

**Tong Hsin Electronic Industries, Ltd**  
**Sustainable Development Code of Practice**

Article 1: Tong Hsing Electronic Industries, Ltd. (hereinafter referred to as "the Company") , in order to fulfill its corporate social responsibility and promote economic, environmental and social progress to achieve the goal of sustainable development, has established this Code of Practice in accordance with the " Sustainable Development Best Practice Principles for Listed Companies " of the Taiwan Stock Exchange Corporation (hereinafter referred to as "the Stock Exchange") for compliance.

Article 2: This Code of Practice applies to the entire operational activities of the Company and its subsidiaries.

Article 3: The Company conducts risk assessments on environmental, social and corporate governance (ESG) issues related to its operations in accordance with the principle of materiality and formulates relevant risk management policies or strategies.

Article 4: The Company shall implement sustainable development in accordance with the following principles:

1. Implement corporate governance.
2. Foster a sustainable environment.
3. Uphold social welfare.
4. Enhance the disclosure of corporate sustainable development information.

Article 5: The Company formulates sustainable development policies, systems, or relevant management guidelines and specific action plans by considering global and domestic sustainability trends, the relevance to its core business, and the impact of its operations and those of its group enterprises on stakeholders. The implementation results shall be reported to the Board of Directors. When shareholders propose resolutions related to sustainable development, the Board of Directors should evaluate their inclusion as agenda items for the shareholders' meeting.

Article 6: The Company's directors shall fulfill their duty of care as prudent administrators, oversee the implementation of sustainable development, and continuously review and improve its effectiveness to ensure the proper execution of

sustainability policies.

The Board of Directors shall authorize senior management to handle economic, environmental, and social issues arising from the Company's business activities. Senior management shall report the handling status to the Board, and the operational procedures and responsibilities of relevant personnel shall be clearly defined.

Article 7: To enhance the management of sustainable development, the Board of Directors authorizes the President to establish a Sustainability Committee, with the President serving as the Chairperson. The Committee also establishes a Sustainability Office as a dedicated unit responsible for coordinating and implementing the Company's sustainability-related initiatives. The responsibilities of the Committee include:

1. Formulating the Company's sustainability policies.
2. Establishing goals, strategies, and implementation plans for the Company's sustainability development, covering governance, ethical business practices, environmental, and social aspects.
3. Reviewing, tracking, and revising the implementation and effectiveness of sustainability initiatives and regularly reporting to the Board of Directors.
4. Addressing concerns from various stakeholders, including shareholders, customers, suppliers, employees, government agencies, non-profit organizations, communities, and the media, and overseeing related communication plans.

To effectively implement corporate sustainability initiatives, the Committee has also established functional working groups, including the Corporate Governance & Risk Team, Product Innovation Team, Environment & Energy Efficiency Team, and Sustainable Supply Chain Team, which collaborate with the Sustainability Office to manage cross-departmental sustainability projects.

Article 8: The Company shall uphold the principle of respecting stakeholders' rights and interests by identifying its stakeholders and establishing a dedicated stakeholder section on its official website. Through appropriate communication channels, the Company shall understand stakeholders' reasonable expectations and needs and properly respond to key sustainability issues of concern.

Article 9: The Company shall comply with environmental regulations and relevant international standards, appropriately protect the natural environment, and strive to achieve environmental sustainability goals in its operational activities and internal management.

Article 10: The company shall strive to improve energy efficiency and use recycled materials with low environmental impact, ensuring the sustainable use of Earth's resources.

Article 11: The Company should establish an appropriate environmental management system based on the characteristics of its industry. This system should include the following items:

1. Collect and evaluate sufficient and timely information on the impact of operational activities on the natural environment.
2. Establish measurable environmental sustainability goals and regularly review their continuity and relevance.
3. Formulate specific plans or action programs as implementation measures and regularly review their effectiveness.

Article 12: The Company shall, as needed, establish a dedicated environmental management unit to formulate, promote, and maintain relevant environmental management systems and specific action plans. Additionally, the Company shall regularly organize environmental education programs for management and employees.

