

Sensortek Technology Corp.

Sustainable Development Best Practice Principles

Chapter 1 General Principles

- Article 1: The Sustainable Development Best Practice Principles are hereby formulated as per the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, to fulfill the Company's corporate social responsibility and facilitate economic, environmental, and social progress, thereby achieving the goal of sustainable development.
- Article 2: While engaging in business operations, the Company is actively realizing sustainable development in alignment with international development trends and shoulders the responsibility as a corporate citizen to increase contribution to the national economy, improve the quality of life of employees, communities, and society, and enhance the competitive advantage that is based on sustainable development.
- Article 3: To promote sustainable development, the Company shall pay attention to the stakeholders' rights and interests, attach importance to the environment, society, and governance (ESG) factors while pursuing sustainable development and profitability, and incorporate such factors into the Company's management policy and operating activities.
The Company shall, as per the principle of materiality, conduct risk assessments of ESG issues related to its operations and formulate relevant risk management policies or strategies.
- Article 4: The Company's implementation of sustainable development is based on the principles below:
I. Implementation of corporate governance.
II. Development of a sustainable environment.
III. Maintenance of public welfare.
IV. Enhanced disclosure of corporate sustainable development information.
- Article 5: The Company is advised to formulate sustainable development policies, systems, or relevant management guidelines and specific implementation plans based on the relevance of the development trends of domestic and international sustainability issues to the Company's core business and the impact of the Company's operating activities on its stakeholders. After being approved by the Board of Directors, such policies, systems, guidelines, or programs shall be reported to the shareholders' meeting.
When shareholders submit proposals related to sustainable development, the Company's Board of Directors is advised to consider putting them on the agenda of the shareholders' meeting.

Chapter 2 Implementation of Corporate Governance

- Article 6: The Company shall establish an effective governance structure and relevant ethical standards as per the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies, to strengthen corporate governance.
- Article 7: The Company's directors shall fulfill their duty of care as good managers, urge the Company to realize sustainable development, and review the implementation

effectiveness, to ensure that it continues to improve and duly implements the sustainable development policy.

The Company 's Board of Directors is advised to fully consider the stakeholders' interests and include the matters below when the Company implements measures to achieve the sustainable development goals:

- I. Putting forth a sustainable development mission or vision and formulating sustainable development policies, systems, or relevant management guidelines.
- II. Incorporating sustainable development into the Company's operating activities and development direction and approving specific implementation plans for sustainable development.
- III. Ensuring the timeliness and correctness of disclosed information on sustainable development.

The economic, environmental, and social issues arising from the Company's operating activities shall be responded to by the senior management as authorized by the Board of Directors, and the senior management shall report on the response to the Board of Directors.

Article 8: The Company shall regularly provide education and training on promotion of sustainable development, including the raising of awareness of the provision under the second paragraph of the preceding article.

Article 9: To improve the management of sustainable development, the Company is advised to establish a governance structure for the promotion of sustainable development and set up a dedicated (concurrent) unit to promote sustainable development. The unit is responsible for putting forth and executing sustainable development policies, systems, or relevant management guidelines and specific implementation plans, and reporting to the Board of Directors on a regular basis.

The Company is advised to formulate a reasonable salary and remuneration policy to ensure that its salary and remuneration plan can be aligned with the organization's strategic objectives and its stakeholders' interests.

The Company's employee performance evaluation system is advised to be combined with its sustainable development policy, and the Company is advised to establish a clear and effective reward and punishment system.

Article 10: The Company shall identify its stakeholders out of respect for their rights and interests and is advised to set up a section dedicated to stakeholders on its website; meanwhile, it shall adopt appropriate communication methods to understand their reasonable expectations and needs and appropriately respond to the important sustainable development issues about which they are concerned.

Chapter 3 Development of a Sustainable Environment

Article 11: The Company shall comply with relevant environmental laws and regulations and relevant international standards to properly protect the natural environment and shall strive to achieve the goal of environmental sustainability during the implementation of operating activities and internal management.

Article 12: The Company is advised to strive to improve energy efficiency and use recycled materials with low impact on the environment, so that the resources on Earth can be used sustainably.

