

# Orient Semiconductor Electronics, Ltd.

The variations and causes of variations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies: (2024)

Evaluation item	Operation status			The variations and causes of variations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	<u>Summary Description</u>	
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) The Company has established a "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" approved by the Board of Directors, which clearly stipulate the policies and practices of integrity management. The Company's integrity management policies and practices are disclosed in internal regulations, annual reports, and the Company's website. The Company's Board of Directors and management actively implement their commitment to the integrity management policies.	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/TPEX Listed Companies"?	V		(II) In Paragraph 2, Article 7 of our Ethical Corporate Management Best Practice Principles, we prohibit the Company's directors, managers, employees, people appointed, or ultimate controllers from bribery, illegal political contributions, improper charity donations or sponsorships, offering or acceptance of unreasonable gifts, hospitality, or other illegitimate interests, as well as infringement of trade secrets, trademark, patents, copyrights, or other intellectual property rights. In addition, the Company has established relevant operating procedures for employees to follow.	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 "Procedures for Ethical Management and Guidelines for Conduct" approved by the Board of Directors, which outlines the types of unethical conduct and the handling procedures, as well as the "Procedures for Handling Complaints and Whistleblowing" to ensure the notifier's privacy and security.	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) Before entering into a contract with an agent, supplier, customer, or counterparty in commercial dealings, the Company shall gain a thorough knowledge of the status of their ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract. If the counterparty in a commercial dealing is a supplier, the supplier shall be required to sign the Company's "Suppliers' Undertaking of Integrity".	No significant difference.

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	Yes	No	<u>Summary Description</u>	
(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 least once a year)?	V		(II) The Company has established an "Ethical Management Unit" responsible for formulating and supervising the implementation of ethical corporate management regulations, and reports the operation and implementation to the Board of Directors on an annual basis. The implementation of ethical management in 2024 was reported to the Board of Directors on October 29, 2024. In order to implement the philosophy of ethical management, the Company held internal training on ethical management, business ethics, and insider trading prevention in 2024, which attracted 3,751 participants for a total of 3,751 hours.	No significant difference.
(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. we have set up a mailbox for whistleblowing as a channel for complaints. If any illegal act is discovered, it can be reported directly to the Company and handled by dedicated personnel.	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 implementation of ethical management, the Company has established an effective accounting system and an internal control system. The internal auditors perform audits as per the internal audit plan and internal audit implementation rules. If any material anomalies are discovered, the internal auditors will immediately report to the chairman and independent directors while reporting to the Board of Directors for reference.	No significant difference.
(V) Does the company regularly organize the internal and external education training activities for the ethical management?	V		(V) "Integrity, pragmatism, and sustainable development" are the Company's entrepreneurial spirit and business philosophy. We regularly organize education and training in connection with applicable policy of corporate social responsibility to enhance employees' knowledge of corporate social responsibility and regulations. Please refer to Table 1 for the 2024 social responsibility education and training results.	No significant difference.

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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?  (II) Has the Company implemented any standard procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling reported misconduct?  (III) Has the Company establish the measures to protect the whistleblowers against the retaliation?	V  V  V		<p>(I) The Company has established a complaint reporting system and established multiple complaint channels, including verbal responses, physical suggestion boxes, hotlines, emails and online forms, to encourage employees to raise their opinions through multiple and convenient complaint channels. Each complaint case is investigated and handled by a dedicated staff in an objective, fair and confidential manner to ensure that the reported matters can be properly improved.</p> <p>(II) The Company has established operating procedures for accepting reports and has established a comprehensive confidentiality mechanism to protect the rights and interests of complainants. During the investigation, all cases will be investigated and handled in a confidential manner, and the identity information of the complainant will be strictly protected to ensure that the complainant's name or other identifiable information is not disclosed.</p> <p>(III) The Company has clearly defined protection clauses in its operating procedures to ensure that complainants or those assisting in investigations will not suffer any form of improper treatment or retaliation. During the investigation, case-related information and personnel information will not be disclosed to the public to protect the rights and interests of the parties involved. If the details of the case is leaked for any reason, the offender will be punished depending on the severity.</p>	No significant difference.  No significant difference.  No significant difference.
IV. Reinforcing the information disclosure Has the Company disclosed its Ethical Corporate Management Best Practice Principles and effectiveness on its website and the Market Observation Post System website?	V		The Company has disclosed the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", and "Code of Ethics" and their effects on the Company's website ( <a href="https://www.ose.com.tw/about/csr/company-management">https://www.ose.com.tw/about/csr/company-management</a> ) and the Market Observation Post 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/TPEX 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/TPEX Listed Companies".				
VI. Other important information for understanding the integrity of the Company's operations: The Company reviews the Ethical Corporate Management Best Practice Principles in conjunction with the revision of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies". The Company has established Governance Practice Guidelines, Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, Procedures for Ethical Management and Guidelines for Conduct, and Sustainability Report. Please refer to the Company's website at <a href="http://www.ose.com.tw">www.ose.com.tw</a> .				

Table 1: the results of 2024 CSR education and training is as follows:

Course category	Name of class	Method of lecturing	Numbers of students
Enterprise operation laws	Insider trading and misconduct in financial statements and measures to be taken	External training	1
	IS&TS Information Security and Trade Secret Annual Education and Training	Internal training	4,006
	Insider Trading Prevention Education and Training	Internal training	12
	Risk Management Education and Training	Internal training	5
	Social Engineering Information Security Education and Training	Internal training	381
	Outlook for the global economy in the second half of 2023	External training	1
	2024 Global Economic Outlook and Industry Trends	External training	1
	ISO 27001:2022 Auditor Transfer Training Course	Internal training	22
	ISO 27001:2022 Information Security Management System-led Auditor Training Course	Internal training	10
	Global Future Risks and Opportunities for Sustainable Transformation	External training	1
	How to Adjust Internal Control Systems to Meet New ESG Standards	External training	2
	Corporate Sustainable Value Enhancement and Risk Management System Improvement	External training	1
	Information Security Education and Training - Introduction to Information Security	Internal training	87
Human Rights Concept	Knowledge management evolution driven by digital transformation	External training	2
	Analysis of illegal cases involving audit/accounting personnel and the corresponding countermeasures.	External training	2
Sustainable development	RBA Responsible Business Alliance Code of Conduct	Internal training	5,517
	Sexual Harassment Prevention and Gender Equality in Employment Course	Internal training	21
	Advanced trend of ESG implementation in the semiconductor industry	Internal training	78
	ESG Goals Consensus Camp	Internal training	46
	ESG Trends and Epidemic Environment: Discussion of Global and Taiwanese Tax System Reform and Corporate Tax Governance	External training	1
	New ESG Law & Financial Statement Impacts	External training	1
	Shaping the Advantages of Green Finance - Implementing Corporate Governance and Sustainability Principles	External training	1
	BSI Corporate Net Zero Strategic Planning Certification Course	External training	1
	International Standard Training (GRI 1, SASB, TCFD, and corporate governance assessment)	Internal training	171
	Creating low-carbon products from zero waste of resources	External training	1
	Responding to the challenge of carbon price - carbon resource management	External training	1
	Sharing of Carbon Rights Acquisition Practices	External training	1
	First Step towards Net-zero Emissions: Greenhouse Gas Inventory in Action	External training	1
New employees orientation	Identification of corporate environmental risks - ISO environmental and energy management system	External training	1
	RBA terms, Trade Secrets Act, prevention of sexual harassment, ethics, Personal Data Protection Act.	Internal training	1,390