



# Sustainable Development Best Practice 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, in accordance with the "Sustainable Development Best Practice Principles of TWSE and OTC listed Companies" and relevant laws and regulations, Sonix (the Company) has formulated this Practice Principles for compliance. The scope of this principles covers the overall operating activities of the Company and its group companies.

Article 2. The Company actively fulfills corporate social responsibility while engaging in 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 corporate social responsibility.

Article 3. The Company implements Sustainable Development in its corporate management guidelines and business operations, 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. 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. To implement corporate social responsibility initiatives, The Company is advised to follow the principles below:

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

Article 5. The Company should take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups 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 to the shareholders meeting.

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



## **Chapter 2 Exercising Corporate Governance**

Article 6. The board of directors of the company shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation from time to time and continually adjust so as to ensure the thorough implementation of its corporate social responsibility policies.

The board of directors of the company is advised to consider to the interests of stakeholders, including the following matters, in the company's performance of its corporate social responsibility initiatives:

1. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;
2. 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
3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the 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 7. In order to improve the management of sustainable development, the company shall establish a 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 on the same to the board of directors on a periodic basis.

Article 8. The company 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 corporate social responsibility issues which they are concerned about.

## **Chapter 3 Fostering a Sustainable Environment**

Article 9. The company follows environmental regulations and relevant international standards to properly protect the natural environment, and is committed to achieving the goal of environmental sustainability in the implementation of operational activities and internal management.

Article 10. 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 11. The company has established a "Green Product and Environmental System Executive Committee" to formulate, promote and maintain relevant environmental management systems and action plans.

Article 12. The company is advised to consider 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 their business operations:

- 1.Reduce resource and energy consumption of their products and services.
- 2.Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
- 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 13. To improve water use efficiency, the company shall properly and sustainably use water resources and establish relevant management measures.

The company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 14. The company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.

The company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes to minimize the impact of its business operations on climate change.

#### **Chapter 4 Preserving Public Welfare**

Article 15. 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 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 16. The company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the company has business operations.

Article 17. The company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The companies is advised to organize training on safety and health for their employees on a regular basis.

Article 18. The company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.

The company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 19. 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 20. The company shall treat customers or consumers of its products or services in a fair and reasonable manner and to develop the relevant strategies and specific measures for implementation.

Article 21. The company shall take responsibility for their 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 their



products and services. The company shall establish and disclose policies on consumer rights and interests, and enforce it 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 22. The company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of their industries.

The company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, its 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 23. The company is advised to 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 is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 24. The company is advised to assess the impact of its procurement on society as well as the environment of the community that it is procuring from, and shall cooperate with its suppliers to jointly implement the corporate social responsibility initiative.

The company is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights..

Article 25. 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 is advised to, 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 5 Enhancing Disclosure of Corporate Social Responsibility Information**

Article 26. 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.

Article 27. The company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It is also advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.

#### **Chapter 6 Supplementary Provisions**

Article 28. The companies 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 their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 29 This Code shall take effect after being approved by the Board of Directors, and the same shall apply when it is amended.

Article 30 This code of conduct was made on November 9, 2016.

The first amendment was made on March 13, 2020.

The second revision was on February 23, 2022.