Article 13: The Company shall consider the impact of its operations on ecological benefits, promote and advocate for the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services based on the following principles to minimize the impact of its operations on the natural environment and human beings:

1. Reduce the resource and energy consumption of products and services.
2. Reduce the emission of pollutants, toxic substances, and waste, and ensure proper waste management.
3. Enhance the recyclability and reuse of materials or finished products used in processes.
4. Maximize the sustainable use of renewable resources.
5. Extend the durability of operational assets.
6. Improve the efficiency of process services

Article 14: To improve the efficiency of water resource use, the Company shall properly manage and sustainably utilize water resources and establish relevant management measures.

The Company shall construct and strengthen relevant environmental protection facilities to prevent pollution of water, air, and land. Additionally, the Company shall make every effort to minimize adverse impacts on human health and the environment by adopting the best feasible pollution prevention and control technologies.

Article 15: The Company should assess the potential risks and opportunities of climate change on the business both now and in the future, and take relevant response measures.

The Company shall adopt internationally recognized standards or guidelines to conduct a greenhouse gas (GHG) inventory and disclose it. The scope should include:

1. Direct greenhouse gas emissions: Emissions from sources that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions: Emissions generated from the use of imported electricity, heat, or steam.
3. Other indirect emissions: Emissions generated by the Company's activities, but not from energy-related sources, and originating from other companies' owned or controlled emission sources.

The Company shall track greenhouse gas emissions, water consumption, and total waste weight, and develop policies for energy-saving, carbon reduction, GHG reduction, water use reduction, or other waste management. The acquisition of carbon credits should be integrated into the Company's carbon reduction strategy, and efforts should be made to reduce the Company's operational impact on climate change.

Article 16: The Company shall comply with relevant laws and regulations, as well as adhere to international human rights conventions, such as gender equality, the right to work, and the prohibition of discrimination.

To fulfill its responsibility in safeguarding human rights, the Company shall establish relevant management policies and procedures, including:

1. Formulating the Company's human rights policy or statement.
2. Assessing the impact of the Company's operations and internal management on human rights and establishing corresponding handling procedures.
3. Regularly reviewing the effectiveness of the Company's human rights policy or statement.

4. In cases of human rights violations, disclosing the handling procedures for the affected stakeholders.

The Company shall follow internationally recognized labor human rights, such as the freedom of association, collective bargaining rights, care for vulnerable groups, prohibition of child labor, elimination of all forms of forced labor, and elimination of employment discrimination. It shall ensure that its human resource policies do not discriminate based on gender, race, socioeconomic status, age, marital and family status, and other factors, thereby ensuring equality and fairness in employment conditions, compensation, benefits, training, evaluations, and promotion opportunities.

For situations that endanger labor rights, the Company shall provide an effective and appropriate grievance mechanism to ensure an equal and transparent process. The grievance channels should be simple, convenient, and accessible, and appropriate responses should be provided to employee complaints.

Article 17: The Company shall provide employees with information to help them understand the labor laws of the country where the operations are located and the rights they are entitled to under those laws.

Article 18: The Company shall provide employees with a safe and healthy working environment, including necessary health and first aid facilities, and strive to reduce hazardous factors that may impact employees' safety and health in order to prevent occupational accidents.

The Company shall regularly conduct safety and health education and training for employees.

Article 19: The Company shall create a positive environment for employees' career development and establish effective career development and training programs. The Company shall formulate and implement reasonable employee welfare measures (including compensation, leave, and other benefits) and ensure that business performance or results are appropriately reflected in employee compensation, to support the recruitment, retention, and motivation of human resources, achieving the goal of sustainable operations.

Article 20: The Company shall establish channels for regular communication and dialogue with employees, allowing them the right to access information and express opinions regarding the Company's management activities and decisions.

The Company shall respect the rights of employee representatives to negotiate working conditions and provide necessary information and facilities to employees, fostering negotiation and cooperation between the employer, employees, and employee representatives.

The Company shall notify employees of any operational changes that may have a significant impact on them in a reasonable manner.

