



第一化成控股（開曼）股份有限公司  
IKKA HOLDINGS(CAYMAN) LIMITED

## **Sustainable Development Code of Practice**

### **Chapter I General Provisions**

#### **Article 1**

In order to assist listed companies in fulfilling their corporate social responsibilities and promoting economic, environmental and social progress, and to achieve the goal of sustainable development, the Taiwan Stock Exchange Corporation (hereinafter referred to as the Stock Exchange) and the GreTai Securities Market of the Republic of China (hereinafter referred to as the GreTai Securities Market) have jointly formulated this Code of Practice for compliance.

Listed companies should refer to this Code to establish their own sustainable development codes to manage their economic, environmental and social risks and impacts.

#### **Article 2**

This Code applies to listed companies and its scope includes the overall operating activities of the company and its group companies.

This Code encourages listed companies to actively practice sustainable development while engaging in business operations in line with international development trends, and to enhance national economic contributions, improve the quality of life of employees, communities, and society through corporate citizenship, and promote competitive advantages based on sustainable development.

#### **Article 3**

The Company promotes sustainable development and shall pay attention to the interests of stakeholders. While pursuing sustainable management and profits, it shall attach importance to environmental, social and corporate governance factors and incorporate them into the Company's management policies and operational activities.

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

#### **Article 4**

The Company shall implement its corporate social responsibility in accordance with the following principles:

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

#### **Article 5**

The company should consider the development trend of domestic and international sustainable development issues and their relevance to the core business of the enterprise, the impact of the company itself and its group of enterprises' overall operations on stakeholders, etc., formulate sustainable development policies, systems or related management guidelines and specific

promotion plans, and submit a report to the shareholders' meeting after approval by the board of directors.

When shareholders propose proposals related to sustainable development, the company's board of directors should consider including them as shareholders' meeting proposals.

## **Chapter II Implementation of Corporate Governance**

### **Article 6**

The Company shall abide by the Code of Governance Practice for Listed and OTC Companies, the Code of Integrity for Listed and OTC Companies and the Reference Model for Establishing Ethical Codes of Conduct for Listed and OTC Companies, establish an effective governance structure and relevant ethical standards to improve corporate governance.

### **Article 7**

The directors of the Company shall fulfill their duty of care as good managers, supervise the company to practice sustainable development, and review the effectiveness of its implementation and continuous improvement at any time to ensure the implementation of the sustainable development policy.

When promoting the company's sustainable development goals, the board of directors of the company should fully consider the interests of stakeholders and include the following matters:

1. Propose a sustainable development mission or vision and formulate sustainable development policies, systems or related management guidelines.
2. Incorporate sustainable development into the company's operational activities and development direction, and approve specific plans to promote sustainable development.
3. Ensure the timeliness and accuracy of disclosure of information related to sustainable development.

The board of directors shall authorize senior management to handle economic, environmental and social issues arising from the company's operations and report the handling status to the board of directors. The operation process and the relevant responsible personnel shall be clearly defined.

### **Article 8**

The Company shall regularly hold educational training to promote sustainable development, including the promotion of matters such as the second paragraph of the preceding article.

### **Article 9**

In order to improve the management of sustainable development, the Company shall establish a governance structure to promote sustainable development and set up a dedicated (or part-time) unit to promote sustainable development, which shall be responsible for the formulation and implementation of sustainable development policies, systems or related management guidelines and specific promotion plans, and report to the Board of Directors on a regular basis.

The company should formulate a reasonable salary and remuneration policy to ensure that the compensation planning is in line with the organization's strategic goals and the interests of stakeholders.

The employee performance appraisal system should be combined with the sustainable development policy, and a clear and effective reward and punishment system should be established.

### **Article 10**

The Company shall respect the rights and interests of stakeholders, identify the Company's stakeholders, and set up a stakeholder area on the Company's website; understand the reasonable expectations and needs of stakeholders through appropriate communication methods, and appropriately respond to important sustainable development issues of concern to them.

