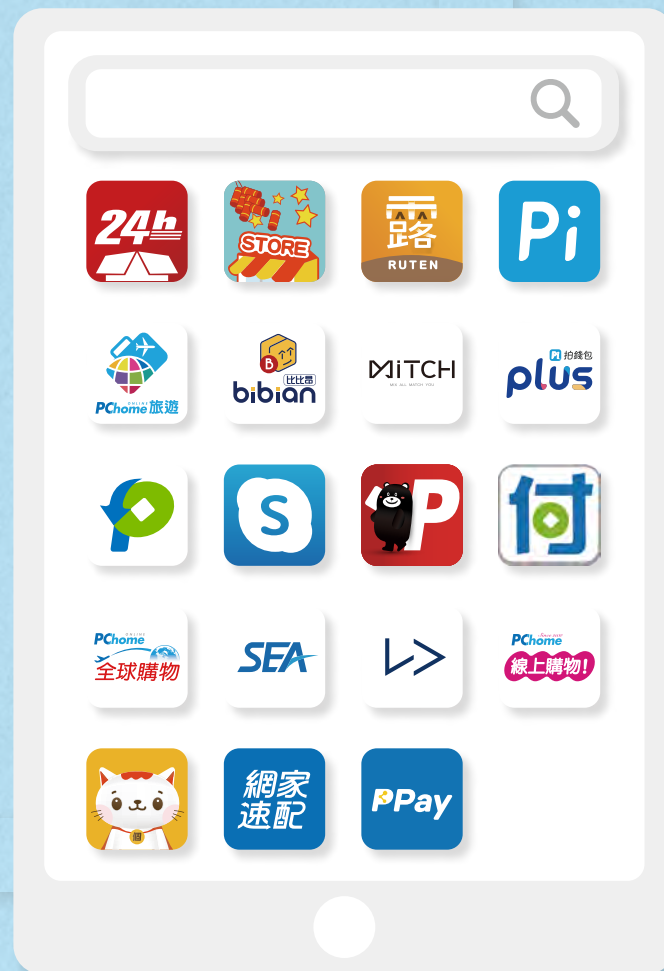


ONLINE  
**PChome**

**2020**

# Corporate Social Responsibility Report



About this Report	03
Message from the Management	04
20 Years of Growth with You	06
Awards and recognitions	09
Sustainability highlights	10
Sustainability goals and visions	12
Stakeholder engagement	15
Identification of material topics	18

1 Flourishing together : Operations and governance	21
1.1 Ethical corporate governance and management	22
1.2 Robust risk management	27
1.3 Health and epidemic prevention lifestyle	31
1.4 Business partner management	33

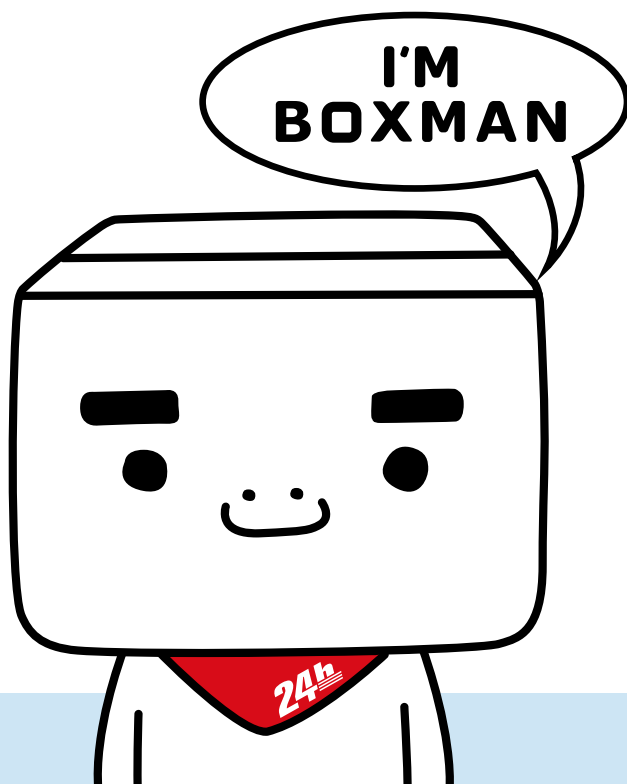
2 Creating together : Sustainable consumption	35
2.1 Marketing high-quality products	36
2.2 Stress-free shopping experience	45
2.3 Reliable information security and protection	48

3 Living together : Green operations	50
3.1 Green Shopping Program	51
3.2 Green operations management	59

4 Growing together : Prosperous workplace	61
4.1 Professional team organization	62
4.2 Attractive remuneration and fringe benefits	64
4.3 Human resource recruitment and development	69
4.4 Healthy and friendly workplace	73

5 Benefiting together : Embracing society	80
5.1 Giving back to society	81
5.2 United against the pandemic	87

Appendix	91
List of corresponding Global Reporting Initiative (GRI) Standards indicators	91
List of corresponding Sustainability Accounting Standards Board (SASB) disclosure metrics	94
Third party verification statement	95



## About this Report

### Message from the Management

### 20 Years of Growth with You

### Awards and recognitions

### Sustainability highlights

### Sustainability goals and visions

### Stakeholder engagement

### Identification of material topics

### 1 Flourishing together Operations and governance

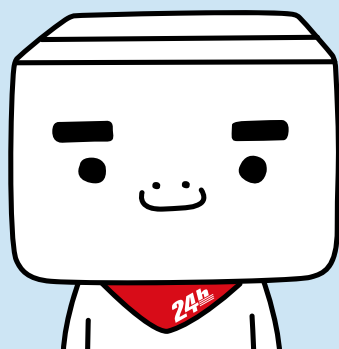
### 2 Creating together Sustainable consumption

### 3 Living together Green operations

### 4 Growing together Prosperous workplace

### 5 Benefiting together Embracing society

### Appendix



## About this Report

This is the first Corporate Social Responsibility (CSR) report released by PChome Online Inc. (hereinafter referred to as PChome). This Report is available in Chinese and English and can be downloaded from our dedicated CSR webpage. This Report was completed voluntarily and it mainly represents PChome's performance and efforts in implementing CSR in 2020 for the reference of stakeholders. PChome plans to release a CSR report every year from now on.

## Reference

This Report presents PChome's management policies and implementation outcomes in the economic, environmental, and social aspects. The report was completed by following the core requirements outlines in the GRI Standards issued by the Global Reporting Initiative (GRI). In particular, the information concerning our financial performance was reviewed by an audit firm. Unless otherwise stated, all amounts are in units of New Taiwan Dollars.

## Period and extent of the report

This Report presents the PChome's CSR achievements and performance in the year 2020 (from January 1, 2020 to December 31, 2020) and covers economic, environmental, and social information about PChome's business locations across Taiwan. Specific sections were dedicated to the operations of our subsidiary company PChome Express Co., Ltd. The categories include e-commerce, warehousing and logistics, etc. The disclosure of the extent of incomplete findings will be highlighted in this Report.

## Contact

Feel free to provide your inquiries, suggestions, and feedback directly to :

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106, Taiwan (R.O.C.)

## Publication overview

First edition : September 2021

Previous edition : None

Current edition : September 2021

Upcoming edition : September 2022

## Internal audit

The information and data in this Report was validated through a three-stage internal review process. In the first stage, the department supervisor reviewed the information provided by the writer; in the second stage, after compiling the findings in the first stage, PChome's Public Affairs Department drafted and completed the Report with the assistance of external advisors; in the third stage, the CEO and Board of Directors reviewed the approved the Report for public disclosure.

## External assurance

Deloitte Touche Tohmatsu Limited conducted an independent limited assurance on this Report in accordance with the Statements of Assurance Engagements Standards No. 01 : Assurance Engagements Other Than Audits or Reviews of Historical Financial Information released by the Accounting Research and Development Foundation. The verification statement of the audit firm is included in the appendix of this Report.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

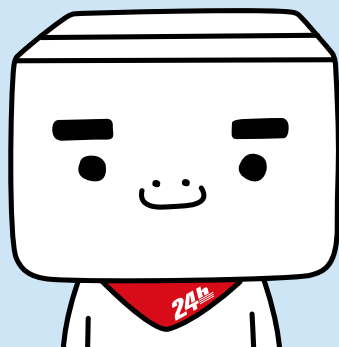
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## Message from the Management

### A Word from the Chairman

In a year blanketed by the COVID-19 pandemic, uncertainty penetrated all aspects of our lives. Taiwan has exhibited remarkable resilience and an unyielding will to fight against such challenges and impacts. Similarly, PChome has never ceased to move forward amidst these trying times. At this critical moment, we continue to become a support and a beacon of hope to society by taking the initiative to transform our operations and adjust rapidly. Even if the world comes to a standstill, PChome will still continue to provide society with all the necessary services. To serve as consumers' most reliable partner every day has been our perpetual commitment for the last twenty years.

Being a player in the ever-fluctuating web industry, PChome has found its footing in managing risks and handling opportunities. As we emphasize long-term goals in our corporate governance structure, we incorporate sustainable business development strategies into our organizational DNA. Our goal is to provide better services to society. In 2020, we continued to integrate group resources to expand the PChome ecosystem by linking up our logistics, payment schemes, domestic services, and even regional and cross-border services, thus creating a platform that connects and includes more people, events, and items. Our daily routine is to make continuous innovations and breakthroughs. PChome is not restricted by its online e-commerce platform, because this year we teamed up with Chunghwa Telecom and other cross-industry partners to realize offline and online virtual and physical integrations, thus marking our foray into telecommunications, department stores, dining, and humanistic exhibitions. We organized in-person activities of the grandest scales in years with the hopes of providing more wonderful life experiences for the public.

As a citizen of Earth, PChome understands that a consumption experience does not merely refer to the process of buying or selling a product or service but also entails everyone's desire for a better life. In response to the public's growing concern for environmental sustainability in recent years, PChome has presented its innovative power through the green transformation of shopping behaviors, which includes business strategies such as recycling and reusing packaging materials, adopting low-carbon logistics, as well as attracting consumers to purchase energy-efficient and eco-friendly products by utilizing the digital marketability of e-commerce. In short, we garnered the strength of the public to protect our environment through practical and relatable methods.

In addition to being a citizen of Earth, PChome is also a part of Taiwanese society. Over the years, we consolidated our businesses and used our social influence to develop welfare strategies. This year, we created a mascot, the PChome Hug Me Bear, by embracing the notion of People Care, thus conveying our concern and warmth toward society. We also extended the core of #BestFriendsWithPChome to various charitable activities and progressively organized pop-up events that featured the PChome Hug Me Bear, including the Amazing Hug Me Bear—Showing Care to Dependent Children event held with the Chung Yi Social Welfare Foundation and the Back to Your Original Intentions Food Fair held together with the R.O.C. Down Syndrome Foundation, both of which aimed to provide more care and assistance to underprivileged groups. Amidst the pandemic, we harnessed the digital power of e-commerce to provide diverse experiences, some including arts and culture events, for the public. We were fortunate to become the first partner of the Taipei Fine Arts Museum this year to livestream its exhibitions since its inception, allowing members of the public to view exhibitions online during the 12<sup>th</sup> Taipei Biennial and use art as a medium to understand significant contemporary issues and jointly care for our society and environment.

Moving forward, PChome will continue to broaden the creation of win-win values with our stakeholders by linking the good things in life through our professionalism and hospitality. Let PChome become everyone's best choice for being Everyday Reliable and achieve an e-commerce ecosystem with sustainable visions.

Chairman of PChome Online Inc.  
Hung-Tze Jan



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

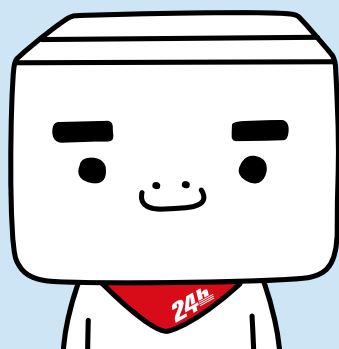
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## A Word from the CEO

The year 2020 was a deeply significant year filled with challenges and opportunities. Firstly, 2020 marked PChome's 20<sup>th</sup> year in the e-commerce industry, which means that PChome's e-commerce services have accompanied consumers for 20 years. In retrospect, it was truly an amazing journey. Taiwan's society has been marked by numerous transformations, including a journey from the lack of maturity in web-based e-commerce applications to the extensive penetration of web-based smart services into our daily lives nowadays. Indeed, today's competitions are marked by 5G, big data, and other technological applications that were previously considered unimaginable. We started out earning NT\$600,000 in revenue from online shopping sales in our debut month and transformed into a conglomerate with annual revenue of NT\$43.8 billion and 3,000 employees.

Even in the face of rapidly-evolving environments, we continue to uphold our original intention of providing sincere services to our customers. We have constantly provided exceptional and innovative e-commerce services to Taiwanese consumers, from digitizing uniform invoices, establishing a dedicated webpage for 24-hour online shopping, offering 6-hour delivery services within Taipei City, creating the PPoint ecosystem, to introducing the eco-friendly Green Shopping Program. In response to the United Nations' sustainable development goals, we identified business models with low environmental impacts and launched the Green Shopping Program in 2019, which includes the adoption of green packaging, green logistics, green warehousing, and green payment. We expect to become a benchmark in green e-commerce by progressively realizing our sustainable development goals. Since the launch of the Green Shopping Program, we unveiled eco-friendly boxes made of 100% recycled pulp which come in 31 sizes so as to reduce the environmental impact of online shopping packaging materials. We also launched a small-scale trial program that involved a reusable cooler bag for storing frozen foods, thus realizing the possibilities of reusing packaging materials. In addition, we became the first e-commerce platform to obtain the Taiwan Carbon Footprint Label from the Environmental Protection Agency, and we will continue our efforts to obtain the Carbon Reduction Label, thus showcasing our determination to reduce our carbon footprint. According to our own estimate, following the launch of the Green Shopping Program, each new packaging will save, on average, 11% in carbon emissions, and 1.24 million tons of carbon emissions are projected to be saved by 2022.

I would like to express my gratitude to everyone at PChome for upholding their positions amid the devastation of the pandemic in 2020, thus allowing PChome to excel against all odds. Ravaged by the uncertain climate throughout society, PChome continues to meet demands, soothe minds, and fulfill our corporate responsibility by maintaining smooth product deliveries. Our logistics systems continued to operate even during the Lunar New Year, meeting consumer demands to the extent that no expense was spared in dispatch vehicles for the sole purpose of collecting stock. In fulfilling such difficult tasks it reinforces, once again, that our key to success has always been having a more precise and actionable view of inventory.

In the upcoming 20 years, we expect PChome to remain everyone's Everyday Reliable partner. We shall generate exceptional performances and define moving experiences in response to the latest trends and adhering to our mission statement. On the economic aspect, PChome will continue to expand our influence in the global market through the launch of one-stop cross-border service platforms such as PChomeSEA, providing consumers with diverse experiences and showcasing high-quality Taiwanese products to the world. On the social aspect, we will partner up with Eden Social Welfare Foundation and other charitable organizations and regularly organize charity concerts and charity sales every year, thereby continuing our efforts in delivering love and warmth to children and other corners of society in need. On the environmental aspect, we will continue to strengthen our Green Shopping Program by incorporating intelligence and big data technologies into our smart warehouses. Furthermore, in response to the rise of low-carbon logistics, we will progressively introduce electric-powered logistics vehicles for deliveries, so as to reduce carbon emissions and become a benchmark green e-commerce platform.

In the past, present, and future, Home will always be with you whenever you are. Our services will remain unrestricted and our innovation will remain unstopped. PChome will continue to accompany everyone on their journey to achieving their dreams and creating a sustainable future.

CEO and General Manager of PChome Online Inc.  
Kevin Tsai



# 20 Years of Growth with You

Whether past, present, or future, PChome is always by your side

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

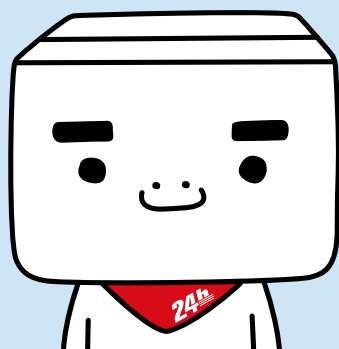
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



**1996** **PChome** ONLINE

- PChome Online along with the web portal business was created and commenced in the same year.

**1998**

- PChome Online Inc. was established.



**2004**

- In 2004, PChome established a strategic partnership with Skype, the first such global partnership, and launched the PChome & Skype VoIP service in Taiwan.

**2000**

**PChome** Since 2000 線上購物!

- The E-Commerce Department was established, along with the launch of Taiwan's first B2C integrated online shopping platform, PChome Online. Business Next magazine then announced PChome as the #1 Website in Taiwan.

**2005** **PChome** ONLINE 商店街! STORE

- The launch of PChome Store assisted local micro-entrepreneurs and SMEs to develop their e-commerce businesses.
- PChome Bookstore officially commenced operations.

- PChome Online became the first government-approved e-commerce platform to digitize uniform invoices.
- PChome Online was officially listed as an internet company on the Taiwan Stock Exchange (TWSE: 8044)WSE.



**2006**

- PChome Online and eBay formed a joint venture and launched an online auction site, Ruten.
- PChome Online introduced Portal2.0, a large-scale Web2.0 pilot program, openly testing six types of services.



**2007** **PChome** ONLINE 24h 購物

- PChome Online unveiled the world's first 24-hour online shopping service.

**2008**

- Forayed into the real estate e-commerce sector by launching Rakuya International.



**2010** **PChome** ONLINE 全球購物

- PChome 24h launched the first "credit card payment on delivery" service in Taiwan.
- PChome Global officially began online operations.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

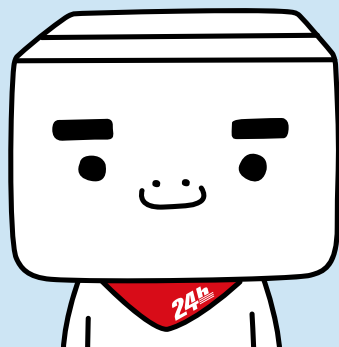
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 2012

- PChome US was launched specifically for ethnic Chinese shoppers in the U.S.

## 2013

- Launched 6-hour delivery services within Taipei City.
- PChome Store began "Personal Seller" services.



## 2015

- Released Pi Wallet, the first payment service provider based on smartphone-based transactions.



## 2014

- Established PChomeTalk through a joint venture with telco operators and released the world's first Android-exclusive Skype phone.
- PChomeUSA C2C e-commerce platform began online operations.

## 2016

- PChome Thai became the first Taiwanese e-commerce platform to receive approval for payment collection in Thailand.
- PChome's subsidiary InterPay officially commenced operations.

## 2017

- PChome collaborated with Skype's founding team and launched Lingcivist, an AI-based language learning tool.

## 2018

- Jointly launched the E.SUN Pi Wallet credit card with E.SUN Bank.
- Jointly launched the Citibank PChome Prime co-brand credit card with Citibank.
- Engaged with a new strategic partner, Chunghwa Telecom, and launched the CHT-PCH NO.1 platform and venture capital fund.
- Established PChome Express, a self-owned logistics company.



## 2019

- PChome Online Inc. signed an agreement and announced a strategic alliance with Rakuten, a Japanese internet service provider.
- PChome Online Inc. signed a memorandum of understanding (MOU) with Nonghyup Hanaro Mart Inc., a leading South Korean company.
- PChome Online Inc. initiated the Green Shopping Plan and unveiled 31 new eco-friendly packaging types.



