

Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implement status			Deviation from "Cooperate Social Responsibility Practice Principal for TWSE/GTSM listed Companies" and the reason
	Yes	No	Summary	
<p>1.Establishment of ethical corporate management policies and programs</p> <p>(1)Does the company reveal integrity policy in internal norm and external documents, and reporting to the board of Director?</p>	V		<p>(1)The company has established "Ethical Corporate Management Best Practice Principles for CHEM" and relevant units for the implementing, monitoring in integrity operating rules and reporting to board of director on November 8, 2023</p>	<p>No significant difference</p>
<p>(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p>	V		<p>(2) The company promotes corporate governance and integrity management concepts at regular and irregular meetings. The company has set up a "Code of Integrity Management" to regulate the business activities for possible behaviors of higher risk of dishonesty within the business model, such as preventing bribery, and providing illegal political contributions.</p>	<p>No significant difference</p>
<p>(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular</p>	V		<p>(3) The Company's "Integrity Management Code" and "Corporate Governance Code" has already included plans to prevent dishonesty. The Company also has a sound system for handling complaint and disciplinary, through emailing to the Management Division</p>	<p>No significant difference</p>

reviews and amendments?				
2.Implementing integrity operation				
(1)Does the company evaluate its counterparty's integrity record and set up integrity rules of code and conducts?	V		(1)We establish "Ethical Corporate Management Best Practice Principles for CHEM" to prohibit inappropriate integrity behavior. Contract could be terminated or retrieved once involving inappropriate integrity behavior.	No significant difference
(2)Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		(2)We establish Management Department to take care of the developing, executing in integrity operating rules and reporting to board of director November 8, 2023	No significant difference
(3)Does the company establish interest conflict prevention policy, providing appropriate appealing channel and execution?	V		(3)We prohibit all employees to in accepting in appropriate gift which affect the transaction with counterparty and provide appropriate reporting channel.	No significant difference
(4) Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(4)We establish effective accounting system, internal controlling system and report to board of director on a regular basis.	No significant difference
(5)Does the company hold integrity education training on a regular basis?	V		(5)We hold integrity education training on a regular basis. The execution is as follows for year 2023: - (1) The Company has organized internal and external education and training courses related to integrity management issues such as compliance with laws and	No significant difference

			<p>regulations, accounting systems and internal control for integrity management, with a total of 624 people and 328 person-hours.</p> <p>-(2) The Company has included the content of promoting ethical and honest management in the on-board training of new employees. The number of participants is 196, and 15 minutes as one session each time.</p>	
<p>3.Reporting System execution</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p>	V		<p>(1)We establish human resource review committee and appealing special line and designate exclusively staff in charge of each offense.</p>	No significant difference
<p>(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?</p>	V		<p>(2)We establish human resource review committee to assure the duty of protecting the secrecy of litigant.</p>	No significant difference
<p>(3)Does the company take action in protecting litigant not to be treated in an inappropriate way when reporting an offense?</p>	V		<p>(3)We establish human resource review committee to assure the duty of protecting the secrecy of litigant. We assure that the litigant will not be treated in an inappropriate way when reporting an offense.</p>	No significant difference
<p>4.Enhancing information disclosure</p> <p>Does the company reveal its integrity content and execution in its website and MOPS (Market</p>	V		<p>We establish website to reveal relating information in corporate culture, operating guidance and reveal integrity operating rules in</p>	No significant difference

Observation Post System)?			MOPS (Market Observation Post System)	
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for CHEM, the Company, please describe any discrepancy between the policies and their implementation.</p> <p>There is no discrepancy.</p>				
<p>6. Other information which help to understand corporate integrity operation (e.g. Corporate amendment in corporate integrity operation): No</p>				