## **Chapter 3 Developing a Sustainable Environment**

#### Article 11

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

#### Article 12

The company should strive to improve energy efficiency and use recycled materials with low impact on the environment so that the earth's resources can be used sustainably.

#### Article 13

The company should establish an appropriate environmental management system based on its industry characteristics. The system should include the following items: 1. Collect and evaluate sufficient and timely information on the impact of operating activities on the natural environment.

2. Establish measurable environmental sustainability goals and regularly review their sustainability and relevance. 3. Formulate specific plans or action plans and other implementation measures, and regularly review their effectiveness.

#### Article 14

The company should establish a dedicated environmental management unit or 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

The Company shall consider the impact of its operations on ecological benefits, 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 of its operations on the natural environment and humans:

1. Reduce resource and energy consumption of products and services.
2. Reduce the emission of pollutants, toxic substances and waste, and properly dispose of waste.
3. To enhance the recyclability and reuse of raw materials or products.
4. To maximize the sustainable use of renewable resources.
5. Extend the durability of the product.
6. Increase the effectiveness of products and services.

#### Article 16

In order to improve the efficiency of water resource use, the Company shall properly and sustainably utilize water resources and establish relevant management measures.

The Company shall construct and strengthen relevant environmental protection and treatment facilities to avoid pollution of water, air and land; and make every effort to reduce adverse effects on human health and the environment, and adopt the best feasible pollution prevention and control technology measures.

#### Article 17

The company should assess the potential risks and opportunities that climate change poses to the company now and in the future, and take relevant response measures.

The company should adopt common domestic and international standards or guidelines to conduct corporate greenhouse gas inventory and disclose the information, which should include:

1. Direct greenhouse gas emissions: Greenhouse gas emission sources are owned or controlled by the company.
2. Indirect greenhouse gas emissions: those generated by the use of energy such as imported electricity, heat or steam.
3. Other indirect emissions: emissions generated by company activities that are not energy indirect emissions but come from emission sources owned or controlled by other companies.

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

#### **Chapter IV: Protecting the Public Welfare**

##### **Article 18**

The company should comply with relevant laws and regulations and follow international human rights conventions, such as gender equality, right to work and prohibition of discrimination. right.

In order to fulfill its responsibility to protect human rights, the company should formulate relevant management policies and procedures, which include: 1. Proposing a corporate human rights policy or statement.

2. Evaluate the impact of the company's operations and internal management on human rights and establish corresponding handling procedures. 3. Regularly review the effectiveness of corporate human rights policies or statements.

4. When human rights violations are involved, the procedures for handling the stakeholders involved should be disclosed.

The Company shall comply with internationally recognized labor human rights, such as freedom of association, collective bargaining rights, care for disadvantaged groups, prohibition of child labor, elimination of all forms of forced labor, elimination of employment and employment discrimination, etc., and confirm that its human resources utilization policy does not discriminate based on gender, race, socioeconomic class, age, marital and family status, so as to implement equal and fair employment, employment conditions, remuneration, benefits, training, assessment and promotion opportunities.

For situations that endanger workers' rights, the company should provide an effective and appropriate complaint mechanism to ensure that the complaint process is fair and transparent. The complaint channels should be simple, convenient and unobstructed, and employees' complaints should be responded to appropriately.

##### **Article 19**

The company should provide employees with information so that they understand the labor laws and rights they enjoy in the country where they operate.

##### **Article 20**

The company shall provide employees with a safe and healthy working environment, including providing necessary health and first aid facilities, and strive to reduce factors that endanger the safety and health of employees to prevent occupational hazards.

The company should implement safety and health education and training for employees on a regular basis.

##### **Article 21**

The company should create a good environment for the career development of employees and establish an effective career development training program. The Company shall formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits) and appropriately reflect operating performance or results in employee remuneration to ensure the recruitment, retention and encouragement of human resources and achieve the goal of sustainable operation.

## Article 22

The company should establish channels for regular communication and dialogue with employees so that employees have the right to obtain information and express their opinions on the company's management activities and decisions.

