



## Sercomm Corporation Sustainable Development Best Practice Principles

### Chapter 1. General Principles

#### Article 1

In order to fulfill our corporate social responsibility and promote economic, environmental, and social progress towards sustainable development, the Company has established the "Sustainable Development Best Practice Principles".

#### 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 development trends. In addition, through corporate citizenship, the Company aims 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, great importance should be placed on environmental, social, and corporate governance factors, which are integrated into the management policies and operational activities of the Company.

The Company shall conduct risk assessments on 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 shall 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 shall consider including them as agenda items for the shareholders' meeting.

### Chapter 2. Implementing Corporate Governance

#### Article 6

The Company shall 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, establishing an effective governance structure and relevant ethical standards to ensure sound corporate governance.

#### Article 7

Directors of the Company shall exercise their duty and urge the Company to perform its sustainable development initiatives, irregularly review the results of the implementation thereof, and continually

make adjustments so as to ensure the thorough implementation of the Company's sustainable development policies.

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

- I. Propose a sustainability mission or vision, and formulate sustainable development policies, systems, or related management guidelines.
- II. Incorporate sustainable development into the Company's operational activities and development direction, and approve specific plans for promoting sustainable development.
- III. Ensure the timely and accurate disclosure of information related to sustainable development.

The Board of Directors shall authorize the Sustainable Development Committee to address economic, environmental, and social issues arising from the Company's business operations. The Committee should provide regular progress reports to the Board of Directors and clearly define its operational procedures and responsible personnel.

#### Article 8

The Company shall regularly conduct educational training programs to promote sustainable development, which includes promoting the matters mentioned in Paragraph 2 of the preceding article.

#### Article 9

To enhance the management of sustainable development, the Company has established a governance framework and a Sustainable Development Committee. The Committee shall be responsible for proposing and implementing sustainable development policies, systems, and management guidelines, as well as reporting to the Board of Directors on a regular basis.

The Company shall establish a fair compensation policy to ensure that salary planning is aligned with organizational strategic goals and stakeholder interests.

The employee performance evaluation system is advised be integrated with the corporate sustainability policy, and a clear and effective system of rewards and disciplinary actions should be established.

#### Article 10

The Company shall, based on respect for the rights and interests of stakeholders, identify the Company's stakeholders and establish a designated section for stakeholders on its website. By means of effective communication, the Company shall aim to comprehend the reasonable expectations and needs of stakeholders and duly address their concerns pertaining to crucial sustainable development matters.

### Chapter 3. Fostering a Sustainable Environment

#### Article 11

The Company shall comply with environmental regulations and relevant international standards to properly protect the natural environment. In the execution of operational activities and internal management, the Company shall aim to achieve the goal of environmental sustainability.

#### Article 12

The Company shall 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 shall establish an appropriate environmental management system that aligns with industry characteristics and encompasses the following components:

- I. Collection and evaluation of comprehensive and timely information on the impact of operational activities on the natural environment.
- II. Establishment of measurable goals for environmental sustainability and regular review of their sustainability and relevance.
- III. Formulation of specific plans or action programs and regular review of their operational effectiveness.

#### Article 14

The Company shall have an environmental management unit or personnel to formulate, promote, and maintain relevant environmental management systems and specific action plans, and regularly conduct environmental education courses for management and employees.

#### Article 15

The Company shall consider the ecological impact of its operations, promote sustainable consumption, and conduct research and development, procurement, production, operations, and services according to the following principles to minimize its environmental and societal impact:

- I. Reduce resource and energy consumption in products and services.
- II. Reduce emission of pollutants, toxins and waste, and correctly manage waste disposal.
- III. Improve the recyclability and reusability of raw materials or products.
- IV. Maximize the sustainable utilization of renewable resources.
- V. Enhance product durability.
- VI. Improve efficiency of products and services.

#### Article 16

To enhance the efficiency of water resource usage, the Company shall properly and sustainably utilize water resources and establish relevant management measures.

The Company shall construct and enhance relevant environmental protection facilities to prevent pollution of water, air, and land; in addition, it shall also strive to reduce adverse impacts on human health and the environment by adopting the best available pollution prevention and control technologies.

#### Article 17

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

The Company shall adopt domestic and international standards or guidelines for conducting and disclosing corporate greenhouse gas inventories, the scope of which shall include:

- I. Direct greenhouse gas emissions: Sources of greenhouse gas emissions owned or controlled by the Company.
- II. Indirect greenhouse gas emissions: Emissions generated from the use of energy, such as imported electricity, heating, or steam.
- III. Other indirect emissions: Emissions generated by company activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the Company.

In addition to tracking greenhouse gas emissions, water usage, and total waste, the Company should create policies for energy saving, carbon reduction, and waste management, including incorporating carbon credits into its strategy to reduce the Company's impact on climate change.

### Chapter 4. Preserving Public Welfare

#### Article 18

The Company shall comply with applicable regulations and adhere to international human rights conventions, including gender equality, labor rights, and anti-discrimination. In order to fulfill its responsibility to safeguard human rights, the Company shall establish relevant management policies and procedures, which shall include:

- I. Proposing a human rights policy or statement for the Company.
- II. Assessing the impacts of company operations and internal management on human rights.
- III. Regularly reviewing the effectiveness of the Company's human rights policy or statement.
- IV. Disclosing procedures for handling stakeholders involved in human rights violations.

