

Wellell Incorporation

Sustainable Development Best Practice Principles

CHAPTER 1 General Principles

Article 1

Wellell Inc. (hereinafter referred to as the Company) hereby formulates this Principles of Conduct to practice sustainable development and promote the balanced and sustainable development of the economy, society, and the environment."

Article 2

While engaging in business operations, the Company will actively practice sustainable development in line with the international trend of balancing the development of the environment, society, and corporate governance. Through corporate citizenship, the Company will enhance the economic contribution of the country, improve the quality of life of its employees, communities, and society, and promote a competitive advantage based on sustainable development.

Article 3

In fulfilling the Company's sustainable development, consideration shall be given to the rights and interests of stakeholders. The Company shall place importance on environmental, social and corporate governance factors and incorporate them into the corporate management guidelines and business operations in its pursuit of sustainable operations and profits.

Article 4

To implement sustainable development initiatives, the company are 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 will comply with laws, regulations and the Articles of Incorporation, and take into consideration the correlation between the development of domestic and international sustainable development issues, and the effect of the operation of individual companies and of their respective business groups, in establishing their policies, systems or relevant management guidelines

CHAPTER 2 Exercising Corporate Governance

Article 6

The Board of Directors shall exercise the due care of good administrators to urge the company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments to ensure the thorough implementation of its sustainable development policies.

Article 7

In order to improve the management of sustainable development, the company may establish dedicated or concurrent unit responsible for proposing and implementing sustainable development policies or systems as necessary and will report to the Board of Directors on a regular basis.

Article 8

The Company respects the rights and interests of its stakeholders, identifies the Company's stakeholders and understands the reasonable expectations and demands of stakeholders through appropriate communication methods and stakeholder participation, and appropriately responds to

important sustainable development issues which they are concerned about.

Article 9

The Company shall establish an effective corporate governance structure and related ethical standards and issues in a timely manner so as to enhance corporate governance.

Article 10

In order to create a level playing field, the Company shall comply with relevant laws and regulations and implement the following measures:

1. Avoid engaging in conduct that violates unfair competition.
2. Fulfilment of tax obligations.
3. Anti-bribery and corruption and establish appropriate management system.
4. Corporate donations are made in accordance with internal operating procedures.

Article 11

The Company shall hold regular training for directors and employees on corporate ethics and promote the foregoing, integrate it with the employee performance appraisal system, and establish a clear and effective system of incentives and disincentives.

CHAPTER 3 Fostering a Sustainable Environment

Article 12

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.

Article 13

The Company will endeavor to enhance the efficiency of resource utilization and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 14

The company takes the responsibility of maintaining environmental management and regularly organizes environmental education courses for management and staff.

Article 15

The Company shall consider the impact of its business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, production, and services in accordance with the following principles to reduce the impact on the natural environment beings from their business operations:

1. Reduce resource and energy consumption of their 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.

Article 16

To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures when necessary. In its operations, the Company shall avoid polluting water, air and land; if it is unavoidable, the Company shall make every effort to minimize adverse effects on human health and the environment, considering cost-effectiveness, technical and financial feasibility. The Company shall adopt the best practicable pollution prevention and control techniques.

Article 17

The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.

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 GHG Emissions: emissions from operations that are owned or controlled by the company.
2. Indirect GHG Emissions: emissions resulting from the utilization of energy such as imported electricity, heating, or steam.

The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

CHAPTER 4 Preserving Public Welfare

Article 18

The Company shall comply with relevant labor laws and regulations, protect the legitimate rights and interests of employees, and respect the internationally recognized basic labor rights principles, avoiding any actions that harm basic rights of workers. The Company's human resources policy shall respect the basic labor rights protection principles and establish appropriate management methods and procedures. The Company will implement employment policies that do not discriminate based on gender, race, age, marriage, or family status.

Article 19

The Company shall provide information for employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20

The Company is advised to provide safe and healthful work environments for their 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 their employees on a regular basis.

Article 21

The Company shall create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills. The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the 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 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, 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 23

The Company shall take responsibility for their products and services and take marketing ethics seriously. They further shall establish and disclose policies on consumer rights and interests and enforce them in the course of business operations.

Article 24

The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries. The Company shall follow relevant laws, regulations and international guidelines regarding customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services 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 provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26

The Company shall assess the impact their procurement has on society as well as the environment of the community that they are procuring from and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.

The Company shall establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. 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 enters 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 27

The Company shall 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 shall participate in community development through commercial activities, donations, corporate volunteer, or other professional services, engaging in relevant activities organized by civic organizations, charities, and local government agencies to promote community growth.

CHAPTER 5 Enhancing Disclosure of Sustainable Development Information

Article 28

The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency.

Article 29

The Company will make continuous efforts in the direction of preparing a sustainability report in a timely manner and disclose the Company's promotion of sustainable development in a timely manner.

CHAPTER 6 Supplementary Provisions

Article 30

The Company shall continuously monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the promotion of the sustainable development policy.

Article 31

This Principle shall be implemented upon approval by the Board of Directors and reported to the Shareholders' Meeting. The same procedure applies to any amendments.

Article 32

This Principle was formulated on 4 May 2017, in the Republic of China.

This Principle was revised for the first time on 5 May 2021

This Principle was revised for the second time on 11 May 2022