

Shinkong Synthetic Fibers Corporation

Sustainable Development Committee Organizational Charter

(Approved by the Board of Directors on August 6, 2024)

Article 1 (Purpose and Legal Basis)

To implement the Company's sustainable development objectives and strengthen sustainability governance, the Company hereby establishes the Sustainable Development Promotion Committee (hereinafter referred to as the "Committee") in accordance with Paragraph 3 of Article 27 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Paragraph 1 of Article 9 of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and formulates this Organizational Charter (hereinafter referred to as the "Charter") for compliance.

Article 2 (Scope of Application)

Matters concerning the number of members, term of office, authorities, meeting rules, and resources to be provided by the Company when the Committee exercises its authority shall be governed by this Charter, unless otherwise provided by applicable laws, regulations, or the Articles of Incorporation.

Article 3 (Public Disclosure)

The Company shall post the contents of this Charter on the Company's website and the Market Observation Post System for public reference.

Article 4 (Composition of the Committee, Promotion Units, and Execution Units)

The Committee shall consist of no fewer than three members, who shall be appointed by resolution of the Board of Directors. Committee members shall possess professional knowledge and capabilities in corporate sustainability.

If the Company has independent directors, at least two members of the Committee shall be independent directors, and an independent director shall be elected by all members to serve as the convener and chairperson of meetings.

Depending on the Company's scale, industry characteristics, or other circumstances conducive to sound sustainable development management, the Company may establish a dedicated or concurrent sustainability unit and may appoint senior executives to serve as Chief Sustainability Officer or executive members to ensure the promotion of sustainability-related work.

The Chief Sustainability Officer or a person holding an equivalent position may, based on the needs of sustainability work of various departments, form cross-departmental teams to execute sustainability affairs.

Article 5 (Term of Office and Replacement of Committee Members)

The Committee shall consist of three members appointed by resolution of the Board of Directors. If the Company has independent directors, at least two members of the Committee shall be independent directors, and at least one independent director shall have professional expertise in finance, insurance, accounting, or finance-related fields. An independent director shall be elected by all members to serve as the convener and chairperson of meetings.

The term of office of Committee members shall be the same as that of the Board of Directors that appointed them. If a member is dismissed for any reason resulting in fewer than three members, the Company shall convene a Board meeting to appoint replacements within three months from the date of occurrence.

Article 6 (Authorities of the Committee, Promotion Units, and Execution Units)

Under the authorization of the Board of Directors, the Committee shall exercise the duty of care of a prudent administrator and faithfully perform the following authorities and report to the Board of Directors:

1. Formulating, promoting, and strengthening the Company's sustainable development policies, annual plans, and strategies.
2. Reviewing, tracking, and revising the implementation status and effectiveness of sustainable development initiatives.
3. Supervising sustainability information disclosure matters and reviewing sustainability reports.
4. Supervising the implementation of the Company's Sustainable Development Best Practice Principles or other sustainability-related matters resolved by the Board of Directors.

Dedicated or concurrent sustainability units shall assist the Committee in promoting various plans, covering the following task groups, and shall report the implementation status of sustainable development to the Committee:

(1) Corporate Governance Group:

Responsible for compliance with corporate governance laws and regulations, reducing potential operational risks, avoiding financial and reputational losses, strengthening management structure, improving corporate governance evaluation performance, establishing stakeholder communication mechanisms, and complying with sustainability information disclosure regulations and international standards to fully disclose material and reliable sustainability information and achieve sustainable development objectives.

(2) Green Environment Group:

Responsible for environmental management systems, compliance with environmental laws and international standards, assessment of sustainability transformation, improvement of resource efficiency, climate change response mechanisms, establishment of dedicated environmental management units or personnel, promotion of carbon reduction and net-zero strategies, low-carbon energy transition, and achievement of energy-saving, waste-reduction, and pollution-free ecological environments and certifications.

(3) Employee Care Group:

Responsible for formulating human rights management policies and procedures, compliance with human rights laws and international standards, establishment of internal and external communication mechanisms for all members of the organization and key value chain members, reasonable compensation policies, employee performance evaluation systems and training, promotion of employee care, implementation of human rights policies, diversity, equity and inclusion, sustainable talent development, and safe working environments.

(4) Social Contribution Group:

Responsible for promoting community development and cultural development, caring for local communities, supporting disadvantaged groups, and participating in stakeholder and environmental quality improvement projects to achieve sustainable operations.

