

# **Pili International Multimedia Co., Ltd.**

## **Corporate Social Responsibility Best Practice Principles**

### Chapter I. General Principles

Article 1 Pili International Multimedia Co., Ltd. (hereafter referred to as “The Company”)

considers corporate social responsibility (CSR) to be a core value in keeping with the spirit of “giving back to society”; for the fulfillment of corporate social responsibility as well as accomplish the goals of sustainable development through the promotion economic, environmental and social progress, these Principles have been adopted in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.”

Article 2 The Principles apply to the overall operations of the Company and its group enterprises.

The Company shall actively engage in CSR fulfillment during the course of business operations in keeping with international 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 a responsible corporate citizen, and to strengthen competitive advantages based around corporate responsibility.

Article 3 The Company shall take the rights and interests of stakeholders into account during CSR fulfillment. Due consideration shall be given to environmental, social and corporate governance factors during the pursuit of sustainable development and profits. These factors shall also be incorporated into the management policies and operating activities of the Company.

The Company shall conduct risk assessment on environmental, social and corporate governance issues that are relevant to its operations, and implement risk management policies or strategies based on principles of materiality.

Article 4 CSR fulfillment by the Company should adhere to the following principles:

- I. Implementation of corporate governance.
- II. Fostering a sustainable environment.
- III. Protection of public welfare.
- IV. Enhanced disclosure of CSR information.

Article 5 The Company shall take into account the correlation between domestic and foreign CSR development trends and core corporate operations, as well as the effect of the Company and its group enterprises’ overall operations on stakeholders when formulating the CSR policy, system, or related management policies and action plans. Once approved by the Board of Directors this shall be

reported to the shareholders meeting.

When a shareholder proposes a motion on CSR-related issues, the Company Board of Directors should consider its inclusion in the agenda of the shareholders

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meeting.

## Chapter II. Implementing Corporate Governance

Article 6 The Company should adhere to 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” in establishing an effective corporate governance framework and the relevant ethical standards for strengthening corporate governance.

Article 7 The Company Board of Directors shall exercise the due care of good administrators to urge the Company to perform to engage in CSR fulfillment, review the results of the implementation as necessary, and make continuous adjustments to ensure the thorough implementation of CSR policies.

During CSR fulfillment by the Company, the Board of Directors should full consider the interests of stakeholders and the following matters:

- I. Identify the Company's CSR mission or vision, and define the CSR policy, system or related management policies.
- II. Make CSR the guiding principle of Company's operations and development, and ratify concrete plans for the promotion of CSR.
- III. Enhance the timeliness and accuracy of CSR-related disclosures.

The Board of Directors shall appoint executive-level positions to oversee the handling of economic, environmental, and social issues resulting from the business operations of the Company. Action taken shall be reported to the Board of Directors while the operating procedures and owners shall be clearly defined.

Article 8 The Company should regularly organize education and training on CSR fulfillment. This includes promotion of matters outlined under Paragraph 2 of the preceding article.

Article 9 To strengthen CSR management, the Company should establish a dedicated (part-time) unit for CSR promotion that is responsible for the CSR policy, system or related management policies as well as proposal and execution of concrete action plans. Regular reports shall be made to the Board of Directors.

The Company should formulate a reasonable remuneration policy to ensure that the remuneration arrangements conform to organization’s strategic goals and stakeholder interests.

The employee performance evaluation system should be integrated with the CSR

policy with a clear and effective system of incentives and penalties put into place.

Article 10 The stakeholders of the Company shall be identified out of respect for the rights

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and interests of stakeholders. A stakeholder section should also be established on the corporate website; suitable methods of communication should be used to understand reasonable expectations and requirements of stakeholders, and an appropriate response given on CSR issues of concern to stakeholders.

### Chapter III. Fostering a Sustainable Environment

Article 11 The Company shall adhere to the relevant environmental laws, regulations and

international standards in protecting the natural environment in an appropriate manner. Operational and internal management activities shall also strive to accomplish the goal of environmental sustainability.

Article 12 The Company should endeavor to utilize all resources more efficiently and use

renewable materials which have a low impact on the environment to improve the sustainability of natural resources.