Article 21: The Company shall treat its clients or consumers in a fair and reasonable manner, including the principles of fair and honest contracting, duty of care and loyalty, service suitability, information disclosure, fair compensation and performance evaluation, complaint protection, and the professionalism of sales personnel and shall formulate relevant implementation strategies and specific measures to uphold these principles.

Article 22: The Company shall take responsibility for its services and place importance on marketing ethics. In its research and development, procurement, production, operations, and service processes, the Company shall ensure the transparency and safety of product and service information. The Company shall formulate and publicly disclose its consumer rights policy, ensuring its implementation in operational activities to prevent services from harming consumer rights, health, and safety.

Article 23: The company shall ensure the quality of its products and services in accordance with government regulations and industry-related standards. The Company shall comply with relevant laws and international standards regarding the health and safety of its customers, customer privacy, marketing and labeling, and shall not engage in deception, misleading, fraud or any other conduct that could undermine consumer trust or harm consumer rights.

Article 24: T The Company should assess and manage various risks that could lead to operational disruptions, minimizing their impact on consumers and society. The Company shall provide a transparent and effective complaint procedure for its services, handle complaints fairly and promptly, and shall comply with Personal Data Protection Act and relevant regulations, ensuring the respect of the privacy rights and protect the personal data provided by complainants.

Article 25: The Company shall evaluate the environmental and social impact of its procurement activities on the communities where its suppliers come from, and

cooperate with its suppliers to jointly implement corporate social responsibility. The Company shall establish a supplier management policy, requiring suppliers to adhere to relevant regulations in areas such as environmental protection, occupational safety and health, or labor human rights. Before engaging in business transactions, the Company shall evaluate whether the supplier has a record of impacting the environment and society, avoiding transactions with those whose practices contradict the Company's corporate social responsibility policies. When entering into contracts with its major suppliers, the Company should include clauses that require adherence to both parties' corporate social responsibility policies. The contract should also allow for termination or dissolution if the supplier violates the policies and causes significant environmental or social impacts on the supplier's community.

Article 26: The Company shall assess the impact of its operations on the community and appropriately employ local labor to enhance community recognition. The Company shall invest resources through equity investments, business activities, donations, corporate volunteer services, or other public welfare professional services. These resources should be directed toward organizations that address social or environmental issues through business models or towards civic organizations, charitable groups, and government agencies involved in community development and community education, thereby promoting community development.

Article 27: The Company shall comply with relevant regulations and the "Corporate Governance Best Practice Principles for Listed Companies" to conduct information disclosure, ensuring full transparency of relevant and reliable sustainability information to enhance information transparency.

The Company shall disclose the following sustainability-related information:

1. Policies, systems, related management guidelines, and specific implementation plans for sustainability development that have been approved.
2. The risks and impacts on the Company's operations and financial condition caused by the implementation of corporate governance, development of a sustainable environment, and social welfare initiatives.
3. Goals, measures, and performance of the Company's sustainability development initiatives.
4. Key stakeholders and the issues they are concerned with.
5. Disclosure of major suppliers' management and performance regarding significant environmental and social issues.
6. Other sustainability-related information.

Article 28: The Company shall prepare a sustainability report based on internationally recognized standards or guidelines to disclose its sustainability efforts, regularly reviewing the latest legal requirements set by the relevant authorities and complying with those regulations to enhance the reliability of the information.

The report should include the following content:

1. Implementation of sustainability policies, systems, related management guidelines, and specific initiatives.
2. Major stakeholders and the issues they are concerned with.
3. Performance and review of the Company's efforts in implementing corporate governance, developing a sustainable environment, maintaining social welfare, and promoting economic development.
4. Future improvement directions and goals.

Article 29: The Company shall continuously monitor the development of sustainability-related standards both domestically and internationally, as well as changes in the business environment and review and improve its sustainable development system established by the Company accordingly to enhance the effectiveness of its sustainability initiatives.

#### Article 30: Implementation

The Company's Sustainable Development Code of Practice shall take effect after being approved by the Board of Directors, and the same procedure applies for any amendments.

This regulation was established on August 11, 2022.