

# **YIEH PHUI ENTERPRISE CO., LTD.**

## **Practical Rules for Sustainable development**

The Principles passed on 2025/12/24

### **Chapter 1 General Rules**

Article 1 “Yieh Phui Enterprise Co., Ltd.” (Hereinafter referred to as “the Company”), based on the operating principle of “Generating Profits, Creating Excellence, Winning Trust,” makes sustainable development the Company’s core value and mission. The Practical Rules for Sustainable development is stipulated for compliance by referring to the “ Practical Rules for Sustainable development for TWSE/GTSM-Listed Companies” in order to fulfill sustainable development in the aspect of “corporate governance,” “economy,” “environment,” and “society.”

Practical Rules for Sustainable development are applicable to the Company and its subsidiaries and investment businesses.

Article 2 The Company’s operation and development is dedicated to protecting the interests of all stakeholders permanently and to implementing all regulations and targets of sustainable development in the daily operation in order to fulfill sustainable development .

The Company’s stakeholders include investors, government departments, customers, employees, suppliers, and community.

Article 3 In terms of fulfilling the Company’s sustainable development , in the respect of social ethics and the interests of stakeholders, the Company, in the pursuit of sustainable and profitable operation at the same time, will pay attention to the factors of environment, society, and corporate governance that are also integrated into the Company’s management and operations.

Based on materiality, Yieh Phui will work on risk assessment concerning the environment, social and corporate governance issues and designate related risk management policies or strategies.

Article 4 The Company has the following principles defined for the fulfillment of sustainable development :

1. Substantiating corporate governance;
2. Substantiating sustainable environment;
3. Commitment to employees;
4. Responsibility to suppliers and customers;
5. Feedback to society.

Article 5 The Company has the “ Practical Rules for Sustainable development” stipulated and passed by the board of directors in accordance with the governing law and regulations, the agreement signed with TWSE/GTSM and the related specifications, the development

trend of domestic and international sustainable development , and the overall business activity of the Company and the Group.

The Board of Directors should have the proposals that are presented by the shareholders involving sustainable development reviewed and discussed in the shareholders' meeting.

## **Chapter 2 Substantiating corporate governance**

Article 6 The Company's Board of Directors shall exercise due diligence in good faith to supervise the practice of sustainable development of the Company, and regularly review the effectiveness of its implementation and continuous improvement in order to ensure the implementation of sustainable development .

The Company's Board of Directors should fully consider the interests of related parties and should have sustainable development fulfilled in accordance with the following matters:

1. Include the sustainable development in the Company's operating activities and development direction.
2. Develop sustainable development policies.
3. Ensure the sustainable development information disclosure.

Article 7 The Company has a "Social Responsibility and Sustainable Development Committee" established to substantiate the management and implementation of sustainable development . In addition, designated personnel are responsible for the planning and promotion of sustainable development and the performance is disclosed in the annual report.

Article 8 The Company should base itself on the respect for the interests of the stakeholders to identify the Company's stakeholders (investors, government departments, customers, employees, suppliers, community, etc.), understand the reasonable expectations and needs of the stakeholders through a proper communication channel, maintain adequate frequency of communication throughout a considerable period of time, and properly respond to the important sustainable development issues that are a concern of the stakeholders and set up a stakeholder section in the Company's website.

Article 9 The Company should comply with the references given in the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the "Guidelines for the Adoption of Codes of Ethical" Conduct by TWSE/GTSM Listed Companies to establish an effective corporate governance framework and the related standards and matters in order to improve corporate governance.

The Company has the standards, rules, and regulations of "Guidelines for the Adoption of Codes of Ethical," "Work Rules ," and "Disciplinary Act" enacted.

Article 10 The Company's Remuneration Committee is to have reasonable salary and remuneration policies enacted to ensure a remuneration plan that meets the organizational strategic objectives and interests of the stakeholders.

