies, and a clear and effective system of rewards and disciplinary actions should be established.

Article 10

The Company shall, based on respect for stakeholders' rights and interests, identify its stakeholders and establish a dedicated section on its website. Through effective communication, the Company shall understand stakeholders' reasonable expectations and needs, and appropriately respond to their key sustainability concerns.

Chapter 3. Fostering a Sustainable Environment

Article 11

The Company shall comply with environmental laws and relevant international standards to properly protect the natural environment. In conducting operations and internal management, the Company shall strive to achieve environmental sustainability.

Article 12

The Company should strive to enhance energy efficiency and the use of renewable materials with low environmental impact to ensure the sustainable use of Earth's resources.

Article 13

The Company should establish an environmental management system suitable for its industry, which shall include:

- I. Collection and evaluation of comprehensive and timely information on the impact of operations on the natural environment.
- II. Establishment of measurable sustainability goals and regular review of their relevance and continuity.
- III. Formulation and periodic review of specific plans or action programs to ensure effectiveness.

Article 14

The Company should have an environmental management unit or designated personnel responsible for developing, promoting, and maintaining relevant systems and action plans, and should regularly conduct environmental education courses for management and employees.

Article 15

The Company should take into account the ecological impact of its operations, promote the concept of sustainable consumption, and conduct R&D, procurement, production, operations, and services in accordance with the following principles to minimize environmental and social impact:

- I. Reduce resource and energy consumption.
- II. Reduce emissions of pollutants, toxic substances, and waste, and properly manage waste.
- III. Enhance the recyclability and reusability of raw materials or products.
- IV. Maximize the sustainable use of renewable resources.
- V. Extend product durability.
- VI. Improve the efficiency of products and services.
- VII. Enhance the conservation of biodiversity and ecosystems and ensure equitable and sustainable resource use.

Article 16

The Company should properly and sustainably utilize water resources and establish relevant management measures to improve water-use efficiency.

The Company should construct and enhance environmental protection facilities to prevent water, air, and soil pollution; strive to reduce adverse effects on human health and the environment; and adopt the best available pollution prevention and control technologies.

Article 17

The Company should evaluate the potential risks and opportunities of climate change to its current and future operations and take relevant countermeasures.

The Company should adopt domestic and international standards or guidelines to conduct and disclose greenhouse gas inventories, covering:

- I. Direct greenhouse gas emissions from sources owned or controlled by the Company.
- II. Indirect emissions from the use of imported energy such as electricity, heat, or steam.
- III. Other indirect emissions arising from Company activities not classified as energy-related but originating from external sources.

The Company should track its greenhouse gas emissions, water usage, and total waste, establish

energy-saving and carbon-reduction policies, and include carbon credits in its carbon reduction strategy to mitigate climate change impacts.

Chapter 4. Preserving Public Welfare

Article 18

The Company shall comply with applicable laws and should adhere to international human rights conventions such as gender equality, labor rights, and anti-discrimination.

To fulfill its responsibility for protecting human rights, the Company should establish relevant management policies and procedures, including:

- I. Proposing a human rights policy or statement.
- II. Assessing the impact of operations and management on human rights.
- III. Regularly reviewing the effectiveness of the Company's human rights policy.
- IV. Disclosing procedures for addressing human rights violations.

The Company should respect internationally recognized labor rights, such as freedom of association, collective bargaining, protection of vulnerable groups, prohibition of child labor, elimination of forced labor, and non-discrimination in employment. Its human resource policies should ensure equality and fairness in recruitment, employment, compensation, benefits, training, evaluation, and promotion.

The Company should provide an effective and transparent grievance mechanism to safeguard employee rights and ensure proper handling of complaints through accessible and fair channels.

Article 19

The Company shall provide employees with information to ensure they understand applicable labor laws and their rights in the jurisdictions where the Company operates.

Article 20

The Company should provide a safe and healthy work environment, including necessary health and first aid facilities, and strive to reduce occupational hazards and prevent work-related accidents.

