

Shining Building Business Co., Ltd

Sustainable Development Best Practice Principles

(The English Version is Based on Traditional Chinese Version for February 16, 2022)

1. Purpose: Shining Building Business Co., Ltd (hereinafter "the Company") in order to fulfill corporate social responsibility initiatives, and to promote economic, environmental, and social advancement for purposes of sustainable development, refer to the “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies” to rule this Principles to be followed.
2. Scope: The scope of application of this Principles includes the overall operations of the Company.
3. Responsibilities:
 - 3-1. Handling: Business Management Division in General Supervisory Office.
 - 3-2. Approved: Board of Directors.
4. Operating Contents:
 - 4-1. General Principles
 - 4-1-1. The Company in order to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, refer to the “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies” to rule this Principles to be followed.

The scope of application of this Principles includes the overall operations of the Company.
 - 4-1-2. The Company actively fulfills our sustainable development in the course of our business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.
 - 4-1-3. In fulfilling sustainable development, the Company should pay attention to the rights and interests of stakeholders, pay attention to environmental, social and corporate governance factors in the pursuit of sustainable operations and profitability, and incorporate them into the company's management policies and operational activities.

The Company conducts risk assessments of environmental, social and corporate governance issues related to the Company's operations in accordance with the principle of materiality and formulates relevant risk management policies or strategies.
 - 4-1-4. To implement sustainable development initiatives, the Company follow the principles below:
 - (1). Exercise corporate governance.
 - (2). Foster a sustainable environment.
 - (3). Preserve public welfare.

(4). Enhance disclosure of sustainable development information.

4-1-5. The Company enacts sustainable development strategy, regulation and promotion project base on the communication with stakeholders, the trend of sustainable development, relativity with corporation's core business and entire business activities into consideration.

When a shareholder proposes a motion relating to sustainable development, the Board of Directors of the Company shall consider and consider the case as a shareholders meeting.

4-2. Exercising Corporate Governance

4-2-1. The Company is advised follows the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

4-2-2. The Board of Directors of the Company shall exercise the due care of good administrators to urge the Company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.

When fulfilling sustainable development, the Board of Directors of the Company shall give due consideration to the interests of interested persons and include the following matters:

- (1). Identifying the Company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines.
- (2). Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives.
- (3). Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The Company shall authorize senior management to deal with economic, environmental and social issues arising from its operational activities and report to the Board of Directors on the handling of the situation, and its operational processing process and the persons responsible shall be specified.

4-2-3. The Company is advised regularly organize the education and training in fulfilling sustainable Development initiatives, including advocacy of the second item of the previous article.

4-2-4. For the purpose of managing sustainable development initiatives, the Company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the Board of Directors on a periodic basis. The Company shall 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 appraisal system should be combined with the sustainable development policy, and establish a clear and effective reward and discipline system.

4-2-5. The Company is designed to respect the rights and interests of stakeholders, identify the interested interests of the Company, and set up stakeholder zones on the Company's website, to understand the reasonable expectations and needs of stakeholders through appropriate means of communication, and to respond appropriately to their concerns about important sustainable development issues.

4-3. Fostering a Sustainable Environment

4-3-1. The Company shall abide to environmental law and international standards to protect the environment appropriately, and should be committed to achieving environmentally sustainable goals when the Company performing operational activities and internal management.

4-3-2. The Company is advised to endeavor to utilize all energy resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

4-3-3. The Company is advised to establish proper environment management systems based on the characteristics of our industries. Such systems shall include the following tasks:

- (1). Collecting sufficient and up-to-date information to evaluate the impact of our business operations on the natural environment.
- (2). Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
- (3). Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

4-3-4. The Company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and we would hold an environment training program for our managerial officers and other employees on a periodic basis.

4-3-5. The Company is advised to take into account the effect of business operations on ecological efficiency, promotes and advocates the concept of sustainable consumption, and conducts research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from the Company's business operations:

- (1). Reduce resource and energy consumption of their products and services.
- (2). Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
- (3). Improve recyclability and reusability of raw materials or products.
- (4). Maximize the sustainability of renewable resources.

- (5). Enhance the durability of products.
- (6). Improve efficiency of products and services.

4-3-6. In order to improve the efficiency of the use of water resources, the Company shall properly and permanently use water resources, and set relevant management measures.

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

4-3-7. The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.

The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which 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 generation of input electricity, heating, or steam.
- (3). Other indirect emissions: the emissions from the Company's activities are not indirect energy emissions, but from emission sources owned or controlled by other companies.

The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes.

The Company's carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

4-4. Preserving Public Welfare

4-4-1. The Company shall comply with relevant laws and regulations, as well as international human rights conventions and internationally recognized labor rights, in order to protect the legitimate rights and interests of employees.

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

- (1). Presenting a corporate policy or statement on human rights.
- (2). Evaluating the impact of the Company's business operations and internal management on human rights, and adopting corresponding handling processes.
- (3). Reviewing on a regular basis 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 of the matter with respect to the stakeholders involved.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to any employee's grievance in an appropriate manner.

4-4-2. The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the Company have business operations.

4-4-3. The Company is advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company is advised to organize training on safety and health for their employees on a regular basis.

4-4-4. The Company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

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

4-4-5. The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The Company shall by reasonable means, inform employees of operation changes that might have material impacts.

4-4-6. The Company is advised to 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.

4-4-7. The Company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the Company shall ensure the transparency and safety of their

products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

- 4-4-8. The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.

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, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

- 4-4-9. The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

- 4-4-10. The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to follow the relevant regulations on issues such as environmental protection, safety or hygiene, jointly implement the corporate social responsibility initiative.

The Company is advised to 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 is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

- 4-4-11. The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

4-5. Enhancing Disclosure of Sustainable Development Information

4-5-1. The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency. Relevant information relating to sustainable development which the Company shall disclose includes:

- (1). The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the Board of Directors.
- (2). The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
- (3). Goals and measures in fulfilling sustainable development initiatives established by the Company, and performance in implementation.
- (4). Major stakeholders and their concerns.
- (5). Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
- (6). Other information relating to sustainable development initiatives.

4-5-2. The Company shall adopt internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

- (1). The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
- (2). Major stakeholders and their concerns.
- (3). Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
- (4). Future improvements and goals.

4-6. Supplementary Provisions

4-6-1. The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the implementation of the sustainable development policy.

4-6-2. This Principles shall be implemented upon submission to the Board of Directors of the Company for approval, and the amendments shall be the same.

5. Related Information / Documents: None.

6. Table Used: None.