

Ethical Corporate Management Practices and Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies” and Reasons:

Assessment Item	Implementation Status		Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	
I. Establishing ethical corporate management policies and programs	V		No major difference
(I) Has the company established ethical management policies approved by the board of directors’ meeting and stated in its memorandum or external correspondence about the policies and practices it has to maintain business integrity? Are the board of directors and the management committed to fulfilling this commitment?		Based on the business philosophy of integrity, transparency and accountability, the Company formulated the “Ethical Management Principles,” which was implemented on April 1, 2014 after being approved by the board of directors on March 26, 2014. The Company expressly discloses its ethical management policies at its regulations, external correspondence and official site. The board of directors and the senior management have actively fulfilled the commitment of integrity management in terms of internal administration and business operating activities.	
(II) Has the company established assessment mechanism for unethical conduct risk, performed periodic analysis and assessed operating activities of relatively higher unethical conduct risk in the scope of business, and has established unethical conduct solution accordingly, and at least covering the preventive measures for the conducts described in each subparagraph of Paragraph 2 of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?	V	The Company’s “Ethical Management Principles” has specified in detail that the Company’s directors, officers and all employees are prohibited from engaging in any business activities that are at a higher risk of being involved in unethical conduct as stated in Paragraph 2 of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.” The Company’s internal administration regulations and external correspondence expressly stipulate the prohibition of providing and accepting improper benefits and related handling procedures, as well as the prohibition of providing illegal political donations and related handling procedures, etc.	
(III) Has the Company established programs to prevent unethical	V	The Company’s internal administration regulations and	No major difference

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conduct and stated and implement operating procedures, code of conduct, punishment for violation, and grievance mechanisms in such programs and regularly reviewed and revised such programs?			external correspondence expressly states relevant rules to prevent the occurrence of acts of dishonesty; and from time to time hold educational training programs and publish relevant materials and combines the integrity management policy with employee performance evaluation and human resource policies to establish clear and effective policies and reward and punishment system.	
II. Implement ethical management (I) Does the company evaluate the ethical record of its counterparts and explicitly include clauses on ethical conduct in transaction contracts?	V		When the Company signs any contract or agreement with others in accordance with internal administration regulations and external correspondence, it shall fully understand the integrity of the counter-party's business conditions and it is recommended to include integrity management in the terms and conditions of the contract or agreement or clearly stipulate the integrity matters.	No major difference
(II) Has the company established a dedicated unit directly under the board of directors and responsible for the promotion of corporate ethical management and reporting its ethical management policy and proposal for prevention of unethical conducts as well as supervision of implementation status to the board of directors' meeting periodically (at least once annually)?	V		The Company has designated the office of the Chairman of the Board, which belongs to the Board of Directors, as the responsible unit for the establishment and supervision of integrity management policies and prevention plans, in order to ensure the integrity of operations. This is carried out in accordance with Article 17 of the Company's "Integrity Management Code", which includes senior executives from the management team among its members. The Chairman's Office is responsible for the research and planning of relevant issues and the members shall coordinate The implementation status will be reported to the board and disclosed on www.tsgroup.com on a regular base.	No major difference

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(III) Does the company establish and implement a policy to prevent conflicts of interests and provide suitable channels for reporting such conflicts?	V		The Company stipulates the terms of preventing conflicts of interest in the “Ethical Management Principles” and “Code of Ethical Conduct” to provide guidelines for employees. The Company has established and announced an internal independent reporting mailbox and hotline at the Company’s official site for usage by internal and external personnel of the Company.	No major difference
(IV) Has the Company established an effective accounting and internal accounting and control systems for the implementation of ethical corporate management policies, prepared audit plans according to the evaluation results of dishonesty risks and have they results audited by internal auditors or CPAs?	V		The Company has established an accounting system and an internal control system. The Company’s internal audit unit prepares relevant audit plans based on the evaluation results of dishonesty risks and prepare audit reports to submit to the Audit Committee and report to the board of directors. In addition, the Company also complies with the “Company Act” and “Securities Exchange Act” and other relevant laws and regulations and CPAs are responsible for the verification and certification of relevant accounting books.	No major difference
(V) Does the company regularly organize internal and external education and training activities for ethical corporate management?	V		The Company regularly organizes internal and external education and training on integrity management; directors and managers also participate in seminars and workshops on integrity management held by external organizations (including courses on compliance with the laws and regulations on integrity management, accounting systems and internal control, etc.). There were 22 people in 2023, totaling 119.67 hours.	No major difference
III. Reporting system operation status of the Company				
(I) Does the company establish explicit whistleblower and reward schemes and	V		The Company has clearly stipulated the whistleblowing, rewards, and disciplinary system in its internal	No major difference

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convenient reporting channels, and assign appropriate personnel to investigate the target of a whistleblower report?			management regulations and external documents, and has communicated this to all employees. It has also established and publicized internal whistleblowing email and hotline on the Company's website for both internal and external parties to use. Appropriate personnel have been assigned to handle reported cases. The Company's website has added contact and complaint channels for employees, customers and suppliers.	
(II) Has the company established any investigation standard operating procedures for accepting reported misconducts, subsequent measures and relevant confidentiality measures required to be performed after the completion of the investigation?	V		Article 23 of the Company's "Ethical Management Principles" stipulates reporting and handling procedures for whistleblowing, as well as the respective types of reporting matters and the investigation standard operating procedures. Matters of whistleblowing involving general employees shall be reported to the department head, and those involving directors or senior executives shall be reported to independent directors. Written documents shall be kept for acceptance, investigation, and investigation results for at least five years; and relevant personnel handling whistleblowing shall make a written statement to keep the identity of the whistleblower and the content of the whistleblowing confidential.	No major difference
(III) Does the company establish measures to protect whistleblowers against retaliation?	V		The Company has complied with the "Ethical Management Principles" and promised to protect the whistleblower from being improperly dealt with due to the whistleblowing.	No major difference
IV. Enhance information disclosure Has the Company disclosed the Ethical Management Principles and effect of implementation thereof on its website and	V		The Company has disclosed the "Ethical Management Principles" at the Company's official site and MOPS. The Company's official site also discloses the concept of integrity	No major difference

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Market Observation Post System?			management and policies in internal administration regulations; and suppliers, customers or other business-related entities and personnel all clearly understand the Company's integrity management philosophy and standards.
<p>V. If the Company has established its own sustainability development principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please describe its current practices and any discrepancies from the Best Practice Principles: The company has formulated the "Ethical Management Principles," internal administration regulations and external correspondence are implemented in accordance with the integrity management policy and there has been no discrepancy or inconsistency between the operations and the integrity management policy.</p>			
<p>VI. Other important information contributing to understanding the Company's integrity management operations includes situations such as the Company's review and revision of its integrity management code. In compliance with the revised "Integrity Management Code for Listed and OTC Companies", the Company reviewed and revised its "Integrity Management Code" in 2020 and reported it to the shareholders' meeting. The Company's directors, managerial officers, employees, appointees, and persons with ultimate control over the Company shall exercise the care of a good administrator in duly supervising the Company to prevent unethical behavior, reviewing the results of implementation and continuing improvement at any time to assure the implementation of the integrity management policy. The Company pays attention to the development of regulations regarding integrity management in Taiwan and overseas at all times, and encourages directors, managerial officers, and employees to raise suggestions, by which the Company reviews and improves the integrity management policy and promotion measures, to improve the outcome of implementing integrity management.</p>			