

# Advanced Analog Technology, Inc.

## Sustainable Development Best Practice Principle

### Chapter 1 General Provisions

- Article 1 The Company, in order to practice corporate social responsibility and promote progress in the economic, environmental, and social aspects to achieve sustainable development, has established this Practical Code of Sustainable Development (hereinafter referred to as “this Code”) to manage its risks and impacts on the economy, environment, and society.
- Article 2 This Code covers the overall operational activities of the Company and its group enterprises. It serves as the Company’s guideline to actively pursue sustainable development while conducting business, in line with international trends, and to enhance its role as a responsible corporate citizen—thereby contributing to the national economy, improving the quality of life for employees, communities, and society, and promoting a competitive advantage grounded in sustainable development.
- Article 3 In promoting sustainable development, the Company should pay attention to the rights and interests of its stakeholders. While pursuing sustainable operations and profitability, it should emphasize environmental, social, and corporate governance factors, and integrate these considerations into its management policies and business activities.
- Article 4 The Company should implement sustainable development in accordance with the following principles:
1. Ensure sound corporate governance.
  2. Promote a sustainable environment.
  3. Safeguard social welfare.
  4. Enhance disclosure of corporate sustainability information.
- Article 5 The Company should, taking into account domestic and international trends in sustainable development, the relevance to its core business, and the impact of the Company and its group’s overall operations on stakeholders, establish sustainability policies, systems, or related management guidelines, as well as specific implementation plans.

### Chapter 2 Implementation of Corporate Governance

- Article 6 The company should follow the Corporate Governance Practice Guidelines for Listed Companies, the Code of Ethical Business Conduct for Listed Companies, and the Model Code of Conduct for Listed Companies, establishing an effective governance structure and relevant ethical standards to ensure sound corporate governance.
- Article 7 Company directors shall exercise the duty of care of a prudent manager, supervise the implementation of sustainable development, and regularly review and improve its effectiveness to ensure the fulfillment of the company's sustainable development policies.
- When promoting sustainable development, the board of directors should fully consider the interests of stakeholders and include the following:
1. Formulate the company's sustainable development mission or vision, and establish sustainable development policies, systems, or relevant management guidelines.
  2. Integrate sustainable development into the company's operational activities and strategic direction, and approve concrete plans for its implementation.
  3. Ensure the timeliness and accuracy of information disclosure related to sustainable development.
- Article 8 The company should establish a reasonable compensation policy to ensure that salary and remuneration planning aligns with the organization's strategic objectives and the interests of stakeholders.
- Article 9 The company should, based on respect for stakeholder rights, identify its stakeholders and establish a dedicated stakeholder section on the company website. Through appropriate communication channels, the company should understand stakeholders' reasonable expectations and needs, and properly respond to their concerns regarding key sustainability issues.

### Chapter 3 Developing a Sustainable Environment

- Article 10 The company shall comply with environmental laws and relevant international standards, appropriately protect the natural environment, and strive to achieve environmental sustainability in its operational activities and internal management.
- Article 11 The company should strive to improve the efficiency of resource utilization and use recycled materials with low environmental impact, so that the Earth's resources can be used sustainably.
- Article 12 The company should consider the ecological impact of its operations, promote the concept of sustainable consumption, and conduct research, procurement,

production, operations, and services according to the following principles to reduce the impact of its business on the natural environment and humanity:

1. Reduce resource and energy consumption in products and services.
2. Minimize emissions of pollutants, toxic substances, and waste, and properly manage waste disposal.
3. Enhance the recyclability and reuse of raw materials or products.
4. Maximize the sustainable use of renewable resources.
5. Extend the durability of products.
6. Improve the efficiency and performance of products and services.

Article 13 To enhance the efficiency of water resource use, the company should manage and utilize water resources sustainably.

The company should strengthen relevant environmental protection and treatment facilities to prevent pollution of water, air, and soil, and make every effort to minimize adverse impacts on human health and the environment by implementing the best available pollution prevention and control technologies.

Article 14 The company should pay attention to the impact of climate change on its operations and promote energy-saving, carbon-reduction, and greenhouse gas mitigation strategies to minimize the effects of its business activities on climate change.

