

Status of Social Responsibility Fulfillment

Evaluation item	Operation Status			Difference with corporate social responsibility principles of stock listed and OTC companies and reasons thereof
	Yes	No	Summary	
1. Corporate governance implementation				
(1) Whether or not the company establishes the corporate social responsibility policy or system, and whether or not the implementation outcome is reviewed?	V		1. The Company has established the “Corporate Social Responsibility Principles” and discusses the issues of corporate governance, development of sustainable environment, maintenance of public interest and enhancement of company information disclosure etc.	1.No major difference.
(2) Whether or not the company organizes social responsibility education and training periodically?	V		2. The Honor Alliance Association of of the Company performs the education of social responsibility (such as environmental protection, resource utilization, public safety etc.).	2.No major difference.
(3) Whether or not the company establishes full-time (part-time) positions for promoting corporate social responsibilities, and whether the board of directors authorize senior management level to handle such matters and to report to the board of directors about the handling status?		V	3. Departments of the Company are responsible for promoting the corporate social responsibility related matters; however, the handling status is not reported to the board of directors.	3. In the future, reports shall be made according to the requirements of competent authority or legal regulations.
(4) Whether or not the company establishes reasonable salary and remuneration policy, and whether or not the employee performance evaluation system is integrated with the corporate social responsibility policy, and whether or not clear and effective reward and punishment systems are established?	V		4. The Company has established reasonable salary policy, and the remunerations of directors and managers are reviewed by the Remuneration Committee periodically for its reasonableness, and the “Reward and Punishment Management Guideline” is established; therefore, the Company complies with the corporate social responsibilities.	4.No major difference.

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2. Development of sustainable environment				
(1) Whether or not the company is committed to improve the utilization efficiency of various resources and uses regenerated materials with low environmental load and impact?	V		1. The Company disassembles and recycles usable parts of inactive or defective products to be discarded in order to prevent unnecessary wastes. The Company also educates and implements resource classification and recycling in order to reduce loads and impacts on the environment.	1.No major difference.
(2) Whether or not the company establishes appropriate environmental management system according its industrial characteristics?	V		2. The Company has qualified for the ISO 14001 certification, performs effective management on the environment and is capable of reducing wastes and energy usage amount.	2.No major difference.
(3) Whether or not the company pays attention to the impact of climate changes on the operating activities and executes greenhouse gas inspection, establishes company energy-saving and carbon-reduction as well as greenhouse gas emission reduction policies?	V		3. To cope with the energy-saving and carbon-reduction policy, the operations of the Company reduces the use of papers by utilizing electronic processes as much as possible. The Company continues to use energy-saving LED light tubes for replacements. The Company also educates employees to turn off lights when not in use, to save water consumption and the Honor Alliance Association also irregularly promotes and plays educational clips on resource recycling, energy-saving and carbon-reduction topics.	3.No major difference.

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3. Maintenance of Public Interests				
(1) Whether or not the company establishes relevant management policies and procedures according to the relevant laws and the Intentional Bill of Human Rights?	V		1. The company implements labor regulations, respects the principle of basic labor rights recognized internationally, protects the rights of employees and establishes employment policies without discrimination according to the Act of Gender Equality in Employment and Employment Service Act, etc., and also implements the equality for remunerations, employment criteria, training and promotion opportunities.	1.No major difference.
(2) Whether or not the company establishes employee complaint mechanism and channels, and whether or not the company handles them appropriately?	V		2. The Company periodically convenes management and labor meetings in order to provide mechanism and channel for employee complaints.	2.No major difference.
(3) Whether or not the company provides a safe and healthy working environment to the employees, and implements safety and health educations for the employees?	V		3. The Management Department and Manufacturing Department of the Company are responsible for the maintenance of the company and factory environments, and the implementation of periodic safety education and health examination measures.	3.No major difference.
(4) Whether or not the company establishes the mechanism for periodic communications with employees, and uses reasonable methods to inform employees about operating changes possibly causing major impacts?	V		4. The Company convenes meetings to report the operation status and major changes of the company to employees, and further convenes periodic management and labor meetings as mechanism for employee communication.	4.No major difference.
(5) Whether or not the company establishes effective occupational skill development training plan for employees?	V		5. All departments and the human resource unit of the Company organize the educational training plans annually and executes such plans properly in order to improve the professional skill development of employees.	5.No major difference.
(6) Whether or not the company establishes relevant			6. The products of the Company are not for sale to	