- Article 13: The Company is advised to establish an appropriate environmental management system as per its industrial characteristics, and said system shall include the items below:
- I. Collecting and evaluating adequate and timely information on the impact of its operations on the natural environment.
 - II. Establishing measurable environmental sustainability targets and regularly reviewing the sustainability and relevance of the development thereof.
 - III. Formulating specific plans or action plans and other implementation measures and regularly reviewing the effectiveness of the implementation thereof.
- Article 14: The Company is advised to set up a dedicated unit or engage dedicated personnel for environmental management to formulate, implement, and maintain relevant environmental management systems and specific action plans, while regularly offering environmental education courses for management and employees.
- Article 15: The Company is advised to promote and raise awareness of the concept of sustainable consumption after considering the impact of its operations on ecological system and engage in research and development (R&D), procurement, production, operations, and services as per the principles below, to alleviate the impact of the Company's operations on the natural environment and human beings:
- I. Reduce resource and energy consumption of products and services.
 - II. Reduce the discharge of pollutants, toxic substances, and waste, and dispose of waste properly.
 - III. Improve the recyclability and reuse of raw materials or products.
 - IV. Maximize the sustainable use of renewable resources.
 - V. Extend product durability.
 - VI. Enhance the performance of products and services.
- Article 16: The Company shall pay close attention to the impact of climate change on its operating activities, formulate its energy conservation and carbon reduction and greenhouse gas (GHG) reduction strategies based on its operational situation and the results of the greenhouse gas inventory, and implement them accordingly, thereby alleviating the impact of the company's operating activities on climate change.

Chapter 4 Maintenance of Public Welfare

- Article 17: The Company is advised to evaluate its present and future potential risks and opportunities of climate change and take relevant countermeasures accordingly.
- The Company is advised to adopt the standards or guidelines commonly used at home and abroad to conduct GHG inventory and disclose it accordingly. The scopes of GHG emissions may include:
- I. Direct GHG emissions: The source of GHG emissions is owned or controlled by the Company.
 - II. Indirect GHG emissions: Those from the consumption of energy, such as input power, heat, or steam.
 - III. Other indirect emissions: Those from the Company's activities that are not indirect emissions from energy but from sources owned or controlled by other companies.
- The Company is advised to make a count of greenhouse gas emissions, water consumption, and total weight of waste, formulate policies on energy conservation and carbon reduction, GHG reduction, reduction of water consumption, or other waste management approaches, incorporate the acquisition of carbon credit into its carbon reduction strategy plan, and implement it accordingly, thereby reducing the impact of its operations on climate change.

Article 18: The Company shall comply with relevant laws and regulations and follow international human rights conventions, such as gender equality, the right to work, and the prohibition of discrimination.

To fulfill its responsibility to protect human rights, the Company shall formulate relevant management policies and procedures, including:

- I. Putting forth the Company's human rights policy or statement.
- II. Assessing the impact of the Company's operating activities and internal management on human rights and formulating corresponding procedures to respond.
- III. Regularly reviewing the effectiveness of the Company's human rights policy or statement.
- IV. Having to disclose the procedures for handling human rights violations for the stakeholders involved.

The Company shall protect internationally recognized labor rights, including freedom of association, the right to collective bargaining, care for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, and elimination of employment discrimination, and confirm that there is no differential treatment due to gender race, socioeconomic status, age, or marital or family status in its human resources policy, to achieve equality and fairness in recruitment, conditions of employment, salary and remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism for circumstances where labor rights are violated and ensure the equality and transparency of the grievance process. The grievance process shall be concise, convenient and smooth, and each employee's complaint shall be responded to properly.

Article 19: The Company shall provide employees with information to enable them to understand the labor laws and the rights to which they are entitled in the country where its operations are located.

Article 20: The Company shall provide employees with a safe and healthy work environment, including the provision of necessary health and first-aid facilities, and strive to reduce the hazards to employees' safety and health, thereby preventing occupational accidents. The Company shall regularly offer safety and health education and training for its employees.

Article 21: The Company is advised to create a suitable environment for employees' career development and establish an effective career aptitude development training program. The Company shall formulate and provide reasonable employee benefits, including salary and remuneration, leave, and other benefits, and appropriately reflect business performance or results in employee salary and remuneration to ensure the recruitment, retention, and motivation of human resources, thereby achieving the sustainable development goal.

Article 22: The Company shall establish a channel for regular communication and dialogue with its employees, so that employees have the right to stay informed and express their opinions on its business management activities and decisions.

