

Formosa Saint Jose Corp. Sustainable Development Best Practice Principles

Chapter 1: General Provisions

Article 1

To fulfill its corporate social responsibility and to promote progress in economic, environmental, and social aspects in pursuit of sustainable development, the Company has established these Sustainability Practice Guidelines with reference to the “Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies” and other relevant laws and regulations. These Guidelines are adopted for the Company’s compliance.

Article 2

The scope of these Guidelines covers the overall operational activities of the Company and its corporate group. While conducting business operations, the Company shall actively pursue sustainable development in alignment with international trends, enhancing its contribution to the national economy through responsible corporate citizenship, improving the quality of life of employees, communities, and society, and fostering competitive advantages based on sustainability.

Article 3

In promoting sustainable development, the Company shall give due consideration to the rights and interests of stakeholders. While pursuing long-term business sustainability and profitability, the Company shall place importance on environmental, social, and governance (ESG) factors and incorporate them into its management policies and operational activities.

The Company shall, in accordance with the principle of materiality, assess the risks associated with environmental, social, and corporate governance issues relevant to its business operations, and establish corresponding risk management policies or strategies.

Article 4

The Company shall implement sustainable development practices in accordance with the following principles:

1. Implement sound corporate governance.
2. Foster environmental sustainability.
3. Safeguard social welfare.
4. Enhance disclosure of corporate sustainability information.

Article 5

In consideration of domestic and international trends in sustainability issues, the relevance of such issues to the Company's core business, and the impact of the Company's and its group enterprises' overall business activities on stakeholders, the Company shall establish sustainability policies, systems, or related management guidelines and concrete implementation plans. These shall be approved by the Board of Directors and reported to the Shareholders' Meeting.

When shareholders submit proposals related to sustainability matters, the Board of Directors shall give due consideration to including such proposals in the agenda of the Shareholders' Meeting.

Chapter 2: Implementation of Corporate Governance

Article 6

The Company shall follow the "Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies," the "Code of Ethical Conduct for TWSE/TPEX-Listed Companies," and the "Guidelines for Codes of Ethical Conduct for TWSE/TPEX-Listed Companies" as reference, in order to establish an effective governance framework and related ethical standards, thereby strengthening corporate governance.

Article 7

Directors of the Company shall exercise the duty of care of a good manager, supervise the implementation of sustainable development, and regularly review and continuously improve its effectiveness to ensure the fulfillment of the Company's sustainability policies.

When the Board of Directors promotes the Company's sustainability objectives, it shall fully consider the interests of stakeholders and include the following:

1. Formulate a sustainability mission or vision and establish sustainability policies, systems, or related management guidelines.
2. Integrate sustainability into the Company' s operational activities and strategic direction, and approve specific implementation plans for sustainability.
3. Ensure the timeliness and accuracy of sustainability-related information disclosure.

For economic, environmental, and social issues arising from operational activities, the Board shall authorize senior management to handle them and report the handling status to the Board. The operational handling procedures and responsibilities of all relevant personnel shall be clearly defined.

Article 8

The Company shall regularly conduct educational and training programs to promote sustainable development, including advocacy of the matters listed in Paragraph 2 of the preceding Article.

Article 9

1. To ensure sound management of sustainable development, the Company shall establish a governance framework for promoting sustainability and set up dedicated (or part-time) units responsible for proposing and implementing sustainability policies, systems, related management guidelines, and concrete action plans, with regular reporting to the Board of Directors.
2. The Company shall formulate a reasonable compensation policy to ensure that remuneration planning aligns with organizational strategic objectives and the interests of stakeholders.
3. Employee performance evaluation systems should be integrated with sustainability policies, and clear and effective reward and disciplinary mechanisms shall be established.

Article 10

The Company shall, based on respect for the rights and interests of stakeholders, identify its stakeholders and establish a dedicated stakeholder section on the Company website. Through appropriate communication channels, the Company

shall understand the legitimate expectations and needs of stakeholders and respond appropriately to their concerns regarding significant sustainability issues.

Chapter 3: Developing a Sustainable Environment

Article 11

The Company shall comply with environmental laws and relevant international standards, appropriately protect the natural environment, and, in the course of its business operations and internal management, strive to achieve the objectives of environmental sustainability.

Article 12

The Company is committed to improving energy efficiency and utilizing renewable materials with minimal environmental impact, so as to ensure the sustainable use of the Earth's resources.