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consumer interest protection policy and complaint procedure according to the research and development, procurement, production, operation and service processes?	V		conventional individual consumers; however, the Company still establishes the customer service unit in order to provide services to customers for various product questions.	6.No major difference. 7.No major difference. 8.Communication with suppliers will be made according to the practice and implementation thereof will be executed thoroughly. 9.Communication with suppliers will be made according to the practice and implementation thereof will be executed thoroughly.
(7) For the marketing and labels of products and services, whether the company complies with relevant laws and international standards?	V		7.The trademark and name of the Company have been registered domestically and in foreign countries one after another in order to prevent violation of relevant laws.	
(8) Before making deals with suppliers, whether or not the company conducts evaluation on previous records of the suppliers possibly causing impacts on the environmental and society?		V	8.The Company has not evaluated whether or not suppliers are subject to actions affecting the environment in the past. However, if a supplier is subject to the situation of performing actions affecting the environment and society, the relevant unit will evaluate whether or not to terminate transactions or rescind contracts with such supplier.	
(9) Whether or not the contracts between the company and its supplier include clauses for terminating or rescinding contracts at any time in case where the supplier violates its corporate social responsibility polices and causes significant impacts on the environment and society?		V	9.The contracts engaged between the Company and the suppliers do not specify all of the criteria for compliance; however, if a supplier is subject to major violation of corporate social responsibility, the material unit will join the relevant department to evaluate whether or not to terminate transactions or rescind contracts with such suppliers.	

4. Improvement of information disclosure (1) Whether or not the company discloses information related to the relevance and reliability of corporate social responsibility on its website and Market Observation Post	V		The Company has already disclosed information related to relevance and reliability of corporate social responsibility on its website and Market Observation Post System website.	No major difference.
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System website etc.?				
<p>5. For company already established with its own corporate social responsibility principles according to the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”, please describe the difference between its operations and the principles established: The Company has established the “Corporate Social Responsibility Principles” and implements actions for the promotion of company governance, development of sustainable environment and maintenance of public interest step by step without major differences.</p>				
<p>6. Other important helpful in understanding the status of the corporate social responsibility operation: None.</p>				
<p>7. If the corporate social responsibility report of the company qualifies the certification standard of relevant inspection institution, relevant descriptions shall be provided: None.</p>				

Status of Company Ethical Management Fulfillment and Measures Adopted

Evaluation Item	Operation Status			Difference with ethical management principles of stock listed and OTC companies and reasons thereof
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<p>1. Establishment of ethical management policy and solution</p> <p>(1) Whether or not the company explicitly states policies or methods of ethical management in the article of incorporation and documents to the external, and whether the board of directors and the management level actively implement guarantees on such management polices?</p> <p>(2) Whether or not the company establishes a solution for prevent unethical behaviors, and clearly establishes operation procedures, guidelines for conduct, violation punishment and complaint system, and whether they are executed thoroughly?</p> <p>(3) Whether or not the company adopts preventive measures according to Paragraph 2 of Article 7 of the “ Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” or other operation activities of relatively higher unethical behavior risks?</p>	V		<p>1.The Company has established the “Ethical Management Principles”.</p> <p>2.The Company has established the “Ethical Management Operating Procedures and Guidelines for Conduct,” which clearly specifies the violation punishment and complaint system.</p> <p>3.For the operating activities of relatively higher unethical behavior risk, the Company establishes effectively accounting system and internal control system such that there are no external accounts or secrecy reserved accounts. In addition, it is reviewed at all times in order to ensure the continuous effective of the design of the systems and the execution thereof. The internal auditors of the Company perform periodic audits on the compliance status of the systems described in the preceding paragraph, and audit reports are created and submitted to the supervisors, independent directors and the board of directors.</p>	<p>1.No major difference.</p> <p>2.No major difference.</p> <p>3.No major difference.</p>