The Company should provide regular safety and health training for employees.

Article 21

The Company should foster a favorable environment for employees' career development and establish effective training programs.

The Company should develop industry-academia cooperation programs to cultivate future talent.

The Company shall formulate and implement reasonable welfare measures, including compensation, leave, and other benefits, and link employee remuneration to business performance to ensure recruitment, retention, and motivation for sustainable operations.

Article 22

The Company should establish regular communication channels with employees, allowing them to access information and express opinions on management decisions.

The Company shall respect the right of employee representatives to negotiate working conditions and provide necessary information and facilities to promote cooperation.

The Company shall inform employees of significant operational changes in a timely manner.

Article 22-1

The Company should treat customers fairly and reasonably regarding its products and services. This includes principles of fair contracting, duty of care, truthful advertising, product suitability, disclosure, balanced remuneration, complaint protection, and professional conduct. The Company should establish relevant implementation strategies and measures accordingly.

Article 23

The Company shall be responsible for its products and services and should ensure transparency and safety throughout research, procurement, production, operations, and services.

Article 24

The Company shall comply with government laws and industry standards to ensure product and service quality.

The Company shall comply with relevant laws and international standards in marketing and labeling and shall not engage in deceptive, misleading, or fraudulent conduct that undermines customer trust.

Article 25

The Company should assess and manage risks that may cause operational disruptions to minimize impact on customers and society.

The Company should provide transparent and effective complaint procedures and handle customer complaints fairly and promptly.

The Company shall comply with privacy regulations, respect customer privacy, and protect their personal data.

Article 26

The Company should assess the environmental and social impact of its procurement activities and collaborate with suppliers to fulfill corporate social responsibility.

The Company should establish a supplier management policy requiring compliance with environmental, occupational safety, and human rights standards. Prior to transactions, it should assess suppliers' environmental and social records and avoid business with those in conflict with the Company's CSR policies.

Contracts with major suppliers should include clauses requiring compliance with CSR policies and allowing termination if violations cause significant environmental or social harm.

Article 27

The Company should evaluate its impact on local communities and employ local workers to strengthen community engagement.

The Company should invest resources through commercial activities, donations, volunteer services, or other professional contributions to support social or environmental causes, and participate in community development and education initiatives organized by civic or public institutions.

Article 27-1

The Company should continuously allocate resources through donations, sponsorships, investments, procurement, partnerships, volunteer technical services, or other supportive models to promote cultural and artistic development.

Chapter 5. Enhancing Disclosure of Sustainable Development Information

Article 28

The Company shall disclose information in accordance with relevant regulations and fully reveal pertinent and reliable sustainability information to enhance transparency.

Sustainability information disclosure shall include:

- I. Policies, systems, and implementation plans approved by the Board of Directors.
- II. Risks and impacts of corporate governance, environmental, and social factors on operations and financial conditions.
- III. Sustainability goals, measures, and performance results.
- IV. Key stakeholders and their concerns.
- V. Disclosure of supplier management and performance on significant environmental and social issues.
- VI. Other relevant sustainability information.

Article 29

The Company shall prepare sustainability reports using internationally recognized standards or guidelines to disclose sustainability progress.

The Company should obtain third-party assurance to enhance credibility.

The contents of the report should include:

- I. Implementation of sustainability policies, systems, and plans.
- II. Key stakeholders and their concerns.
- III. Performance and review of governance, environment, social, and economic initiatives.
- IV. Future improvement directions and goals.

Chapter 6. Supplementary Provisions

Article 30

The Company shall continuously monitor the development of domestic and international sustainability standards and changes in the business environment, and accordingly review and improve its sustainability system to enhance effectiveness.

Article 31

These Principles shall come into force after approval by the Board of Directors, and the same shall apply to any amendments.

These Principles were enacted on May 11, 2023.

These Principles were amended on October 31, 2025.