The Company shall respect employee representatives' right to negotiation on working conditions and provide employees with necessary information and hardware facilities to facilitate the negotiation and collaboration between the employer, employees, and employee representatives.

The Company shall notify its employees of operational changes with a potentially significant impact on them in a reasonable manner.

Article 22-1: The Company is advised to treat clients or consumers of its products or services in a fair and reasonable manner, including fairness and integrity of contracts, duty of care and loyalty, authenticity of advertising, suitability of products or services, notification and disclosure, balance between remuneration and performance, right to complain, and professionalism of sales personnel, and formulate relevant execution strategies and specific measures.

Article 23: The Company shall be responsible for its products and services and values marketing ethics. It shall ensure the transparency of product and service information and security for its R&D, procurement, production, operating, and service processes, formulate and disclose its consumer rights protection policy, and implement it in its operating activities to prevent products or services from undermining consumers' rights and interests, health, and safety.

Article 24: The Company shall ensure the quality of products and services in compliance with the government's laws and regulations and norms in the industry.
The Company shall comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing, and labeling for its products and services and shall not deceive, mislead, or defraud consumers, or engage in any other behavior that undermines consumers' trust and undermines their rights.

Article 25: The Company is advised to assess and manage various risks that may result in operational interruptions to reduce such impact on consumers and society.
The Company is advised to provide transparent and effective consumer complaint procedures for its products and services, respond to consumer complaints fairly and promptly, and comply with the Personal Data Protection Act and other relevant laws and regulations to duly respect consumers' right to privacy and protect the personal data they provide.

Article 26: The Company is advised to assess the impact of its procurement on the environment and society where the supply source is located and collaborate with its suppliers to jointly fulfill corporate social responsibility.
The Company is advised to formulate a supplier management policy to require suppliers to comply with relevant regulations on issues, including environmental protection, occupational safety and health, and labor rights. Before doing business with them, the Company is advised to assess whether they have a record of causing an impact on the environment or society and avoid transactions with those who violate the corporate social responsibility policy.
When the Company signs an agreement with a major supplier, the content of which is advised to include compliance with both parties' corporate social responsibility policies and the condition that if the supplier is involved in violating such policies with a significant impact on the environment and society where the supply source is located, the Company may terminate or rescind the agreement at any time.

Article 27: The Company shall assess the impact of its operations on the community and appropriately employ personnel in the community where it operates to enhance the community's recognition.

The Company is advised to participate in activities held by civic organizations, charity groups, and government agencies related to community development and education through business activities, donations of supplies, corporate volunteering, or other professional services for charity purposes, to facilitate community development.

Chapter 5 Enhanced Disclosure of Corporate Sustainable Development Information

Article 28: The Company shall disclose information in accordance with relevant laws and regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and shall fully disclose relevant and reliable information on sustainable development to increase information transparency.

The relevant information on sustainable development disclosed by the Company is as follows:

- I. Sustainable development policies, systems, or relevant management guidelines and specific implementation plans approved by the Board of Directors.
- II. The risks and impact of factors, such as implementation of corporate governance, development of a sustainable environment, and maintenance of public welfare on the Company's operations and financial conditions.
- III. The goals, measures, and implementation performance set by the Company for sustainable development.
- IV. Major stakeholders and their issues of concern.
- V. Disclosure of information on major suppliers' management of and performance in material environmental and social issues.
- VI. Other information related to sustainable development.

Article 29: The Company shall adopt internationally recognized standards or guidelines for the preparation of a sustainability report to disclose the information on the promotion of sustainable development and is advised to obtain third-party assurance or guarantee to improve the reliability of such information. The content may include:

- I. Implementation of sustainable development policies, systems, or relevant management guidelines and specific implementation plans.
- II. Major stakeholders and their issues of concern.
- III. The Company's performance and review in the implementation of corporate governance, the development of a sustainable environment, the maintenance of public welfare, and the facilitation of economic development.
- IV. Future improvement direction and goals.

Chapter 6 Supplementary Provisions

Article 30: The Company shall pay close attention to the development of relevant standards for sustainable development at home and abroad and changes in the corporate environment at any time and review and improve the sustainable development systems it established accordingly, to enhance the effectiveness of the promotion of sustainable development.

Article 31: These Principles shall be implemented after being approved by the Board of Directors, and the same shall apply to any amendments thereto.