

eMemory Technology Inc.

Ethical Corporate Management Implementation Status of 2023

Date : December 20, 2023

Implementation Status :

1. The dedicated unit was promoted to the "Sustainable Management Committee"

The Company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the integrity management policy, we actively prevent dishonest behaviors such as bribery, corruption, fraud, intellectual property infringement, insider trading, providing and accepting improper benefits, and engaging in illegal activities or directors, managers and employees who breach their fiduciary duties. The Company has established a Sustainable Management Committee, chaired by the President, to align with global ESG trends. The Company's "Ethical Corporate Management Practice Principles" was revised by the Board of Directors resolution on October 24, 2023, and the dedicated unit was promoted from the President's Office to the "Sustainable Management Committee". In addition to continuously promoting and overseeing and the Company's integrity and ethical practices, the committee will convene regular meetings to review the current implementation, making timely adjustment and amendments as needed. The Chairman of the Sustainable Management Committee will also report annually to the Board of Directors on the implementation of ethical corporate management

2. Audit of ethical corporate management

The Company's Audit Office assesses risks related to various internal control operations based on "Ethical Corporate Management Practice Principles", formulating an annual audit plan. Each year, the Audit Office conducts audits on crucial operational processes, including Purchase and Payment cycle, Sale and Receipt cycle, along with Research and Development cycle, etc., to ensue ethical and professional practices. Through internal audits, the Audit Office verifies that the company engaged in all types of business activities with integrity. The audit results are regularly reported to the Company's Board of Directors.

3. Corruption risk assessment

To prevent corruption, the Company conducts corruption risk assessments regularly. Since procurements are centralized, the scope of the assessment is the Jhubei Office in Taiwan. By identifying and evaluating the possibility and impact of bribery in business operations, preventive measures are designed for medium- and high- risk items. In 2023, Senior management executives participated in the corruption risk assessment and took the risk identification survey. A total of 8 risk situations and 16 hazard items were identified. Among the 16 items, there are 14 low-risk items and 2 medium-risk items. For low-risk items, it is managed by existing prevention procedures. For medium-risk items, eMemory has adopted ISO 27001 Information Security Management System in 2022 for proper protection and management. Furthermore, information security related courses and discussions are regularly delivered to our employees to strengthen the concept of information security and prevent incidents from happening.

4. Training and publicity

The Company provides a series of training courses to ensure all employees are aware of the importance of integrity and ethical management and will practice them fully during daily business. The “Information Environment and Information Safety” course emphasizes the confidentiality of both tangible and intangible information assets. The “Personal Information Protection” training course focuses on the execution of a non-disclosure agreement by the individual who handles any personal information, confirming their confidentiality obligations and the parameters of the permissible legal use of personal information. The “Insider Trading” course propagates the inhibition of making use of undisclosed information to conduct insider trading and disclosure to others. In 2023, as of November, 21 new employees participated in the courses mentioned, totaling 31.5 hours. In order to strengthen employee awareness on business ethics, starting from 2023, all of our full-time, part-time, and contract employees are required to take an "Integrity and AntiCorruption" course. The goal of this course is to establish an integrity-based management policy and actively discourage dishonest behaviours. In 2023, as of November, 299 employees participated in the courses mentioned, totaling 50.8 hours. We have implemented the above-mentioned related courses on our internal online learning system so all employees can refer to it at anytime.

5. Whistle-blowing System

The whistle-blowing system and related processing procedures had been established in the “Stakeholders Engagement” area on the corporate website, and the company's internal platform, myeMemory, also established an Employee Suggestion Mailbox, providing a way for employees to express their opinions. After receiving the whistleblowing case, according to the matters, the Company shall appoint a person to accept and investigate the case. The appointed person shall report to the Company and the whistleblower about handling methods, schedule and result, the whistleblower and appointed person shall keep the investigation and related information confidential, that it shall not be disclosed, and the Company shall protect the whistleblower from revenge or other improper treatment. The involved person who fails to keep the confidentiality and causes the confidentiality revealed shall be disciplined pursuant to the related rules.

6. Summary

Through internal education, training and publicity, internal and external persons can be clearly aware the Company's ethical corporate management related policies. Therefore, under the “Ethical Corporate Management Practice Principles” which clearly regulates and prohibits various business activities, the Company did not receive any reports from December 2022 to November 2023, and was not found to directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. We were also not involved in any lawsuit related to anticompetitive, anti-trust, and monopolistic behavior.

Reporter : President Michael Ho

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