## 2020

- Became the first integrated e-commerce giant in Taiwan to receive the Carbon Footprint label from the Environmental Protection Administration. Also pioneered the use of new easy-tear tape and eco-friendly packaging.
- Launched PChomeSEA, a one-stop multinational e-commerce platform, to help Taiwanese merchants sell their products to the southeast Asia region.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

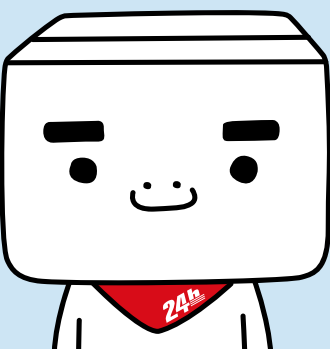
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## Everyday Reliable—The heart-warming spirit of PChome

“Committed to innovation and value creation” is the core principle of PChome Online Inc. Since our founding, it has been our firm belief that the application of web technology and innovation are crucial for the continual creation of additional value, benefits, and innovative experiences for web users. To date, PChome has pioneered a number of services such as guaranteed 24-hour nationwide delivery services, payment on delivery at convenience stores, and expedited (one-click) online product returns. PChome no longer simply engages in commercial activities, but has also paved the way for new lifestyle experiences for consumers. From the beginning of the millennium to the mobile age, we stand by our commitment to service by focusing on “Everyday Reliable” and fulfilling our commitment to every consumer.

In 2020, to commemorate the 20<sup>th</sup> anniversary of PChome’s entry into the e-commerce market, we purposely created a pop-up store that centered on the theme of “Aspirations and Courage.” The store consisted of four exhibition areas that portrayed our history and milestones alongside check-in stations and interactive games, reenacting PChome Online’s 20-year journey of pursuit and realization of aspirations alongside our customers. The exhibition areas provided an insight into a living environment influenced by the rise of online shopping at the turn of the millennium, a time when many households only possessed a desktop computer for online shopping. Currently, the new normal is shaped by the everyday use of smart and wearable devices along with the use of mobile devices for online shopping, which in turn shapes the progression of varying at-home lifestyles. During the same period, PChome announced the top ten bestselling products of the past 20 years, which included retro and classic snacks as well as everyday goods. These items not only evoke feelings of nostalgia among consumers, but also reflect how closely our lives are associated with online shopping, as well as the role e-commerce play in our ever-changing society as it continues to resonate across generations.



## PChome celebrates its 20<sup>th</sup> anniversary by releasing Future in a List, a short film starring Ning Chang

Logging into the PChome homepage not only engages consumer behavior, but also unveils one’s youthfulness, life journey, and future. With the theme of “Youth at 20 Years; Life in 20 Years,” PChome has accompanied everyone’s development from adolescence to adulthood, from being single to becoming a family. PChome is always part of your family and helps you create your amazing future.



◀ PChome website



◀ Youtube

## Non-stop commitment in the next 20 years

Over the last 20 years, our e-commerce services have been integrated into the digital journey of every consumer. Moving forward, PChome will continue to leverage internal and external resources to expand our ONE PChome ecosystem. In addition, we expect to expand our operations into physical transactions and other diverse applications through the use of PPoints, thus meeting the daily needs of consumers and gifting them with infinite surprises and experiences. While doing so, PChome would also continue to seed sustainability-related concepts into our organizational culture and routine operations. We are reducing our environmental footprint by optimizing our operational efficiency, strengthening the concept of green shopping, and subsequently building a green e-commerce model. Moreover, PChome continues to tap into smart warehouses and logistics systems on a greater scale while thoroughly applying forward-looking technologies such as big data, artificial intelligence, and IoT. By focusing on the opportunities and visions concomitant with service innovation and low-carbon operations, we are developing web services that benefit the society and assist Taiwan in ushering into a new era of e-commerce with the world.



## Awards and recognitions over the last ten years

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

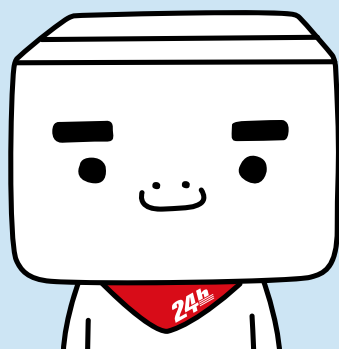
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



**2010**

- Awarded Gold in the e-Commerce category at the 11th Click Awards as well as winning the title of Media and Service-Based Website of the Year

**2012**

- Ranked by Business Next Media and Boston Consulting Group (BCG) as one of the Top 100 Innovative Enterprises and Top 50 e-Commerce Enterprises in Taiwan
- Ranked by Business Next magazine as one of the Top 100 Taiwanese Tech Enterprises in 2011 and also awarded Best Information Service Provider
- Received the Golden Service Award from Commonwealth magazine
- Awarded Gold in the Online e-Shopping Platform category at the 12th e-21 Golden Awards hosted by MOEA
- Awarded Excellence in Enterprise Innovation for Organizations at the 2nd National Industrial Innovation Awarded hosted by MOEA
- Ranked by Business Next magazine as one of the Top 100 Taiwanese Tech Enterprises in 2012 and the Top 100 Taiwanese Websites in 2012

**2017**

- Awarded Gold in the Mobile Device-based Business Service Provider category at the 16th Click Awards
- Received the Top 100 Innovative Products Award at the IT Month expo organized by Taipei Computer Association
- Awarded Gold in the Online Shopping category at the Golden Service Awards hosted by Commonwealth Magazine
- Recognized as a 2017 Influential Asian Brand in the Web-Based Services category
- Awarded Excellence in Trade Facilitation and Cross-Border e-Commerce at the 2017 DTA Awards hosted by the Digital Transformation Association
- Received Business Weekly magazine's 2016 Taiwan Homegrown Brand Award

**2018**

- PChome Fastag received the Top 100 Innovative Products Award at the IT Month expo organized by Taipei Computer Association



- Completed the Program for Online Platform Security and Development of Reporting Mechanisms organized by the Department of Commerce, Ministry of Economic Affairs (MOEA)
- Recognized as a Taiwan Superior Commercial Service Brand by the MOEA
- Awarded Influential Brand of the Year and Best e-Commerce Platform by Manager Today magazine
- Ranked among the Top 5000 Large-Scale Taiwanese Companies and awarded Best Web Information Provider (for the 7th consecutive year) by China Credit Information Service Ltd
- Received the Taiwan-iSports Label from the Sports Administration, Ministry of Education
- Awarded Bronze in the Promotional Activity category at the 2020 PR Awards Asia (Asia-Pacific Region)
- PChome August Shopping Fiesta awarded Excellence in Brand Communication in the Private Companies category at the 12th Distinguished Public Relations Awards hosted by the Foundation for Public Relations

**2019**

- Awarded Gold in the Online Shopping category at the Golden Service Awards hosted by Common Wealth Magazine
- Awarded Most Admired e-Commerce Company in Taiwan at the Golden Service Awards hosted by Commonwealth Magazine
- Awarded the 2016 Cross-Strait Development Excellence Award hosted by Taiwan Coalition of Service Industries and China General Chamber of Commerce
- Awarded Gold in the Major Online Shopping Platform category at the Taiwan Service Survey hosted by Commercial Times newspaper
- Received the Top 10 Excellent Enterprise Award and the Excellent Customer Satisfaction Award at the 15th Golden Torch Awards hosted by Outstanding Enterprise Manager Association
- Received the Online Shopping Packaging Reduction Label from the Environmental Protection Agency (EPA)
- Awarded in the Computers/Consumer Electronics category at the 2019 Best Companies to Work For Awards hosted by 1111 Job Bank

**2011**



**2014**

**2015**

**2020**



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix

## Sustainability highlights



### Economy-related

- The economic performance of the ONE PChome in 2020 is revealed: a 12.8% growth in revenue and earnings per share growth of 55.4%
- CEO and General Manager Kevin Tsai awarded Super MVP in 2020 by Manager Today



### Environment-related

Just consumption, no wastage:  
PChome receives the Online  
Shopping Packaging Reduction  
Label from the EPA.



PChome 24h is the first integrated  
e-commerce platform in the  
country to receive the Taiwan  
Carbon Footprint Label.



A total of 1,186 old smartphones  
were recycled through the  
“Turning Old Electronics into  
Gold” scheme, equivalent to a  
reduction of 21.6 tons of CO<sub>2</sub>  
emissions (as of June 30, 2021).



PChome fully adopted the use of  
eco-friendly boxes and tape, with  
boxes coming in 31 different sizes.



Introduces a smart box number  
recommendation system that  
effectively reduces carbon footprint  
in product delivery.



Invoices are issued  
electronically, saving up  
to an equivalent of  
140,000 million pieces of  
A4 size paper.



PChome and Taipei City  
Government jointly launch the  
Taipei Energy Saving Festival and  
wins the “King of Energy  
Conservation” award for the  
second consecutive year.



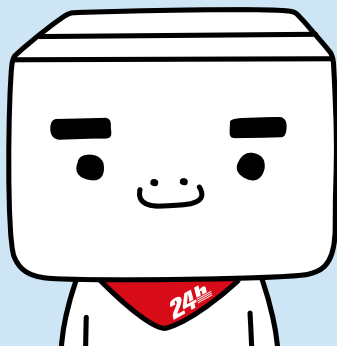
In conjunction with Earth Day,  
PChome turned its homepage into  
greyscale for an hour on April 22,  
2020, and encouraged members of  
the public to take action in raising  
environmental  
protection  
awareness by  
turning off their  
lights.



The first Taiwanese e-commerce platform to  
achieve the accumulated amount required as per  
green procurement standards, thus allowing  
more than one million small and medium-sized  
enterprises (SMEs) nationwide to engage in green  
procurement on PChome's platform.



Launches a small-scale trial program involving a  
reusable insulated cooler bag for storing frozen  
foods. Joins hands with Chunghwa Post to  
implement resource recycling measures in 10,000  
recycling centers throughout Taiwan.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



Society-related

Organized the “Amazing Hug Me Bear” pop-up event that aims to increase public awareness about the plight of dependent children by navigating through a giant maze as well as engaging in a series of interactive experiential activities.



Grounded in the core value of “ORIGINAL—Back to Your Original Intentions” at the 2020 Simple Life Festival, PChome launched the “Original Intentions Food Fair” charity event together with the R.O.C. Down Syndrome Foundation, where everyone is invited to lend a helping hand to children with Down syndrome.



Organized the “PChome Super Gift 88 Online Charity Auction.” All proceeds were donated to the Taiwan Fund for Children and Families to help underprivileged children and adolescents.



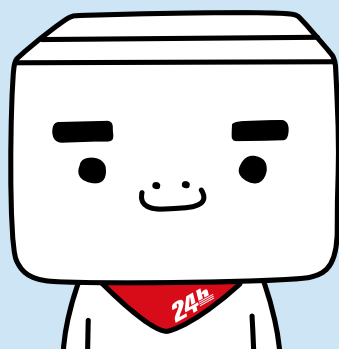
As part of the 2020 12.12 Sales, PChome invited South Korean girl group A-pink to perform a virtual concert and to host a charity auction. The proceeds were donated to the Taiwan Fund for Children and Families to help deliver Chinese New Year reunion dinners to families and children in rural areas.



PChome and Taoyuan City Government joined hands to launch the Taoyuan No Hassle Leisure Pack for residents quarantined at home, allowing them to meet their consumption needs through safe purchasing, learning, and payment.







PChome joins the fight against the pandemic! In light of the nationwide success in controlling the spread of COVID-19, the Chinese Professional Baseball League becomes the first worldwide sporting event that allows spectators to enter the stadium. Together with the CTBC Brothers team, PChome hosted a charity auction in which fans bid for autographed jerseys. All proceeds were donated to the Health Bureau of Taichung City Government for epidemic prevention purposes.



## Sustainability goals and visions

PChome firmly believes that every entity in the greater community is our stakeholder. Our operations are dependent on the well-being of every person. In line with the United Nations Sustainable Development Goals, PChome continues to strengthen the influence of e-commerce platforms and leverage intra- and extra-organizational powers in order to build a society that benefits everyone.

Aspect	SDGs	Strategies	Outcomes	Future goals
Environment	 	1. Becoming a pioneer in the greening of the e-commerce sector by emphasizing green packaging, green logistics, green warehousing, and green payment.	1. Obtained the Online Shopping Packaging Reduction Label from the EPA. 2. Obtained the Taiwan Carbon Footprint Label from the EPA. 3. Implemented a cellphone recycling solution in which consumers can swap unwanted electronics products for cash. 4. Became the first e-commerce platform to achieve the accumulated amount required as per green procurement standards. 5. Launched the Taipei Energy Saving Festival with the Taipei City Government. 6. The PChome homepage went greyscale on April 22, 2020, in response to Earth Day. 7. Launched the “Let’s Love Earth” page, where various brands of energy-saving products were displayed, thus instilling green shopping concepts among consumers.	Short term : 1. Plan to obtain the Taiwan Carbon Reduction Label from the EPA in 2021. 2. Continuous integration of marketing activities to increase the sales growth of energy-efficient home appliances by more than 10%.
			 	Mid to long term : 1. Planning the utilization of e-scooters to reduce carbon emissions from logistics processes. 2. Improving the proportion of smart processes in our warehouse and logistics systems, thus enhancing processing efficiency and reducing carbon emissions.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

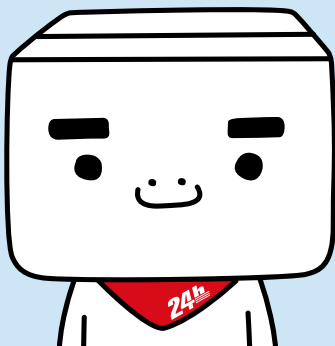
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

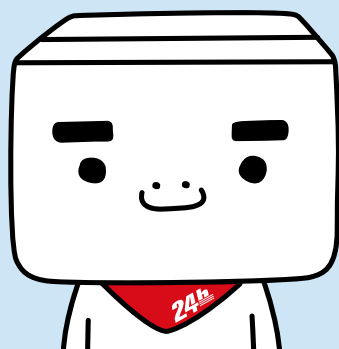
2 Creating together  
Sustainable consumption





3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



Aspect	SDGs	Strategies	Outcomes	Future goals
Society S		1. Charity and fundraising measures are incorporated into various marketing activities throughout the year, so that more concern can be directed towards the plight of underprivileged children.  2. Creating a gender-friendly work environment.	1. Organized five major charity events with private foundations, all of which included donation solicitation.  2. Implemented the “Maternity Health Protection Program,” which ensures that our female employees are able to maintain their physical and mental well-being during and after their pregnancy and while breastfeeding.  3. Received the Excellent Lactation Room Label from the Health Bureau of Taipei City Government.	Short term :  1. Organizing large-scale student internship programs to cultivate e-commerce talents and providing priority employment opportunities.  2. Recognizing the importance of women in the workforce. At PChome 24h Shopping, 50% of the employees and supervisors are women.
				Mid to long term :  1. Implementing annual charity events that feature the PChome Hug Me Bear, as well as integrating large-scale offline and online activities to enhance the effectiveness of the events.
Governance G		Collaborating with external organizations and partners by utilizing the influence of and harnessing digital knowledge from data sharing platforms, as well as developing various solutions and strategies to help deal with ongoing economic, social, or environmental issues and evoke positive influences on society.	1. Organized a contactless online exhibition themed “You and Me Don’t Live on the Same Planet” together with Taipei Fine Arts Museum. Members of the public were invited to observe various social and ecological crises.  2. In response to the “Taoyuan Stay at Home ACTION” program organized by the Taoyuan City Government, PChome supported Paper Windmill Theater Troupe to produce the “Paper Windmill Returns to Laughter” digital event, thus reducing the impact of the pandemic on the arts and culture industry.  3. In collaboration with New Taipei City Government, PChome livestreamed our experiences of digital transformation, so as to help SMEs mitigate the impact of the pandemic on their businesses.	Short term :  1. Continuous support on an annual basis of the digital transformation of SMEs through the organization of multiple seminars according to the topic as well as providing online entrepreneurship solutions, promotions, and subsidies.
				Mid to long term :  1. Leveraging portal resources to highlight issues on climate change. Promoting discussions on low-carbon economic developments and relevant issues through activities and merchandising, and encourage public response to climate change mitigation.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

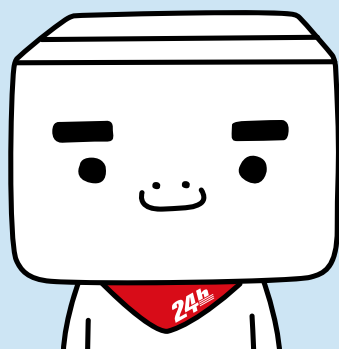
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

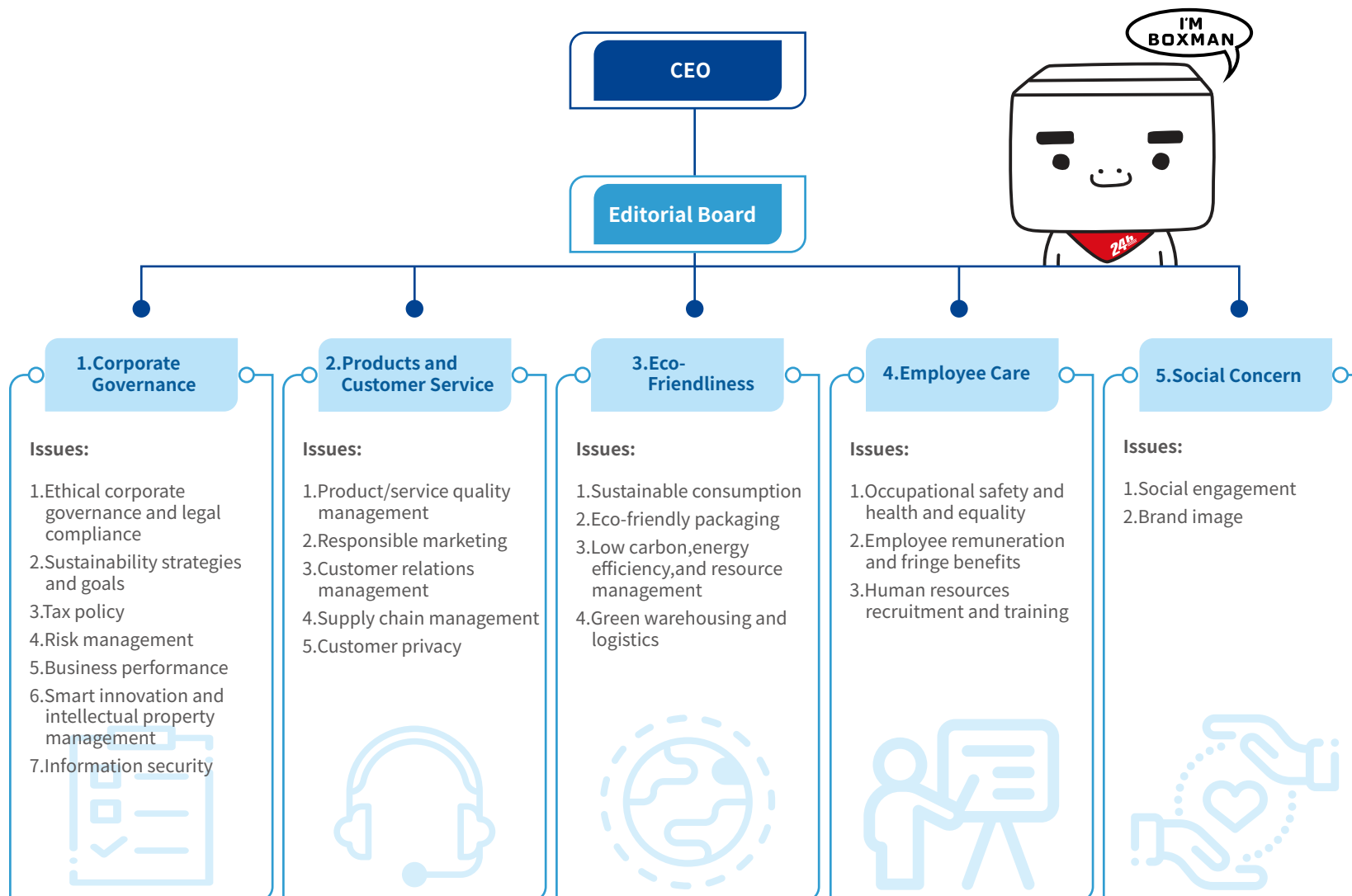
5 Benefiting together  
Embracing society