The company shall respect the rights of employee representatives to negotiate regarding working conditions and provide employees with necessary information and hardware facilities to promote negotiation and cooperation between employers, employees and employee representatives.

The Company shall notify employees of operational changes that may have a significant impact on them in a reasonable manner.

#### Article 22-1

The Company shall treat the customers or consumers of its products or services in a fair and reasonable manner, including the principles of fair and honest contracting, duty of care and loyalty, truthful advertising, suitability of goods or services, notice and disclosure, balance between remuneration and performance, protection against complaints, and professionalism of sales personnel, and shall formulate relevant implementation strategies and specific measures.

#### 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 and disclose its consumer rights policy, and implement it in operational activities to prevent products or services from harming consumer rights, health and safety.

#### Article 24

The company should ensure the quality of its products and services in accordance with government regulations and industry-related standards.

The Company shall comply with relevant laws and international standards regarding the health and safety of customers, customer privacy, marketing and labeling of its products and services, and shall not engage in deception, misleading, fraud or any other behavior that undermines consumer trust or harms consumer rights.

#### Article 25

The Company should assess and manage various risks that may cause operational disruptions to reduce their impact on consumers and society.

The Company shall provide a transparent and effective consumer complaint procedure for its products and services, handle consumer complaints fairly and promptly, and comply with relevant laws and regulations such as the Personal Data Protection Act, truly respect consumers' privacy rights, and protect the personal data provided by consumers.

#### Article 26

The Company shall assess the environmental and social impact of its procurement activities on the communities where its suppliers come from, and work with its suppliers to jointly implement corporate social responsibility.

The company should formulate a supplier management policy to require suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights. Before engaging in business dealings, it is advisable to assess whether its suppliers have a record of impacting the environment and society, and avoid transactions with suppliers that conflict with the company's social responsibility policy.

When the Company signs a contract with its major suppliers, the content should include compliance with the corporate social responsibility policies of both parties and the clause that the contract may be terminated or rescinded at any time if the supplier violates the policy and has a significant impact on the environment and society of the supply source community.

#### Article 27

The Company shall assess the impact of its operations on the community and appropriately employ human resources in the location where the Company operates to enhance community



recognition.

The Company shall invest its resources in organizations that solve social or environmental problems through business models, or participate in community development and community education related activities of civic organizations, charitable organizations and government agencies through equity investment, business activities, donations, corporate volunteer services or other public welfare professional services, so as to promote community development.

#### Article 27-1

The Company shall continue to inject resources into cultural and artistic activities or cultural and creative industries through donations, sponsorships, investments, procurement, strategic cooperation, corporate volunteer technical services or other support models to promote cultural development.

#### Chapter 5 Strengthening the Disclosure of Corporate Sustainability Information Article 28

The Company shall disclose information in accordance with relevant laws and regulations and the Code of Corporate Governance Practice for Listed Companies, and shall fully disclose relevant and reliable information related to sustainable development to enhance information transparency.

The company discloses the following information on sustainable development:

1. Sustainable development policies, systems or related management guidelines and specific promotion plans approved by the board of directors.
2. The risks and impacts of implementing corporate governance, developing a sustainable environment, and maintaining social welfare on the company's operations and financial status.
3. The company's goals, measures and implementation performance for sustainable development.
4. Major stakeholders and issues of concern to them.
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 a sustainability report to disclose the status of promoting sustainable development, and shall obtain third-party confirmation or assurance to enhance the reliability of information. The content should include:

1. Implement sustainable development policies, systems or related management guidelines and specific promotion plans.
2. Major stakeholders and issues of concern to them.
3. The company's performance and review in implementing corporate governance, developing a sustainable environment, maintaining social welfare, and promoting economic development.
4. Future improvement directions and goals.

#### Chapter VI Supplementary Provisions Article 30

The Company shall always pay attention to the development of domestic and international sustainable development-related 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 shall be implemented and amended upon resolution of the Board of Directors. This Code was established on September 29, 2020, Republic of China. First revised on May 11, 2022, Republic of China. The second revision was on March 21, 2023

of the Republic of China.