

Integrity management

Integrity has always been the basis of the sustainable operation of Nafco, and the culture of integrity must start from the usual, implement internal management, strengthen the ethics of employees, implement integrity and integrity in work, and gradually integrate into the company's culture and employee behavior. Nafco is responsible for the formulation and supervision of the implementation of the integrity management policy and prevention plan by HR, and formulates the "Employee Code of Conduct" and the "Employee Complaint Management Measures" internally, and externally requires the signing of the "Integrity Guarantee Letter" and the "Integrity Questionnaire and Related Person Declaration Form" with agents, suppliers or other business transaction objects, and establishes a whistleblower system, and the audit unit checks the compliance situation from time to time, and makes an audit report and submits it to the board of directors.

In order to implement the concept of honest management and strengthen the anti-corruption publicity, in addition to providing anti-corruption complaint and reporting channels, Nafco regularly publicizes it through monthly meetings and quarterly employee communication meetings, including the education and publicity of the compliance of honest management regulations, the prohibition of internal trading and related laws and regulations, so that employees understand the company's importance to ethics and integrity, and implement the spirit of integrity and integrity in their work. In 2021, Nafco held policy education and advocacy (including honest management compliance and prohibition of internal trading, etc.), with a total of 492 trainees, a total of 642 hours among all the staff.

In order to benefit the Company's managers and employees to understand and advocate the standards of integrity and ethics and to effectively follow them, Nafco has established the prevention of conflicts of interest, the avoidance of opportunities for personal gain, the duty of confidentiality, fair dealing, the protection and appropriate use of the company's assets, and the encouragement of the reporting of any illegal or violation of the Code of Ethical Conduct, etc., and signed by the new staff when he/she on boarded. Nafco provides the current directors with education and course information on relevant laws and regulations, and provides a director regulation advocacy manual to the new directors and educates and advocates the current management norms for insider shareholdings, the prohibition of short-term trading and the prohibition of insider trading. The directors of the Company have participated in relevant courses in 2021 to the relevant training units such as the China Corporate Governance Association This includes fraudulent financial reports and corporate governance, etc., and the course briefing files are provided to the directors for reference by the relevant continuing education units.

Whistleblower system

In order to immediately put an end to illegal acts that violate integrity management or corruption, Nafco has formulated a clear "Employee Code of Conduct" and "Measures for the Administration of Employee Complaints", a clear whistleblower reporting system. HR must response staff within three working days after the worker reflects the issue. The "Employee Complaint Opinion Handling Form" will be transferred to the supervisor of the relevant

department for handling. Complaint if the case is verified to be true, the respondent will be immediately asked to stop the relevant acts, and will take appropriate actions depending on the seriousness of the circumstances Points. If the circumstances are serious, in addition to handling in accordance with the relevant provisions of the company, civil law, or criminal law will be claimed through legal procedures.

For any documents and materials related to the Employee Complaint shall be regarded as confidential documents; any involved in the handling of appeals personnel who have a duty to keep it confidential process in which they are involved. The complaint is not handled in accordance with the provisions of confidentiality or case filing unrelated personnel who disclose the facts of the case shall be submitted to the reporting office by HR. The names of all those who post employee grievance letters and other related background information, must completely confidential.

When an employee of the Company violates the Code of Ethical Conduct, Nafco shall act in accordance with the relevant laws and regulations and the Measures for the Administration of Employee Rewards and Punishments.

Measures to prosecute

Nafco has a mailbox for reporting violations of the Code of Conduct on Integrity and ethics for internal and external personnel to react to opinions or report violations incident, and the whistleblower mailbox will be detailed in the "Measures for the Administration of Employee Complaints" and the "Letter of Guarantee for Honesty". Whistleblower or photo which the relevant information is kept strictly confidential to prevent whistleblowers from being subjected to retaliation, and severe punishment is severely punished in accordance with law after being discovered.

The contact of Auditing Office	Auditing Officer of Nafco
Mailbox	Auditing@nafco.com.tw