Appendix



## An organization driven by sustainable tasks

To streamline an effective management of sustainability-related information within the organization and facilitate communication across all departments regarding the planning of relevant affairs, PChome has a dedicated task force for editing corporate sustainability reports. Their main task is to devise management solutions on issues pertaining to five aspects—Corporate Governance, Products and Customer Service, Eco-Friendliness, Employee Care, and Social Concern, as well as communicating with stakeholders. To facilitate the decision-making and division of labor in intra- and extra-organizational ESG-related affairs, the CEO authorizes the highest-ranking supervisor in each department of the relevant issues with the responsibility for implementation. During scheduled workday meetings, the supervisors must report the implementation status and related resource requirements to the Chairman and Board of Directors, so as to update them on the progress and allow for the provisioning of resources.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

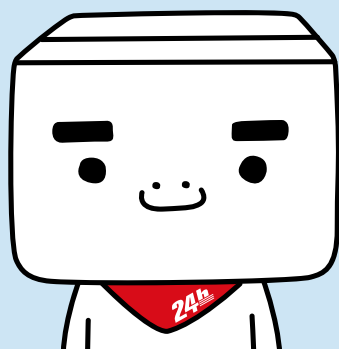
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## Stakeholder engagement

A PChome stakeholder is any organization, group, or individual who either affects PChome's operations or is affected by PChome's operations, or both. PChome is always concerned about our stakeholders' opinions and feedback. To achieve clear engagement across all parties, PChome identifies stakeholders according to the five major principles of the AA1000 SES-2011 Stakeholder Engagement Standard (SES) i.e. Dependency, Responsibility, Influence, Diverse Perspectives, and Tension. The seven main stakeholder groups of PChome are customers, employees, government authorities, suppliers, shareholders/investors, media, and communities.

Stakeholder	Importance to PChome	Means of communication	Frequency of communication	Issues of concern	Responses and actions
Customer	Enterprise sustainability depends on customers' trust. An enterprise flourishes by maintaining continuous and trustworthy interactions with other parties	Customer hotline and e-mail	Immediate	Customer privacy Customer relations management Information security Product/service quality management Responsible marketing	2.1 Marketing high-quality products 2.2 Stress-free shopping experience 2.3 Reliable information security and protection
		Open information, social media	Occasionally		
		Outbound marketing, apps	Occasionally		
		In-person activities	Occasionally		
Employee	The employees are a company's most important asset and are fundamental to its growth	Employee welfare committee meetings	Occasionally	Employee remuneration and benefits Workplace safety, health, and equality Business performance Human resources recruitment and development Customer privacy	1.1 Ethical corporate governance and management 2.3 Reliable information security and protection 4.2 Attractive remuneration and fringe benefits 4.3 Human resource recruitment and development 4.4 Healthy and friendly workplace
		Labor-management committee meetings	Seasonally		
		Training programs	Occasionally		
		Employee e-mail	Every workday		
Government authorities	All products and services must follow regulations and are supervised by competent authorities	E-mail	Occasionally	Customer privacy Ethical corporate governance and legal compliance Workplace safety, health, and equality Information security Responsible marketing	1.1 Ethical corporate governance and management 1.2 Robust risk management 2.1 Marketing high-quality products 2.2 Stress-free shopping experience 2.3 Reliable information security and protection 4.4 Healthy and friendly workplace
		Official documents			
		In-person meetings			
		Telephone calls			
Supplier	Strong cooperation with value chain partners are critical for providing products and services of the highest standards	In-person visits and conversations	Occasionally	Supplier management Product/service quality management Risk management Responsible marketing Information security	1.2 Robust risk management 1.4 Business partner management 2.1 Marketing high-quality products 2.3 Reliable information security and protection
		Telephone calls			
		Conferences			
		E-mail			
		Dedicated webpage			

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

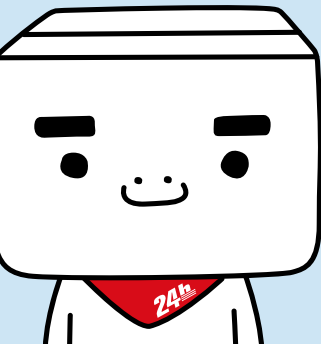
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



Stakeholder	Importance to PChome	Means of communication	Frequency of communication	Issues of concern	Responses and actions
Shareholder/ investor	Support from shareholders and investors propels a company's growth	Shareholder meetings	Annually	Sustainability strategies and goals Risk management Business performance Ethical corporate governance and legal compliance Brand image	Sustainability goals and visions 1.1 Ethical corporate governance and management 1.2 Robust risk management
		Earnings calls	Occasionally		
		Releasing financial reports	Seasonally		
		Releasing revenue performance data	Monthly		
		Information posted on the Market Observation Post System	Occasionally		
		Dedicated webpage	Every workday		
Media	The media is an important means of conveying a company's brand image	Media response	Daily	Information security Business performance Responsible marketing Customer privacy Brand image	1.1 Ethical corporate governance and management 2.1 Marketing high-quality products 2.3 Reliable information security and protection
		Media release	Weekly		
		Press conference	Occasionally		
		Telephone calls/e-mail	Occasionally		
Community	The welfare of local community residents is an important indicator of a company's sustainability influence	In-person activities	Occasionally	Eco-friendly packaging Social participation Carbon reduction, energy conservation, and resource management Green warehousing and logistics Sustainable consumption	3.1 Green Shopping Program 3.2 Green operations management 5.1 Giving back to society 2.1 Marketing high-quality products
		Telephone calls/e-mail			

Dedicated webpage for stakeholder engagement : [https://corporate.pchome.com.tw/about\\_us/about\\_us.php?lang=cht&item\\_id=53](https://corporate.pchome.com.tw/about_us/about_us.php?lang=cht&item_id=53)

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

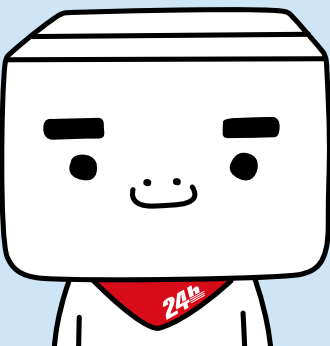
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



The first half of 2021 was a challenging period for Taiwan as the nation was on high alert due to the pandemic. As a result, there were more orders than ever, which caused delays in certain shipments and deliveries. PChome continues to improve its warehousing and logistics capacities through flexible adaptation during each epidemic prevention measure to fulfill every order, thereby satisfying customer demands. The following measures were implemented taking into account customer rights and employee safety :

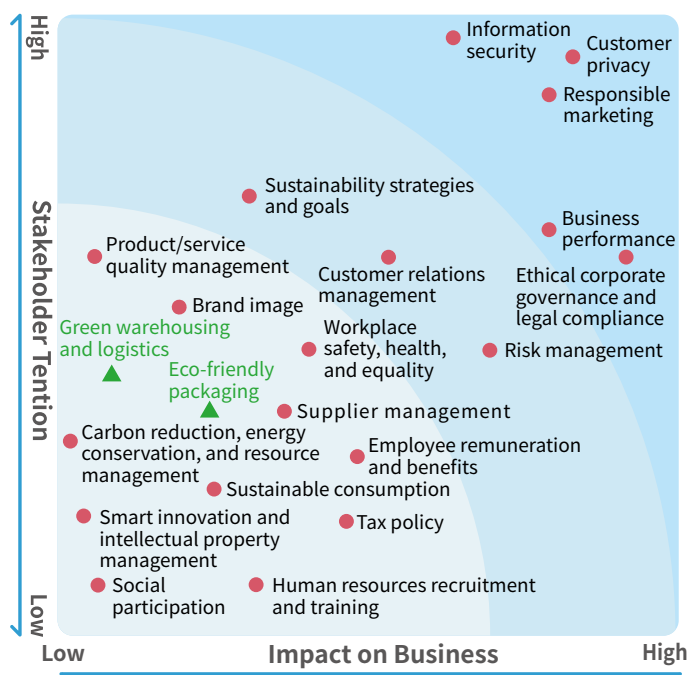
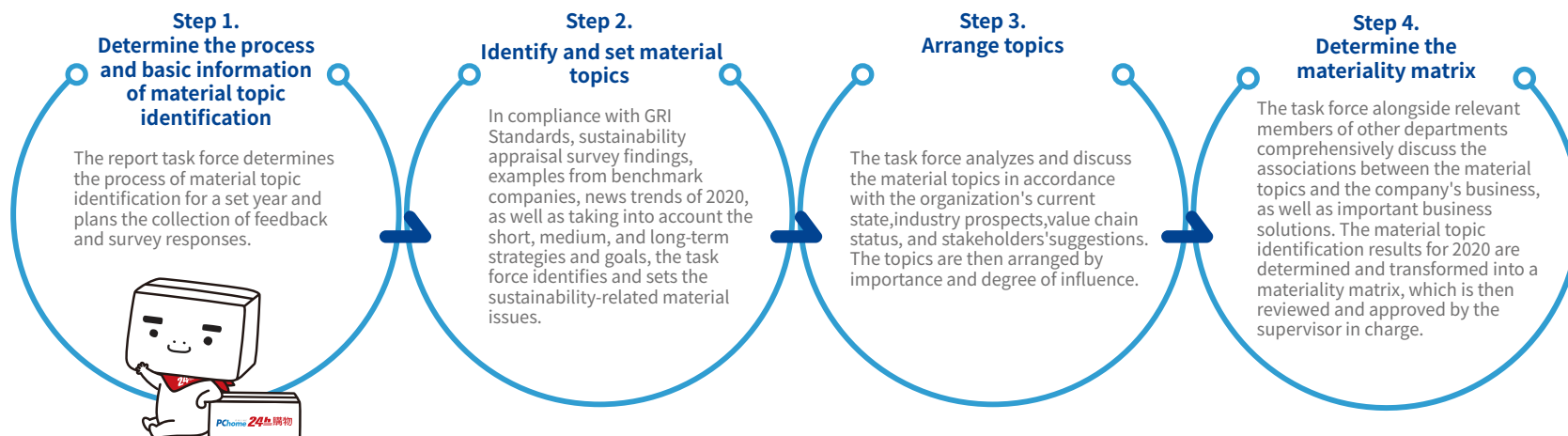


We have received numerous customer feedback and positive reviews on the delayed deliveries during the pandemic. We will continue to uphold our spirit of Everyday Reliable during these trying times by standing together with the public in the fight against the pandemic.



# Identification of material topics

To further delineate the material topics of concern among stakeholders as well as to understand the degree of influence of each material topic on the stakeholders, the material topics analysis in this Report was completed in accordance with the Global Reporting Initiative (GRI) Standards.



Material topics for PChome in 2020	Supplementary topics
Issues which greatly impact PChome's business and are important to stakeholders	Additionally disclosed topics which appropriately address the concerns of stakeholders
1. Customer privacy	11. Employee remuneration and benefits
2. Information security	12. Workplace safety, health, and equality
3. Responsible marketing	13. Supplier management
4. Business performance	14. Product/service quality management
5. Risk management	15. Social participation
6. Sustainability strategies and goals	16. Carbon reduction, energy conservation, and resource management
7. Ethical corporate governance and legal compliance	
8. Customer relations management	
9. Green warehousing and logistics	
10. Eco-friendly packaging	

Note : Given that green warehousing and logistics as well as eco-friendly packaging are important business solutions and global industry trends, both issues are specifically included as material topics.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

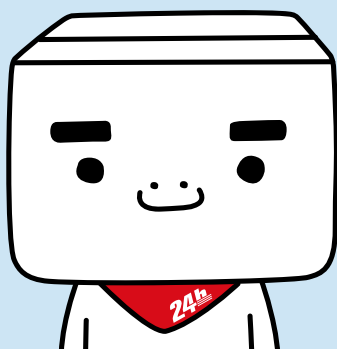
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## Impact and boundaries of the material topics

Material topic	Internal boundary		External Stakeholders					
	PChome	Employees	Customers	Government authorities	Suppliers	Shareholders and investors	Media	Community
Customer privacy	●		●	●				
Information security	●		▲	●	●			▲
Responsible marketing	●		●	●	●		●	▲
Business performance	●	●	▲		●	●	●	
Risk management	●	▲	●	●	●	●		▲
Sustainability strategies and goals		●	▲	▲	▲	●		●
Ethical corporate governance and legal compliance	●	●	▲	●	▲	●	●	●
Customer relations management	●		●	▲	▲	▲	●	
Eco-friendly packaging	●		●					
Green warehousing and logistics	●				▲			

Note : ● denotes direct impacts; ▲ denotes indirect impacts

Material topics for PChome in 2020	Significance to PChome	Corresponding GRI Standards	Management solutions	Corresponding Sections
1. Customer privacy	Customer trust is built on the grounds of appropriate customer information management and serves as the foundation of our growth.	GRI 418 : Customer privacy	<ul style="list-style-type: none"> <li>▶ Applying legal and managerial mechanisms.</li> <li>▶ Regularly organizing training programs to understand trends and new concepts about information privacy and protection.</li> <li>▶ Regularly reviewing and auditing the effectiveness and process reliability of relevant guidelines.</li> </ul>	2.3 Reliable information security and protection
2. Information security	As major e-commerce and online shopping platform, our capability to manage information is the core of our business. Hence, we invest significant effort and resources to build a reliable and robust systems environment.	Self-defined issue GRI 418 : Customer privacy	<ul style="list-style-type: none"> <li>▶ Planning the introduction of the ISO27001 information security management system.</li> <li>▶ Organizing seasonal information security assemblies and training programs on external information security.</li> <li>▶ Organizing information security drills and audits to enhance system reliability.</li> </ul>	2.3 Reliable information security and protection
3. Responsible marketing	We insist on supplying high-quality products and services to our customers. Therefore, customer satisfaction is a major business objective.	GRI 417 : Marketing and labeling	<ul style="list-style-type: none"> <li>▶ Implementing standards for goods labeling, providing excellent after-sales services and assurance, clearly labeling the country of origin of a product.</li> <li>▶ Complying with product review mechanisms and quality standards, self-auditing and inspecting products.</li> </ul>	2.1 Marketing high-quality products
4. Business performance	Excellent business outcomes and robust revenue guarantee the sustainable operations of a business.	GRI 201 : Economic performance	<ul style="list-style-type: none"> <li>▶ Continuously expanding industry presence and furthering into cross-regional e-commerce ventures.</li> <li>▶ Promoting the vertical integration of e-commerce to create diversified advantages.</li> </ul>	1.1 Ethical corporate governance and management
5. Risk management	Implementing risk control and management as well as process validation ensures that a business stays on the right track.	GRI 102 : General disclosures GRI 201 : Economic performance	<ul style="list-style-type: none"> <li>▶ Implementing internal control and audit mechanisms, regularly organizing training programs on legal compliance to increase risk awareness among employees.</li> <li>▶ Identifying climate change-related risks and opportunities, and listing these topics in the Board of Directors' meeting agenda.</li> </ul>	1.2 Robust risk management

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

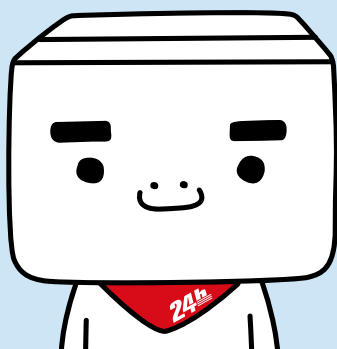
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## About this Report

## Message from the Management

## 20 Years of Growth with You

## Awards and recognitions

## Sustainability highlights

## Sustainability goals and visions

## Stakeholder engagement

## Identification of material topics

### 1 Flourishing together Operations and governance

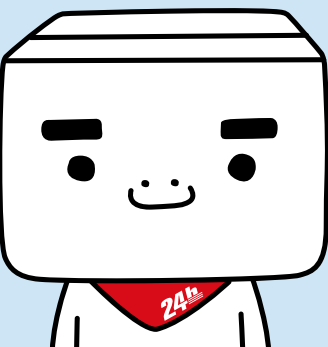
### 2 Creating together Sustainable consumption

### 3 Living together Green operations

### 4 Growing together Prosperous workplace

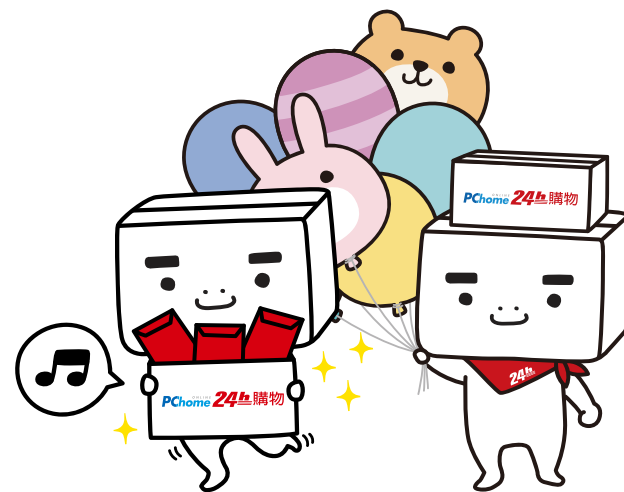
### 5 Benefiting together Embracing society