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<p>2. Implementation of ethical management</p> <p>(1) Whether or not the company evaluates the ethical records of the transaction counterparties and specifies the ethical behavior clauses in the contracts engaged with the transaction counterparties?</p> <p>(2) Whether or not the company establishes a full-time (part-time) position unit under the board of directors to promote corporate ethical management and reports to the board of directors about the execution status periodically?</p> <p>(3) Whether or not the company establishes policies for preventing conflicts of interest, and provides appropriate reporting channel as well as executes them thoroughly?</p>	V		<p>1. Credit checks are conducted for all transactions made between the company and customers, and supplier evaluations are also performed periodically in order to prevent the occurrence of unethical matters. In addition, relevant clauses related to ethical behaviors are specified in contracts signed.</p> <p>2. The Company has already implemented the concept of ethical management into the corporate culture, and the board of directors and senior supervisors also supervise the status of compliance thereof.</p> <p>3. The Company specifies in the board of directors' meeting procedure: Where there is a likelihood of a director being an interested party to its own or a legal entity he or she represented such that the interest of the company can be damaged, the director may provide opinions and responses but shall not take part in discussions and decision voting; in addition, he or she shall also avoid such discussion and decision voting, and shall not act as proxy for other directors to exercise the voting right. Sufficient communication between the employees and the Company is also provided through the channels of the management and labor meeting or human resource unit, etc.</p>	<p>1. No major difference.</p> <p>2. No major difference.</p> <p>3. No major difference.</p>

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<p>(4) Whether or not the company has established effective accounting system and internal control system for the implementation of ethical management and whether or not it is audited by the internal auditing unit periodically or is entrusted to accountants to perform the audit?</p> <p>(5) Whether or not the company organizes internal or external educational trainings for ethical management periodically?</p>	V		<p>4.The Company has established various accounting systems and internal control systems according to the “Regulations Governing Establishment of Internal Control Systems by Public Companies”, and such systems are also audited by the auditing unit periodically.</p> <p>5.The Company has already implemented the concept of ethical management into the corporate culture, and the board of directors and senior supervisors also supervise the status of compliance thereof. In addition, it is also promoted in meetings from time to time.</p>	<p>4.No major difference.</p> <p>5.No major difference.</p>
<p>3. Operating status of company reporting system</p> <p>(1) Whether or not company establishes a specific reporting and rewarding system, and whether or not the company establishes convenient reporting channel and assigns appropriate report handling dedicated personnel for the subject being reported?</p> <p>(2) Whether or not the company establishes standard</p>	V		<p>1.The Company establishes the “Ethical Management Principles” and “Reward Management Guidelines”; however, specific reporting system and reporting channel have not yet been established. Nevertheless, in case where the Company employees discover violation of relevant requirements of ethical management, the employees can submit reports via telephone or mails. Once it is verified to be true, punishment will be imposed according to the reward and punishment system of the Company.</p> <p>2.The Company has not yet established the standard</p>	<p>1.No major difference.</p>

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investigation operating procedures and relevant non-disclosure mechanism for the reporting matter handled?	V		investigation operating procedure for handling reporting matters and relevant non-disclosure mechanism. However, in case where the Company discovers or receives reports on a certain company employee committing unethical actions, once such violation is verified to be true, such person making such act will be requested to stop relevant action, and appropriate handling will be made. In addition, when it is deemed necessary, legal procedure will be taken to request damage indemnification in order to maintain the reputation and interest of the Company.	2.No major difference.
(3) Whether or not the company adopts measures to protect informers from improper treatment due to the reports made?	V		3.In the event that the Company receives a reporting case, the Company shall adopt appropriate protection measures in order to prevent the informer from any revenge actions of others.	3.No major difference.
4. Improvement of information disclosure (1) Whether or not the company discloses the content and promotion outcome of the ethical management principles established on its website and Market Observation Post System website etc.?	V		The Company has disclosed the content of ethical management principles on the websites, and there are no violations of ethical management.	No major difference

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5. For company already established with its own ethical management principles according to the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, please describe the difference between its operations and the principles established: No major difference.				
6. Other important helpful in understanding the status of the ethical management operations of the company (such as the status of the company in reviewing and amending the ethical management principles established): None.				