Article 11 In order to create an environment for fair competition, the Company's subsidiaries and invested businesses engaged in operating activities, in addition to complying with the relevant law and regulations, should avoid conducting an act of unfair competition, should fulfill tax obligations truthfully, should establish an appropriate anti-bribery corruption management system, and should regulate internal operating procedures for public donations.

Article 12 The Company shall arrange corporate ethics and education and training for directors, supervisors, and staff and shall propagandize the public awareness in the preceding paragraph. Also, it should be integrated into the performance evaluation system of the staff in order to establish a clear and effective disciplinary system.

Article 13 The Company should pay attention to the investor's right-to-know. In addition to really complying with the relevant provisions of information disclosure, a corporate governance system that can truly ensure investor's rights in receiving sufficient information on the major matters of the Company, participation, and decision-making in order to protect shareholders' equity and to treat all investors fairly.

The Company regularly publishes and discloses relevant information about the company. It should base its actions on objective facts and reason, and shall not engage in overpromising, concealment, or misleading practices.

Article 14 The Company shall periodically announce and disclose the relevant information and inform investors the operation and development of the Company for realizing the purpose of information openness and transparency.

Article 15 For the economic, environmental, and social issues arising from the Company's operating activities; the Board of Directors shall authorize the senior management to handle them and report the process to the Board. The operating procedures and the responsible personnel should be identified specifically and clearly.

### **Chapter 3 Substantiating sustainable environment**

Article 16 The Company at the time of implementing production and business activities should consider environmental protection factors and comply with environmental regulations and international standards and specifications in order to contribute to the effort of developing a sustainable environment.

Article 17 The Company for the sustainable use of the earth's resources should strive to enhance water use, the effective use of resources input for producing raw materials, the use of renewable materials with lower environmental impact, and the establishment of pollution control equipment.

Article 18 The Company has environmental management commitments and strategies formed in accordance with the industrial properties. The environmental management commitments and strategies are as follows:

1. Comply with environment-related laws, regulations, international standards, and specifications and assess the impact of operating activities on the natural environment annually.
2. Establish and substantiate environmental management objectives, underlying objects, and management programs and review the performance, improvement programs, and targets sustainability and relevance of the target annually.
3. Review the environmental management commitment and strategy annually.

The Company has stipulated the standards, rules, and regulations of the “Environmental Management and Occupational Safety and Health Policy” and “Declaration of Industrial Safety and Environmental Protection.”

Article 19 The Company, because it is at the stage of construction planning, has designated the “Environmental Protection Division” to be responsible for environmental management tasks and to plan, promote, and maintain the related environmental management system and specific action plan. The “Environmental Protection Division” is to regularly arrange environmental education and training courses for the Company's management, dedicated personnel, and employees; also, promote the establishment of an environmental management system to ensure the achievement of all environmental management objectives.

Article 20 The Company should focus on the sustainable development issues of eco-efficiency and environmental protection. To reduce the impact of the Company's operations on the natural environment and human civilization, in addition to educating consumers the concept of sustainable consumption, the Company shall have the operating activities of R&D, production, procurement, process, and service conducted as follows:

1. Strive to save energy and reduce resource and energy consumption.
2. Reduce the discharge of waste, pollutants, and poison and comply with the laws and regulations to have waste disposed properly.
3. Enhance the production and recycling of resources.
4. Maximize the use of renewable and recycled resources.
5. Extend the durability of the products.
6. Increase the efficiency of products and services.

7. Enhance the conservation of marine and terrestrial biodiversity and ecosystems, promote the sustainable use of resources, and ensure fair and equitable benefits.

Article 21 The Company for enhancing the efficient use of water resources has setup wastewater treatment and effluent recycling systems to reduce water waste with the relevant management measures enacted.

The Company strives to minimize the pollution impact of business operation on the natural environment, including water, air, and land.