## Appendix



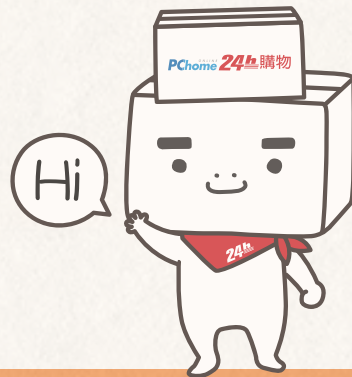
Material topics for PChome in 2020	Significance to PChome	Corresponding GRI Standards	Management solutions	Corresponding Sections
6. Sustainability strategies and goals	Continuously implementing sustainability strategies and operational goals are crucial for a company to expand its influence.	Self-defined issue	<ul style="list-style-type: none"> <li>▶ Participating in corporate sustainability-related appraisals, continuously enhancing the sustainability performance of benchmark industry standards.</li> <li>▶ Promoting various sustainability-related projects to increase social participation and topic influence.</li> </ul>	Sustainability goals and visions
7. Ethical corporate governance and legal compliance	Ethical corporate governance is the root of a business. PChome's management implements self-discipline measures of the highest standards and requires all employees to comply with relevant laws and regulations.	GRI 102 : General disclosures GRI 205 : Anti-corruption GRI 307 : Environmental compliance GRI 417 : Marketing and labeling GRI 419 : Socioeconomic compliance	<ul style="list-style-type: none"> <li>▶ Applying ethical corporate management and complying with business ethics-related standards.</li> <li>▶ Continuously organizing training programs and realizing ethical corporate governance and commitments in daily business routines.</li> </ul>	1.2 Robust risk management
8. Customer relations management	Customer relations is a testament to a company's success. We are committed to providing hospitable and unforgettable services to our customers.	Self-defined issue GRI 418 : Customer privacy	<ul style="list-style-type: none"> <li>▶ Developing target customer complaint rates and customer satisfaction surveys to enhance customer management.</li> <li>▶ Increasing service quality by providing systematic training schemes for customer service personnel.</li> </ul>	2.2 Stress-free shopping experience
9. Eco-friendly packaging	Everyone is responsible for protecting the environment. At PChome, corporate social responsibility for e-commerce companies is realized through our mission of reducing waste in the consumption process.	Self-defined issue GRI 301 Logistics GRI 306(2016) : Effluents and waste	<ul style="list-style-type: none"> <li>▶ Introducing eco-friendly boxes and easy tear tape, implementing a total packaging recycling policy.</li> <li>▶ Offering multiple types of boxes and introducing an optimal package size mechanism.</li> </ul>	3.1 Green Shopping Program
10. Green warehousing and logistics	In response to the impacts of climate change, we are committed to reducing the environmental impacts of our operations for the sake of future generations.	Self-defined issue GRI 302 Energy GRI 305 Emission	<ul style="list-style-type: none"> <li>▶ Planning the utilization of low-carbon vehicles such as e-scooters.</li> <li>▶ Installing LED lighting in all warehouses.</li> <li>▶ Introducing big data technology for delivery route optimization.</li> </ul>	3.1 Green Shopping Program

Secondary topics for PChome in 2020 and their corresponding sections	
Secondary topics	Corresponding Sections
1. Employee remuneration and benefits	4.2 Attractive remuneration and fringe benefits
2. Workplace safety, health, and equality	4.4 Healthy and friendly workplace
3. Supplier management	1.4 Business partner management
4. Product/service quality management	2.1 Marketing high-quality products
5. Social participation	5.1 Giving back to society 5.2 United against the pandemic
6. Carbon reduction, energy conservation, and resource management	3.1 Green Shopping Program 3.2 Green operations management



# Flourishing together Operations and governance

1



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

**1 Flourishing together**  
Operations and governance

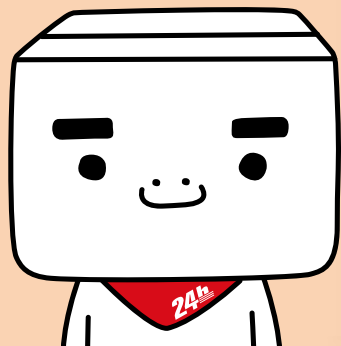
**2 Creating together**  
Sustainable consumption

**3 Living together**  
Green operations

**4 Growing together**  
Prosperous workplace

**5 Benefiting together**  
Embracing society

Appendix



## 1.1 Ethical corporate governance and management

### 1.1.1 Business overview

Company name	PChome Online Inc.
Date of establishment	July 14, 1998
Listing date	January 24, 2005
Chairman	Hung-Tze Jan
President/CEO	Kevin Tsai
Location of headquarters	12F, No. 105, Sec. 2, Dunhua S. Rd., Da'an Dis., Taipei City 106, Taiwan
Capital	NT\$ 1,182,594,460
Number of employees	1,719 (as of December 31, 2020 and including full-time and part time employees)

PChome Online first began its operations as a web portal in 1996. On July 14, 1998, PChome Online Inc. (PChome) was officially established. After years of hard work, PChome is now the leading integrated e-commerce service group in Taiwan, providing localized and high-quality e-commerce, web portal, and web services.

PChome is the first web services company to be listed in the Taiwan Stock Exchange (TWSE). In January 2005, a new chapter in Taiwan's web development history began when PChome was officially listed as an internet company in the TWSE (symbol 8044). PChome operates under three business models. PChome 24h Shopping is the largest B2C website in Taiwan. PChome Global ships to 103 countries and regions. Other affiliated companies include PChome Store, the largest B2B2C website for SME online businesses setup; Ruten, the top C2C website; and PChome Thai, an overseas e-commerce platform. PChome's payment services include third-party payment service provider PChomePay; e-payment service provider PChome InterPay; and mobile payment service provider Pi Mobile Wallet. Other web services include Rakuya International Info. Co., PChome & Skype, and internet services such as Lingvist. Information about the affiliated companies can be found in the Annual Report.



▲ Annual Report

PChome 24h Shopping is the most popular and most influential e-commerce brand in Taiwan. Therefore, we continue to enhance our service innovation and product range by offering brands with options that go beyond consumers' imaginations. We have introduced delivery schedules and routes optimized with Big Data technology and encourage suppliers to place their products at our dedicated warehouses, thereby significantly reducing the handling time from order placement to product shipment.

In addition to constantly optimizing our operational efficiency and in response to climate change, a global concern in recent years, we are committed to reducing all the environmental impacts that could possibly occur during our operations, as this is our commitment towards sustainable operations in the market. We officially kicked off the Green Shopping Program in 2019, in which carbon reduction is achieved through green packaging, green logistics, green warehousing, and green cash flow. Following the launch of the Green Shopping Program, each new packaging would save on average 11% in carbon emissions. By 2022, 1.24 million tons in carbon emissions are projected to be saved. Going forward, we continue our efforts in promoting environmental-friendly strategies through the influence of e-commerce platforms. Thus achieving a full product packaging life cycle and zero-waste vision, as well as realizing our goal of become a green e-commerce platform.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

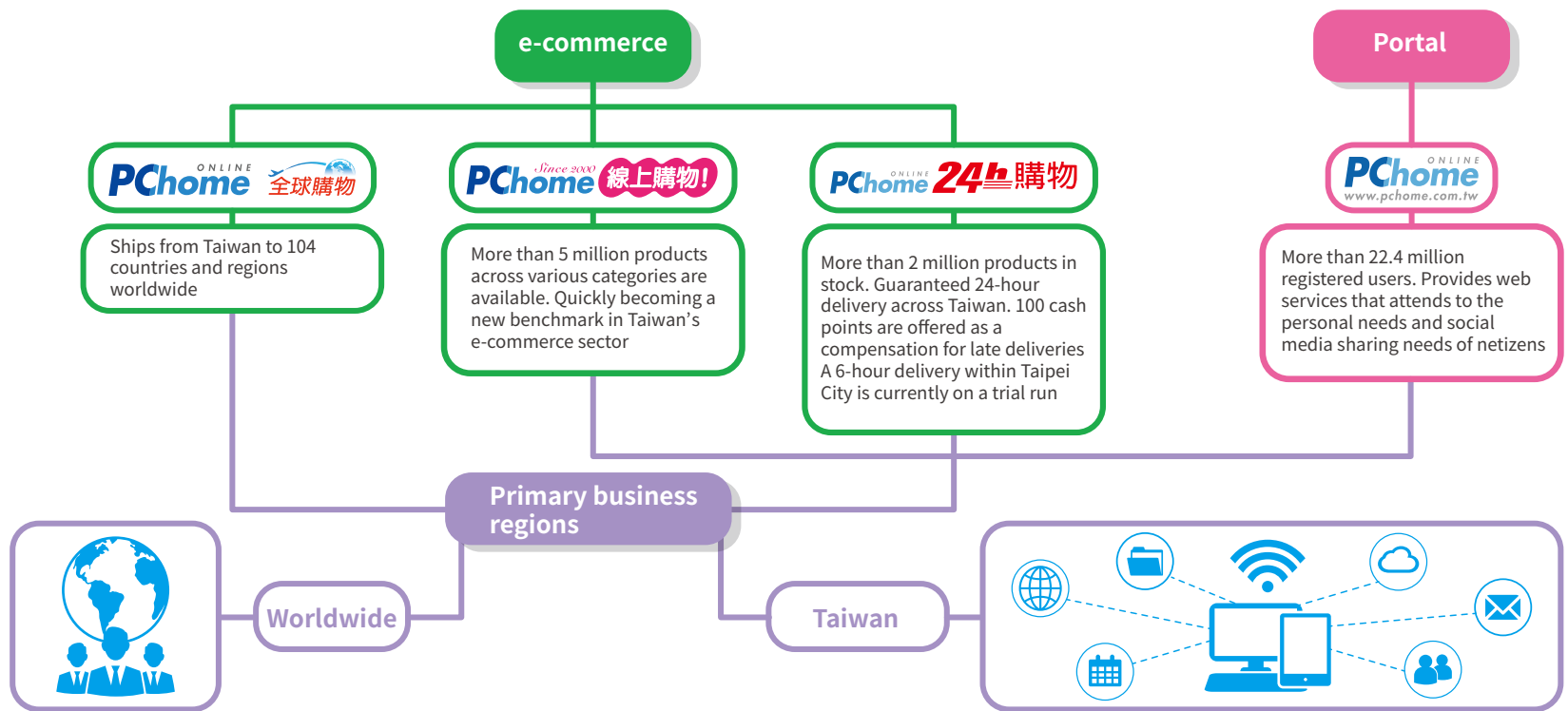
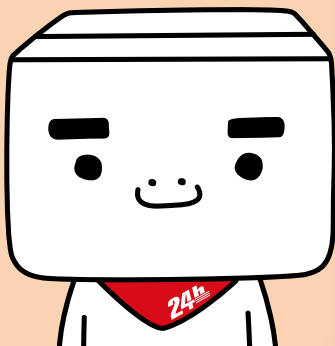
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## External engagement

PChome actively participates with associations and organizations promoted by operations, and is excited to connect the influence of the various companies and organizations through industry exchange and the development of ideas to deepen social participation.

Participatory organization	Title
Taiwan Internet Association	Director
Taiwan Digital Media and Marketing Association (DMA)	Director
Taiwan Digital Publishing Forum	Director
Taipei Computer Association (TCA)	Member
Secure Online Shopping Association (SOSA)	Director
Cross-Strait CEO Summit	Member
Taiwan Internet and E-Commerce Association (TIEA)	Director
Taiwan Institute of Directors	Member
Monte Jade Science and Technology Association of Taiwan	Member
Information Service Industry Association of R.O.C.	Member
Taiwan Agriculture and Food E-Commerce Association	Director
Taiwan AI Federated Learning Alliance	Member



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

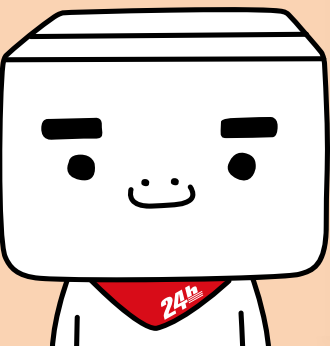
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 1.1.2 Corporate governance

To fulfill our “Everyday Reliable” commitment, our corporate governance is rooted in integrity and transparency. The PChome team prioritizes the interests of all stakeholders, complies with relevant laws and regulations, and implements internal control mechanisms to fulfill our obligations to all stakeholders.

### Board of Directors

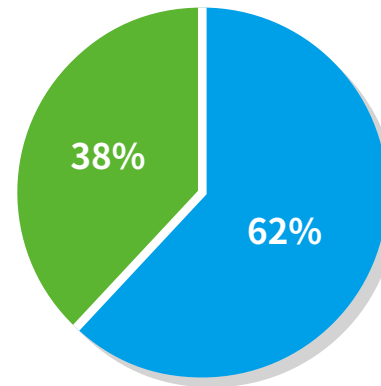
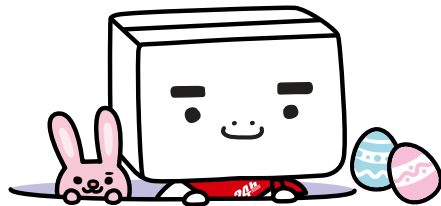
As the highest level in PChome’s organizational structure, the Board consists of eight directors (including one female) and three independent directors, who all serve for a term of three years. There are currently three Managing Directors—Hung-Tze Jan, Kevin Tsai, and Vicky Tseng. All Board members are covered with liability insurance for fulfilling their tasks relevant to PChome’s operations. As the founder of PChome, Director Jan has become an e-commerce icon in Taiwan and was appointed by the President in December 2016 as a Strategic Advisor to the Office of the President of R.O.C. Director Jan is highly respected for his keen observations in network and social trends over the years, and he has guided PChome to overcome various competition and challenges, earn profits, and achieve sizeable and robust growth. To attain a diversified Board composition, each Board member has a wide range of expertise and practical experiences and is recruited for their professional background and outstanding performance in their respective industry. There are no age, gender, nationality, and cultural restrictions for directors, and gender equality is emphasized when planning the Board’s composition. For more information about the academic background and job titles held by each Board member, please visit our website or refer to our Annual Report.

### Ratio of internal and external directors

#### Ratio of internal and external directors

External directors

Internal directors



Note : External directors are non-employees of PChome and its affiliates



▲ Annual Report



▲ Introduction to board of directors

Diverse Board composition		Age			Gender		Total
		Below 30 years	30-49 years	50 years and over	Female	Male	
Board of Directors	Number	0	2	6	1	7	8
	Proportion	0%	25%	75%	12.5%	87.5%	100%

The Board convenes at least four meetings annually. There were 10 meetings in 2020, and the average attendance rate was 93.75% among Board members. To ensure the independent nature of the Board, PChome adopts a set of procedural rules for Board meetings as per the Regulations Governing Procedure for Board of Directors Meetings of Public Companies revised by the Financial Supervisory Commission. Directors must also comply with relevant recusal standards during deliberation and voting to avoid conflicts of interest. In addition, PChome designates dedicated corporate governance personnel who are responsible for providing information required for Board operations, handling affairs related to Board meetings and shareholder meetings, and producing the meeting minutes, so as to guarantee the rights of shareholders and strengthen the functionality of the Board.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

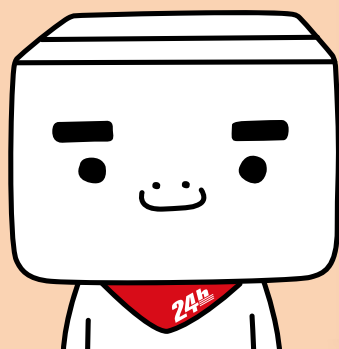
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## Evaluating the performance of the Board

To improve the operational efficiency and governance quality of the Board, PChome began to implement a system for evaluating the performance of the Board from this year onwards. The Rules on Performance Evaluation of the Board of Directors of PChome Online Inc. was formulated as per the Best Practice Principles for Corporate Governance in TWSE / GTSM Listed Companies, and performance evaluations are conducted in accordance with the Rules. At least one evaluation must be conducted every year, covering internal Board evaluations, self-evaluations by each Board member, peer evaluations, or other appropriate methods. The evaluation results are then submitted the Board for discussion and improvement, and the relevant outcomes are disclosed in the Annual Report. The evaluator entity should be impartial, objective, and independent, and are not direct stakeholders of the evaluated entity nor are relevant to its operations. An evaluation of the performance of the directors must cover six aspects — a director's control over the goals and tasks of the Company, their awareness of their duties and responsibilities, their degree of engagement in the Company's operations, their internal relations and communications, their professionalism and continuing education, and internal controls. For more information on annual performance evaluations, please refer to the Company Annual Report.

## Audit committee

As per the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, PChome officially established an audit committee on June 13, 2018 to take over the supervisory role previously held by legal supervisors. The audit committee consists of three independent directors who convene at least one meeting every quarter. They ensure that the data in the Company's financial reports are presented appropriately, decide on the appointment and removal of auditors as well as examining their independence and performance, implement effective internal control and ensure legal compliance in the Company, and mitigate and manage the existing or potential control risks in the Company. Five audit committee meetings were held in 2020, with a 100% attendance rate among committee members.

## Remuneration committee

As per the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange and the remuneration committee charter approved by the Board, PChome officially established a remuneration committee on June 21, 2018. The remuneration committee is responsible for the following tasks : (1) Formulating and monitoring the performance evaluation and remuneration policy, system, standards, and structure for directors and managers; (2) Preparing and regularly evaluating the remuneration packages of directors, supervisors, and managers. The remuneration committee submits its recommendations to the Board of Directors for further discussion and approval. The remuneration committee consists of three independent directors who convene at least two meetings every year. Three remuneration committee meetings were held in 2020, with an attendance rate of 77% among committee members.



▲  
Remuneration  
committee  
charter

## Status of continuing education among Board members

PChome provides board members with opportunities for continuing education on an annual basis. Board members are encouraged to participate in external educational courses or forums to update their knowledge on industry practices and management methods, thus enhancing the foundation for establishing a robust corporate governance system within the Company. In the future, more resources will be invested to provide the board members with diverse means of engaging in continuing education, thereby achieving the relevant goals set forth for Board members as per the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.

## List of courses undertaken by Board members in 2020

Course	Organizer	Participating Director
16 <sup>th</sup> Corporate Governance Summit	Taiwan Corporate Governance Association	Shao-Hua Huang
Hostile Merge and Corporate Governance	Taiwan Corporate Governance Association	Shao-Hua Huang
Corporate Sustainability	Taiwan Corporate Governance Association	Shao-Hua Huang
Artificial Intelligence in Evolution : Multigenerational Leaders who Transform Calculations and Pursue Inclusion	Taiwan Corporate Governance Association	Jerry Hsu
New Digital Advancements in the Post-Pandemic Era; Latest Development Trends in AIoT and Application in Smart Manufacturing	Taiwan Corporate Governance Association	Jerry Hsu
Augmented Reality Techniques and Smart Manufacturing	Taiwan Corporate Governance Association	Jerry Hsu
Unfolding a New Chapter for Sinyi Realty through Digital Transformation	Taiwan Corporate Governance Association	Hung-Tze Jan
Corporate Governance 3.0 and a Blueprint for Sustainability in the Tourism Industry	Chinese National Association of Industry and Commerce	Hung-Tze Jan, Chang-Sung Yu
How the Tourism Industry Strengthens Sustainability in Governance through Major Post-Pandemic Reforms	Chinese National Association of Industry and Commerce	Chang-Sung Yu

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## Strengthening ethical corporate management

PCHome emphasizes ethical and transparent governance principles. The entire management team as well as our value chain partners are bound by standards related to ethical corporate management. Relevant standards such as the Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct, and Corporate Governance Best Practice Principles are readily available on our website for public reference, and the outcomes of our corporate governance measures are disclosed in the Annual Report. We do our best to ensure that the Company's governance and management are publicly validated, and we welcome feedback from all corners. Depending on the conditions, our investor relations, services, human resources, customer service, and procurement departments are responsible for stakeholder communication. To respond to the issues of concern among stakeholders in an appropriate manner, our website includes contact information for our spokesperson and relevant business departments, as well as a dedicated webpage for stakeholders.