Article 13

The Company shall establish an appropriate environmental management system in accordance with its industry characteristics, which includes the following:

1. Collecting and evaluating sufficient and timely information regarding the impacts of operational activities on the natural environment.
2. Establishing measurable environmental sustainability objectives, and regularly reviewing their continuity and relevance.
3. Formulating concrete plans or action programs and other implementation measures, and regularly reviewing their effectiveness.

Article 14

The Company should establish a dedicated environmental management unit or designate responsible personnel to formulate, implement, and maintain relevant environmental management systems and concrete action plans, and to regularly provide environmental education and training programs for management and employees.

Article 15

The Company should consider the ecological impact of its operations, promote the

concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact of its operations on the natural environment and human well-being:

1. Minimize the consumption of resources and energy in products and services.
2. Reduce the emission of pollutants, toxic substances, and waste, and ensure proper disposal of waste.
3. Enhance the recyclability and reuse of raw materials or products.
4. Maximize the sustainable use of renewable resources.
5. Extend the durability of products.
6. Improve the efficiency and performance of products and services.

Article 16

1. To enhance the efficiency of water resource usage, the Company shall properly manage and sustainably utilize water resources and establish related management measures.
2. The Company shall construct and strengthen relevant environmental protection and treatment facilities to prevent pollution of water, air, and soil; it shall also make every effort to minimize adverse impacts on human health and the environment by implementing best available pollution prevention and control technologies.

Article 17

1. The Company should assess the potential risks and opportunities of climate change on its current and future operations and adopt appropriate response measures.
2. The Company should conduct greenhouse gas (GHG) inventory and disclose relevant information using internationally or domestically recognized standards or guidelines. The scope should include:

(1) Direct GHG emissions: Emissions from sources owned or controlled by the

Company.

- (2) Indirect GHG emissions: Emissions resulting from the use of purchased electricity, heat, or steam.
 - (3) Other indirect emissions: Emissions from the Company' s activities that are not classified as energy-related indirect emissions but originate from sources owned or controlled by other entities.
3. The Company should track GHG emissions, water consumption, and total waste generated, and establish policies for energy saving, carbon reduction, water conservation, and waste management. Acquisition of carbon credits should be integrated into the Company' s carbon reduction strategy to mitigate the impact of business operations on climate change.

Chapter 4: Promoting Social Welfare

Article 18

1. The Company shall comply with relevant laws and regulations, as well as international human rights conventions, including rights related to gender equality, labor rights, and the prohibition of discrimination.
2. To fulfill its responsibility to protect human rights, the Company shall establish relevant management policies and procedures, which include:
 - (1) Formulating the Company' s human rights policy or statement.
 - (2) Assessing the impact of the Company' s business operations and internal management on human rights, and establishing corresponding handling procedures.
 - (3) Periodically reviewing the effectiveness of the Company' s human rights policy or statement.
 - (4) In cases involving human rights violations, disclosing the procedures for addressing affected stakeholders.
3. The Company shall adhere to internationally recognized labor rights, including freedom of association, collective bargaining, care for vulnerable groups, prohibition of child labor, elimination of all forms of forced labor, and the

prevention of employment and workplace discrimination. The Company shall ensure that its human resource policies do not discriminate based on gender, race, socio-economic status, age, marital or family status, thereby ensuring equality and fairness in employment, hiring conditions, compensation, benefits, training, performance evaluation, and promotion opportunities. For issues that threaten labor rights, the Company shall provide effective and appropriate grievance mechanisms, ensuring that the process is equitable and transparent. Grievance channels should be simple, convenient, and accessible, and employee complaints must be appropriately addressed.

Article 19

The Company shall provide employees with information to ensure they understand the labor laws of the country in which the Company operates and the rights to which they are entitled.

Article 20

1. The Company shall provide employees with a safe and healthy working environment, including necessary health and emergency facilities, and shall endeavor to reduce factors that may endanger employee safety and health in order to prevent occupational hazards.
2. The Company shall conduct regular safety and health education and training for its employees.

Article 21

1. The Company should create a favorable environment for employees' career development and establish effective training programs to enhance their professional capabilities.
2. The Company shall formulate and implement reasonable employee welfare measures (including compensation, leave, and other benefits), and appropriately reflect operating performance or results in employee compensation, so as to ensure effective recruitment, retention, and motivation of human resources, and to achieve the goal of sustainable operations.

Article 22

1. The Company shall establish regular communication channels for employees,

ensuring their right to obtain information on the Company' s business management activities and decisions, as well as their right to express opinions.

2. The Company shall respect the rights of employee representatives to negotiate working conditions, and shall provide employees with necessary information and facilities to facilitate negotiation and cooperation between the employer, employees, and employee representatives.
3. The Company shall provide reasonable notice of any operational changes that may have a significant impact on employees.

