

# **Chailease Holding Co. Ltd.**

## **Corporate Sustainable Development Best Practice Principles**

Confidential document

Adopted by Board of Directors on June 17, 2011

Amended by Board of Directors on November 12, 2012

Amended by Board of Directors on June 4, 2015

Amended by Board of Directors on November 9, 2018

Amended by Board of Directors on March 25, 2020

Amended by Board of Directors on August 29, 2022

Amended by Board of Directors on August 29, 2023

Amended by Board of Directors on November 12, 2024

Amended by Board of Directors on March 25, 2026

### **Chapter I General Principles**

Article 1 In order to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, Chailease Holding Co. Ltd. (hereinafter referred to as “the company”) promulgates this Corporate Sustainable Development Best Practice Principles (hereinafter referred to as “the Principles”).

Article 2 The Principles applies to the company, including the entire operations of each such company and its business group.

The Principles encourages the company to actively fulfill its corporate sustainable development in the course of its business operations so as to follow the international development trend 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 corporate sustainable development.

Article 3 In promoting corporate sustainable development initiatives, the company shall, in its corporate management guidelines and business operations, give due consideration to the social mores and the rights and interests of the interested parties and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

The company should conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies.

Article 4 To implement corporate sustainable development initiatives, the company is advised to follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate sustainable development information.

Article 5 The company shall take into consideration the correlation between the development of domestic and international corporate sustainable development principles and corporate core business operation, and the effect of the operation of individual company and of our respective business groups as a whole on stakeholders, in establishing our policies, systems or relevant management guideline, and concrete promotion plans for corporate sustainable development programs, which shall be approved by the board of directors and then reported to the shareholder meeting.

When a shareholder purposes a motion involving corporate sustainable development, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

## **Chapter 2 Exercising Corporate Governance**

Article 6 The company is advised to follow the Corporate Governance Best Practice Principles for TWSE/GTSM listed companies, the Ethical Corporation Management Best Practice Principles for TWSE/GTSM listed companies and the Code of Ethical Conduct for TWSE/GTSM listed companies to establish effective corporation governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7 The board of directors of the company shall exercise the due care of good administrators to urge the company to perform its corporate 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 sustainable development policies.

The board of directors of the company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its corporate sustainable development initiatives:

1. Identifying the company's corporate sustainable development mission or vision, and declaring its corporate sustainable development policy, systems or relevant management guidelines;

2. Making corporate sustainable development the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate sustainable development initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of corporate sustainable development information.

The Chairman of shall establish a special unit-in-charge to carry about economic, environmental, and social issues resulting from the business operations of the company, and to report the status of the handling to the board of directors if there is necessary. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8 The company is advised to, on a regular basis, organize education and training on the implementation of corporate sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 For the purpose of managing corporate sustainable development initiatives, the company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate 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.

Article 10 The company shall respect the rights and interests of any interested parties, identify the interested parties of the company, and establish a designated section on the company website; understand the reasonable expectations and demands of such parties through proper communication with them and adequately respond to the important corporate sustainable development issues which such parties are concerned about.

### **Chapter 3 Fostering a Sustainable Environment**

Article 11 The company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business activities operation and internal management.

Article 12 The company is advised to endeavor to utilize all resources and energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13 The company is advised to establish proper environment management systems based on the characteristics of its industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact 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 should be maintained and whether they are still relevant on a regular basis.

3. Examining the purpose of the environmental sustainability goals or its achievement on a regular basis.

Article 14 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 should hold environment education courses for its managerial officers and other employees on a periodic basis.

Article 15 The company is advised to 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, operations, and services in accordance with the following principles to reduce the impact 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, 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.
7. Enhance the conservation of marine and terrestrial biodiversity and ecosystems, promote the sustainable use of resources, and ensure fair and equitable benefits.

Article 16 To improve water use efficiency, the company shall properly and sustainably use water resources and establish relevant management measures. The company shall avoid polluting water, air and land in the course of its business operations.

If there is necessary for business operation, the company shall Construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and do its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17 The company is advised to assess the current and future potential risks and opportunities of climate change for the company, and take measures to address climate-related issues.

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 electricity, including but not limited to externally purchased or acquired, heating, or steam.
3. Other indirect emission: emission resulting from the company activities are not indirect energy emission, but resulting from the emission sources owned or controlled by other companies.