▲ Ethical Corporate Management Best Practice Principles



▲ Codes of Ethical Conduct



▲ Corporate Governance Best Practice Principles



▲ Dedicated webpage for stakeholders

## 1.1.3 Operational performance

In 2020, consumption patterns have undergone tremendous changes, and customer purchase channels have shifted from physical to online, driving impressive sales on PCHome's e-commerce platforms. In addition, to assist the digital transformation of brick-and-mortar stores, PCHome Store now has 120,000 registered merchants and has become the platform with the most SME startups in Taiwan. As the benefits of the ONE PCHome ecosystem materialize, we are keen to continuously expand the scale of our revenue and thereby earn profits along the way. Our main income is our e-commerce services. In 2020, revenue from B2C business transactions stood at NT\$41.673 billion, bidding transactions stood at NT\$1,829 million, payment flow and other businesses stood at NT\$368 million. The Company's overall growth has increased consecutively for the last three years, and our revenue hit a record of NT\$43.870 billion in 2020, which shows that our businesses as a whole have received strong support from the market. Details on the financial data can be found in our Annual Report.



▲ Financial information



## Direct economic value generated (in units of NT\$1,000)

Item	2020	2019
Revenue	43,869,852	38,883,580
Operating costs	38,875,441	34,293,972
Gross profit	4,994,411	4,589,608
Operating expenses	4,678,123	4,311,740
Net Income	220,874	141,694
Earnings per share	NT\$ 2.16	NT\$ 1.39
Total assets	16,461,729	15,257,747
Total liabilities	12,377,727	11,490,663
Total equity	4,084,002	3,767,084

## Tax governance

PCHome firmly complies with tax governance principles rooted in transparency and responsibility. The tax governance culture is established by complying with local laws and regulations as well as international anti-tax evasion standards. All our operating locations around the world follow the tax laws and regulations of their respective countries, implement regular transaction principles, refrain from aggressive tax planning, and disclose tax information to stakeholders in financial reports to enhance overall information.

## PCHome Tax Commitment :

- ★ Reporting and paying taxes in an honest manner and fulfilling the duties of a responsible taxpayer.
- ★ Complying with national tax laws and making immediate assessments on the impacts of and response measures toward major policy changes.
- ★ All companies under the group must comply with the laws of various jurisdictions and report and pay taxes in a timely manner.
- ★ Taking into account the relevant tax risks and taxation effects before making a decision during daily transactions.
- ★ Complying with transfer pricing-related laws during related party transactions and performing activities with commercial substance.
- ★ Refraining from aggressive cross-border tax planning, tax avoidance, or profit shifting.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

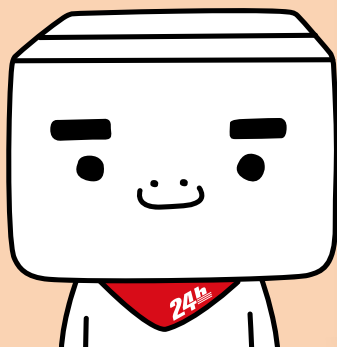
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 1.2 Robust risk management

The key to corporate sustainability lies in the identification and management of risks and opportunities. Failure to identify risks or implement risk mitigation measures would be detrimental for a company in terms of preventing major losses and identifying and developing the strategic opportunities associated with the risks. The General Manager of PChome serves as the convener who oversees the risk management planning and implementation of the entire Company. Each business unit is responsible for handling all of its risk management and response measures. The scope of PChome's risk management measures covers all the subsidiary companies as well. To build a robust risk management system, PChome has analyzed and responded to likely and impactful risk events affecting business goals and objectives, the accuracy of financial reports, and fraud prevention. Our risk management policies primarily cover the early identification of risks, accurate measurements and effective risk mitigation / control plans, so as to develop an appropriate risk management-oriented business model that controls risks within an acceptable range. Based on risk assessment outcomes and existing regulations, the audit department devises an Annual Audit Plan and Audit Methodology fine-tuned to the industry standards. The main goals are to control and manage the underlying risks within the three major aspects of business management, health and safety, and information security, as well as reporting the outcomes to the Board of Directors on a regular basis.

Aspect	Type of risk	Management measures
Economy	Financial, liquidity, and credit risks	The Finance & Accounting Department shall devise relevant strategies and procedures compliant with laws and regulations and in response to market changes. Risks shall be analyzed and monitored regularly and appropriate response measures shall be adopted as required.
Economy	Strategic and operational risks	In response to the rapidly-changing e-commerce market, the Technology/Big Data /Artificial Intelligence Center shall invest more effort in research and development and launch pioneering products and services. The outcomes of our research and development shall be manifested in the online shopping systems and associated technologies, front-end web service systems as well as back-end management systems.
Economy	Information security risks	<ol style="list-style-type: none"> <li>1. Reviewing and evaluating information security-related regulations and procedures annually, so as to ensure their appropriateness and effectiveness.</li> <li>2. Organizing security breach drills and e-mail-based social engineering techniques to evaluate the robustness of the implemented information security measures.</li> <li>3. Organizing annual information security audits to mitigate the information security risks.</li> <li>4. Strengthening the information security competence among employees and providing training programs to enhance their skill sets.</li> </ol>
Corporate governance	Market risks	The Legal Department evaluates the Company's regulatory compliance and legitimacy of decision-making processes. The Legal Department adapts to changes by implementing all new regulations issued by the government to reduce governance risks.
Environment	Climate risks	Incorporating climate risks into the overall risk management framework and the meeting agenda of the Board of Directors. Identifying, sorting, and analyzing the factors that could potentially impact our business, as well as the relevant response measures. The decisions made are then submitted to and implemented in the relevant departments.

### 1.2.1 Risks and opportunities of climate change

Regardless of probability or impact, the five major global risks forecasted by the World Economic Forum in 2020 were mostly associated with the impacts of climate change. In response to climate actions as well as our better understanding of the risks and threats, PChome acts according to the spirit of the Task Force on Climate-related Financial Disclosures as well as its recommendation framework to preliminarily identify the potential risks and opportunities of climate change, as well as to strengthen governance on climate change-related risks. On the operational aspect, we have fully implemented the Green Shopping Program in line with the Company's overall energy-saving and carbon reduction policies. Effective operations and control measures are also incorporated into our energy, water, and paper consumption so as to reduce resource waste and consumption. Going forward, PChome will gradually adhere to the four TCFD recommendations (governance, strategy, risk management, and metrics and targets), devise our climate change-related targets, establish a more complete climate change governance, and formulate responsive actions.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

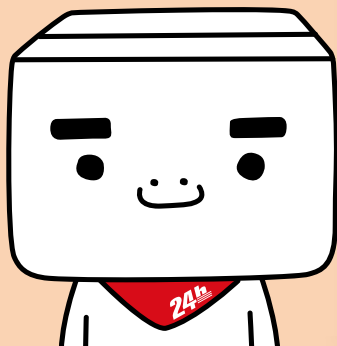
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## Identification of climate change-related risks

Type	Description of risk	Operational impacts	Financial impacts	Management measures
Physical	Disasters (flood, typhoon) become more dangerous due to extreme climate changes	1. Damage to warehouse facilities and business locations will affect normal operations. 2. Untimely deliveries or damaged goods increase customer complaints and other potential liabilities.	Higher costs Less revenue	1. Enhancing disaster prevention drills at business locations, as well as adopting preventive measures to reduce the impact of disasters. 2. Avoiding warehouse construction in a high-risk area by first assessing the impact of extreme climate disasters on the locality.
	Shortage of energy/water supply	Extreme climate crises such as floods, droughts, and scorching temperatures increase demand for resources or cause unstable supplies.	Higher costs Less revenue	1. Extensively installing energy-saving and water-conserving facilities and adopting other measures, including the installation of energy-efficient lighting throughout our warehouses, so as to mitigate risks. 2. Disclosing our energy and water consumption in our CSR report to facilitate long-term tracking management.
Transition	Phase-out of fossil fuel vehicles by law	The need to purchase more electric vehicles could result in the early phase-out of existing vehicle assets.	Higher costs	1. Paying constant attention to legal and technical developments while considering procurement factors. 2. Broadening the procurement of low-carbon vehicles and prioritizing the use of eco-friendly and low-carbon trucks in the existing logistics fleet.
	Fuel and energy taxes as well as increasingly stringent relevant laws	Potentially rising energy prices; additional carbon tax for carbon-emitting operations.	Higher costs	1. Expanding greenhouse gas inspection and management measures. 2. Prescribing energy conservation and carbon reduction goals. 3. Enhancing energy conservation and carbon reduction measures at business locations.

## Identification of climate change-related opportunities

Type	Description of opportunity	Operational impacts	Financial impacts	Management measures
Products and services	Developments in low-carbon products or services	Rising marketing opportunities and sales of low-carbon products and services	Higher revenue	1. Increasing the variety of products with energy-saving labels and ecolabels. 2. Increasing the promotion of green and low-carbon products while enhancing the marketability of low-carbon brands.
Behavioral trends	Shifting consumer behaviors	Consumers have more demand and priority for green, low-carbon, eco-friendly products	Higher revenue	1. Adding more eco-friendly brands while eliminating non-eco-friendly options. 2. Integrating green concepts into marketing activities to gain consumer approval.

### 1.2.2 Internal audit and internal control

The Auditing Office is responsible for the Company's internal audits and internal control tasks by supervising and reviewing these tasks in order to ensure the effective operation of the internal control system. By employing the functions of the audit committee in an effective manner, the internal audit supervisor shall regularly report to the Audit Committee based on the Annual Audit Plan. A routine annual Risk Assessment exercise is conducted by the Auditing Office and the outcome will be reported to the Board. The internal audit supervisor must also submit their audit report. The types of audits at PChome include :

#### (1) General audits :

To understand and report the actual status of all business tasks in the audited department. The auditee is subjected to at least one general audit per year.

#### (2) Special investigations :

To understand and report the status of the audited department in handling a particular business task or general task. A special investigation is conducted immediately when necessary.

#### (3) Follow-up audits :

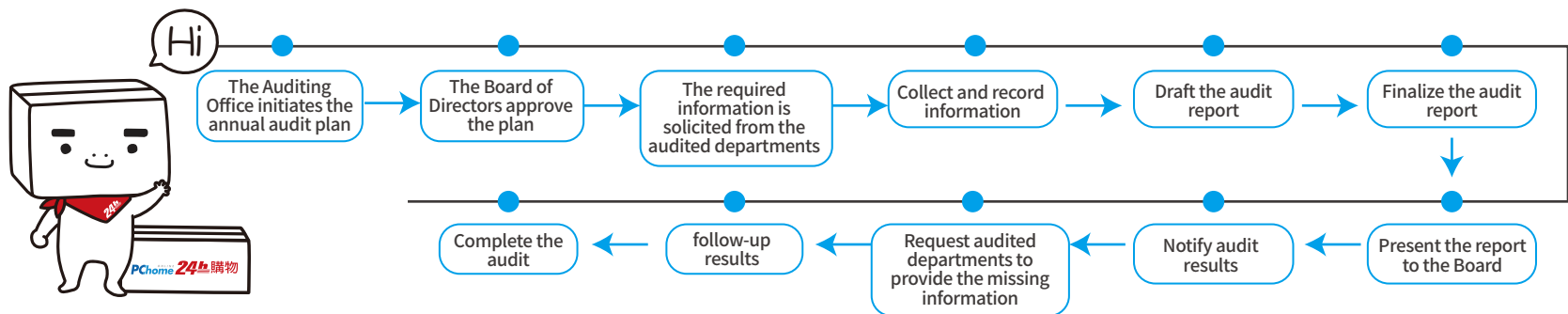
To supervise the audited department in redressing the drawbacks highlighted in the two previous audits. Follow-up audits are conducted from time to time.



During the 2020 internal audit, 57 internal audit proposals were submitted to the Board of Directors for approval, and no major irregularities or deficiencies were noted or reported.

- About this Report
- Message from the Management
- 20 Years of Growth with You
- Awards and recognitions
- Sustainability highlights
- Sustainability goals and visions
- Stakeholder engagement
- Identification of material topics
- 1 Flourishing together  
Operations and governance
- 2 Creating together  
Sustainable consumption
- 3 Living together  
Green operations
- 4 Growing together  
Prosperous workplace
- 5 Benefiting together  
Embracing society
- Appendix

## Internal audit process



### 1.2.3 Legal compliance

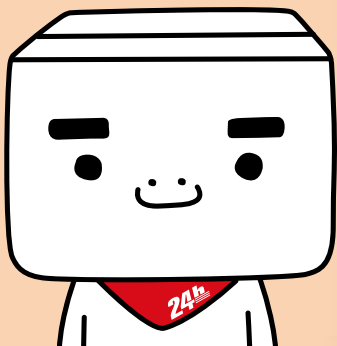
Violations of social- and economic-related regulations that occurred at PChome in 2020 are as follows. There were 7 violations of marketing communication (including advertisements, promotions, and sponsorships) regulations and voluntary protocols, 3 of which were fined (2 of which involved false advertising by the vendors, with one being a case of inconsistency between the advertised content and the advertisement application form). There were 40 violations of product and service information labeling and voluntary protocols, none of which were fined, with all instead of being issued warnings, and PChome promptly corrected the product descriptions or recalled the products. There were 72 reported health and safety violations of products and services in 2020, all of which were issued a warning, and PChome promptly corrected the product descriptions or recalled the products.

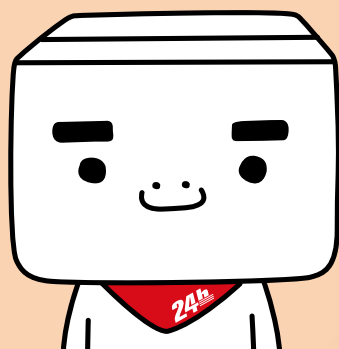
The following is an overview of the aforementioned violations of social- and economic-related regulations :

Type of violation	Number of cases	Type of penalty	Subsequent corrective actions
Violation of regulations regarding marketing communication (including advertisements, promotions, and sponsorships)	7	<ul style="list-style-type: none"> <li>Warning</li> <li>Fine (NT\$300,000)</li> </ul>	<ul style="list-style-type: none"> <li>Description corrected</li> <li>Description removed</li> <li>Product recalled</li> </ul>
Violation of regulations regarding the information labeling of products and services	40	<ul style="list-style-type: none"> <li>Warning</li> </ul>	<ul style="list-style-type: none"> <li>Description corrected</li> <li>Product recalled</li> </ul>
Violation of regulations regarding the health and safety of products and services	72	<ul style="list-style-type: none"> <li>Warning</li> </ul>	<ul style="list-style-type: none"> <li>Description corrected</li> <li>Product recalled</li> </ul>



As the variety of products marketed on online platforms increases, PChome promptly handles each violation as per the instructions of the competent authority while constantly advancing regulatory measures to prevent similar incidents from occurring again. For instance, the Department of Health, Taipei City Government penalized the vendor of a certain type of medical mask (hereinafter referred to the Product in Question) in violation of the Pharmaceutical Affairs Act. Upon receiving the notice from the competent authority, the webpage of the Product in Question was promptly removed and in order to prevent subsequent violations of the Act, the vendor was once again requested to advertise medical device contents that are consistent with those in their Application Form. Not only were the product advertisements deemed to be false by the Fair Trade Commission removed, but also, the vendor of the product and the employees handling the advertisement were reminded to verify the accuracy of the contents. Labels such as “No.1 in the World,” “100% Antibacterial” must be verified by presenting the relevant documents before a product can be marketed.





## Law courses

To improve our employees' general knowledge about law and implement ethical and transparent governance mechanisms, PChome regularly organizes internal lectures and courses on knowledge and practice in various fields of law. By doing so, we ensure that our services and overall operations are deemed reliable by the market and meet industry standards. Newcomers to the e-commerce business department must undergo legal compliance training courses for a certain amount of time.

There were three two-hour courses held in 2020 for newcomers in each department of the Company (including the Products Department, Information Department, Business Management Department, Engineering Department, and Customer Service Center). The courses were held on May 25, July 16, and October 20 and covered the articles of the Copyright Act and the Commodity Labeling Act. In total, there were 55 participants (no repeat participants). The participants were requested to comply with relevant laws during their daily routines and understand basic laws, so as not to infringe on the rights and interests of others while sustaining those of the Company. The participants were subjected to an examination and evaluation. The outcome of the evaluations was satisfactory.



## Intellectual property policies and innovative patents

To improve customer experience and our market competitiveness, we are committed to developing new patents. For example, our patent application for Fastag, a smart label for quick online shopping orders, has been approved by the Intellectual Property Office, Ministry of Economic Affairs in early 2020. By utilizing near field communications (NFC) technology, Fastag allows consumers to use their smartphones as NFC readers, where they can tap the Smart Label icon in the PChome 24h Shopping app to purchase a wide array of products from the PChome 24h website within a short time. Moreover, consumers enjoy special discounts and offer for selected brands simply by scanning codes, giving them a quick and simple shopping experience.



In 2021, PChome aims to implement training courses on patent development for our employees to enhance their innovative and creative potential. Through these training courses, we aim to uncover the team's innovative skills and potential to contribute to the growth of the Company. Generally, such training courses help enhance our employees' knowledge about protecting intellectual property rights by increasing their understanding of the patent application process as well as patent drafting skills. Therefore, patenting no longer becomes a special expertise of the Technology/Big Data/Artificial Intelligence Center alone but rather every employee understands the role of an innovator.