Article 22-1

The Company shall treat its customers or consumers of products or services in a fair and reasonable manner. Such treatment shall include principles of fair and honest contracting, duties of care and loyalty, truthful advertising and solicitation, product or service suitability, notification and disclosure, balanced compensation and performance evaluation, protection of complaint rights, and professional conduct of business personnel. The Company shall establish corresponding implementation strategies and concrete measures to fulfill these principles.

Article 23

The Company shall be responsible for its products and services and shall place importance on marketing ethics. Its research and development, procurement, production, operation, and service processes shall ensure the transparency and safety of product and service information. The Company shall establish and disclose its consumer rights policies and implement them in its business activities to prevent products or services from harming consumer rights, health, or safety.

Article 24

1. The Company shall ensure the quality of its products and services in accordance with government regulations and relevant industry standards.
2. With respect to customer health and safety, customer privacy, marketing, and labeling of products and services, the Company shall comply with applicable laws and international standards, and shall not engage in any deceptive, misleading, fraudulent, or other conduct that undermines consumer trust or harms consumer rights.

Article 25

1. The Company shall evaluate and manage various risks that may cause interruptions to its operations in order to reduce potential impacts on consumers and society.
2. The Company shall provide transparent and effective procedures for consumer complaints, handle consumer complaints in a fair and timely manner, comply with the Personal Data Protection Act and other relevant regulations, respect consumer privacy, and protect the personal data provided by consumers.

Article 26

1. The Company shall assess the environmental and social impacts of its procurement activities on the communities from which it sources, and collaborate with its suppliers to jointly fulfill corporate social responsibility.
2. The Company shall establish supplier management policies requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, and labor rights. Prior to conducting business, the Company should evaluate whether suppliers have any records of environmental or social impacts to avoid engaging in transactions with parties that conflict with the Company's corporate social responsibility policies.
3. When entering into contracts with major suppliers, the Company should include provisions requiring compliance with both parties' corporate social responsibility policies. The contract may also stipulate that if a supplier violates such policies and causes significant environmental or social impact on the sourcing community, the Company may terminate or dissolve the contract at any time.

Article 27

1. The Company shall assess the impact of its business operations on local communities and appropriately hire personnel from the communities where it operates, in order to enhance community recognition and support.
2. Through equity investments, business activities, donations, corporate volunteer services, or other forms of public-interest professional services, the Company shall allocate resources to organizations that address social or environmental issues through business models, or participate in activities organized by

community development and education groups, civic organizations, charitable foundations, and government agencies to promote community development.

Article 27-1

The Company shall continue to allocate resources to cultural and artistic activities or the cultural and creative industries through donations, sponsorships, investments, procurement, strategic cooperation, corporate volunteer technical services, or other forms of support, in order to promote cultural development.

Chapter 5: Enhancing Disclosure of Corporate Sustainability Information

Article 28

The Company shall disclose information in accordance with relevant laws and regulations as well as the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and fully disclose material and reliable sustainability-related information to enhance information transparency.

The Company shall disclose the following sustainability-related information:

1. Sustainability policies, systems, related management guidelines, and concrete implementation plans approved by the Board of Directors.
2. Risks and impacts on the Company's operations and financial status arising from corporate governance implementation, sustainable environmental development, and social welfare considerations.
3. The Company's sustainability goals, action plans, and implementation performance.
4. Major stakeholders and the issues they are concerned about.
5. Disclosure of major suppliers' management and performance information regarding significant environmental and social issues.
6. Other sustainability-related information.

Article 29

The Company shall prepare its sustainability report in accordance with widely

recognized international standards or guidelines to disclose its sustainability practices, and should obtain third-party assurance to enhance the reliability of the information. The report should include:

1. Implementation of sustainability policies, systems, related management guidelines, and concrete action plans.
2. Major stakeholders and the issues they are concerned about.
3. The Company's performance and review regarding corporate governance, environmental sustainability, social welfare, and promotion of economic development.
4. Future directions for improvement and sustainability goals.

Chapter 6: Supplementary Provisions

Article 30

The Company shall remain attentive to developments in domestic and international sustainability-related standards and changes in the business environment. Based on such developments, the Company shall review and improve its established sustainability development systems to enhance the effectiveness of its sustainability efforts.

Article 31

These Guidelines shall take effect upon approval by the Board of Directors, and the same procedure shall apply to any amendments.

Article 32

These Procedures were established on August 28, 2024.