

# Darfond Electronics Corp.

## Code of Practice for Sustainable Development

### Article 1

In order to practice corporate social responsibility, promote economic, environmental and social progress, and achieve the goal of sustainable development, the Company formulates this Code for compliance.

### Article 2

This Code is applicable to the Company and its overall operating activities.

While engaging in enterprise management, the Company actively practices sustainable development to conform to the international development trend, and through corporate citizenship, enhances the national economic contribution, improves the quality of life of employees, communities and society, and promotes the competitive advantage based on sustainable development.

### Article 3

In promoting sustainable development, the Company should pay attention to the rights and interests of stakeholders, and attach importance to environmental, social and corporate governance factors while pursuing sustainable operation and profit, and incorporate them into the company's management policies and operating activities.

The Company shall, according to the principle of materiality, conduct risk assessment on environmental, social and corporate governance issues related to the company's operation, and formulate relevant risk management policies or strategies.

### Article 4

The Company's practice of sustainable development should be based on the following principles:

1. Implement corporate governance.
2. Develop a sustainable environment.
3. Safeguard social welfare.
4. Strengthen the disclosure of sustainable development information.

### Article 5

The Company should consider the relevance of domestic and international sustainable development trends to the core business of the enterprise, the impact of the company itself and its overall operations on stakeholders, etc., and formulate sustainable development policies, systems or related management guidelines and specific promotion plans, which shall be approved by the board of directors.

When shareholders propose relevant proposals involving sustainable development in accordance with the law, the Company's board of directors should consider listing them as shareholder meeting proposals.

Article 6	The Company should follow the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, the Integrity Operating Guidelines for Listed and Over-the-Counter Companies, and the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies, and establish an effective governance framework and related ethical standards to improve corporate governance.
Article 7	<p>The directors of the Company should fulfill their duty as good administrators, supervise the practice of sustainable development in the enterprise, and review its implementation effectiveness and continuous improvement at any time to ensure the implementation of sustainable development policies.</p> <p>The board of directors of the Company should fully consider the interests of stakeholders and include the following matters when promoting sustainable development goals:</p>
	<ol style="list-style-type: none"> <li>1. Propose a sustainable development mission or vision, and formulate sustainable development policies, systems, or related management guidelines.</li> <li>2. Incorporate sustainable development into the company's operational activities and development direction, and approve specific promotion plans for sustainable development.</li> <li>3. Ensure the timeliness and accuracy of information disclosure related to sustainable development.</li> </ol>
Article 8	<p>The Company authorizes the Sustainable Development Committee to handle economic, environmental, and social issues arising from the operational activities, and reports on the handling status to the board of directors.</p>
Article 9	<p>The Company regularly organizes education and training to promote sustainable development, including the promotion of matters listed in the second paragraph of the previous article.</p> <p>In order to improve the management of sustainable development, the Company has established a governance structure to promote sustainable development, and set up a sustainable development committee to promote sustainable development, which is responsible for the formulation and implementation of sustainable development policies, systems or related management policies and specific promotion plans, and regularly reports to the board of directors.</p>
	<p>The Company formulates a reasonable salary and remuneration policy to</p>

ensure that the salary planning can meet the strategic objectives of the organization and the interests of stakeholders. The employee performance appraisal system should be combined with the sustainable development policy and handled in accordance with the rewards and punishments provisions of the company's personnel regulations.

Article 10 The Company respects the rights and interests of stakeholders, identifies the Company's stakeholders, and establishes a stakeholder section on the Company's website. Through appropriate communication methods, the Company understands the reasonable expectations and needs of stakeholders and properly respond to the important sustainable development issues they are concerned about.

Article 11 The Company shall comply with relevant environmental laws and regulations and relevant international standards, properly protect the natural environment, and strive to achieve the goal of environmental sustainability when carrying out operational activities and internal management.

Article 12 The Company is committed to improving energy efficiency and using recycled materials with low impact on environmental load, so that the earth's resources can be used sustainably.

