

Pegatron Corporation

Sustainable Development Practice Principles

Chapter I General Principles

Article 1

In order to fulfill the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for Pegatron's sustainable growth, we promulgate the Pegatron Corporation Sustainable Development Practice Principles (collectively referred to as the Principles) in accordance with "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" to manage the risks and impact.

Article 2

The scope of the Principles includes the entire operations of Pegatron Corporation and its group (collectively referred to as the Company).

The Company commits to actively fulfill sustainable development in the business operations so as to follow international development trends closely and contribute to the economic development of its country, as well as to improve life quality of employees, the community and society by acting as a responsible corporate citizen, and enhance competitive edges built on sustainable development.

Article 3

In promoting corporate sustainable development initiatives, the Company in its management guidelines and business operations, shall 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.

The Company shall, 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 sustainable development initiatives, the Company shall follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve social welfare.

4. Enhance disclosure of corporate sustainable development information.

Article 5

The Company shall take into consideration for the correlation between the development of domestic and international sustainable development issues and corporate core business operations, and the effects of the operation of individual companies and of its group as a whole on stakeholders, in establishing the policies, systems or relevant management guidelines, and concrete implementation programs for sustainable development (corporate social responsibility). If there is any major adjustment of the policy, it shall be approved by the board of directors or the authorized executive-level positions, before its implementation.

Chapter II Exercising Corporate Governance

Article 6

The Company shall follow the Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct for TWSE/GTSM Listed Companies, and EICC (Electronic Industry Citizenship Coalition) Code of Conduct to establish an effective corporate governance framework and relevant ethical standards so as to enhance corporate governance.

Article 7

The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its sustainable development initiatives, review the results of the implementation from time to time if necessary and continually make adjustments so as to ensure the thorough implementation of its policies.

The Company may give full consideration to the interests of stakeholders, including the following matters, in the Company's performance of its sustainable development initiatives:

1. Identifying the Company's sustainable development mission or vision, and review the sustainable development (corporate social responsibility) policy, systems or relevant management guidelines;
2. Making sustainable development as the guiding principle of the Company's operations and development, and ratifying concrete implementation programs for sustainable development initiatives; and
3. Ensuring timely and accuracy for the disclosure of sustainable development information.

The relevant economic, environmental, and social issues resulting from the

business operations shall be handled by the authorized executive-level positions by the Company's board of directors and be reported to it if its influence is big. The handling procedures and responsible personnel shall be concrete and clear.

Article 8

The Company may periodically hold the training for the implementation of sustainable development.

Article 9

For the purpose of managing sustainable development initiatives, the Company shall create a governance structure for promotion of sustainable development, and establish a dedicated unit (or concurrently) which in charge of planning and implementing sustainable development (corporate social responsibility) policies, systems, relevant management guidelines, and concrete plans, and shall report to the board of directors when appropriate. The chairman of the unit is the President of the Company authorized by the board of directors.

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

The employee performance evaluation system may be combined with sustainable development (corporate social responsibility) policies, and a clear and effective incentive and discipline system needs to 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 website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development 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 endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12

The Company may endeavor to utilize energy more efficiently and use the materials which have low impacts on the environment to improve sustainability of natural resources.

Article 13

The Company shall establish a proper environment management system based on the characteristics of its industries, including the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impacts of the Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals may be maintained and whether they are still relevant to it on a regular basis.
3. Adopting enforcement measures such as concrete plans or action programs, and examining their implementation results on a regular basis.

Article 14

The Company shall establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining the environment management system and concrete action programs, and may hold environment education courses for their managers and employees on a periodic basis.

Article 15

The Company may 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, operation, and service in accordance with the following principles to reduce the impacts on the natural environment and human beings from its business operations:

1. Reduce resource and energy consumption of its products and services.
2. Reduce emission of pollutants, toxic substances and waste, and dispose of waste properly.
3. Improve recyclability and reusability of product packaging materials.
4. Maximize the sustainable usage of resources.
5. Enhance the durability of products.
6. Improve usefulness of products and services.

Article 16

To improve water use efficiency, the Company may properly and sustainably use water resources.

The Company may construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and do the best to reduce negative impacts on human health and environment by adopting the best practical pollution prevention and control measures.

Article 17

The company may assess the current and future potential risks and opportunities that climate change may present to corporate and adopt related measures.

The Company shall adopt standards or guidelines generally used domestically or internationally to perform corporate greenhouse gas inventory checking and disclose the results. The scope of greenhouse gas inventory checking shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as imported electricity, heating, or steam.
3. Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the company.

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

Chapter IV Preserving Social Welfare

Article 18

The Company shall comply with relevant regulations and the International Bill of Human Rights, such as the rights of gender equality, work, and prohibition of discrimination.

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

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impacts of the Company's business operations and internal

management on human rights, and adopting corresponding processes.

3. Reviewing on a regular basis for the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the Company shall disclose the processes for handling it with respect to the stakeholders involved.

The Company shall strive to comply with the internationally recognized human rights of labor, such as the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the illegal use of child labors, eliminating all types of forced labors, eliminating recruitment and employment discrimination, and ensuring its human resource policies do not contain differential treatments based on gender, race, socio-economic classes, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remunerations, welfares , trainings, evaluations, and promotion opportunities. In order to ensure equality and transparency of the grievance process, we shall also provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force. Channels which grievances may be raised shall be clear, convenient, and unobstructed. Any employee's grievance shall be responded in an appropriate manner.