The Company is advised to adhere to internationally recognized labor rights, such as freedom of association, collective bargaining, protection of vulnerable groups, prohibition of child labor, eradication of forced labor, and elimination of employment discrimination. It should ensure that its HR policies do not discriminate based on gender, race, socioeconomic status, age, marital or family status, to promote



equality and fairness in employment, conditions, pay, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate complaint mechanism to ensure the fairness and transparency of the complaint process regarding issues that affect the rights and interests of workers. Complaint channels shall be simple, convenient and accessible, and employee grievances shall be addressed appropriately.

#### Article 19

The Company shall provide employees with information to ensure understanding of labor laws and the rights to which employees are entitled in countries where the Company operates.

#### Article 20

The Company is advised to provide a safe and healthy work environment for employees, including necessary health and first aid facilities. It shall also strive to reduce hazards to employee safety and health to prevent occupational accidents.

The Company shall provide regular safety and health education training to employees.

#### Article 21

The Company shall create a conducive environment for the career development of its employees and establish effective training programs for enhancing career competencies.

The Company shall establish and implement reasonable employee welfare measures, such as salary, vacation, and other benefits, which should appropriately reflect business performance or results in employee compensation. This shall ensure the recruitment, retention, and motivation of human resources, allowing the Company to ultimately achieve sustainable business goals.

#### Article 22

The Company is advised to establish a channel for regular communication and dialogue with employees, allowing them to receive information and express their opinions on the Company's management activities and decisions.

The Company shall respect the right of employee representatives to negotiate working conditions and provide necessary information and facilities to promote negotiation and cooperation between employers, employees, and their representatives.

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

#### Article 22-1

The Company shall treat its customers in a fair and reasonable manner with respect to its products or services. This shall include principles of fair and ethical contracting, duty of care and loyalty, truthful advertising and solicitation, product or service suitability, disclosure and notification, balanced remuneration and performance evaluation, complaint protection, and professionalism of business personnel. The Company shall establish relevant implementation strategies and specific measures accordingly.

#### Article 23

The Company shall be responsible for its products and services, and shall value marketing ethics. It shall also ensure the transparency and security of product and service information throughout the research and development, procurement, production, operations, and service processes.

#### Article 24

The Company shall adhere to government regulations and industry standards in ensuring the quality of its products and services.

The Company shall comply with relevant laws and international standards in the marketing and labeling of its products and services. It shall not engage in any deceptive, misleading, fraudulent, or other practices that undermine customer trust or harm their interests.

#### Article 25

The Company shall assess and manage various risks that could disrupt operations in order to minimize their impact on customers and society.

The Company shall provide transparent and effective complaint procedures for its products and services, and handle customer complaints fairly and promptly; it shall comply with relevant regulations, genuinely respect customers' privacy rights, and protect the personal information provided by customers.

#### Article 26

The Company shall assess the environmental and social impacts of its procurement activities on supplier communities and collaborate with suppliers to fulfill corporate social responsibility.

The Company shall establish a supplier management policy requiring suppliers to comply with relevant regulations concerning environmental protection, occupational safety and health, or labor and human rights issues. Prior to engaging in commercial transactions, the Company shall assess whether potential suppliers have any record of impact on the environment and society, and shall avoid conducting business with entities whose practices conflict with the Company's corporate social responsibility policies.

When entering into contracts with its major suppliers, the Company shall include provisions that require compliance with both parties' corporate social responsibility policies. Such contracts shall also include provisions allowing for immediate termination or rescission if the supplier is found to be in violation of said policies and such violation causes significant environmental or social impact on the community of the supply source.

#### Article 27

The Company shall evaluate its impact on the community and employ local workers to strengthen community involvement.

The Company shall, through commercial activities, donations, corporate volunteer services, or other professional services for public welfare, invest resources in organizations that employ business models to address social or environmental issues. The Company shall also participate in activities of civic organizations, charitable groups, and governmental institutions related to community development and community education, with the aim of promoting community development.

#### Article 27-1

The Company shall, through donations, sponsorships, investments, procurement, strategic partnerships, corporate volunteer technical services, or other supportive models, continuously allocate resources to cultural and artistic activities or the cultural and creative industries, with the aim of promoting cultural 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 information related to sustainable development to enhance transparency.

Information on the sustainable development of the Company is disclosed as follows:

- I. Policies, systems, or related management guidelines and specific implementation plans for sustainable development approved by the Board of Directors.
- II. Risks and impacts on the Company's operations and financial status arising from implementing corporate governance, developing a sustainable environment, and maintaining social welfare.
- III. The Company's sustainable development goals, measures, and implementation performance.
- IV. Major stakeholders and their concerns.
- V. Disclosure of management and performance information on major environmental and social issues by key suppliers.
- VI. Other information pertaining to sustainable development.

#### Article 29



The Company shall prepare sustainability reports using internationally recognized standards or guidelines to disclose the progress of sustainable development initiatives. It is advisable to obtain third-party assurance or certification to enhance the reliability of the information.

Contents of the report should include:

- I. Implement sustainable development policies, mechanisms, management directions, and specific promotion plans.
- II. Major stakeholders and their concerns.
- III. The Company's performance and review in implementing corporate governance, developing a sustainable environment, preserving social welfare, and promoting economic development.
- IV. Future improvement direction and goals.

## Chapter 6. Supplementary Provisions

### Article 30

The Company shall continuously monitor the development of domestic and international standards in sustainable development, as well as changes in the business environment, and shall accordingly review and improve the Company's established sustainability system to enhance the effectiveness of promoting sustainable development.

### Article 31

These principles hereof come into force after being ratified in board meetings, and the same shall apply to any revisions.

These principles were enacted on May 11, 2023.