Article 13 The Company establishes an appropriate environmental management system according to the following items:

1. Collect and evaluate sufficient and timely information on the impact of business activities on the natural environment.
2. Establish measurable environmental sustainability goals and regularly review the sustainability and relevance of their development.
3. Formulate specific plans or action plans and other implementation measures, and regularly review the effectiveness of their operation.

Article 14 The Company has set up specialized environmental management units and personnel to formulate, promote and maintain relevant environmental management systems and specific action plans, and regularly hold environmental education courses for management and employees.

Article 15 Considering the impact of operation on ecological benefits, the Company promotes and publicizes the concept of sustainable consumption, and engages in operational activities such as R&D, procurement, production, operation and service according to the following principles, so as to reduce the impact of the company's operation on the natural environment and human beings:

1. Reduce the resource and energy consumption of products and services.
2. Reduce the discharge of pollutants, toxic substances and wastes, and properly dispose of wastes.
3. Improve the recyclability and reuse of raw materials or products.
4. Maximize the sustainable use of renewable resources.
5. Extend the durability of products.
6. Increase the efficiency of products and services.

Article 16 In order to improve the utilization efficiency of water resources, the Company should make proper and sustainable use of water resources and formulate relevant management measures. The Company should build and strengthen relevant environmental protection treatment facilities to avoid polluting water, air and land; strive to reduce the adverse impact on human health and the environment, and adopt the best feasible measures for pollution prevention and control technology.

Article 17 The Company evaluates the potential risks and opportunities of climate change to enterprises now and in the future, and takes relevant countermeasures. The Company adopts the standards or guidelines commonly used at home and abroad to carry out the greenhouse gas inventory of enterprises and disclose them, including:

1. Direct greenhouse gas emission: The source of greenhouse gas emission is owned or controlled by the Company.
2. Indirect greenhouse gas emissions: those generated by energy utilization such as electricity, heat or steam.
3. Other indirect emissions: The emissions generated by the Company's activities are not indirect energy emissions, but come from emission sources owned or controlled by other companies.

The Company should make statistics on greenhouse gas emissions, water consumption and total weight of waste, formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management, and incorporate the acquisition of carbon rights into the Company's carbon reduction strategy planning and promote it accordingly, so as to reduce the impact of the company's operating activities on climate change.

Article 18 The Company shall abide by relevant laws and regulations and international human rights conventions, such as gender equality, right to

work and prohibition of discrimination. In order to fulfill its responsibility to protect human rights, the Company shall formulate relevant management policies and procedures, including:

1. Put forward the enterprise's human rights policy or statement.
2. Assess the impact of the company's operating activities and internal management on human rights, and formulate corresponding handling procedures.
3. Regularly review the effectiveness of corporate human rights policies or statements.
4. When involving human rights violations, the Company should be exposed to the stakeholders involved in the handling procedures.

The Company shall abide by internationally recognized labor human rights, such as freedom of association, collective bargaining right, caring for the disadvantaged groups, prohibiting child labor, eliminating all forms of forced labor, eliminating discrimination in employment and employment, etc., and confirm that its human resources utilization policy has no differential treatment such as gender, race, socio-economic class, age, marriage and family status, so as to ensure equality and fairness in employment, employment conditions, salary, welfare, training, evaluation and promotion opportunities.

The Company provides an effective and appropriate complaint mechanism for cases that endanger the rights and interests of workers, so as to ensure the equality and transparency of the complaint process. Complaints channels should be concise, convenient and smooth, and employees' complaints should be properly responded.

**Article 19** The Company shall provide employees with information so that they can understand the labor laws and their rights in the country where they operate.

**Article 20** The Company provides employees with a safe and healthy working environment, including providing necessary health and first aid facilities, and is committed to reducing the risk factors to employees' safety and health, so as to prevent occupational disasters.

The Company regularly carries out safety and health education and training for employees.

**Article 21** The Company creates a good environment for employees' career development and establishes an effective career ability development training plan.

The Company shall properly reflect the business performance or

achievements of the enterprise in the employee compensation policy, so as to ensure the recruitment, retention and encouragement of human resources and achieve the goal of sustainable operation.

**Article 22**

The Company has established a channel for employees to communicate regularly, so that employees have the right to obtain information and express their opinions on the company's management activities and decisions.

