

VSO ELECTRONICS CO., LTD.

Sustainable Development Guidelines

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistencies between the Chinese version and this translation, the Chinese version shall prevail.)

Chapter 1: General Provisions

Article 1

To fulfill corporate social responsibility and contribute to economic, environmental, and social progress for sustainable development, this code is established with reference to the "Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies." It serves as a guide for management and employees in managing the economic, environmental, and social risks and impacts related to the company.

Article 2

This code applies to all operational activities of the company and its group entities. While engaging in business activities, the company actively pursues sustainable development to align with international trends, enhance economic contributions, improve the quality of life for employees, communities, and society, and create competitive advantages rooted in sustainability.

Article 3

When promoting sustainability, the company shall respect stakeholders' rights, balancing sustainability goals and profitability. Environmental, social, and corporate governance (ESG) considerations shall be incorporated into the company's management policies and operations. The company shall assess ESG issues pertinent to its operations based on materiality principles and formulate relevant risk management policies or strategies.

Article 4

The company shall adhere to the following principles for implementing sustainability:

1. Establish sound corporate governance.
2. Develop a sustainable environment.
3. Safeguard social welfare.
4. Enhance sustainability disclosures.

Article 5

Considering domestic and international sustainability trends, the company shall develop sustainability policies, systems, and action plans related to its core business and overall operations, reflecting their impact on stakeholders. These plans shall be approved by the Board of Directors and reported to the shareholders' meeting.

When shareholders propose resolutions related to sustainability, the Board of Directors should review their inclusion in the agenda of the shareholders' meeting.

Chapter 2: Sound Corporate Governance

Article 6

The company shall adhere to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," and the "Sample Template for Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" to establish an effective governance framework and ethical standards.

Article 7

Directors shall fulfill their duty of care to oversee the implementation of sustainability initiatives, continuously evaluate their effectiveness, and ensure the realization of sustainability policies. The Board of Directors shall:

1. Define the company's sustainability mission or vision and establish sustainability policies and guidelines.
2. Integrate sustainability into the company's operations and approve specific action plans.
3. Ensure timely and accurate disclosure of sustainability-related information.

The Board may authorize senior management to handle ESG-related matters arising from business operations, with clear operational procedures and accountability, and report to the Board.

Article 8

The company shall regularly conduct education and training on sustainability, including the elements mentioned in the previous article.

Article 9

To enhance sustainability management, the company shall establish a governance framework and a dedicated or part-time sustainability unit responsible for proposing, implementing, and executing sustainability policies and plans, reporting periodically to the Board.

The company shall set reasonable compensation policies to ensure alignment with organizational strategies and stakeholders' interests. Employee performance evaluation systems shall integrate sustainability policies, supported by clear reward and penalty mechanisms.

Article 10

Respecting stakeholders' rights, the company shall identify its stakeholders and set up a stakeholder

section on its website. Through appropriate communication channels, the company shall understand and address stakeholders' reasonable expectations and key sustainability concerns.

Chapter 3: Developing a Sustainable Environment

Article 11

The company shall comply with environmental regulations and international standards to protect the natural environment. Business operations and internal management shall aim to achieve environmental sustainability.

Article 12

The company shall improve energy efficiency and use environmentally friendly renewable materials to ensure the sustainable use of resources.

Article 13

The company shall establish an environmental management system tailored to its industry characteristics, including:

1. Timely and adequate assessment of the environmental impact of its operations.
2. Setting measurable environmental sustainability goals and reviewing their relevance periodically.
3. Formulating specific plans and regularly evaluating their effectiveness.

Article 14

The company shall establish a dedicated environmental management unit or personnel to design, implement, and maintain environmental systems and actions. Regular environmental training for management and employees shall be conducted.