Article 13 The Company should establish environmental management systems tailored to the

nature of its industry. Such a system shall include the following items:

I. Collection of sufficient and up-to-date information for evaluating the impact of the Company's business operations on the natural environment.

II. Establish measurable environmental sustainability goals and regularly review on the continuity and relevance of such goals.

III. Adopt enforcement measures such as concrete plans or action plans to regularly review their operational effectiveness.

Article 14 The Company should establish dedicated environmental management units or

personnel for the drafting, promotion and maintenance of related environmental management systems and concrete action plans. Environmental education courses should also be regularly organized for the management and employees.

Article 15 The Company should consider the impact of operations on ecological efficiency,

promote and popularize the concept of sustainable consumption, and adhere to the following principles during R&D, procurement, production, operational activities and services to reduce the impact of Company operations on the natural environment and mankind:

- I. Reduce resource and energy consumption of products and services.
- II. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
- III. Improve recyclability and reusability of raw materials or products.
- IV. Maximize the sustainability of renewable resources.
- V. Enhance the durability of products.
- VI. Improve the efficiency of products and services.

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Article 16 To improve water use efficiency, the Company shall use water resources in an

appropriate and sustainable manner, and formulate related management measures.

When the Company is constructing and upgrading environmental protection and treatment facilities, effort shall be made to avoid polluting the water, air and soil.

The best available and feasible pollution prevention and control measures shall be adopted to minimize any negative impact on human health and the environment.

Article 17 The Company should assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues. The Company should adopt standards or guidelines generally used in Taiwan and abroad for corporate greenhouse inventories and disclosure. The scope should include:

I. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.

II. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.

The Company should maintain statistics on greenhouse gas emission, water usage, and total waste volume, and implement policies aimed at reducing energy, carbon, greenhouse gas, water, and waste. Such strategies should include obtaining of carbon credits to minimize the impact of business operations on climate change.

#### Chapter IV. Protection of 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 relevant management policies and processes shall be adopted by the Company to fulfill its responsibility on human rights, including:

I. Proposal of a corporate policy or statement on human rights.

II. Evaluate the impact of the Company's business operations and internal management on human rights, and adopting the corresponding handling processes.

III. Regularly review the effectiveness of the corporate policy or statement on human rights.

IV. Disclosure of the procedure for dealing with stakeholders if there is any infringement of human rights.

The Company shall comply with the internationally recognized labor rights 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, and eliminating discrimination in recruitment and employment. The Company shall also ensure that its human resource policies do not discriminate on

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the basis of gender, race, socioeconomic status, age, or marital and family status to realize equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

An effective and appropriate grievance mechanism shall be provided by the Company for matters that impact on labor rights and interests. The Company shall also ensure the fairness and transparency of the grievance process. The grievance channels shall be clear, convenient and free from obstruction. Employee grievances shall also be responded to in an appropriate manner.

Article 19 The Company shall provide employees with information that help them understand the labor laws in the country where they operate as well as the rights they are entitled to.

Article 20 The Company should provide employees with a safe and healthy workplace.

This

includes the provision of essential health and first-aid facilities as well as the prevention of occupational injuries by actively reducing risk factors for employee safety and health.

The Company should regularly organize safety and health education for employees.

Article 21 The Company should create an environment conducive to the career development

of employees and build an effective training and development program for their professional skills.

The Company shall develop and implement reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflect business performance or outcome in employees' compensation policies to facilitate recruitment, retention and inspiration of human resources, and thereby accomplish the Company's goals toward sustainability.

The Company shall ensure that its employee remuneration policy reflects the

business performance or results of the Company in a suitable manner to facilitate the recruitment, retention and motivation of human resources, and to realize the goals of sustainable development.

Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and employees so that employees can obtain information and express their opinions on the Company's management activities and decision-making.

The Company shall respect the right of employees' representatives to bargain on working conditions, and promote communication and cooperation between the employer, employees and employees' representatives by providing employees with the necessary information and hardware facilities.

The Company shall give reasonable notice of operational changes that may have a material impact on employees.