(5) Product Responsibility Group:

Responsible for expanding green product promotion, reducing environmental impact, promoting circular economy development, and enhancing sustainable consumption awareness.

(6) Supply Chain Management Group:

Responsible for establishing sound supply chain systems and collecting, assisting, and supervising corporate social responsibility and low-carbon requirements of suppliers.

Cross-departmental teams shall execute the tasks of the foregoing groups, consolidate implementation plans or other sustainability-related affairs, and report implementation results to the sustainability units or the Committee.

Article 7 (Meeting Convening and Convener)

The Committee shall convene at least one meeting annually and may convene meetings as needed. Meeting notices shall state the reasons for convening and be delivered to Committee members at least seven days in advance, unless in emergency circumstances. Notices may be given in writing or electronically.

An independent director elected by all members shall serve as the convener and chairperson of meetings. If the convener is on leave or unable to convene meetings, another independent director designated by the convener shall act as proxy. If no proxy is designated, another member shall be elected by the Committee to act as proxy.

Article 8 (Agenda and Attendance)

Meeting agendas shall be determined by the convener, and other members may propose agenda items for discussion. Agendas shall be provided to Committee members in advance.

The Company shall prepare an attendance register for Committee meetings for members to sign.

Members shall attend meetings in person. If a member is unable to attend in person, a power of attorney specifying the scope of authorization may be issued for each meeting to authorize another member to attend as proxy; however, each member may represent only one other member. Attendance via video conference shall be deemed in-person attendance.

Article 9 (Resolution Method)

Unless otherwise provided by laws, regulations, the Articles of Incorporation, or this Charter, resolutions of the Committee shall require the consent of more than one-half of all members.

Where the chairperson inquires and no objection is raised, the proposal shall be deemed approved with the same effect as a vote. Resolution results shall be reported on-site and recorded.

Article 10 (Recusal Due to Conflicts of Interest)

Where a Committee member has a personal interest in a matter on the meeting agenda, the member shall explain the material aspects of such interest. If there is a risk of prejudice to the Company's interests, the member shall not participate in discussion or voting, shall recuse himself or herself, and shall not exercise voting rights on behalf of other members.

Where a member's spouse or relatives within the second degree of consanguinity have an interest in the matter, the member shall be deemed to have a personal interest.

If recusal results in the Committee being unable to adopt a resolution, the matter shall be reported to the Board of Directors for resolution.

Article 11 (Minutes)

Minutes shall be prepared for Committee meetings and shall accurately record the following:

1. Meeting session (or year) and time and venue.
2. Name of the chairperson.
3. Attendance status of members, including names and numbers of those present, on leave, or absent.
4. Names and titles of non-voting attendees.
5. Name of the recorder.
6. Report matters.
7. Discussion matters: resolution methods and results, names of members with conflicts of interest, explanation of material aspects of such interests, reasons for recusal or non-recusal, recusal status, and dissenting or qualified opinions.

8. Extraordinary motions: proposer's name, resolution methods and results, summary of statements by members, experts, and other attendees, conflicts of interest information, recusal status, and dissenting or qualified opinions.

9. Other matters required to be recorded.

Attendance registers and audio-visual materials from video conferences shall form part of the minutes.

Minutes shall be signed or sealed by the chairperson and recorder, distributed to Committee members within twenty days after the meeting, reported to the Board of Directors, included among the Company's important records, and preserved for five years. Minutes may be prepared and distributed electronically.

If litigation arises before the expiration of the preservation period, relevant records shall continue to be preserved until the conclusion of the litigation.

Article 12 (Handling of Committee Resolutions)

For matters resolved by the Committee pursuant to Article 6, or subsequent execution work following the appointment of professionals pursuant to Article 13, the Committee may authorize the convener or other members to continue handling such matters. Written reports shall be submitted to the Committee during execution, and where necessary, such matters shall be submitted to the next Committee meeting for ratification or reporting.

Article 13 (Resources for Exercising Authority)

When convening meetings, the Committee may invite the Company's directors, relevant department managers, internal auditors, CPAs, legal counsel, or other personnel to attend meetings and provide necessary information; however, such persons shall withdraw during discussion and voting.

The Committee may, by resolution, engage attorneys, CPAs, or other professionals to conduct necessary audits or provide consultation related to the exercise of its authority, with relevant expenses borne by the Company.

Article 14 (Implementation)

This Charter shall be implemented upon approval by the Board of Directors. The same shall apply to any amendments.