## Status of patent training courses :

Course topic	Outcomes	
	Participants	Total course hours
Overview of intellectual property rights and famous global patent disputes around the world	30	3
Introduction to intellectual property rights and the latest trends and prospects	110	3
Introduction to intellectual property rights and reenactment of disputes	110	3
Introduction to the Patent Act and protection of trade secrets	110	4
Patentability and practical patent examination	25	4
Practical patent application and searching	25	4
Introduction to software patents	25	3

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

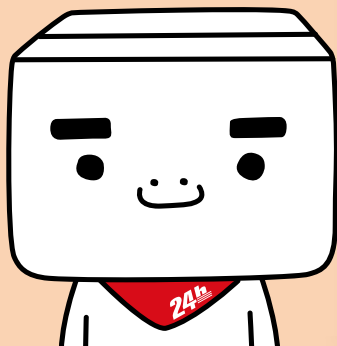
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix

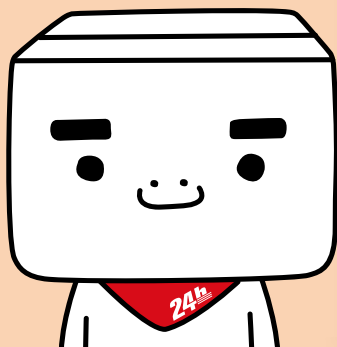


## 1.3 Health and epidemic prevention lifestyle

To ensure that every employee has a safe and secure work environment while the COVID-19 pandemic continues unabated across the globe, PChome's management promptly initiated a mechanism of eight major precautionary measures for ensuring stable and continuous operations :

No.	Measures	Description
1	Devising response procedures against major infectious diseases	Notifiable infectious diseases can significantly damage and impact the health and safety of the employees. Safety and health protection management procedures and measures were adopted to increase awareness of our employees and effectively prevent the spread of disease in the workplace.
2	Creation of an epidemic prevention response team	Establishing an epidemic prevention response team who make timely decisions and response measures throughout the course of the epidemic. The team convenes regular meetings to discuss preventive measures and disseminate epidemic prevention information.
3	Environmental monitoring	<ol style="list-style-type: none"> <li>1. Maintaining a clean and well-ventilated workplace.</li> <li>2. Providing sanitizers and cleaning agents in the workplace.</li> <li>3. Disinfecting the entire setting.</li> <li>4. Disinfecting high-risk places such as washrooms, parlors, meeting rooms, as well as frequently touched objects and places such as tables, electronic devices, door handles, equipment buttons or switches etc.</li> </ol>
4	Access control	<ol style="list-style-type: none"> <li>1. Taking the temperatures of all visitors and refusing entry to those with high body temperature.</li> <li>2. Leading visitors to the reception desk to have their hands sanitized and fill out a health status questionnaire.</li> <li>3. Requesting all occupants to wear a mask at all times in indoor settings.</li> </ol>
5	Initiating split team operations	<ol style="list-style-type: none"> <li>1. Arranging flexible work hours to split workforce flows.</li> <li>2. Implementing remote working for different locations and teams to minimize the risk of cluster infection.</li> <li>3. Segregating workplace areas or floors in the same building to minimize the risk of cluster infection.</li> </ol>
6	Self-health management	<ol style="list-style-type: none"> <li>1. Strengthening personal hygiene management mandates such as frequently washing one's hands and practicing good cough etiquette.</li> <li>2. Those who exhibit cold-like symptoms should wear a mask, return home, and seek medical treatment.</li> <li>3. Wearing a mask at all times in indoor settings.</li> <li>4. Refrain from eating together and applying socially distanced seating arrangements (1.5 m apart) that face the same direction (instead of one another)</li> <li>5. Maintaining a social distance of at least 1.5 m in indoor settings.</li> <li>6. Refrain from talking in confined spaces such as elevators.</li> <li>7. Providing health education materials and epidemic prevention products whenever necessary during the epidemic.</li> <li>8. Tracking employee movements during epidemics.</li> </ol>
6	Temperature checking	<ol style="list-style-type: none"> <li>1. Employing a temperature tracker who records visitors' body temperature.</li> <li>2. Those with high temperatures are reported to an occupational health nurse for subsequent monitoring.</li> </ol>
7	Emergency response	<ol style="list-style-type: none"> <li>1. Emergency response measures are implemented immediately when there are suspected COVID-19 cases in the workplace.</li> </ol>
8	Work from home planning and simulation	<p>Implementing a work from home policy</p> <ol style="list-style-type: none"> <li>1. Employees are requested to upload their temperature records every day. Those with high temperatures are reported to an occupational health nurse and sent for medical treatment.</li> <li>2. Checking in and out through the Company's system.</li> <li>3. Working remotely by connecting to the Company's internet network.</li> </ol>

Regardless of the extent of the pandemic's toll, PChome has always upheld our Everyday Reliable commitment to our customers and the general public. It is only appropriate that we take preemptive measures of the highest standards to ensure the occupational health and safety of our employees, who in turn provide reliable services to our customers.



▼ PChome is Everyday Reliable!



▼ Body temperature monitoring protocol for visitors



▼ Regular temperature taking



## Disseminating epidemic prevention information to employees

網路家庭同仁您好：

中央流行疫情指揮中心表示『秋冬防疫專案持續實施』，於清明連假期間，請同仁落實下列健康管理措施：

(一) 防疫期間應盡量避免出入公共場所、密閉場所、人潮擁擠景點及八大類場所（如下圖）之高感染傳播風險場域，

因不易與他人保持社交距離，且會近距離接觸不特定對象，請務必佩戴口罩，並應落實勤洗手、咳嗽禮節等個人衛生習慣，以降低感染風險。

(二) 連續假期期間搭乘大眾運輸，請加強防護措施。

(三) 若出現發燒、呼吸症狀或有身體不適，請確實佩戴外科口罩，儘速就醫，如有接觸史、旅遊史、居住史、職業暴露或是身邊有其他人有類似的症狀，就醫時應主動告知醫師。

(四) 如有接觸到居家檢疫、居家隔離、自主健康觀察中的親友或本人返國，請主動填寫「網家集團\_員工本人、親友及同住者返國、接觸史自主通報」並通報單位主管，

(五) 如有發燒(37.5℃以上)、咳嗽等不適症狀，請務必就醫、自我居家休息觀察，主動填寫「網家集團-員工健康情形自主通報」並通報單位主管。

(六) 「網家集團-員工健康情形自主通報」連結如下：

<https://f>

「網家集團\_員工本人、親友及同住者返國、接觸史自主通報」連結如下：

<https://>

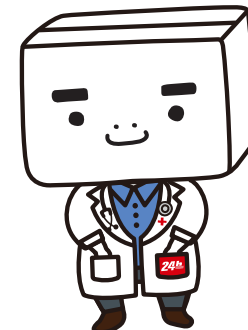
【依中央流行疫情指揮中心公告『持續實施秋冬防疫專案(自2020年12月1日起)』】

12/1起 八大類場域要戴口罩!

<b>醫療照護</b>  醫院診所、護理機構等	<b>公共運輸</b>  公車、捷運、計程車等	<b>生活消費</b>  百貨商場、零售商店等	<b>教育學習</b>  K書中心、圖書館等
<b>觀展觀賽</b>  電影院、展演場所等	<b>休閒娛樂</b>  歌廳舞廳、KTV等	<b>宗教祭祀</b>  寺院、宮廟、教堂教會等	<b>洽公機關(構)</b>  銀行、郵局、政府機關等

**勸導不聽者依法開罰3000至15000元**  
中央流行疫情指揮中心 2020/12/01

-- 網路家庭國際資訊股份有限公司 防疫中心 關心您 --



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

**1 Flourishing together**  
Operations and governance

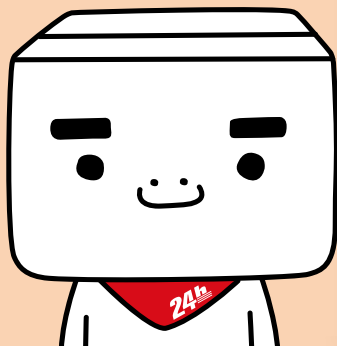
**2 Creating together**  
Sustainable consumption

**3 Living together**  
Green operations

**4 Growing together**  
Prosperous workplace

**5 Benefiting together**  
Embracing society

Appendix



## 1.4 Business partner management

Over the last 20 years, PChome has upheld our principle of providing top-notch products and services while meeting market demands impeccably as well as creating heartwarming shopping experiences. By adopting various procedures, we guarantee the quality of all products and customers inside the One PChome ecosystem, which would in turn receive reliable services.

### Supplier management and product inspection

PChome emphasizes the development of long-term cooperative relationships with every supplier. Our internal rules and regulations clearly state that every one of our salesforce should engage in professional interactions and communication with our suppliers while building long-term and reliable business relationships with them. To facilitate this, our supplier management framework consists of seven major aspects as follows :

#### Performing regular onsite audits



Supplier inspections are scheduled regularly to inspect their safety measures and check whether the quality of their products are in line with the Company's product inspection requirements and quality guidelines.

#### Protecting intellectual property rights



Suppliers must comply with intelligent property-related regulations and ensure that their information and documentation are indeed legally compliant.

#### Product inspection license



For a product with online trade restrictions, a supplier must first send the product for examination on their own, obtain a license, and submit it for our review before the product can be listed on PChome alongside the supplier's license.

#### Food labeling enforcement



In accordance with the Act Governing Food Safety and Sanitation and the Enforcement Rules of the Act Governing Food Safety and Sanitation, all food suppliers must clearly state the contents, volume, country (region) of origin, expiry date, as well as the name, telephone number, address, product liability insurance serial number, and company registration number of the manufacturer for review before a food product can go on sale.

#### Prohibiting unjust enrichment



A salesperson and a supplier must not directly or indirectly provide and accept bribes, commissions, rebates, kickbacks, other gifts, or unjust enrichments.

#### Duty of confidentiality



A supplier must comply with the Personal Data Protection Act by implementing strict customer data privacy measures and are prohibited from collecting, processing, and using customer data without permission as well as leaking data to a third party.

#### Product liability insurance



To guarantee the rights of consumers, all products should have product liability coverage based on their properties.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

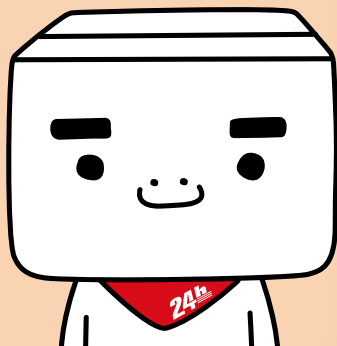
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

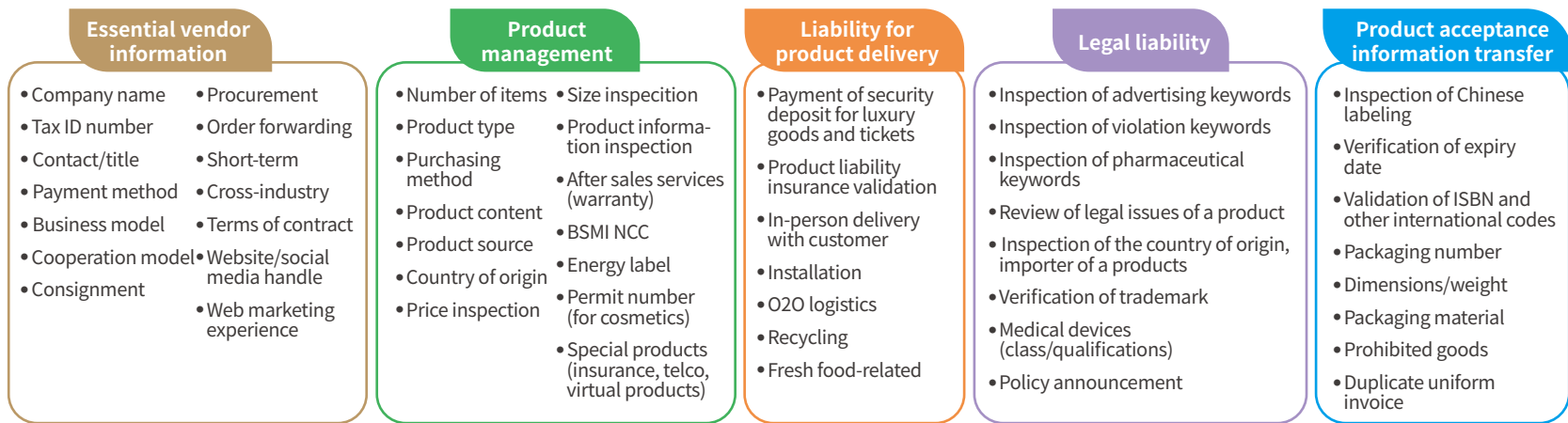
Appendix



## Multiple measures to ensure good product quality

PChome ensures that every product delivered to our consumers are examined with the highest standards. In addition to signing cooperative agreements with suppliers, our first line of defense for ensuring good product quality for our customers are legal measures. Such measures include comprehensive delivery and payment and acceptance requirements and warranties against defects; while the subsequent second and third lines of defense are product inspection and precautionary recalls of products.

### Product inspection items :



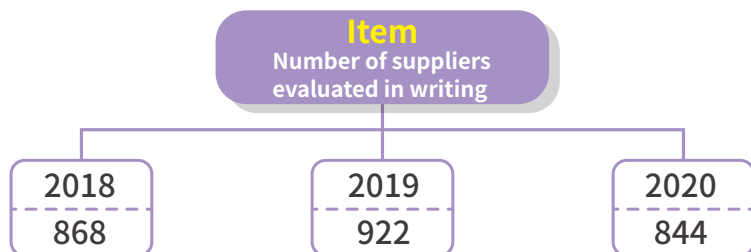
### Precautionary recalls :

With regard to products with quality and advertising issues, PChome would immediately handle the issues substantiated with relevant official documents issued by the competent authority or other relevant authorities. More specifically, we will request the supplier to present the required license or other documents for display on the product's webpage. Products that fail to meet quality and advertising requirements will be promptly delisted as a whole or in part, thus preventing consumers from purchasing dubious products.

### Supplier evaluation and appraisal mechanisms

To ensure high quality standards, PChome performs written evaluations on each supplier as well as onsite evaluations as necessary. We regularly check a supplier's operations by using different methods (e.g., phone, email etc.). We consider suppliers as important stakeholders and maintain long lasting relationships with them through our professional approach.

### Overview of supplier spot check evaluation statistics :

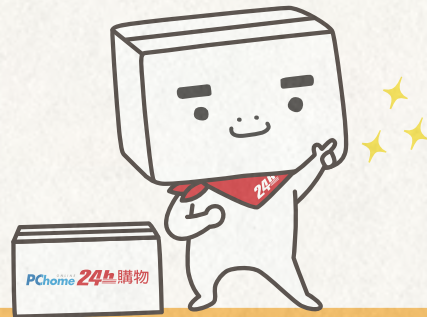


### Plans for enhancing supply chain management

To enhance the long-term cooperation and trustworthy relations within our supply chain, PChome plans to formulate a cooperating vendor evaluation scheme in which the product information, sales, import/export status, operating capacity, level of legal compliance, etc. are evaluated in order to manage the risks within supply chains. In addition, PChome plans to publicly award vendors with excellent performances in these aspects every year. We expect that this mechanism will propel us and our value chain partners forward toward sustainable operations and maximize the value for stakeholders.

# Creating together Sustainable consumption

2



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

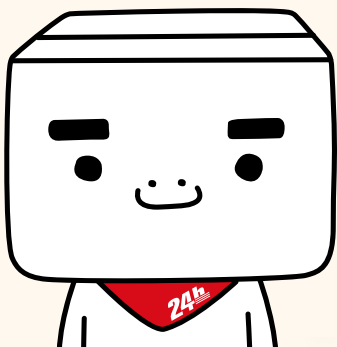
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 2.1 Marketing high-quality products

### 2.1.1 Brand strategies and planning

Leveraging off the slogan Everyday Reliable, PChome Online Inc. is committed to providing e-commerce services that are reliable and comprehensive to ensure that every customer has a positive shopping experience. At present, PChome platforms include e-commerce services and web portals. The Company is also continuously developing original brands while strengthening other existing brands, as well as integrating various services to build the ONE PChome ecosystem. In addition to activating direct access for the ten-million-member accounts registered with PChome, members can now log into all ten of our affiliated service platforms through a single account. In addition, PChome has established the PPoint loyalty system that combines e-commerce, payment flow, and other web services, as well as expanding the PPoint system to cover physical transactions and public administrative costs.

#### E-commerce

Our e-commerce services include PChome 24h Shopping, PChome Shopping, and PChome Global. There are currently over 5 million products listed on our websites, 2 million of which are in stock, thus making PChome the e-commerce platform with the most number of products in stock. We are also the first e-commerce platform to guarantee product delivery within 24 hours throughout Taiwan and within 6 hours in Taipei City (which is currently on a trial basis). In so doing, we provide highly convenient delivery services for our customers.



PChome Online Inc. became an industry pioneer in January 2007 with the launch of PChome 24h Shopping, which has since become the most popular and influential e-commerce service platform in Taiwan. There are currently more than 2 million products in stock, with sizes ranging from USBs, cellphones, refrigerators, large-size TVs, to washing machines. All of these can be delivered within 24 hours anywhere in Taiwan once the customer has placed an order, thus providing an online shopping experience with distinct accuracy and speed. The Company also launched a 6-hour delivery service in Taipei City in December 2013, which is currently operating on a trial basis. Deliveries are available even over weekends and holidays in order to meet consumers' demand for prompt deliveries.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

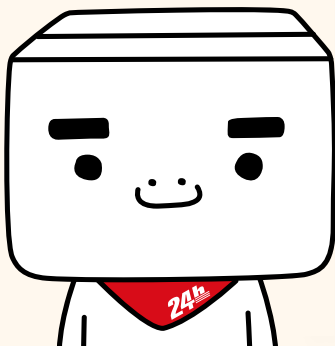
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



PChome Since 2000 線上購物!



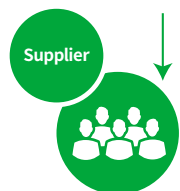
Check payment

PChome Since 2000 線上購物!



Places order

Product delivery



Forwards order

inspection and shipment



PChome Online Inc. officially forayed into the field of e-commerce in 2000 by first establishing PChome Shopping, a B2C online shopping website. Once a consumer places an order on the site, the order forwarding mechanism is initiated in which the order is forwarded to and handled by the vendor. This combination of supplier development and management, product information management, payment and logistics, and customer series significantly reduce the sales hierarchies of consumers and suppliers, consequently lowering operation costs and selling prices as well as presenting consumers with a convenient shopping experience achieved through efficient processes.

PChome ONLINE 全球購物



Check payment

PChome ONLINE 全球購物



Places order

Product delivery



Product warehousing



Check inventory

Order inspection and shipment Product delivery



PChome Online Inc. launched PChome Global in July 2010, in which products can be delivered from Taiwan to overseas. We engage in global trade through the Internet to meet the demands of 7.5 billion worldwide users for products made in Chinese-speaking regions as well as computer and electronic devices with Mandarin interfaces. We offer a wide range of products to guarantee a convenient borderless shopping experience. The warehouse management system at our self-operated central warehouse facility enables consumers to shop online effortlessly, and orders are delivered to 103 countries and regions around the world as soon as possible. PChome Global currently supports traditional Chinese, simplified Chinese, and English, and accepts credit card and Paypal, thus providing a wide array for services to global consumers.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

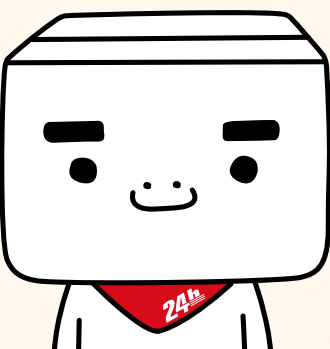
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



As a result of continued expansion in our customer base, PChome 24h Shopping has successfully amassed more than 12 million registered users and its popularity is growing rapidly among female users. The proportion of female users represent 60% of all customers, which is higher than male users. Furthermore, young people are gradually becoming PChome 24h's primary customer group, which is why we have proactively set up social media accounts on Facebook, Instagram, Line, and YouTube to interact with young consumer groups and provide them with the latest news about PChome 24h Shopping. We also continue to observe market trends and topics so that the Company can interpret the latest consumer trends thereby recommending the latest products for them. The Company continues to collaborate with artists and web creators by producing video series such as "PChome Box Life | Ning Chang's Unboxing Diary," "Here Comes PChome's 1111 Bonanza—School of the Future," "Who's the 24h Deliveryman?" These videos give consumers the excitement of unboxing products and services from PChome 24h Shopping.

Here Comes PChome's 1111  
Bonanza—School of the Future

For the 1111 Shopping Bonanza in 2020, PChome 24h Shopping invites Jam Hsiao, Matilda Tao, NICKTHEREAL, and others to join the festivity and celebrate PChome's 20<sup>th</sup> anniversary.