Article 22-1 The Company should treat the customers or consumers off its products and

services in a fair and reasonable manner. Applicable principles include equality  
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and honesty in contracts, duty of care and loyalty, truth in advertising, suitability of products and services, information and disclosure, balance between commission and sales, grievance and protection, and professionalism of sales personnel. Relevant action strategies and concrete measures shall also be defined.

Article 23 The Company shall take responsibility for its products and services.

Marketing

ethics shall also be taken seriously. The research and development, procurement, production, operations, and service processes of the Company shall ensure the transparency and safety of products and services. A consumer rights policy shall also be formulated and enforced during the course of business operations to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers. .

Article 24 The Company adhere to government laws and regulations as well as the relevant industry standards in ensuring the quality of products and services.

The Company shall comply with relevant laws and international principles with regards to customers' health, safe and privacy and marketing and labeling of products and services, and must avoid deception, misrepresentation, fraud, and any behavior that undermines consumers' trust or interests.

Article 25 The Company should evaluate and manage any potential risks to business continuity to reduce their impact on consumers and society.

The Company should provide its products and services with a clear and effective

procedure for processing consumer complaints in a fair and timely manner. The Company shall also respect consumers' privacy and protect the personal information they provide by complying with the relevant provisions of the Personal Information Protection.

Article 26 The Company should assess the environmental and social impact of its procurement activities on the source community. It shall also work with suppliers to raise their level of CSR adoption.

The Company should implement a supplier management policy that requires suppliers to comply with policies with respect to environmental protection, occupational safety and health or workers'/human rights issues. Prior to engaging in business transactions, the Company should evaluate its suppliers for history of adverse environmental and social impact, and avoid transacting with counterparties that act in contradiction against the Company's corporate social responsibility policies.

When the Company enters into a contract with any major supplier, the terms of the contract should include mutual compliance on CSR policy, and that the contract may be terminated or rescinded at any time if the supplier has violated such a policy resulting in significant environmental and social impact on the source community.

Article 27 The Company should evaluate and manage the impact of business operations on

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the local community. An appropriate amount of local manpower should also be employed to build rapport with the local community.

The Company should channel resources into organizations that offer a business-based solution to social or environmental solutions through commercial investments, donation of goods, corporate volunteering or other professional charitable services. The Company can also promote local community development by participating in community development and education activities organized by civic groups, charity organizations and local government agencies.

#### Chapter V. Enhancing Disclosure of CSR Information

Article 28 The Company shall comply with the relevant laws, regulations and the Corporate

Governance Best Practice Principles for TWSE/GTSM listed Companies on disclosure. Full disclosure of relevant and reliable CSR information shall also be practiced to improve the level of transparency.

The following CSR-related information are disclosed by the Company:

I. The policy, systems or relevant management guidelines, and concrete promotion plans for CSR adopted by the Board of Directors.

II. The risks and impact on the corporate operations and finances from the promotion of corporate governance, fostering of a sustainable environment and protection of public interests.

III. The goals and measures formulated by the Company for CSR as well as their outcomes.

IV. Major stakeholders and their issues of concern.

V. Disclosure on major suppliers' management and performance on material environmental and social issues.

VI. Other relevant CSR information.

Article 29 The Company shall adopt generally accepted international standards or guidelines

for the preparation of CSR reports and disclosure of progress on CSR implementation. Third-party verification or assurance should also be acquired to improve the reliability of the information. This should include:

I. The policy, systems or relevant management guidelines, and concrete promotion plans for CSR adopted by the Board of Directors. .

II. Major stakeholders and their issues of concern.

III. The accomplishments and review of the Company's implementation of corporate governance, development of a sustainable environment, protection of public interests and promotion of economic development.

IV. Direction of future improvements and goals.

Chapter VI. Supplementary Provisions

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Article 30 The Company shall constantly monitor and review developments in domestic and foreign CSR standards as well as changes in the business environment so that the CSR system established by the Company can be improved and CSR performance enhanced.

Article 31 These Principles and any amendments thereof shall be adopted by a resolution of the Board of Directors.

This Procedure was formulated on October 31, 2013.

1st amendment to this Procedure was made on November 1, 2016

2nd amendment to this Procedure was made on March 23, 2020