The company is advised to compile statistics of greenhouse gas emissions, water consumption and total weight of waste, and monitor the impact of climate change on its operations and should establish company strategies for energy conservation, and carbon and greenhouse gas reduction, and adopt policies to reduce water or manage other waste based upon its operations and the result of a greenhouse gas volume check.

Such strategies should include obtaining carbon credits to promote and minimize the impact of its business operations on the natural environment.

#### **Chapter 4 Preserving Public Welfare**

Article 18 The company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

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 the matter with respect of the interested parties involved.

The company shall comply with the international recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatment based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation,

and promotion opportunities.

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.

Article 19 The company shall provide information for its employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the company has business operations.

Article 20 The company is advised to provide safe and healthful work environments for its 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 its employees on a regular basis.

Article 21 The company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.

The company is advised to establish placement programs to cultivate future industry talents.

The company shall formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22 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.

Article 22-1 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. The company shall also develop the relevant strategies and specific measures for implementation.

Article 23 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 relevant laws and regulations such as Personal Information Protection Act, for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 24 The company is advised to evaluate the environmental and social impact of the procurement on the community which is the source of supply, and cooperate with its suppliers to implement corporate social responsibility.

The company is advised to formulate supplier management policies and require its suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights. Furthermore, 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 entered 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.

Article 25 The company is advised to evaluate the impact of its business operations on the community and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The company may, 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.

Article 25-1 The company is advised to promote cultural development by dedicating resources to the cultural and art activity, or cultural and creative industry through donation, sponsorship, investment, collaborative strategy, voluntary technical service, or other supportive measures.

## Chapter 5 The Sustainable Development Information Management

Article 26 The company shall include the Sustainable Development Information Management in its internal control in order to comply with the IFRS sustainability disclosure standard plan adopted by the relevant authority. The highest management of Sustainable Development Information Management is the Sustainable Development Committee, and the company established the IFRS Executive Unit to inventory, disclose, and improve the matters related to the Sustainable Development Information Management, and to distribute necessary resources and personnel.

Article 27 The Sustainable Development Information(the “Sustainability Information”) refers to data or information that reflects the company’s sustainability activities related to environmental, social, and governance such as:

1. The sustainability disclosure in the annual report.
2. The sustainability report.
3. The sustainability disclosure on the company’s website.

The company shall measure its suitable Sustainability Information by considering the materiality assessment principle, the result of the risk management and the applicable criteria set forth in this principle. The company shall ensure aforementioned Sustainability Information complies with the applicable internal/external regulations, criteria, and frameworks.

Article 28 The company shall ensure that the Sustainability Information reflects its sustainability activities.

The company shall consider the impact on the accuracy of the Sustainability Information due to the estimation, assumption, and determination.

If the company’s Sustainability Information relies on the member of its value chain, or any third party, the company shall communicate with them on time so that the company can make sure the correctness of the Sustainability Information.

Article 29 The company shall disclose information according to relevant laws and regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its corporate sustainable development initiatives to improve information transparency.

Relevant information relating to corporate sustainable development which the company shall disclose includes:

1. The Policy, systems or relevant management guidelines, and concrete promotion plans for corporate 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 for realizing the corporate sustainable development initiatives established by the company, and performance in implementation.
4. Major interested parties and their concerns.
5. Other information relating to corporate sustainable development initiatives.

Article 30 The company shall adopt internationally widely recognized standards or guidelines when producing corporate sustainable development reports, to disclose the status of its implementation of the corporate sustainable development policy. The company is also advised 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 and relevant management guidelines and concrete promotion plans for implementing corporate sustainable development initiatives.
2. Major interested parties 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.

Article 31 The company shall measure the competence of the institution that conducts third party assurance if such Sustainability Information is required to receive third party assurance per the applicable law.

Article 32 In order to implement the Sustainability Information Management, the company shall include it in its internal control and annual audit plan, and the audit personnel shall examine it to ensure its implementation.

Article 33 The company shall communicate or report the identified nonconformities of the internal control of Sustainability Information to the highest management, audit committee, and board of directors.

## **Chapter 6 Supplementary Provisions**

Article 34 The company shall at all times monitor the development of domestic and international corporate sustainable development standards and the change of business environment so as to examine and improve its established corporate sustainable development framework and to obtain better results from the implementation of the corporate sustainable development policy.

Article 35 The Principles shall be effective after the approval of the board of directors. The same shall apply to any amendments.