

Emerging Display Technologies Corp.

Corporate Social Responsibility Practice Principles

ver.2

Chapter 1 General Principles

- Article 1 In order to fulfill our corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purpose of sustainable development, we follow "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies" adopted by Taiwan Stock Exchange Corporation ("TWSE") and GreTai Securities Market ("GTSM") to promulgate this corporate social responsibility practice principles.
- Article 2 The principles apply to the entire operations of our business group. We actively fulfill our corporate social responsibility in the course of our business operations so as to follow international development 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 responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.
- Article 3 In fulfilling corporate social responsibility initiatives, we shall, in our corporate management guidelines and business operations, give due consideration to the environment, society and corporate governance while giving due consideration to the rights and interests of stakeholders and pursuing sustainable operations and profits.
- Article 4 To implement corporate social responsibility initiatives, we follow the principles below:
1. Exercise corporate governance.
 2. Foster a sustainable environment.
 3. Preserve public welfare.
 4. Enhance disclosure of corporate social responsibility information.
- Article 5 We take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual companies and of our respective business group as a whole on stakeholders, in establishing our policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs.
When a shareholder proposes a motion involving corporate social responsibility, our board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

- Article 6 We follow 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 to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.
- Article 7 We examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of our corporate social responsibility policies.
We have given full consideration to the interests of stakeholders, including the following matters, in our performance of corporate social responsibility initiatives:
1. Identifying our corporate social responsibility mission or vision, and declaring our corporate social responsibility policy, systems or relevant management guidelines;
 2. Making corporate social responsibility the guiding principle of the company's operations and development; and
 3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.
- Article 8 We shall, on an irregular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.
- Article 9 For the purpose of managing corporate social responsibility initiatives, we establish a concurrently dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems or relevant management guidelines. We adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders. We also make efforts in combining the employee performance evaluation system with corporate social responsibility policies, and establishing a clear and effective incentive and discipline system.
- Article 10 We, based on respect for the rights and interests of stakeholders, identify our stakeholders, and establish a designated section for stakeholders on our website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 11 We follow relevant environmental laws, regulations and international standards, endeavor to protect the environment, and promote a sustainable environment when engaging in internal and external business operations.

Article 12 We continually improve to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13 We establish proper environment management systems based on the characteristics of our industries. The contents of such systems include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of our business operations on the natural environment.
2. 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.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of our operation on a regular basis.

Article 14 We shall establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and hold environment education courses for our managerial officers and other employees on a periodic basis.

Article 15 We avoid the effect of business operations on ecological efficiency, continually advocate and promote 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 on the natural environment and human beings from our business operations:

1. Reduce resource and energy consumption of our 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, we believe in sustainably using water resources and establish relevant management measures.

We construct and improve environmental protection treatment facilities to avoid polluting water, air and land, use our best efforts to reduce adverse impact on human health and the environment, and adopt the best practical pollution prevention and control measures.

Article 17 We 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 include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by us.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.

We monitor the impact of climate change on our operations and establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon our operations and the result of a greenhouse gas inventory. Such strategies include obtaining carbon credits to promote and minimize the impact of our business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 18 We 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 the responsibility to protect human rights, we adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of our business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, we shall disclose the processes for handling of the matter with respect to the stakeholders involved.

We comply with the internationally recognized human rights of labor, 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, eliminating recruitment and employment discrimination, and shall ensure that our 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.

We 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 are clear, convenient, and unobstructed. We respond to any employee's grievance in an appropriate manner.

Article 19 We provide information for our employees so that the employees have knowledge of the labor laws and their rights they enjoy in the countries where the companies have business operations.

Article 20 We provide safe and healthful work environments for our employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

We shall organize training on safety and health for our employees on a regular basis.

Article 21 We shall create an environment conducive to the development of our employees' careers and establish effective training programs to foster career skills. Also, we appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22 We have established 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.

We respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

We, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1 We treat customers or consumers of our 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. We shall also develop the relevant strategies and specific measures for implementation.

Article 23 We take responsibility for our products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, sales, services, and so on, we ensure the transparency and safety of our products and services.

Article 24 We ensure the quality of our products and services by following domestic and foreign laws and regulations when marketing or labeling our products or services.

Article 25 We assess the impact our procurement has on society as well as the environment of the community that we are procuring from, and shall cooperate with our suppliers to jointly implement the corporate social responsibility initiative. Prior to engaging in commercial dealings, we 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 we enter into a contract with any of our major suppliers, the content may 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 25-1 We shall evaluate the impact of our business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

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

Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Article 26 We disclose information according to the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies, relevant laws and regulations, and fully disclose relevant and reliable information relating to our corporate social responsibility initiatives to improve information transparency.

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

1. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
2. Goals and measures for realizing the corporate social responsibility initiatives established by the companies, and performance in implementation.
3. Major stakeholders and their concerns.
4. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
5. Other information relating to corporate social responsibility initiatives.

Article 26-1 We adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of our 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 shall include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 27 We at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve our established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.