

Sinyi Realty Inc.

Corporate Social Responsibility Best Practice Principles

Formulated on December 28, 2010
The 1st amendment on May 15, 2015
[The 3rd amendment on February 27, 2020](#)

Chapter I General Principles

- Article 1 In order to fulfill corporate social responsibility and to promote economic, environment, and social advancement for purpose of sustainable development, Sinyi Realty Inc. (hereinafter referred to as the “Company”) hereby formulates Corporate Social Responsibility Best Practice Principles of the Company (hereinafter referred to as the “Principles”) to be followed.
- Article 2 These Principles apply to entire operating activities of the Company and group enterprises the Company.
The Company shall actively fulfill corporate social responsibility in the course of business operation so as to meet 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 corporate citizens, and to enhance competitive edges built on corporate social responsibility.
- Article 3 In fulfilling corporate social responsibility, the Company shall give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance, and include them in operation guidelines and management principles of the Company.
[The Company shall conduct the risk evaluation of environment, society and corporate governance issues related to the Company’s operation according to the principle of materiality and stipulate the related risk management policy or strategy.](#)
- Article 4 To implement corporate social responsibility, the Company is advised to follow the principles below:

- I. Exercise corporate governance.
- II. Developed a sustainable environment.
- III. Maintain public welfare.
- IV. Enhance disclosure of corporate social responsibility information.

Article 5 The Company shall take into consideration the correlation between the development trend of domestic and foreign corporate social responsibility and the corporate core business, and the affection of entire operating activities of the Company and its group enterprises on interests of stakeholders, to establish corporate social responsibility policies, systems or relevant management guidelines and concrete promotion plans, which shall be approved by the board of directors and then reported to the shareholders' meeting.

When a shareholder of the Company proposes a motion involving corporate social responsibility, the board of directors of the Company is advised to review and consider including it in the agenda of the shareholders' meeting.

Chapter II Exercising Corporate Governance

Article 6 The Company follows corporate governance principles, 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 Guidelines for the Adoption of 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.

Article 7 The directors of the Company shall exercise due care of good administrators, to urge the Company to perform corporate social responsibility, review the results of the implementation thereof from time to time, and continually make improvements so as to ensure the thorough implementation of corporate responsibility 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 performance of corporate social responsibility, with measures adopted as follows:

- I. Presenting the corporate social responsibility mission or vision, and establishing social responsibility policies, systems or relevant management guidelines.
- II. Including corporate social responsibility in the operating activities and development direction of the Company, and ratifying concrete promotional plans for corporate social responsibility.
- III. Assuring the timeliness and accuracy of the disclosure of information relating to corporate social responsibility.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the operating activities of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8 The Company periodically organizes education and training on the implementation of corporate social responsibility, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 For the purpose of perfecting the management of corporate social responsibility, the Company may establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report to the board of directors on a periodic basis

The Company shall establish reasonable remuneration policies, to ensure that remuneration arrangements align with the strategic aims of the organization, and the interests of stakeholders.

The employee performance evaluation system shall be combined with corporate social responsibility policies, and a clear and effective incentive and discipline system shall be established.

Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the Company, and

establish a designated section for stakeholders on the Company's website; understand their reasonable expectations and demands through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Chapter III Fostering a Sustainable Environment

Article 11 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the natural environment and shall endeavor to achieve the target of a sustainable environment when engaging in operating activities and internal management.

Article 12 The Company shall endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to allow sustainable use of global resources.

Article 13 The Company shall establish proper environment management systems based on the characteristics of its industry. Such systems shall include the following tasks:

- I. Collecting and evaluating information in a sufficient and up-to-date way about the impact of operating activities on the natural environment.
- II. 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.
- III. Formulating and implementing concrete plans or action measures, and examining the results of their operation on a regular basis

Article 14 The Company may establish a dedicated unit or assign dedicated personnel for environment management, to draft, promote, and maintain relevant environment management systems and concrete action programs, and to organize environment education courses for the management and employees on a regular basis.

Article 15 The Company takes into account the effect of its operations on ecological efficiency, promotes and advocates the concept of sustainable consumption, and conducts operations of research and development, procurement, production, activities, and services ect., in accordance with the following principles to reduce the impact on the natural environment and human beings from operations of the Company:

- 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 efficiency of products and services.

Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

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

Article 17 [The Company shall evaluate the current and approaching potential risk and opportunity on the Company from climate change and adopt the counter-measures related the climate issues.](#)

The Company adopts 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:

- 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 collect statistics the remission of greenhouse gas, consumption of water and weight of waste and establishes the Company's strategies for energy conservation, carbon and greenhouse gas reduction, water use reduction and management of other waste, in order to minimize the impact of their operating activities on climate change.

Chapter IV 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.

To fulfill its social responsibility to protect human rights, the Company shall formulate relevant management policies and procedures, such as:

- I. Presenting a corporate policy or statement on human rights.
- II. Evaluating the impact of the Company's operating activities and internal management on human rights, and establishing corresponding handling procedure.
- III. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
- IV. In the event of any infringement of human rights, the Company shall disclose the procedure and results of its process.

The Company shall comply with the internationally recognized human rights of labor, such as 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 etc., and shall ensure that its human resource policies do not contain differential treatments 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, to assure the equality and transparency in the procedure of grievance, and promptness and completeness of the process of grievance.

Article 19 The Company shall provide information for their employees so that they have knowledge of the labor laws of the country where business is conducted, and the rights they are entitled to.

Article 20 The Company provides safe and healthful work environments for employees, including necessary health and first-aid facilities and endeavors to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company organizes education and training on safety and health for employees on a regular basis.

Article 21 The Company shall create an environment conducive to the development of employees' careers and establish effective training programs to foster career skills.

The Company shall [stipulate and implement reasonable employee benefit policy \(including remuneration, leave and other welfare\)](#) and appropriately reflect the corporate 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.

Article 22 The Company shall establish a regular communication and dialog channel for employees, allowing them to have the right to obtain relevant information on and express their opinions on the Company's operating activities 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 employer, employees and employee representatives.

The Company shall, by reasonable means, notify employees of or publicize the change in operation that might have material impacts.

In the event of failure in doing so before the change, publication or notice shall be made immediately after the change.

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. Said company shall also develop the relevant strategies and specific measures for implementation.

Article 23 The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and service procedures, the Company shall ensure the transparency and safety of its products and services information; and shall establish and disclose in public its policies on consumer rights and interests, and enforce them in the course of operating activities, in order to prevent the products or services from damage to the rights, interests, health, or safety of consumers.

Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industry.

[In relation to the customer's health, safety, privacy and being marketing and labeling the Company's products and services, the](#)
The Company shall follow relevant laws, regulations and international guidelines and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25 The Company shall from time to time 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 shall provide a clear and effective consumer complaint procedure for its products and services, and fairly and

timely handle consumer complaints, and shall comply with relevant laws and regulations such as the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26 The Company shall evaluate the impact of its procurement acts on the environment and society of the community of supply source, and shall cooperate with its suppliers to jointly implement the corporate social responsibility.

[The Company shall stipulate the vendors management policy and request its vendors to comply with the related regulations in relation to environment protection, occupational safety and health or labor rights.](#) Prior to engaging in commercial dealings, the Company shall evaluate whether there is any record of a supplier's impact on the environment and society, and shall avoid conducting transactions with those against corporate social responsibility policy of the Company.

When the Company enters into a contract with any of its major suppliers, the content may include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded at 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 27 The Company shall evaluate the impact of its operations on the community, and adequately employ personnel from the location of its operations, to increase community acceptance.

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

Information

Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which the Company shall disclose includes:

- I. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility, as resolved by the board of directors
- II. The risks and the impact on the Company's operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
- III. Goals and measures for realizing the corporate social responsibility established by the Company, and the performance in implementation thereof.
- IV. Major stakeholders and issues of their concerns.
- V. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
- VI. Other information relating to corporate social responsibility.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports (including corporate social responsibility report, sustainability report or sustainable development report), to disclose the status of its implementation of the corporate social responsibility 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:

- I. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility.
- II. Major stakeholders and issues of their concerns.
- III. Results and a review of the exercising of corporate governance, fostering of a sustainable environment,

preservation of public welfare and promotion of economic development by the Company.

IV. Future improvement directions and goals.

Chapter VI Supplementary Provisions

Article 30 The Company shall at all times monitor the development of domestic and foreign corporate social responsibility related standards and the change of business environment so as to examine and improve its established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 31 These Principles shall be implemented after being resolved by the board of directors, and shall be reported at a shareholders' meeting. The same procedure shall apply for amendment thereto.