The Company respects the right of employee representatives to negotiate on working conditions, and provides employees with necessary information and hardware facilities to promote consultation and cooperation between employers, employees and employee representatives.

The Company shall notify the employees of any operation change that may have a significant impact in a reasonable way.

**Article 23**

The Company should be responsible for its products and services and attach importance to marketing ethics. Its R&D, procurement, production, operation and service processes should ensure the transparency and security of product and service information, formulate rights and interests policies, and implement them in operational activities to prevent products or services from damaging consumer rights, health and safety.

**Article 24**

The Company shall ensure the quality of its products and services in accordance with government regulations and industry standards.

The Company shall comply with relevant laws and international standards in the marketing and labeling of its products and services and shall not engage in deception, misleading, fraud or any other behavior that undermines customer trust and damages their rights and interests.

**Article 25**

The Company evaluates and manages various risks that may cause business interruption to reduce the impact.

The Company treats customers or consumers facing products and services in a fair and reasonable way, including fair and honest contract, duty of care and loyalty, advertisement soliciting truth, suitability of goods or services, notification and disclosure, appeal protection, etc. The Company provides transparent and effective complaint procedures for customers or consumers, handles customers' complaints fairly and promptly, and shall abide by the personal data protection law and other relevant laws and regulations, truly respect customers' privacy rights and protect relevant information provided by customers.

**Article 26**

The Company evaluates the impact of its procurement activities on the

environment and society of the supply source communities, and cooperates with its suppliers to jointly strive to implement corporate social responsibility.

Before doing business, the Company evaluates whether its suppliers have a record of impacting the environment and society, and avoids transactions with those that conflict with the company's social responsibility policy.

When the Company signs contracts with its major suppliers, the content includes compliance with the corporate social responsibility policy of both parties, and the clause that the supplier may terminate or cancel the contract at any time if it violates the policy and causes a significant impact on the environment and society of the supply source community.

**Article 27** The Company shall evaluate the impact of the company's operation on the community and employ the manpower in the place where the company operates appropriately to enhance community recognition.

Through commercial activities, in-kind donations, corporate volunteer services or other public professional services, the Company participates in the activities of civic organizations, charitable organizations and local government agencies in community development and community education to promote community development.

**Article 27-1** The Company should continually inject the resources into cultural article activities or cultural creative industries by donations, sponsorship, investment, strategic cooperation, corporate voluntary technical services or other support models to promote cultural development.

**Article 28** The Company should disclose information in accordance with relevant laws and regulations and the Company's Corporate Governance Code of Practice, and should fully disclose relevant and reliable information related to sustainable development to enhance information transparency. The Company discloses relevant information on sustainable development as follows:

1. Sustainable development policies, systems or related management guidelines and specific promotion plans approved by the board of directors.
2. Risks and impacts on the Company's operations and financial status caused by factors such as implementing corporate governance, developing a sustainable environment, and safeguarding social welfare.
3. The promotion goals, measures and implementation performance

formulated by the Company for sustainable development.

4. Main stakeholders and issues of concern.
5. Disclosure of management and performance information on major environmental and social issues by major suppliers.
6. Other information related to sustainable development.

Article 29 The Company shall adopt internationally recognized standards or guidelines when preparing the sustainability report, so as to expose the promotion of sustainability, and obtain the third party's assurance or guarantee, so as to improve the information reliability. Its contents include:

1. Implement sustainable development policies, systems or related management policies and specific promotion plans.
2. Major stakeholders and their concerns.
3. The Company's performance and review in implementing corporate governance, developing a sustainable environment, safeguarding social welfare and promoting economic development.
4. Future improvement direction and objectives.

Article 30 The Company shall always pay attention to the development of domestic and international sustainable development standards and changes in the corporate environment, and review and improve the sustainable development system established by the Company accordingly to enhance the effectiveness of promoting sustainable development.

Article 31 This code of conduct shall come into effect after being approved by the board of directors, and shall be amended accordingly.

Article 32 The code was established on August 8, 2019.  
The first revision was made on August 4, 2022.  
The second revision was made on May 3, 2023.