#### Chapter 4 Upholding Social Responsibility

Article 15 The company shall comply with relevant labor laws, including gender equality, the right to work, and the prohibition of discrimination.

The company shall adhere to labor regulations by caring for vulnerable groups, prohibiting child labor, eliminating all forms of forced labor, and preventing employment discrimination. Human resource policies must ensure no differential treatment based on gender, race, social class, age, marital or family status, thereby promoting equality and fairness in employment, working conditions, compensation, benefits, training, performance evaluation, and promotion opportunities.

For situations that may harm labor rights, the company shall provide an effective and appropriate grievance mechanism to ensure the complaint process is fair and transparent. The grievance channel should be simple, convenient, and accessible, and employee complaints should be properly addressed.

Article 16 The company shall provide employees with information to ensure they understand the labor laws of the country in which they operate and the rights to which they are entitled.

Article 17 The company should provide employees with a safe and healthy working

environment, including necessary health and first-aid facilities, and strive to minimize hazards to employee safety and health to prevent occupational accidents. The company should also implement safety and health training programs for employees.

- Article 18 The company should create a favorable environment for employees' career development and establish effective training programs.  
The company should appropriately reflect business performance or results in employee compensation policies to ensure recruitment, retention, and motivation of human resources, thereby achieving the goal of sustainable operations.
- Article 19 The company should establish communication channels with employees, allowing them the right to access information and express opinions regarding the company's management activities and decisions.  
The company should respect employees' right to negotiate on working conditions through their representatives and provide the necessary information and facilities to facilitate consultation and cooperation between the employer, employees, and employee representatives.  
The company should reasonably notify employees of operational changes that may have a significant impact on them.
- Article 20 The company should take responsibility for its products and services and uphold marketing ethics. Its research and development, procurement, production, operations, and service processes should ensure transparency and safety of product and service information, and integrate these principles into business activities to prevent any harm to consumers' rights, health, and safety.
- Article 21 The company should comply with government regulations and industry standards to ensure the quality of its products and services. Marketing and labeling of products and services must follow relevant laws and international standards, and must not engage in any deceptive, misleading, fraudulent, or otherwise trust-damaging actions that could harm consumer rights.
- Article 22 The company should assess and manage various risks that may cause operational disruptions, aiming to minimize their impact on customers and society. The company should also provide transparent and effective customer complaint procedures, handling consumer complaints fairly and promptly. In doing so, it must comply with the Personal Data Protection Act and other relevant regulations, ensuring respect for consumer privacy and protection of personal information provided by customers.
- Article 23 The company should assess the environmental and social impacts of its procurement activities on the communities of its suppliers and collaborate with

suppliers to jointly implement corporate social responsibility. Before engaging in business transactions, the company should evaluate whether potential suppliers have a record of activities that negatively affect the environment or society, avoiding transactions with those that conflict with the company's CSR policies.

- Article 24      The company should appropriately hire local personnel in the areas where it operates to enhance community recognition.
- It is recommended that the company participate in community development and education activities through business operations, in-kind donations, corporate volunteer services, or other professional public services, collaborating with civic organizations, charitable groups, and local government agencies to promote community development.

## Chapter 5   Enhancing Disclosure of Corporate Sustainability Information

- Article 25      The company shall comply with relevant laws and regulations as well as the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies when disclosing information, and shall fully disclose material and reliable sustainability-related information to enhance transparency.
- The sustainability-related information to be disclosed by the company includes:
1. Sustainability policies, systems, or related management guidelines approved by the Board of Directors.
  2. Objectives and measures planned by the company for promoting sustainability.
  3. Key stakeholders and the issues of concern to them.
  4. Other relevant sustainability-related information.

## Chapter 6 – Supplementary Provisions

- Article 26      The company should continuously monitor the development of domestic and international sustainability standards and changes in the business environment, and accordingly review and improve the established sustainability systems to enhance the effectiveness of sustainability initiatives.
- Article 27      This Code shall be implemented upon approval by the Board of Directors, and the same applies to any amendments.
- This Code was established on May 13, 2015.
- This Code was amended on March 11, 2022.