

Implementation of Ethical Corporate Management and Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies (and Reasons)

Evaluation Item	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies (and Reasons)
	Yes	No	Description	
1. Establishment of ethical corporate management policies and programs (1) Has the Company established a Board-approved ethical corporate management policy, stated this policy and related practices in its regulations and external communications, and obtained a commitment from the Board of Directors and management to actively enforce it?	✓		<p>(1) The Company's Code of Conduct for Business Integrity and Corporate Governance Best Practice Principles have been approved by the Board of Directors, and there is a special unit responsible for formulating and supervising the implementation of ethical corporate management policies and preventive programs, and reporting to the Board of Directors on a regular basis, and the members of the Board and the management signed a Declaration of Compliance with the Company's Ethical Corporate Management Policies in November 2023.</p>	No significant difference
(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 its scope of business? Does the Company implement programs that are aimed at preventing unethical conduct based on the assessment and analysis and that at least cover the preventive measures specified in	✓		<p>(2) The Company promotes the concepts of corporate governance and integrity management at regular and unscheduled meetings. The Company has established the Code of Conduct for Business Integrity to regulate business activities within its scope of business that carry a high risk of unethical behavior, and to prevent the offer and acceptance of bribes and the provision of illegal political donations.</p>	No significant difference

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Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓			
(3) Does the Company clearly define operating procedures, behavioral guidelines, disciplinary actions for violations, and a reporting mechanism within its program for preventing unethical conduct? Is the Company effectively implementing the program and regularly reviewing and revising it?	✓		(3) The Code of Conduct for Business Integrity and the Corporate Governance Best Practice Principles of the Company have already set forth a program to prevent unethical conduct. The Company also has a sound reporting and disciplinary system, and concerns can be raised through the mailbox of the Management Division.	No significant difference
2. Implementation of ethical corporate management				
(1) Does the Company evaluate its business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) The Company's Code of Conduct for Business Integrity clearly prohibits unethical conduct and requires all business activities to be conducted in a fair and transparent manner; if unethical conduct is involved, the contract may be terminated or rescinded at any time.	No significant difference
(2) Does the Company have a unit under the Board of Directors to take charge of ethical corporate management and to report the ethical corporate management policies and programs against unethical conduct regularly to the Board of Directors while overseeing such operations?	✓		(2) The Company's Management Division is responsible for the formulation and implementation of ethical management policies to improve the Company's integrity management, and the status of implementation for FY2024 was reported to the Board of Directors on November 12.	No significant difference

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(3) Does the Company have a policy to prevent conflicts of interest, provide appropriate communication channels, and effectively implement it?	✓		(3) The Company prohibits all employees from accepting unreasonable gifts, which may affect the Company's product transactions, and provides appropriate reporting channels and clear information on the penalties for violating relevant rules.	No significant difference
(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management and are these systems audited by either by the internal audit unit based on compliance with the program preventing unethical conduct, or by an external accountant?	✓		(4) In order to ensure the implementation of integrity management, the Company has established effective accounting and internal control systems, with internal auditing personnel conducting regular reviews and submitting audit reports to the Board of Directors.	No significant difference
(5) Does the Company hold internal and external integrity education and training on a regular basis?	✓		(5) The Company regularly organizes educational training and awareness programs on integrity management, and the implementation information for 2025 is provided below: 1. Organizing internal and external education and training courses on integrity management issues, such as compliance with integrity management laws and regulations, accounting systems and internal control – a total of 155 attendees and 428 person-hours. 2. Including integrity-management content in the training of new employees – delivered to 110 attendees in 15-minute sessions.	No significant difference

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3. Operation of reporting system (1) Does the Company have specific whistleblowing and reward mechanisms, convenient reporting channels, and appropriate dedicated personnel to handle cases involving the reported party? (2) Does the Company have standard operating procedures for investigation of reported cases, subsequent measures to be taken after the investigation is completed, and relevant confidentiality mechanisms? (3) Does the Company take measures to protect whistleblowers/complainants from being subjected to improper treatment as a result of their reporting?	✓ ✓ ✓		(1) The Company has a Personnel Review Committee and a reporting hotline, and also has a specialized unit responsible for handling related matters. (2) The Company's Personnel Review Committee is responsible for maintaining the confidentiality of the parties involved. (3) The Company's Personnel Review Committee is responsible for maintaining the confidentiality of the parties involved, and ensuring whistleblowers/complainants will not be subjected to improper treatment as a result of their reporting.	No significant difference No significant difference No significant difference
4. Enhanced information disclosure (1) Does the Company disclose its code of business integrity and the results of its implementation on its website and the Market Observation Post System (MOPS)?	✓		(1) The Company maintains a website to disclose information on its corporate culture and management policies, and publishes its Code of Conduct for Business Integrity on the MOPS.	No significant difference
5. If the Company has established a code of business integrity in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe how the code operates and any differences from the principles. None.				

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6. Other important information helpful for understanding of the implementation of the Company's ethical corporate management policies (e.g., the Company's review and revision of its code of business integrity): None.				

(7) Other important information that may help enhance understanding of the Company's corporate governance practices

The Company's website (<http://www.chem.com.tw>) features a dedicated section on corporate governance, including relevant regulations for reference by both internal and external stakeholders. In addition, the Company discloses material information to the public in a timely manner. Please refer to the MOPS for details.