[Link to video](#)

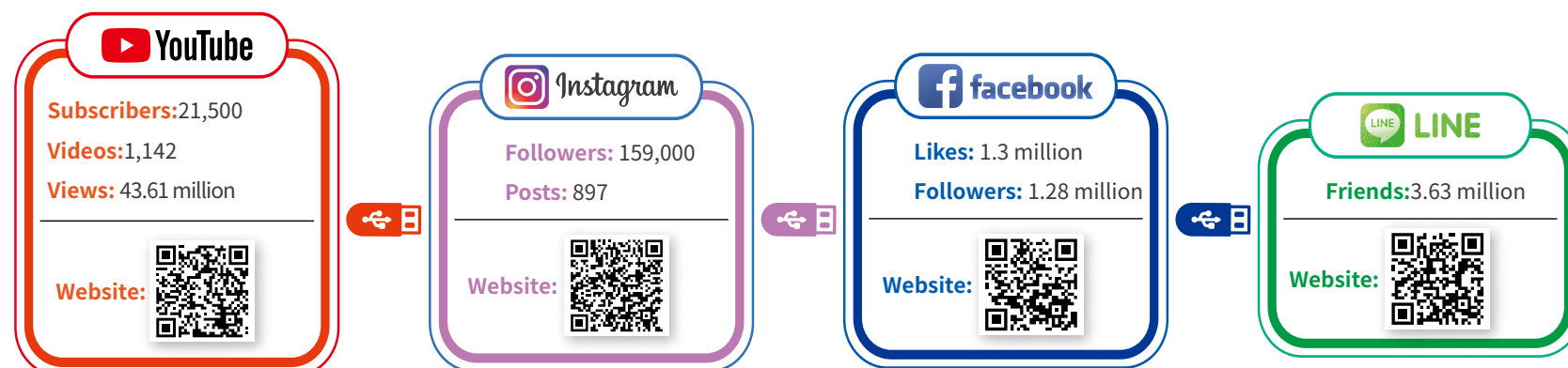
PChome Box Life |  
Ning Chang's Unboxing Diary

PChome 24h Shopping takes you on an authentic and surprised-filled 24-hour unboxing journey with superstar Ning Chang.



[Link to video](#)

Statistics of PChome 24h Shopping social media accounts



Note : Data correct as of June 30, 2021

In addition to our online shopping business, PChome Online Inc. has launched a variety of distinct self-owned brands, such as PChomeX Crème de la Crème Deals in 2020. In collaboration with different professionals, we offer a range of PChome-exclusive high-quality products. These superior products are available to all customers and are designed to ensure a high-level of customer satisfaction.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

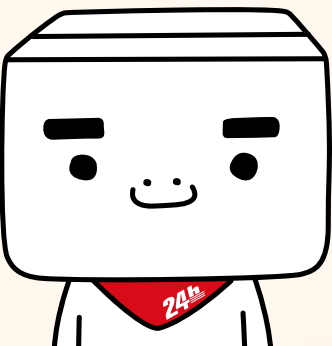
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



Selecting is an Art of Home Life,  
PChomeX Crème de la Crème Deals

Chairman Hung-Tze Jan hopes that PChome can continue to grow as an e-commerce platform by meeting the requirements of more people while providing high-quality experiences to customers. PChome's self-owned brand PChomeX is committed to shortening the experiential distance between customers and tangible products by overcoming regional, spatial, and time constraints. To do so, a wide variety of high-quality products produced in collaboration with professionals around the world are introduced, allowing products that were previously difficult to reach to be incorporated effortlessly into customers' daily life. PChomeX offers a wide array of products that cover basic needs such as food, clothing, shelter, transportation, education, and entertainment. We commit ourselves in providing healthy, safe, secure, and high-quality products to our consumers while implementing stringent quality control measures for raw materials, supply chain management, production processes, and product inspections. Our primary duties are to comply with food safety and government regulations. Moreover, the products are subjected to SGS and FDA analyses from time to time, so as to ensure that only products of the finest quality will be sold.



Website:



Let's Eat at Home! The Revival of  
Preparing Meals at Home

A simple sentence like "Let's just eat at home" contains two feelings. The first is that home is where one feels most relaxed and enjoys the warmth and taste of good food; the other is the Taiwanese hospitality of sharing a feast with others. Therefore, treating oneself or others to a meal at home is the best expression of cordiality. As modern life becomes increasingly hectic, the culture of eating at home is slowly diminishing. In light of this, we have selected the best products so that every customer can have the chance to enjoy eating and living at home. Amid the 2020 COVID-19 pandemic, consumers have shifted from offline to online grocery shopping. Grounded in the motto of "Let's just eat at home," the mission of PChomeX Crème de la Crème Deals is to craft distinctive and exclusive products such as MAZENDO dumplings, TAO fried chicken cutlet, and beef noodles prepared by Michelin-starred chefs, thereby providing more choices to consumers amid the pandemic.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

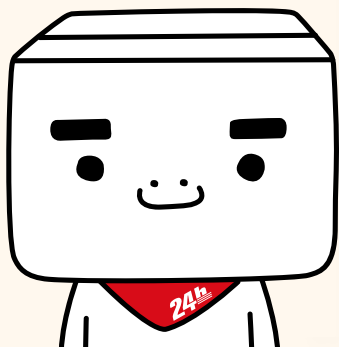
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 2.1.2 Responsible and sustainable shopping

Grounded in our spirit of Everyday Reliable, customers have come to expect PChome Online Inc. to supply reliable products every day. In terms of product options, we ensure that consumers can purchase the items that they desire, which is why we have consolidated products from major brands into our brand flagship store on PChome 24h Shopping. Furthermore, we have partnered up with manufacturers to ensure that authentic products are directly supplied from the manufacturer to the consumer. In light of the growing concern for the environment among consumers, we stand together with our consumers in protecting the environment by enthusiastically developing eco-friendly and energy-efficient products as well as launching activities such as “Lights-off, Love Earth,” providing a wider range of eco-friendly options to our consumers.

### Brand flagship store

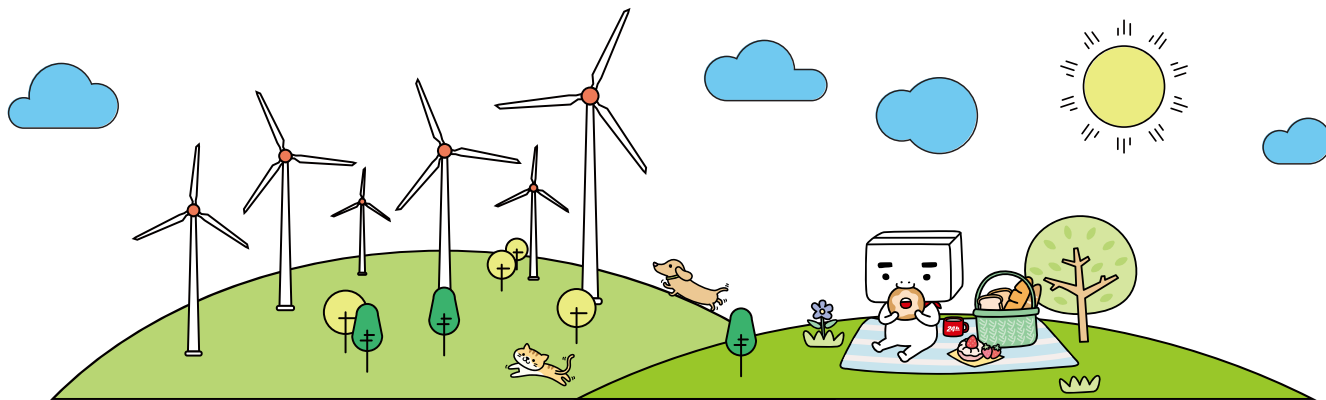
The increasing number of buying channels has made it difficult for consumers to distinguish the authenticity of a branded product sold online. To allay the consumers’ doubts about the products they have purchased, PChome 24h Shopping has joined hands with major brands to establish a brand flagship store in which products across major brands are sold at manufacturer-approved prices. In this way, customer enjoy high-quality products, services, and promotions that are priced fairly. Moreover, the addition of our 24 hour-guaranteed delivery service further enhances the consumers’ shopping experience.

The products sold at the PChome 24h Shopping brand flagship store come with quality certifications, product warranties and comprehensive after-sales services. Limited offers are also launched from time to time. Our cooperation with original brand manufacturers assists consumers to shop effortlessly and conveniently.

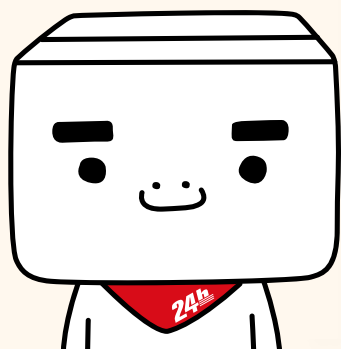
### Green product options

As a result of burgeoning environmental awareness among consumers, green living concepts have been embedded into everyday life and incorporated into shopping options. As an e-commerce leader, PChome Online Inc. upholds our belief of standing together with our consumers in protecting the environment by continuously providing eco-friendly products to our consumers, so that they can play a part in benefiting the environment while engaging in online shopping.

Consumers can find a wide range of internationally-renowned green products on PChome shopping websites. These includes Electrolux, the first European electrical company to produce a full range of eco-friendly appliances; O’right, a homegrown brand that exclusively utilizes regenerated plastic bottles; and Ecover, whose products are designed to be fully compliant with environmental regulations. Environmental considerations are incorporated into the research and design processes of these eco-friendly products, some of which have acquired the Leaping Bunny and Cradle to Cradle certifications. Offering these diverse green products to our consumers allows them to enjoy green and eco-friendly shopping experiences and lifestyles together with PChome.



- About this Report
- Message from the Management
- 20 Years of Growth with You
- Awards and recognitions
- Sustainability highlights
- Sustainability goals and visions
- Stakeholder engagement
- Identification of material topics
- 1 Flourishing together  
Operations and governance
- 2 Creating together  
Sustainable consumption
- 3 Living together  
Green operations
- 4 Growing together  
Prosperous workplace
- 5 Benefiting together  
Embracing society
- Appendix



Spotlight: Get to know about eco-friendly labels

Leaping Bunny Certification  
(Cruelty-Free Certification)



The Leaping Bunny logo is issued by Cruelty Free International. It advocates for alternative solutions to animal testing and requires that no animal testing is used in a product's development or manufacturing process. The certification review standards are strict and the organization audits approved brands every once in a while on an annual basis. Therefore, the Leaping Bunny logo is currently the most credible cruelty-free logo.

Leaping Bunny-certified brands available on PChome Shopping: Astonish, Eco-Me, ANDALOU, etc.



Cradle to Cradle Certification

The Cradle to Cradle Certification is a globally-recognized certification of products for the circular economy. There are five criteria: Material Health, Material Reutilization, Renewable Energy and Carbon Management, Water Stewardship, and Social Fairness. The goal is to encourage manufacturers to incorporate eco-friendly and sustainability concepts into their products beginning from the design stage.

Cradle to Cradle-certified brands available on PChome Shopping: Method, Ecover, etc.



In recent years, much attention has been focused on Taiwan's electricity rates and renewable energy generation. Water scarcity driven by climate change has also been amplified in our daily lives, which is why PChome places emphasis on the green factors of a product, such as the availability of energy-efficient labels, eco-friendly labels, FSC label, and water efficiency label. We can effectively reduce environmental impacts by offering such green-labelled products to consumers. 2020 marks the 50th anniversary of Earth Day. To commemorate this important date, PChome launched two green-themed activities, "Earth Day, The Day of Protecting Earth with Love" and the "Eco-Friendly Utensils Week" to offer consumers with a wide range of eco-friendly brands, energy-efficient appliances, and plant-based foods. Consumers can join our actions in protecting Earth by effortlessly purchasing a range of green products at promotional prices through our webpages. We also provide complete after-sales services and warranties for fresh food products, as well as clearly labeling information such as the country/region of origin and whether it is a farm-to-table product. Attracting consumers to purchase low-carbon farm-to-table food products can help reduce greenhouse gas emissions from the delivery process.

# E Wind Food

## Product Specifications

Name :	Organic Vegetables
Specifications:	8 Leafy greens, 6 Roots and Marrows, 2 Cruciferous vegetables
Place of Origin:	Taiwan Hualien
Shelf Life:	14 Days



The hot-selling Hualien-Direct Organic Vegetables Box distributed directly from the Hualien-Taitung Valley contains vegetables and wild greens from ten certified organic farmers.



1,014 products ranging from dehumidifiers, fans, and air-conditioners with the Energy Efficiency Label are 10% to 50% more efficient than national standards, guaranteeing their quality and saving costs.



The production of over 7,700 products with the Eco-Friendly Label involves pollution reduction, resource conservation, waste reduction, and resource recycling measures. Consumers are also encouraged to prioritize recyclable, low-pollution, and resource-efficient products in order to improve the quality of the environment.



93 products are certified with the Forest Stewardship Council (FSC) Label. These products are made of materials sourced from well-managed forest certified by the FSC, and are guaranteed to be reliable, sustainable, and supervised.

In response to the government's policies, PChome 24h Shopping joined hands with Taipei City Government 2020 to celebrate the 10<sup>th</sup> anniversary of the Taipei Energy Conservation Festival by offering numerous discounted energy-saving products for the summer. This concurrently meets consumers' demand for maintaining high-quality lifestyles and protecting the environment, and also assists them to reduce their budget. For two consecutive years, PChome has bagged the King of Energy Conservation honor during the Festival, which indicates that our efforts in promoting energy-efficient products have been recognized by the public and the government. In the future, we shall continue to advocate sustainability measures together with government and private sectors.



▲ 2020 Taipei Energy Conservation Festival webpage on PChome 24h Shopping



▲ Winning the King of Energy Conservation honor

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

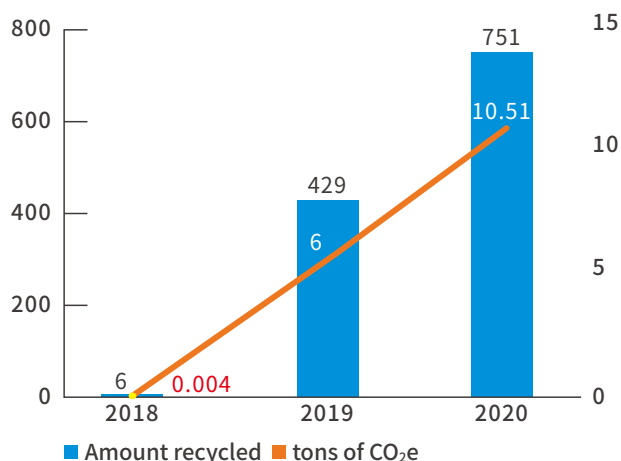
Appendix

**Spotlight: Turning Old Electronics into Gold—Recycling Old Smartphones**



Even though smartphones benefit us in many ways, they also generate many recycling-related issues that cannot be overlooked. In addition to selling smartphones on PChome, we also take into account consumers' growing need to recycle their old smartphones. To this end, our websites include various means for consumers to evaluate the status of their old phones and recycle them. To attract consumer engagement, we created reward schemes such as cash rebates, vouchers, and extra 10% PPoints, ensuring that smartphones approaching the end-of-life phase can be properly recycled and managed, thus achieving the circular economy concept. PChome 24h Shopping has a "Turning Old Electronics into Gold" webpage where consumers can evaluate their old phones through the website or a mobile app. Upon completing the assessment and application steps, all they need to do next is stay home and wait for a PChome deliveryman who will collect the old phones. Subsequently, we will keep the customer updated online about the notification, verification, and issuance of cash returns. Since the launch this initiative from December 2018, thousands of old smartphones have been recycled, equivalent to a reduction of 16.5 tons of CO2 emissions. In 2020, the quantity of recycled phones and the amount of carbon emissions reduced were 75.1% and 75.2% higher than that in 2019, respectively. Going forward, we shall continue to provide the old smartphone recycling service with the hopes of attracting more consumers to join our efforts in going green.

**Number of old smartphones recycled and amount of carbon emissions reduced**



Note : The old smartphone recycling webpage was launched in December 2018

**Process of recycling old smartphones**

**Recycling process**

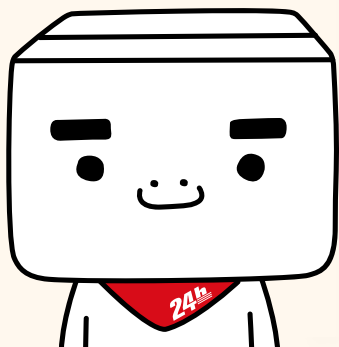
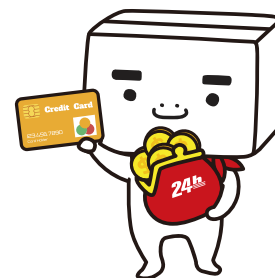
- 1 Online price estimation :** User enters the Recycling portal from the homepage or on the app.
- 2 Collection upon arrival :** User schedules a collection time after completing the application.
- 3 Manual inspection :** Personnel checks the working functions and assesses the value of the smartphone.
- 4 Price quotation :** Personnel sends final quotation via SMS or email and user makes a decision.
- 5 Identification :** User completes the transaction after uploading their personal information.
- 6 Recycling points issuance :** System allocates a 10% cash rebate e-coupon to the user's PC account; or remits cash to the user's bank account.

**Smartphone recycling**

Giving back to Earth  
Help conserve resources and  
engage in sustainable development



Recycle your old  
smartphone



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

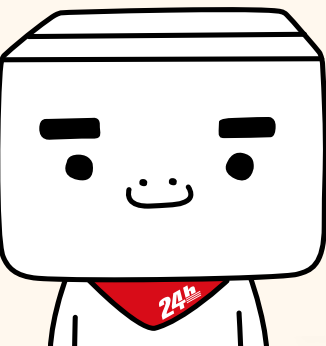
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix

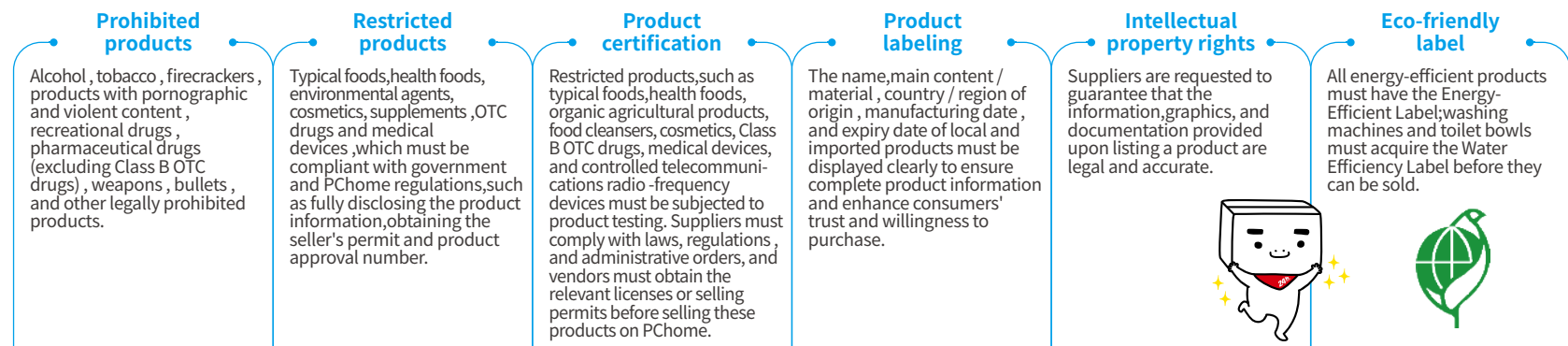


### 2.1.3 Product review mechanisms and quality assurance standards

While offering a wide range of products, PChome employs a variety of product review mechanisms and quality assurance standards by developing several processes to ensure that every product is safe to consumers. During our business engagements with a manufacturer, we will first inspect whether the manufacturer's products comply with relevant laws, request the manufacturer to complete all necessary information before a product is listed, and inform them that their promotional activities and prices must comply with our standards. Afterwards, inbound stocks must comply with relevant regulations before being stored in our warehouses. Once within the warehouse, our auditors will regularly inspect products to ensure that the quality and external appearance meet standards. These protection measures ensure that our consumers continue to receive reliable and credible products.