Article 15

The company shall consider the ecological impact of its operations and promote sustainable consumption. It shall adhere to the following principles in research, procurement, production, operations, and services to reduce environmental and human impacts:

1. Minimize resource and energy consumption.
2. Reduce pollution, toxic materials, and waste, and properly manage waste disposal.
3. Enhance the recyclability and reusability of materials and products.
4. Maximize the sustainable use of renewable resources.
5. Extend product durability.
6. Improve product and service efficiency.

Article 16

To enhance water resource efficiency, the company shall properly and sustainably utilize water resources and establish relevant management measures.

The company shall construct and strengthen environmental protection facilities to prevent pollution of water, air, and land. Efforts shall be made to minimize adverse impacts on human health and the environment, adopting the best available pollution prevention and control technologies.

Article 17

The company shall evaluate the potential risks and opportunities posed by climate change to its current and future operations and take appropriate measures to address them.

The company should adopt widely recognized domestic and international standards or guidelines to perform and disclose greenhouse gas (GHG) inventories, covering the following scopes:

1. **Direct GHG emissions:** Emissions from sources owned or controlled by the company.
2. **Energy indirect GHG emissions:** Emissions resulting from the generation of purchased electricity, heat, or steam consumed by the company.
3. **Other indirect emissions:** Emissions from activities related to the company's operations, not covered in the previous categories but occurring at sources owned or controlled by other entities.

The company shall track and disclose its GHG emissions, water usage, and total waste generated. It shall develop policies for energy conservation, GHG reduction, water use reduction, and waste management, incorporating carbon credit acquisition into its carbon reduction strategy to mitigate climate change impacts caused by its operations.

Chapter 4: Safeguarding Social Welfare

Article 18

The company shall comply with relevant laws and international human rights conventions, such as gender equality, labor rights, and anti-discrimination.

To fulfill its responsibility to protect human rights, the company shall establish relevant policies and procedures, including:

1. Formulating a human rights policy or statement.
2. Assessing the impact of operations and internal management on human rights and developing appropriate handling procedures.
3. Regularly reviewing the effectiveness of the corporate human rights policy or statement.

4. Disclosing procedures for addressing issues involving human rights violations and their impact on stakeholders.

The company shall uphold internationally recognized labor rights, such as freedom of association, collective bargaining, care for vulnerable groups, prohibition of child labor, elimination of all forms of forced labor, and the eradication of employment and workplace discrimination. Human resource policies must ensure equality and fairness in employment conditions, salaries, benefits, training, evaluations, and promotions, regardless of gender, race, socioeconomic status, age, marital status, or family status.

The company shall provide effective grievance mechanisms to protect labor rights, ensuring fairness and transparency in the grievance process. Complaint channels shall be simple, convenient, and accessible, and the company shall appropriately address employee complaints.

Article 19

The company shall provide employees with relevant information to ensure they understand their labor rights as per the laws of the operating region.

Article 20

The company shall provide a safe and healthy working environment, including necessary health and first-aid facilities, and shall actively reduce safety and health risks to prevent occupational hazards. Regular safety and health education and training shall be conducted for employees.

Article 21

The company shall create a conducive environment for employees' career development and establish effective career training programs.

The company shall implement reasonable employee welfare measures (including salaries, leave policies, and other benefits). The company's operational performance or achievements shall be appropriately reflected in its compensation policies to ensure the recruitment, retention, and motivation of talent, thereby achieving sustainability goals.

Article 22

The company shall establish regular communication channels to ensure employees can access information about and express opinions on the company's operations and decisions.

The company shall respect employees' rights to negotiate working conditions and provide necessary information and facilities to promote dialogue and cooperation between employers and employees or their representatives.

The company shall notify employees in a reasonable manner of operational changes that could significantly affect them.

Article 22-1

The company shall treat its customers and consumers fairly and reasonably. Practices shall include principles such as fairness in contracting, diligence and loyalty, truthful advertising, suitability of products or services, transparency, balanced remuneration, grievance protection, and professionalism of staff. Relevant execution strategies and measures shall be established.

