

# Orient Semiconductor Electronics, Ltd.

## Corporate Conduct and Ethics Implementation in 2020

Evaluation item	Operation status			Non-implementation and Its Reason(s)
	Yes	No	Summary Description	
I. The establishment of the ethical management policies and plans				
(I) Has the Company demonstrated its ethical management policies in its regulations and external documents, 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 in fulfilling this commitment?	V		(I) "Integrity" is the Company's most crucial core value, and the Company engages in all business activities with the principle of ethical standards. For this purpose, the Company established the Company's "Code of Conduct for Integrity Management" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and the related implementation rules, which was approved by the Board Meeting on May 7, 2020 and implemented.	No significant difference.
(II) Has the Company established a risk assessment mechanism against unethical behavior, analyzed and assessed business activities within their business scope on a regular basis which are at a higher risk of being involved in unethical behavior, and established prevention programs at least covering the preventive measures specified in Paragraph 2, Article 7 "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(II) The Company has formulated the "Ethical Corporate Management Best Practice Principles" and Article 7, paragraph 2 has been prescribed in accordance with the preventive measures for various conducts stipulated in Article 7, paragraph 2 in the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"; suppliers are required to sign the "Code of Conducts Compliance Certificate" as required by the supplier management measures. According to the certificate, suppliers may not conduct any inappropriate business such as bribery, or the Company is entitled to terminate the contract or transaction with the supplier at any time and damage may be compensated.	No significant difference.
(III) Has the Company specified operational procedures, behavioral guidelines, disciplines of violations, as well as an appeal system in the program against unethical behavior, and implemented such programs, and reviewed and revised the previous program on a regular basis?	V		(III) The Company has established the "Ethical Corporate Management Best Practice Principles" which is being promoted upon Directors and managerial officers and is listed as the annual performance assessment.	No significant difference.
II. The implementation of the ethical management				
(I) Does the Company evaluate the ethical records of its transaction parties and explicitly include clauses on ethical conduct in contracts signed with its transaction parties?	V		(I) The Company has expressly stated the prevention measures for violating the ethical principles and the punishment clauses in the commercial contracts.	No significant difference.
(II) Has the Company set up a dedicated responsible unit to promote corporate ethical management under the Board of Directors, and has such unit reported its execution in terms of ethical management policy and preventive programs against unethical behaviors and the supervision status to the Board of Directors on a regular basis (at		V	(II) The Company has not established the dedicated (concurrent) unit yet.	The future will be based on the Company's development needs and legal regulations.

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least once a year)?				
(III) Has the Company established and implemented the policy to prevent the conflicts of interest and provide the suitable channels for reporting such conflicts?	V		(III) The rules of procedure for the Board Meeting expressly state the recusal system for the Directors. If the motions proposed by the Board of Directors have conflict of interest with the Directors or the legal person investors they represent, where there is a likelihood that the interests of the Company would be prejudiced, they may state their opinions and answer the questions, but they may not participate in the discussion or vote on those motions and shall recuse themselves from any discussion and voting, and may not exercise voting rights as proxy on behalf of another Director.	No significant difference.
(IV) Has the Company established an effective accounting system and internal control system in order to implement ethical management, and propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the prevention of unethical behaviors, or entrust an account to carry out the review?	V		(IV) To ensure the fulfillment of the ethical management, the Company has established effective accounting system and internal control system, the internal auditors also have audited the legal compliance status of these systems.	No significant difference.
(V) Does the company regularly organize the internal and external education training activities for the ethical management?	V		(V) The Company regularly organizes education and training in connection with applicable policy of corporate social responsibility to raise the awareness of Employees' knowledge on corporate social responsibility and regulations. Please refer to annex 1 for the education training results of social responsibility of 2020.	No significant difference.
III. The operating status of the corporate whistleblower system				
(I) Has the Company established the explicit whistleblower system, the incentive scheme and the convenient whistleblowing channels, and assign the appropriate personnel to investigate the target of the whistleblower complaint?	V		(I) The Company has formulated Employee grievance processing procedure, if any Employee wants to submit or communicate the grievance or other items, he/she can reflect with his/her line manager, Human Resources or other relevant units. Response methods include verbal notification, Employee suggestion box, grievance hotline and email correspondence, and a dedicated staff is responsible for handling the matter in an impartial and confidential manner to resolve and improve Employee problems.	No significant difference.
(II) Has the Company implemented any standard procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling reported misconduct?	V		(II) The Company has established Employee grievance handling procedures which specify that in order to protect the rights of the grievant during the investigation process, the case will be handled in a confidential manner, and that the name of the grievant or other relevant information that identifies the grievant will not be disclosed.	No significant difference.
(III) Has the Company establish the measures to protect the whistleblowers against the retaliation?	V		(III) The Company has established Employee Grievance Handling procedures that prohibit any retaliation against a complainant, informant, or person who assists in an	No significant difference.

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			investigation, and penalize offenders according to the severity of the situation.	
IV. Reinforcing the information disclosure (I) Has the Company disclosed its ethical management principles and effectiveness on its website and the Market Observation Post System website?	V		(I) The Company has disclosed its "Ethical Corporate Management Best Practice Principles" on MOPS and its website ( <a href="http://www.ose.com.tw">www.ose.com.tw</a> ). (II) There was no violation of the "Ethical Corporate Management Best Practice Principles" in 2020. (III) The Company have dedicated personnel to gather and disclose company information, implement the spokesperson system.	No significant difference.
V. If the Company has its own Code of Integrity pursuant to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the differences between its operation and the Code: The Code of Conduct established and operated by the Company is consistent with the provisions of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".				
VI. Other important information for understanding the integrity of the Company's operations: (e.g., when the Company reviews and amends its Code of Conduct on Integrity): The Company reviews the Company's Code of Conduct on Integrity in conjunction with the revision of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies". The Company has established a Code of Integrity, a Code of Ethical Conduct and a Corporate Social Responsibility Report, available on the Company's website at <a href="http://www.ose.com.tw">www.ose.com.tw</a> .				

Annex 1: the results of 2020 CSR education and training is as follows:

Course category	Name of class	Numbers of students
Enterprise operation laws program	Personal Information Protection Act (confidentiality obligation)	752
	Trade Secrets Act (non-competition obligation, confidentiality obligation)	600
	Code of Business Conduct and Ethics (ethical practice)	600
	General Education Training for the Newcomers (Confidentiality Obligations)	600
Human Rights Program	RBA introduction	600
	Operating program of the labor-management laws, information security and Personal Information Protection Act	152
	General Education Training for the Newcomers (RBA code of conduct, personal ethical practice of the Employees, the sexual harassment prevention guidance)	600