**Implementation status of performing ethical corporate management in 2021**

| Evaluation item | Operational status |
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| Summary description |
| 1. Formulation of policies and plans for ethical corporate management   1. Did the Company formulate an ethical corporate management policy approved by the Board of Directors, and express the policy and practice of ethical corporate management in its regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the management policy? 2. Did the Company establish an assessment mechanism for the risk of ethical behavior, regularly analyzes and evaluates the business activities with high risk of ethical behavior within the business scope, and formulate a plan for preventing ethical behavior based on it, which at least covers the preventive measures for the behaviors in the subparagraphs of Paragraph 2, Article 7 of the “[Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies](http://eng.selaw.com.tw/LawArticle.aspx?LawID=FL055768&ModifyDate=1080523)“? 3. Did the Company clearly define operating procedures, behavior guidelines, punishment and appeal systems for non-compliance in the plan for preventing ethical behavior, and implement it, and regularly review and revise the plan before disclosure? | 1. The Company takes integrity and responsibility as the basis of its operating policy, and takes into account the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” to formulate the Company's “Ethical Corporate Management Best Practice Principles”, which was approved by the Board of Directors to create a business environment for sustainable development. 2. The Company's “[Ethical Corporate Management Best Practice Principles](http://eng.selaw.com.tw/LawArticle.aspx?LawID=FL055768&ModifyDate=1080523)“ covers the preventive measures for the behaviors in the subparagraphs of Paragraph 2, Article 7 of the “[Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies](http://eng.selaw.com.tw/LawArticle.aspx?LawID=FL055768&ModifyDate=1080523)“, and has formulated the “Ethical Norms Advocacy and Reporting System for Practitioners” and the “Work Rules” stipulating that employees who violate laws and regulations, fraudulent embezzlement, etc. will be given verbal warnings, reprimands, demerits, major demerits, demotion or dismissal (unemployment) according to the seriousness of the circumstances so as to prevent the occurrence of the above by strengthening the internal control system. 3. The Company has formulated the “[Ethical Corporate Management Best Practice Principle](http://eng.selaw.com.tw/LawArticle.aspx?LawID=FL055768&ModifyDate=1080523)s”, requiring directors and managers to set an example, abide by the principle of good faith, and establish a corporate culture of integrity. In addition, the “Ethical Norms Advocacy and Reporting System for Practitioners” and “Work Rules” have been formulated to explain the punishment and appeal system for violations, and the above plans are regularly reviewed and revised in due course depending on the operation situation. |
| 2. Implementation of ethical corporate management   1. Did the Company evaluate the integrity record of its counterparties and specify the terms of integrity in its contracts with counterparties? 2. Did the Company set up a dedicated unit for promoting corporate ethical corporate management under the Board of Directors, and report regularly (at least once a year) to the Board of Directors on its ethical corporate management policy and plan to prevent ethical behavior and supervise the implementation? 3. Did the Company have a policy to prevent conflicts of interest, provide appropriate channels for representation, and implement it? 4. Did the Company establish an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit formulate relevant audit plans based on the results of the assessment of the risk of ethical behavior, and checked the compliance of the plan to prevent ethical behavior based on it, or appoint an public certified accountant to perform the audit? 5. Did the Company regularly hold internal and external education and training on ethical corporate management? | 1. The daily business activities are fair and transparent, engaging in commercial activities, and confirming whether the transaction counterparty has a unethical record (such as a credit record, breach of contract record) before the transaction, and prevent transactions or contracts with those who have a record of unethical behavior. If a person is involved in ethical behavior, the contract may be terminated or rescinded at any time. 2. In order to improve the management of ethical corporate management, the Company designates the corporate governance team as the unit in charge, subordinate to the Board of Directors, responsible for the formulation and supervision of the ethical corporate management policy and prevention plan, to confirm that various operating activities are in compliance with the law. The unit in charge reported its implementation to the Board of Directors on May 12, 2021. The promotion results are described in the summary description of each evaluation item and operational status in this table. 