Article 22 The Company should evaluate the potential risk and opportunities of climate change and implement commensurate measures in dealing with climate related issues, should conduct greenhouse gas investigation and various energy-saving and carbon reduction projects and plan to develop carbon management measures in order to reduce the impact of the Company's operations on the natural environment. Greenhouse gas investigation and exposure includes the scope of:

1. Direct greenhouse gas emissions: greenhouse gas emission sources owned or controlled by the Company.
2. Indirect greenhouse gas emissions: resulting from the use of purchased electricity, heat, or steam.

#### **Chapter 4 Commitment to employees**

Article 23 The Company should comply with the relevant labor laws and regulations and respect internationally recognized basic labor human rights principle and should uphold humanity management and protect the legitimate rights and interests of employees, including freedom of association, right to collective negotiation, care of vulnerable groups, no child labor, eliminating all forms of coercive laboring, and eliminating labor and employment discrimination without infringing the basic rights of labors.

The Company's human resources policy should respect the basic human rights of its workers, establish appropriate management methods and procedures, and provide equal rights and equal protection from discrimination and harassment in the work environment.

The Company's employment policies must be free of any gender, race, age, marital and family status discrimination and must substantiate equal opportunity in remuneration, conditions of employment, and training and promotion.

Article 24 The Company shall provide employees with legal labor information of the country where they stationed to help them understand their rights and entitlements.

Article 25 The Company shall provide employees with a safe and healthy work environment, including providing essential health and first aid facilities with the intention to reduce the hazard factors against employees' safety and health in order to prevent occupational

injuries. The Company shall provide an appropriate and effective complaint mechanism for hazards violating labor rights.

The Company should regularly arrange education and training courses of industrial safety and health awareness and health seminars for employees.

The Company has established the standards, rules, and regulations of the “Environmental Management and Occupational Safety and Health Policy” and “Industrial Safety Action Guidelines.”

Article 26 The Company should create a fine education, training and career development environment for employees and plan a comprehensive career development and competency training program. The Company should establish placement programs to cultivate future industry talents.

Article 27 The Company’s Should designate and implement reasonable fringe benefits for employees including remuneration, holidays and others, in addition to operating performance or result should be appropriately reflected in the staff remuneration policies to ensure that the recruitment of human resources, retention, and encouragement achieve the goal of sustainable development.

Article 28 The Company should establish a communication and dialogue channel with employees and arrange labor meetings regularly so that employees will have an opportunity to obtain information and express opinions on the Company’s operation management and decision-making in order to achieve the vision of common prosperity and progress.

The Company should respect the rights of the labor representatives in negotiating working conditions and provide employees with the necessary information and hardware facilities to promote consultation and cooperation between employer, labor, and labor representatives.

The Company shall notify the employees in a reasonable manner regarding the possible significant impact of the changes in operations on the employees.

## **Chapter 5 Responsibility to suppliers and customers**

Article 29 The Company bases itself on the responsibility for the products and marketing ethics to stipulate and announce the customer benefit policy and to substantiate the implementation of the customer benefit policy. The information transparency and security of products and services should be secured throughout the process of research and development, procurement, production, operation, and service in order to prevent products or services from jeopardizing the consumer’s interests, health, and safety.

Article 30 The Company shall ensure product and service quality to be in accordance with government regulations and related industrial specifications.

The Company shall conduct marketing advertisement and promotion of products or services in compliance with the Fair Trade Act, Consumer Protection Law, government regulations, and relevant international standards without committing any deceptive, misleading, fraudulent, or any acts of breaching customer trust, damaging client interests, etc.

Article 31 The Company should provide customers with a clear and effective customer compliant procedure for the products and services provided and should handle customer complaints fairly and promptly.

The Company is responsible for the confidentiality of the corporate information and personal information provided by the customers. The Company may not disclose the confidential corporate and personal information of the customers to any third party without the consent of the customers, will not have the confidential information used for purposes other than the intended use without authorization, and shall comply with the Personal Information Protection Act and other related laws and regulations.