Article 19

The Company shall provide information for its employees so that they have knowledge of their rights and benefits.

Article 20

The Company shall provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and endeavor to reduce employees' safety and health hazardous factors to prevent occupational accidents.

The Company shall hold safety and health trainings for its employees on a regular basis in compliance with relevant legal requirements.

Article 21

The Company shall create a good environment for career development of its employees and establish effective training programs to foster their career skills.

The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect its 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 22

In order for the employees can obtain relevant information and express their opinions on the Company's operations, management and decisions, the Company shall establish a platform for regular two-way communications between the management and the employees.

The Company may respect the employee representatives' rights to bargain for the working conditions, and provide its employees with necessary information and hardware facilities, in order to facilitate consultation and cooperation between the employers, employees and their representatives.

The Company may inform employees of operational changes that might have big impacts for them through reasonable way.

Article 22-1

The Company may 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 complain, professionalism of salespersons etc. Said company shall also develop the relevant strategies and specific measures for implementation.

Article 23

The Company shall take responsibility for its products and services, and emphasize on 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. Furthermore, the Company shall establish and disclose policies on customer rights and interests, and implement them in business operating activities, in order to prevent the products or services from adversely impacting customers' and consumers' rights, interests, health, or safety. .

Article 24

The Company shall ensure the quality of its products and services by following related laws and government regulations and relevant industrial standards.

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 do not have deceptive, misleading, fraudulent or any other activities that may breach customers' trusts, or

harm customers' and consumers' interests.

Article 25

In order to reduce the impacts on consumers and society, the Company may evaluate and control all types of risks that could cause interruptions in operations.

The Company may provide a transparent and effective process for handling customers' complaints with fair and timely approach, and respect customers' rights of privacy indeed to protect their personal information through complying with laws and regulations related to the Personal Information Protection Act.

Article 26

The Company may assess the impacts its procurement activities have on society as well as the environment of the suppliers that they are procured from, and may cooperate with their suppliers to jointly implement the corporate social responsibility activities.

The Company may establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company may assess whether the supplier has negative impacts on the environment and society or not, and avoid to engage with these suppliers which against its corporate social responsibility policy.

When signing a procurement contract with any of the major suppliers, the content may include terms of complying with corporate social responsibility policies mutually. It will lead to penalties in accordance with the contract if the suppliers have violated such policies and caused significant negative impacts on the environment and society of the community sources of supply. The penalties are including but not limited to the provision that the contract may be terminated or rescinded any time by the Company.

Article 27

The Company understands the impacts of its business operations on the community, and adequately employs personnel from the locations of the business operations, to enhance community acceptance.

The Company may, through equity investment, commercial activities, endowments, volunteering services or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, sponsor the events held by charities and local government agencies relating to the community enhancement and education to promote its development.

Chapter V Enhancing Disclosure of Sustainable Development Information

Article 28

The Company shall disclose information according to relevant laws, regulations and Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and reliable information relating to its corporate sustainable development to enhance information transparency.

Relevant information relating to sustainable development, which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete implementation programs for sustainable development (corporate social responsibility) initiatives.
2. The risks and impacts on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social welfares.
3. Goals and measures for promoting the sustainable development initiatives established by the Company, and its implementation performance.
4. Major stakeholders and their concerns.
5. Disclosure of management and performance information on major suppliers related to critical environmental and social issues.
6. Other information related to sustainable development initiatives.

Article 29

The Company shall adopt widely recognized standards or guidelines by international community to disclose the implementation status of the sustainable development when writing its sustainability report. The Company may obtain a third-party assurance or verification to enhance the reliability of the information in it. The report may include:

1. The sustainable development (corporate social responsibility) policy, system, or relevant management guidelines and concrete implementation programs.
2. Major stakeholders and their concerns.
3. Reviewing results of the performance of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter VI Supplementary Provisions

Article 30

The Company shall monitor the development of domestic and foreign sustainable development standards and change of business environment at all times to examine and improve its established sustainable development framework and obtain better sustainable development implementation results.

Article 31

The Principles shall be approved by the board of directors as well as its emendation.

The Principles was approved on November 09, 2015, the second edition was amended and approved on Aug 09, 2018, the third edition was amended and approved on May 07, 2020, and the fourth edition was amended and approved on May 12, 2022.

History	
Title	Pegatron Corporation Sustainable Development Practice Principles
Announced Date of 1 st Edition	November 09, 2015
Version	4 th Edition
Amended Date	May 12, 2022
Update Date	May 23, 2022
	<ol style="list-style-type: none"> 1. The first edition was approved by the board of directors on November 09, 2015 as well as promulgated for a total 31 articles, and enters into force. 2. The second edition was approved by the board of directors on Aug 09, 2018 as well as promulgated for a total 31 articles, and enters into force. Articles 7 and 27 amended, and Article 22-1 added. 3. The third edition was approved by the board of directors on May 07, 2020 as well as promulgated for a total 31 articles, and enters into force. Articles 3, 17, 21, 24 and 26 amended. 4. The fourth edition was approved by the board of directors on May 12, 2022 as well as promulgated for a total 31 articles, and enters into force. Title of the Principles, Articles 1~5, 7~10, 12, 17, 28~30, and title of Chapter V amended.