

ITE Tech Inc

Sustainable Development Best Practice Principles

Chapter 1 General Provisions

Article 1

In order to fulfill the corporate social responsibility initiatives and to promote economic, social and environmental advancement for purpose of sustainable development, the Company has formulated the Best Practice Principles to be followed.

Article 2

The Principles applies to the Company and its subsidiaries, including the entire operations of each such company and its business group.

The Principles encourages the Company to actively fulfill sustainable development in the course of the business operations so as to follow international development trends and to enhance its contribution to the country's economic, improve the quality of life of employees, community and society by acting as responsible corporate citizens, and enhance competitive edges built on sustainable development.

Article 3

The Company shall pay attention to the rights and interests of stakeholders when promoting its sustainability. While pursuing sustainable operation and profitability, the Company should give due consideration to the environment, society and corporate governance into the Company's management and business operations. The Company shall in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

Article 4

To implement sustainable development initiatives, the Company should follow the principles below:

1. Exercise corporate governance
2. Develop a sustainable environment.
3. Safeguard social welfare.
4. Strengthen the disclosure of corporate sustainable development information.

Article 5

The Company shall take into consideration the relevant development trends of domestic and international sustainable development issues as well as the core business operations of the Company and the group, and the effect of the operation of individual companies and of the respective business groups as a whole on stakeholders, in establishing the policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a proposal involving sustainable development, the company's board of directors may review and consider it in the shareholders meeting agenda.

Chapter 2 Implementation of Corporate Governance

Article 6

The Company should follow the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX 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 the due diligence 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 so as to ensure the thorough implementation of its sustainable development policies.

The board of directors of the Company should fully consider the interests of stakeholders, including the following matters, in the company's furtherance of its sustainable development objectives:

1. Propose the Company's sustainable development mission or vision, and formulate the Company's sustainable development policy, systems or relevant management guidelines;
2. Incorporate sustainable development into the Company's operations and development, and ratify concrete promotional plans for sustainable development initiatives;
3. Ensure the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the Company's business operations, and 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 shall, on a regular basis, organize education and training on the performance of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9

For the purpose of managing sustainable development initiatives, the Company should establish a governance structure for promotion of sustainable development, and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

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

The employee performance evaluation system should be combined with the sustainable development policy, and

that a clear and effective incentive and discipline system be established.

Article 10

The Company shall, based on respect the rights and interests of stakeholders, identify stakeholders of the Company, and establish a designated section for stakeholder on the Company's website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important of their concerns for sustainable development issues.

Chapter 3 Developing a Sustainable Environment

Article 11

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

Article 12

The Company should endeavor to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources on the earth.

Article 13

The Company shall establish proper environment management systems. Such systems shall include the following tasks:

1. Collect sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establish 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. Formulate enforcement measures such as concrete plans or action plans, and examine the results of the operation on a regular basis.

Article 14

The company should establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for the managerial officers and other employees on a periodic basis.

Article 15

The Company should take into account the effect of business operations on ecological efficiency, 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 the Company's business operations on the natural environment and human beings:

1. Reduce resource and energy consumption for the products and services generated.
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

The Company shall properly and sustainably use water resources to improve water use efficiency, and shall establish relevant management measures. The company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and strive to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17

The Company should evaluate the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related countermeasures.

The Company should adopt domestic and international standards or guidelines to carry out enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: the source of greenhouse gas emissions is owned or controlled by the Company.
2. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as acquired electricity, heating, or steam.
3. Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but come from other sources of emissions owned or controlled by the Company.

The Company should 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 Company's carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of the Company's business operations on climate change.

Chapter 4 Safeguarding Social Welfare

Article 18

The Company shall comply with relevant laws and regulations, and the international Bill of Human Rights, with respect to rights of gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility in protecting human rights, shall adopt relevant management policies and processes, including:

1. Present a corporate policy or statement on human rights.
2. Evaluate the impact of the company's operating activities and internal management on human rights, and formulate corresponding operating procedures.
3. Review regularly the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the company shall disclose the operating procedures for handling of the matter with respect to the stakeholders involved.

The Company shall 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 ensure that the 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. The company shall respond to any employee's grievance in an appropriate manner.

Article 19

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

Article 20

The Company should 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 should organize training on safety and health for their employees on a regular basis.

Article 21

The Company creates an environment conducive to the development of the employees' careers, and establish effective training programs to foster their career skills.

The Company shall formulate and implement reasonable employee welfare measures (including remuneration, leave, welfare, etc.) and appropriately reflect the business performance or achievements in the employee remuneration in order to ensure the recruitment, retention, and motivation of human resources, and to achieve the objective of sustainable operations.

Article 22

The company shall establish a channel to facilitate regular two-way communication between the management and the management and the employees for the employees to obtain relevant information 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 between employers and employees or employee representatives.

The company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1

The company should treat customers or consumers of its products or services in a fair and reasonable manner, including 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 remuneration and performance, protection of the right to complain, professionalism of salespersons etc. with the relevant strategies and specific measures for implementation formulated.

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 services, the Company shall ensure the transparency and safety of the products and services provided. The Company shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24

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

The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, the products and services provided, and shall not deceive, mislead, commit fraud or engage in any other acts that would betray consumers' trust or damage consumers' rights or interests.

Article 25

The Company should evaluate and manage all types of risks that could cause interruptions in operations, in order to reduce the impact on consumers and society.

The Company should provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, and should comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and should protect personal data provided by consumers.

Article 26

The Company should evaluate the impact of its procurement on society as well as the environment of the community that they are procuring from, and shall cooperate with the suppliers to jointly implement the corporate social responsibility.

The Company should formulate 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 should evaluate 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 its 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 in order to enhance community acceptance.

The Company should, 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.

Article 27-1

The Company should dedicate resources to cultural and art activities or the cultural and creative industry constantly through donations, sponsorships, investments, procurements, strategic cooperation, corporate volunteering of technical support, or other supporting means, to promote cultural development.

Chapter 5 Enhancing CSR Information Disclosure

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.

The Company should have the relevant information relating to sustainable development disclose as follows:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
2. The risk and the impact on the corporate operation and financial condition arising from exercising corporate governance, fostering a sustainable environment and safeguarding social welfare.
3. Goals and measures for promoting the sustainable development initiatives established by the Company, and performance in implementation.
4. Major stakeholders and their concerns.
5. Disclose of information on major suppliers' management and performance with respect to major environmental and social issues.
6. Other information relating to sustainable development initiatives.

Article 29

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

The reports should include:

1. The policy, systems, or relevant management guidelines, and concrete promotion plans for sustainable development initiatives.
2. Major stakeholders and their concerns.
3. The Company's performance results and a review of the exercising of corporate governance, fostering of a

sustainable environment, safeguard of public welfare and promotion of economic development.

4. Future improvements and goals.

Chapter 6 Appendix

Article 30

The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment in order to examine and improve the Company's sustainable development system, and to obtain better results from the promotion of the sustainable development policy.

Article 31

This Principles were adopted by the 11th meeting of the 10th Board of Directors on May 3, 2011.