3. The Company has established the “Ethical Corporate Management Best Practice Principles”. Persons involving in the conflict of interest shall recuse themselves from matters of interest and shall not obtain any illegitimate benefits by taking advantage of their positions in the Company.   Those who have an interest in the resolutions set out by the Board of Directors or the legal person they represent may cause harm to the interests of the Company, may not either act on behalf of other directors to exercise their voting rights.   1. The Company's accounting system is formulated in accordance with the regulations of the competent authority and other relevant laws and regulations, and is determined in accordance with the nature of accounting affairs, actual business conditions, and development and management needs.   In terms of internal control, it has been clearly stipulated that each business shall be completed by each functional department, so as to achieve the function of division of labor and coordination; when engaging in transactions, it shall be handled in accordance with the Company's internal regulations and external regulations, follow the operating procedures, and clarify relevant rights and responsibilities. For jobs with conflicting duties, avoid concurrent duties or acting as agents for each other to prevent fraud, and supplemented by the self-inspection of each unit and the internal audit of the audit unit to achieve the purpose of internal control.   1. It conducts advocacy quarterly on the “Ethical Norms Advocacy and Reporting System for Practitioners”, and provides a reporting channel for colleagues when they find violations of laws or ethics, including the “Ethical Corporate Management Best Practice Principles” in the training course for newcomers, and the duration of the course is 0.5 hours. In 2021, about 300 person-times participated and about 180 people were trained. |
| 3. Operational status of the Company whistleblowing system   1. Did the Company formulate a specific reporting and reward system, establish a convenient reporting channel, and assign appropriate personnel in charge of the report to the counterparty? 2. Did the Company establish the standard operating procedures for the investigation of reported matters, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism? 3. Did the Company take measures to protect whistleblowers from being mistreated due to whistleblowing? | 1. The Company has formulated the “Work Rules”, “Ethical Norms Advocacy and Reporting System for Practitioners”, “Ethical Corporate Management Best Practice Principles” and related management operations of stakeholders, and has set up a complaint, appeal contacts to deal with employees' suggestions, complaints, and appeals. Those who violate the ethical corporate management shall be punished according to regulations. 2. On the Company's website, it has announced the “Ethical Norms Advocacy and Reporting System for Practitioners”, including the appeal process and related confidentiality mechanisms for accepting reported matters. 3. On the Company's website, it has announced the “Ethical Norms Advocacy and Reporting System for Practitioners” to keep the whistleblower confidential and protected to avoid improper disposal. |
| 4. Strengthen information disclosure  (1) Did the Company disclose the content of its Ethical Corporate Management Best Practice Principles and promote its effectiveness on its website and Market Observation Post System? | 1. The Company has disclosed the “Ethical Corporate Management Best Practice Principles” on its website and Market Observation Post System, and has also published it on its annual report and company website to promote its effectiveness. |
| 5. If the Company has its own Ethical Corporate Management Best Practice Principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”, please describe the difference between its operation and the established code: there is no major difference. | |
| 6. Other important information that helps to understand the integrity of the Company's business operations:   1. The Company attaches great importance to ethical corporate management, and signs contracts with others, including compliance with ethical corporate management policies. 2. In addition to considering their legitimacy, agents, suppliers, clients or other transaction partners in business dealings shall also pay attention to whether they have a record of ethical behavior, and further urge business dealing manufacturers to pay attention to business integrity. 3. The Company attaches great importance to ethical corporate management, including that employees shall abide by the Company's ethical standards and business standards, not violate the law, not be partial, fulfill their duties, protect customer privacy, truthfully inform clients of their rights and interests, and never deceive or conceal, etc. Integrity compliance. 4. The Company regularly arranges directors and managers to participate in corporate governance courses to enhance their ability to supervise and manage the Company, so as to improve the effectiveness of corporate governance and the implementation of ethical corporate management. | |