

# **BES Engineering Corporation**

## **Sustainable Development Best Practice Principles**

### **Chapter I General Principles**

#### **Article 1**

To fulfill its corporate social responsibility, BES Engineering Co., Ltd. (hereinafter, "the Company") based on the business philosophy of "Creating value to be used by the society", promotes economic, social and environmental development to achieve the objective of sustainable growth of the company. The Principles are established in accordance with "Sustainable Development Best Practice Principle for TWSE/GTSM Listed Companies" and other relevant regulations.

#### **Article 2**

To actively fulfill sustainable development, the Company shall pay attention to land acquisition, green buildings and the environmental impact of engineering development, to contribute to the economic development of the country, to improve the quality of life of employees, the community and society, and to enhance competitive edges built on sustainable development.

#### **Article 3**

In promoting sustainable development, the Company shall, in its corporate management guidelines and business operations, 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.

#### **Article 4**

To implement sustainable development, the Company shall follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of sustainable development information.

#### **Article 5**

The Company shall take into consideration the correlation between the development of domestic and international sustainable development principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies,

systems or relevant management guidelines, which shall be approved by the Board of Directors.

## **Chapter 2 Exercising Corporate Governance**

### **Article 6**

The Company follows the " Corporate Governance Best Practice Principles ", " Ethical Corporate Management Best Practice Principles" and "Code of Conduct for All Personnel" to establish an effective corporate governance framework and related ethical standards and matters to enhance corporate governance.

### **Article 7**

The Board of Directors of the Company shall exercise the due care of good administrators to review the results of its sustainable development and to give consideration to the interests of stakeholders so as to ensure the thorough implementation of its sustainable development policies, including:

1. Declaring the Company's sustainable development policy, systems or relevant management guidelines;
2. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development;
3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

### **Article 8**

For the purpose of managing sustainable development, the Company shall establish the Sustainable Development Committee and report to the Board of Directors on a periodic basis.

### **Article 9**

Based on respect for the rights and interests of stakeholders, the Company identifies stakeholders of the company, and understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

## **Chapter 3 Fostering a Sustainable Environment**

### **Article 10**

The Company shall follow relevant environmental regulations to properly protect the nature environment, and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

**Article 11**

The company is committed to improving energy efficiency, and using recycled raw materials with low impact on the environment, so that the earth's resources can be used sustainably.

**Article 12**

The Company shall establish proper environment management systems, which shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and regularly review them from the perspectives of persistence and relevance.
3. Developing action plans and regularly reviewing the performance of the plans.

**Article 13**

The Safety and QC Department of the Company is responsible for developing and maintaining relevant environmental management systems, and should hold environmental education trainings on a regular basis.

**Article 14**

To take the impact of operations on ecological benefits into account, promote and advocate the concept of sustainable consumption, the Company engages in operating activities, such as land acquisition and development, urban renewal and industrial zone development, in accordance with the following principles to reduce the operation impact on the natural environment and humans:

1. Reduce resource and energy consumption of products and services.
2. Reduce emission of pollutants, toxins and waste, and properly dispose of waste.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.

**Article 15**

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

The Company constructs and improves environmental protection treatment facilities in a timely manner to avoid polluting water, air and land.

**Article 16**

The company shall conduct the following categories 1 and 2 of corporate greenhouse gas (GHG) inventory and disclose them in accordance with the standards or guidelines

commonly used in Taiwan and abroad; for corporate GHG inventory categories 3 to 6, major indirect emission sources are identified and then their emissions are to be disclosed.

Category 1: Direct GHG emissions and removals.

Category 2: Indirect GHG emissions from imported energy.

Category 3: Indirect GHG emissions from transportation.

Category 4: Indirect GHG emissions from products used by the Company.

Category 5: Indirect GHG emissions associated with the use of products from the Company.

Category 6: Indirect GHG emissions from other sources.

## **Chapter 4 Preserving Public Welfare**

### **Article 17**

The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, such as gender equality, the right to work, and prohibition of discrimination. 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 grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall respond to employee's grievance timely.

### **Article 18**

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 Company has business operations.

### **Article 19**

The Company shall provide necessary health and first-aid facilities, and shall endeavor to curb dangers to employees' safety and health to prevent occupational accidents. The Company shall regularly implement safety and health educational training or advocacy for employees.

### **Article 20**

The Company shall create an environment conducive to the development of their employees' careers, and provide training programs to foster career skills. The Company shall 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 21**

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, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

### **Article 22**

The Company shall treat customers or consumers of its products or services in a fair and reasonable manner, including fairness and good faith in contracting, protection of the right to complain, and professionalism of salespersons. The Company shall prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers. .

### **Article 23**

The Company shall prioritize cooperation with suppliers that have green environmental protection labels or certified by relevant agencies as non-toxic and harmless, and work together to implement corporate social responsibility. Before selecting a supplier, the Company shall assess whether there is any record of supplier's negative impact on the environment and society, and avoid conducting transactions with those against sustainable development policy. When signing a contract with a major supplier, it should include compliance with the sustainable development policy of both parties, and if the supplier violates relevant policy and has a significant impact on the environment and society, the contract should be terminated.

### **Article 24**

The Company shall evaluate the impact of the company's development on the community, and take timely measures to reduce the impact on the environment or give back to community to enhance community acceptance.

## **Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information**

### **Article 25**

In accordance with relevant laws and regulations and the Corporate Governance Best Practice Principles for the Company, the company fully discloses relevant and reliable sustainable development related information in an open manner to enhance information transparency.

Relevant information relating to sustainable development which the Company shall disclose

includes:

1. The policy, systems or relevant management guidelines for sustainable development, as resolved by the Board of Directors.
2. 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.
3. The company's promotion goals, measures and implementation performance for sustainable development
4. Major stakeholders and their concerns.
5. Other information relating to sustainable development.

#### **Article 26**

The Company shall adopt internationally widely recognized standards or guidelines for the sustainable development reports, to disclose the promoting status of sustainable development, and toward obtain a third-party assurance or verification for the reports to enhance the reliability of the information.

### **Chapter 6 Supplementary Provisions**

#### **Article 27**

The Company shall monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve the established sustainable development framework, and to enhance the performance of promoting sustainable development.

#### **Article 28**

The Principles shall come into force by the resolution of approval of the Board of Directors, and the same procedure applies to subsequent amendments.