Article 23

The company shall be accountable for its products and services and adhere to ethical marketing standards. In research, procurement, production, operations, and service processes, the company shall ensure the transparency and safety of product and service information. A consumer rights policy shall be formulated and implemented in operations to prevent harm to consumer rights, health, and safety.

Article 24

The company shall comply with government regulations and industry standards to ensure product and service quality.

The company shall protect consumer health, safety, privacy, marketing, and labeling rights by adhering to relevant laws and international guidelines. Any acts of deception, misleading practices, fraud, or other actions that erode consumer trust or harm consumer rights are strictly prohibited.

Article 25

The company shall evaluate and manage risks that could disrupt operations, minimizing their impact on consumers and society.

The company shall provide transparent and effective consumer grievance mechanisms, ensuring fair and timely resolution of complaints. The company shall comply with data protection laws and respect consumer privacy, safeguarding personal data provided by consumers.

Article 26

The company shall assess the environmental and social impact of procurement activities on supplier communities. It shall collaborate with suppliers to jointly implement corporate social responsibility practices.

The company shall establish supplier management policies, requiring suppliers to comply with environmental protection, occupational safety, and labor rights standards. Before engaging in business dealings, the company shall evaluate whether suppliers have records of environmental or social impacts to avoid conflicts with corporate social responsibility policies.

Contracts with major suppliers shall include terms requiring adherence to corporate social responsibility policies. If a supplier violates these policies and causes significant harm to the environment or society, the company may terminate or rescind the contract.

Article 27

The company shall evaluate the impact of its operations on local communities and prioritize hiring local talent to enhance community recognition and support.

The company is encouraged to allocate resources to organizations addressing social or environmental issues through business models, including equity investment, business activities, donations, corporate volunteer services, or other forms of professional public services. The company may also participate in community development and education through partnerships with civic organizations, charitable groups, or government agencies to promote community growth.

Article 27-1

The company is encouraged to support cultural and artistic activities or the cultural and creative industries by providing resources through donations, sponsorships, investments, procurement, strategic collaborations, corporate volunteer technical services, or other support models, to promote cultural development.

Chapter 5: Enhancing Sustainability Information Disclosure

Article 28

The company shall disclose information in accordance with relevant laws and the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." Sustainability-related information that is relevant and reliable shall be adequately disclosed to enhance transparency.

The disclosed sustainability information shall include:

1. Sustainability policies, systems, related management guidelines, and specific action plans approved by the Board of Directors.
2. Risks and impacts of corporate governance, sustainable environment development, and social welfare considerations on the company's operations and financial status.
3. Goals, measures, and implementation performance related to the company's sustainability efforts.
4. Key stakeholders and their concerns.
5. Disclosure of management and performance information on significant environmental and social issues by major suppliers.
6. Other sustainability-related information.

Article 29

The company shall prepare sustainability reports using widely recognized international standards or guidelines to disclose its sustainability practices. It is encouraged to obtain third-party assurance or verification to enhance the reliability of the information.

The sustainability report should include:

1. Implementation of sustainability policies, systems, related management guidelines, and specific action plans.
2. Key stakeholders and their concerns.
3. Performance and review of efforts in corporate governance, environmental sustainability, social welfare, and economic development.
4. Future improvement directions and goals.

Chapter 6: Supplementary Provisions

Article 30

The company shall continuously monitor domestic and international developments in sustainability-related standards and changes in the company's environment. Based on these, it shall review and improve its sustainability systems to enhance the effectiveness of its sustainability efforts.

Article 31

This code shall be implemented following approval by the Audit Committee and the Board of Directors and reported to the shareholders' meeting. Amendments shall follow the same procedure.

If the Audit Committee does not approve this code with a majority of its members, it may still proceed with the consent of two-thirds of all directors. Such decisions must be recorded in the minutes of the Board of Directors' meeting.

The terms "all members of the Audit Committee" and "all directors" in the preceding paragraph refer to the actual number of members currently in office.