

E.SUN FHC Corporate Social Responsibility Best Practice Principles

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Chapter I General Provisions

Article 1 These Principles are adopted in accordance with the "CSR Best Practice Principles for TWSE/GTSM Listed Companies" for the implementation of corporate social responsibilities, promotion of economic, environmental, and societal advancement to achieve sustainable development, and management of the Company's economic, environmental, and social risks and influences.

Article 2 These Principles are applicable to the Company and its subsidiaries, including their entire business operations.

The Company shall actively fulfill its corporate social responsibility so as to follow international development trends. The Company shall 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 corporate social responsibility.

Article 3 In fulfilling corporate social responsibility 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.

Article 4 To implement corporate social responsibility initiatives, the Company should follow the following principles:

- I. Fully implement the corporate governance system.
- II. Build a sustainable environment.
- III. Safeguarding public welfare.
- IV. Enhancing the CSR information disclosure.

Article 5 The Company shall take into consideration the correlation between the development of domestic and foreign corporate social responsibility principles and corporate core business operations, and the effect of the operation of the Company and of its respective subsidiaries as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported in the shareholders meeting.

When a shareholder proposes a motion involving corporate social responsibility, the Company's board of directors should review and consider including it in the shareholders meeting agenda.

Chapter II Sound Corporate Governance

Article 6 The Company should adhere to the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7 The board of directors of the Company shall exercise the due care of a good administrator and supervise the implementation of relevant CSR policies. They shall review the implementation progress from time to time and make continuous improvement to ensure the fulfillment of all CSR requirements.

The Company's board of directors should give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its corporate social responsibility initiatives:

- I. Identifying the Company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;
- II. Making corporate social responsibility the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and
- III. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors authorizes the President to handle all matters relating to economic, environmental, and social issues resulting from the Company's business operations and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8 The Company shall, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed under Paragraph 2 of the preceding Article.

Article 9 For the purpose of managing corporate social responsibility initiatives, the Company shall establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report to the board of directors on a periodic basis.

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

Employee performance evaluation system shall be combined with corporate social responsibility policies, and a clear and effective incentive and discipline system shall be established.

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's website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Chapter III Fostering a Sustainable Environment

Article 11 The Company shall follow relevant 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 shall 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 shall establish proper environment management systems based on the characteristics of its industry. Such systems shall include the following tasks:

- I. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
- II. 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.
- III. Adopting enforcement measures such as concrete plans or action plans, and examining the results of its operation on a regular basis.

Article 14 The Company shall appoint the FHC Head Office Administrative Management Division (Management) as the dedicated environmental management unit for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and shall hold environment education courses for managerial officers and other employees on a periodic basis.

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

- I. Reduce, reuse, recycle, regenerate, and refuse resource and energy consumption to reduce the impact of business operations on the natural environment.
- II. Promote education on environmental protection and energy conservation and encourage green procurement among corporations to employees and their families to exert positive influence on the general public in the society.
- III. Provide digital financial services and prolong the durability of products to improve product and service performance.
- IV. Encourage suppliers and customers to adopt environmental measures and work together to conserve energy, reduce carbon emission, and protect the earth.

Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

Article 17 The Company shall 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:

- I. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.

- II. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heat, or steam.

The Company shall monitor the impact of climate change on its operations and shall establish company strategies for energy conservation and carbon and greenhouse gas reduction based on its operations and the result of a greenhouse gas inventory. Such strategies shall aim to minimize the impact of business operations on climate change.

Chapter IV Safeguarding 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.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

- I. Presenting a corporate policy or statement on human rights.
- II. Evaluating the impact of the Company's business operations and internal management on human rights, and adopting corresponding handling processes.
- III. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
- IV. In the event of any infringement of human rights, the Company shall disclose the processes for handling the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that its human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, 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 shall provide information to its employees so that employees have knowledge of the labor laws and rights they enjoy in the countries where the Company has business operations.

Article 20 The Company should provide a safe and healthy work environment for its employees, including necessary health and first-aid facilities and endeavor to curb dangers to employees' safety and health so as to prevent occupational accidents.

The Company should organize training on safety and health for its employees on a regular basis.

Article 21 The Company should create a positive environment for employees' career development and establish an effective professional training program.

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 shall establish 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 shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1 The Company's subsidiaries should 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 file complaints, and professionalism of salespersons. The Company should also develop relevant strategies and specific measures for implementation.

Article 23 The Company shall take responsibility for its products and services and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of its products and services, establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations in order to prevent products and services from adversely impacting the rights, interests, health, and safety of consumers.

Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of the industry in which it operates.

The Company shall follow relevant laws, regulations and international guidelines when marketing or labeling its products and services and may 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 should evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company should provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints and shall comply with relevant laws and regulations stipulated by the Personal Information Protection Act, respect consumers' rights of privacy, and ensure the security of personal data provided by consumers.

Article 26 The Company should assess the impact its procurement has on society and the environment of the community from which procurements are made as well as cooperate with its suppliers to jointly implement the corporate social responsibility initiative.

Prior to engaging in commercial dealings, the Company should 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 enters into a contract with any of its 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.

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 should, 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 Enhancing Disclosure of CSR 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 corporate social responsibility initiatives to improve information transparency.

Information relating to corporate social responsibility which is to be disclosed by the Company includes the following:

- I. The policy, systems, or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.
- II. The risks involved or influences on the business operation or financial status of the Company due to the implementation of corporate governance system, the development of sustainable environment, or the protection of public welfare, etc.
- III. The Company's objectives and measures for fulfilling the corporate social responsibility, and performance in implementation.
- IV. Major interested parties and the issues of concern.
- V. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
- VI. Other CSR-related information.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of its implementation of the corporate social responsibility policy. In addition, the Company should obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports should include the following content:

- I. The policy, systems, or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives.
- II. Major interested parties and the issues of concern.
- III. Results and a review of the exercising of corporate governance, fostering of a

sustainable environment, preservation of public welfare and promotion of economic development.

IV. Improvement plans and targets in future.

Chapter VI Miscellaneous

Article 30 The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve its corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 31 These Principles shall become effective upon approval by the board of directors and reported in the shareholders meeting.