The Company has established the standards, rules, and regulations of the “Regulations Governing Customer Service Management” and “Procedure for Handling Customer Complaint.”

Article 32 The Company should assess the impact of the supplier’s production process on the environment and society and should cooperate with the suppliers to enhance sustainable development jointly.

Before initiating a business transaction, the Company should verify whether the supplier has a record of affecting the environment and society; also, it should avoid doing business with companies that are in violation of the social responsibility policies. For contracts signed with major suppliers, the contractual content should be in compliance with the sustainable development policies of both parties; also, if the suppliers are involved in violations of the policies with a significant impact on the environment and society at the supply source, the contractual clauses can be terminated or cancelled at any time.

The Company has established the standards, rules, and regulations of the “Regulations Governing Suppliers Evaluation” and “Regulations Governing Inquisition and Procurement.”

Article 33 In promoting or sale of products or services, Yieh Phui will observe Fair Transaction Act, Consumer Protection Act, other government regulations and related international rule. Nothing is to be done to deceive, mislead, cheat, or other activities that may ruin the trust or interests of customers.

Article 34 Yieh Phui is responsible for the privacy protection of the data provided by customers, corporate or personal. Without proper consent from customers, such information cannot

be disclosed to any third party or used for other purposes.

Article 35 Yieh Phui will deal with the complaints and claims of customers in a timely fashion, set up a channel for file complaints or claims, and strictly control the data of customers, respecting their privacy and observing the ethics of business.

Article 36 When signing contracts with others, Yieh Phui will exercise honesty and trust in designating the items in the contracts

## **Chapter 6 Feedback to society**

Article 37 The Company should assess and measure the impact of the Company on the operating location and employ appropriate manpower to achieve the relative proportions of manpower to the community in order to enhance community identification.

Article 38 The Company should exercise the power of the Company's local operation, Set up a public relation unit to contribute to the community development and sponsor community activities in order to enhance community identification.

Article 39 The Company should be actively involved in various social welfare activities and support and sponsor non-profit organizations by making donations and corporate volunteer services, including academic research, care for minority groups, medical development, sports and arts sponsorship, etc.

Article 40 The Company should encourage employees to participate in volunteer works and charitable activities and participate in public affairs and social welfare activities in order to enhance full participation in society feedback effort.

## **Chapter 7 Enhancing sustainable development information disclosure**

Article 41 The Company has information disclosure handled in accordance with the relevant laws and regulations and the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies". The following sustainable development related information should be disclosed in accordance with the principle of relevance and reliability in order to enhance the transparency of information:

1. The Practical Rules for Sustainable development resolved and passed by the board of directors;
2. The impact of the promotion of corporate governance, substantiation of sustainable environment, and maintenance of social welfare on the Company's operations and financial condition and its relevant risks.
3. The executive objectives and programs drafted up by the Company for fulfilling sustainable development .

4. The performance of sustainable development ;
5. The key stakeholders and the issues of their concern;
6. The management of the main suppliers on environmental and social issues, and the disclosure of the performance information;
7. Other sustainable development related information.

Article 42 The Company should prepare a sustainable development report or corporate sustainability development report and adopt the standards or guidelines widely recognized by the international community to disclose the performance of sustainable development , including the following matters:

1. The implementation of sustainable development policies, systems, or related management purposes, and specific promotion plans;
2. The key stakeholders and the issues of their concern;
3. The implementation of corporate governance, development of a sustainable environment, maintaining social welfare, and promoting the implementation performance and review of economic development;
4. Improvement direction and goals.

#### **Chapter 8 Bylaw**

Article 43 The Company should comply with the relevant laws and regulations, Articles of Association, and the requirements of the competent authorities; also, it should pay attention to the development of sustainable development -related standards domestically and internationally, and changes in the business environment in order to review and improve the Practical Rules for Sustainable development and enhance their effectiveness.

Article 44 The Practical Rules for Sustainable development is implemented and announced after it is approved by the Board of Directors; so is the amendment.