#### Product review

PChome's product review mechanism covers five aspects : Essential vendor information, Product management, Liability for product delivery, Legal liability, and Product acceptance information transfer. We also devised specific review guidelines for various products and require businesses to comply with these guidelines when reviewing products.



#### Warehouse processes and management

Inbound products arriving at our warehouses are subjected to various product inspection procedures to ensure that the products safely enter storage. We also have three series of quality assurance measures, including post-storage validity period management, quality spot checks, and onsite audits, to ensure that the stored products are not expired or spoiled.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

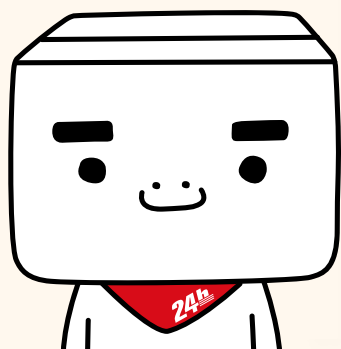
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix

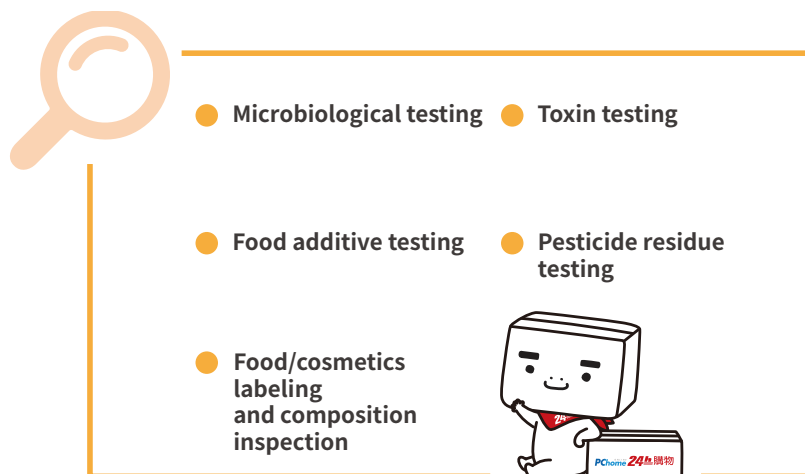


## Validity period management

In terms of validity period management, PChome devised different permitted storage periods and withdrawal periods for products with different validities. Our monitoring systems effectively monitor the validity status of a product, and our warehouse employees will recheck the validity date before shipping a product to the consumer.

## Product testing

To guarantee the quality and safety of products, upon signing a purchase contract, PChome requests that a supplier submits their products to a designated agency for testing. PChome also cooperates with SGS, Intertek, Sang Shing Inspect & Quarantine Broker and other certification and verification agencies to perform aerobic plate count tests, E. coli tests, food additive tests, toxin level tests, heavy metal and pesticide residue tests, food labeling inspections, cosmetics labeling inspections, and prescription reviews on our self-owned products.



## Inventory audit

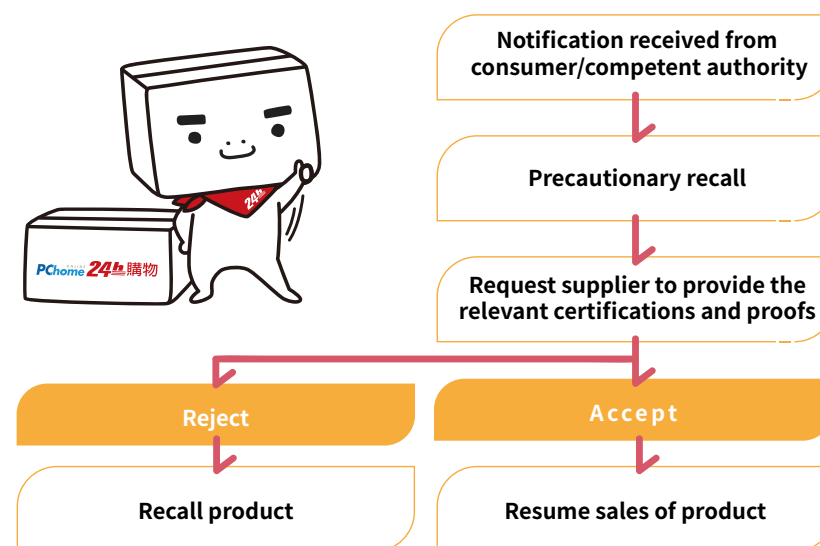
PChome has an inventory audit taskforce who performs daily audits on products stored in specific places. The audit items include checking for damage or mold growth on products, signs of spoilage, and product expiration. Non-defective products are cleaned and arranged to ensure optimum condition. Defective products shall be filed, photographed, and verified prior to subsequent treatment.



## Product recall mechanism

Product recalls include ordinary recalls and special recalls.

- Ordinary recall : A product that is no longer in production or is undergoing transfer will be recalled upon notification from the manufacturer.
- Special recalls : A product is recalled as a precautionary measure when it is subjected to overwhelming customer concerns or media reports or upon notification from the competent authority and other law firms. To safeguard the rights and interests of consumers, PChome will remove the product in question as a precautionary measure while informing our businesspersons about the issue. Our employees will handle the issue promptly and appropriately with the supplier through reporting or documentation and request that the supplier provide the relevant certifications and proofs, which are then displayed on the webpage of the product. If the manufacturer is unable to produce these documents or provide a reasonable explanation, or the product itself does not meet requirements, then the product will be recalled as a whole or in part.



## 2.2 Stress-free shopping experience

### 2.2.1 PPoint ecosystem

PChome has continuously crafted the ONE PChome internet ecosystem by focusing on developing the Pi Wallet function, combining various kinds of services, as well as engaging in cross-domain integration. As a means of introducing mobile payment to our consumers, the Pi Wallet serves as a basis for creating the PPoint ecosystem, which combines physical outlets and e-commerce. Consumers can use PPoints as cash rebates and build a PPoint ecosystem that covers the basic human needs of food, clothing, shelter, transportation, education, and entertainment. As a result, consumers enjoy quick web finance services and experience more convenient mobile services. To reassure the safety of Pi Wallet to our consumers, we constantly focus on developing simpler and more secure payment services that allow consumers to complete various transactions through mobile apps. We currently provide individual and company transactions. Consumers can start transacting after registering with the Pi Wallet mobile app. User accounts are also secured through a two-step verification mechanism, and each transaction is compliant with the Payment Card Industry Data Security Standard (PCI-DSS). To date, Pi Wallet is accepted in 180,000 locations across Taiwan and boasts over a million registered users.



Seamless payment

#### Mobile payments as easy as sending text messages

Meals can be ordered for takeaway or delivery through the tap of a smartphone. Merchants will then forward the takeaway/delivery number in real time, saving the hassle of queuing, waiting, and paying by cash. Takeaways have never been this time-saving!



Parking fees

#### Pay parking fees paid and linked to a license plate number through a single tap

Parking fees can be paid using a barcode, which also links to the vehicle's license plate number. Users enjoy discounts and credit card rewards when paying roadside parking fees in every country and city via the app.



Swift checkout

#### Complete a payment by presenting the barcode at 180,000 locations

Present the barcode to the store attendant to complete the payment. Mobile payments can be completed online and offline effortlessly across all 7-ELEVEN, Family Mart, Hi-Life, OK Mart, and Simple Mart locations in Taiwan.



Secure transaction

#### PCI-DSS compliant transactions enhance security

The Payment Card Industry Data Security Standard (PCI-DSS) is an information security standard that meets the needs of credit card issuer associations in terms of enhancing cardholder transaction data security. Merchants and service providers' standards for storing, processing, or transferring credit card information must be PCI-DSS compliant to create safe and secure payments for users.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



In recent years, PChome joined hands with Citibank and E.SUN Bank to launch the PChome Prime credit card and E.SUN Pi Wallet credit card, respectively. We continue to combine membership rewards point redemption with consumer behaviors, enhance offline and online applications, and promote special top-up programs with major banks. By using the Pi Wallet app, the PPoints earned from credit card payments can be used across 350,000 locations including convenience stores, online shopping, department stores, hypermarkets, gas stations, public transportation, utility bills, and parking fees. Since various credit card demands are met through a single tap, the Pi Wallet app is indeed a consumer's best friend.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

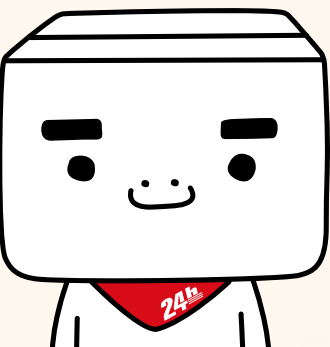
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 2.2.2 Attentive customer service

At PChome, we insist on providing the highest level of service to every customer, and customer feedback is the driving force behind our continuous self-improvement. We offer efficient customer communication channels to ensure that customers receive real-time responses and assistance to any issues ranging from product inquiry, order-related questions, and after-sales service. In addition to calling our customer service hotline, customers can also describe their problems/inquiries by leaving messages at the customer service page and our customer service representatives will respond by phone or email. Customers can also keep track of their conversations and can check whether they have received a reply from us.

### PChome customer service process



- |                      |                      |                               |
|----------------------|----------------------|-------------------------------|
| ○ Check order status | ○ Cancel order       | ○ Price difference refund     |
| ○ Product inquiries  | ○ Delivery inquiries | ○ Product return and exchange |
| ○ Report handling    | ○ Other inquiries    |                               |

Per company regulations, any customer complaint received by PChome's Customer Service Center must be addressed within two working days, and the entire case must be fully rectified. Our customer complaint handling process is heartfelt, while we continue optimizing the customer service experience. It is our intention that in 2021, we will be more proactive in handling the demands of each customer. Regular customer satisfaction surveys are conducted on a yearly basis and items such as the following are included : 1. Response efficiency satisfaction; 2. Problem rectification satisfaction; 3. Overall Customer Service Center Satisfaction. This survey is expected to help us understand more about the customer experience in a more accurate approach to continue service improvement.

### The Golden Torch of customer service

During the 15th Golden Torch Awards held in 2019, PChome won the "Top Ten Corporate Performances of the Year" and "Outstanding Customer Satisfaction" awards and was the sole e-commerce winner in both categories. Grounded in our corporate spirit of Everyday Reliable, our corporate beliefs, future operations planning, corporate philanthropy, customer relations management, and service quality were warmly received by both the judges and the public. We set ourselves apart from the fierce competition through the judges' rave reception toward some of our measures such as the 50% shipping discount for PChome 24h Shopping orders to Taiwan's offshore island territories, the Green Shopping Program, comprehensive sustainability actions, and creating an all-friendly workplace. We uphold our pursuit of innovation through the rapid revolutionizing of Taiwan's e-commerce industry. Being the first e-commerce platform to offer guaranteed 24-hour deliveries, we ushered Taiwanese consumers into a single-day e-commerce-oriented lifestyle with the all-inclusive and comprehensive services that we provide. Going forwards, we will improve our ecosystem resources by investing in various e-commerce infrastructure in Taiwan and helping SMEs to promote their excellent products to overseas markets, thus diversifying and innovating our e-commerce services. Furthermore, we will continue to provide all kinds of top-notch web services that meet the daily needs of consumers, improve our local services, and diversify multinational product options. Lastly, we will materialize our corporate social responsibility through our sustainability plans in order to maintain our advantages and leadership position in Taiwan's e-commerce industry.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

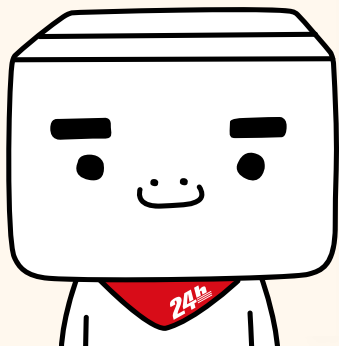
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



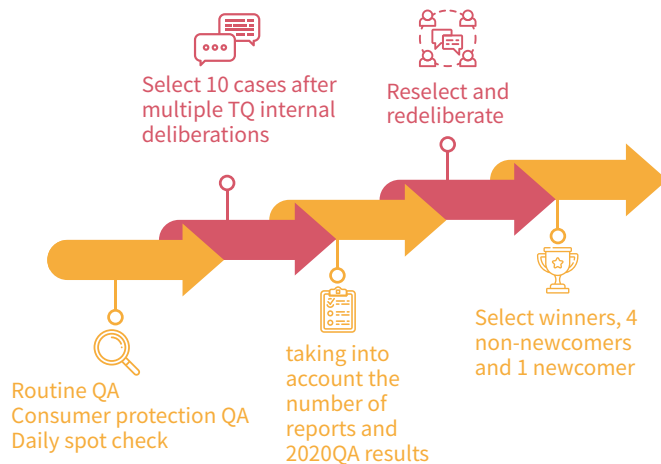
## 2.2.3 Professional customer service representative training programs

PChome's exceptional customer service is rooted in the efforts and professionalism of our customer service representatives. To improve their professionalism, our online training program for newcomers entails a five-week professional course and simulation training. This rigorous program allows each newcomer to boost their self-confidence and independence in providing exceptional customer service. Those who later become customer service representatives are also subjected to internal and external in-service training to enhance their professional competence. For example, the 2020 in-service training program for the customer service team covered techniques for phone conversations, team building activities, and negotiation skills.

In-service training for customer service representatives	
Total length of in-service training (hours)	2,092
Number of participants	58
Average length of in-service training (hours/person)	36.1

Every customer service representative is evaluated according to the Company's internal evaluation system. In 2020, there were 83 representatives who had worked for at least three months and remained employed during the evaluation month. Each of them was scored and received a corresponding grade ranging from A to E. Furthermore, to encourage the representatives to continue on with their excellent performance, the Customer Service Center also organizes a regular awards ceremony in recognition of exceptional representatives. Supervisors can directly submit cases of exceptional performances, and the quality control group will then reevaluate selected customer complaints and list out each commendable service as well as the representative's strengths. These representatives are then publicly recognized for their outstanding services.

### PChome customer service process



## Examples of customer feedback for the 2020 Best Newcomer Customer Service Rep

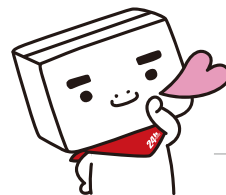
The customer service rep began working in May 2020 and during this time had professionally handled many customers service requests. In addition to providing straightforward replies, they also tracked each request enthusiastically. Their excellent work attitude deserves praise, as evident in the positive feedback from customers toward the rep.

### Customer feedback 1

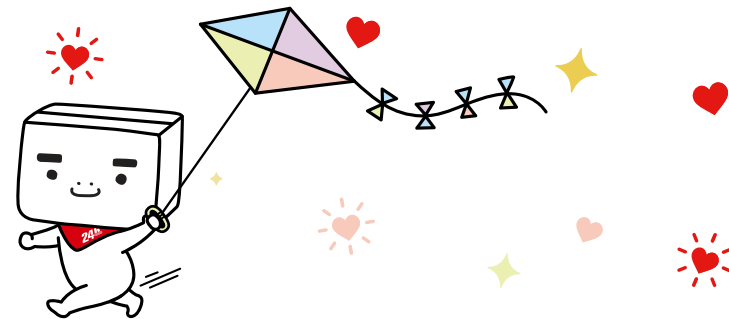


Thank you PChome for providing such efficient services which boosted my confidence in you. PChome is a company that highly regards their consumers and would protect our rights.

### Customer feedback 2



Thank you for the amazing after-sales services. I will definitely support PChome even more along with my friends and family. Thanks!



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

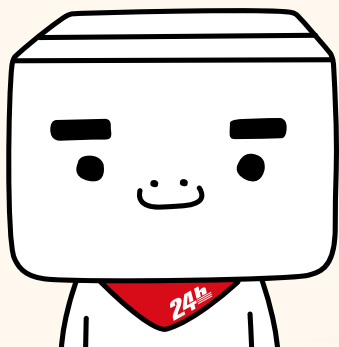
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



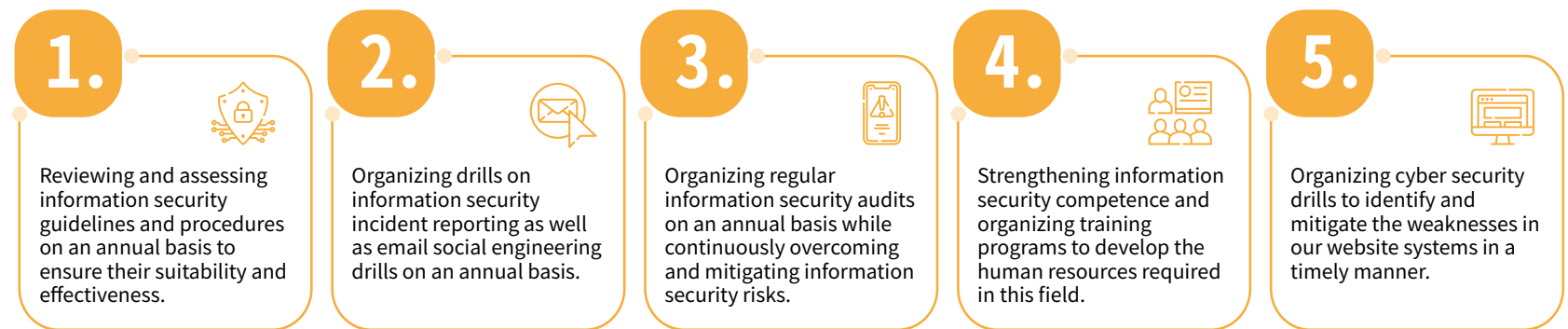
## 2.3 Reliable information security and protection

### 2.3.1 Company information security protection

To ensure that consumers feel secure when they shop online and have no concerns about information security issues or privacy breaches, PChome's IT Department has set up reliable information application systems that enhance the security of our web services and our service quality while maintaining the efficiencies of our business and information services. Therefore, every consumer can feel secure when enjoying the convenience of our online services.



Various information security risks are concomitant with IT developments. PChome has established a comprehensive Internet and computer security protection system that includes access control and information management measures to control or maintain essential processes such as company operations as well as information security management. Based on our information security risk analysis and assessment, our potential risks mainly come from online attacks generated by third-party malware. To prevent such attacks from stealing our trade secrets, breaching customer data and other confidential information, as well as damaging the rights, interests, and reputation of our company, we employ the five strategies as follows to effectively mitigate any potential information security risks :



PChome did not experience any incidents of data breach, data loss, or missing customer data in 2020. We shall continue to implement our information security strategies to safeguard Company information.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

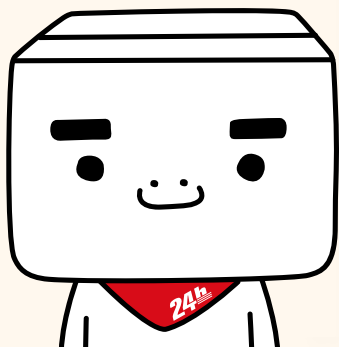
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 2.3.2 Routine information security measures

PChome's emphasized four information security-related aspects in 2020, i.e. information security management, training courses and examinations, external audits, and internal audits. We also organize a quarterly information security general meeting to convey the information security-related highlights of each quarter to our employees. Four major vulnerabilities were identified in 2020, which we aimed to mitigate to moderate- and low-risk levels. If a weakness could not be mitigated due to program dependency requirements, we would adopt isolation measures for risk control and monitoring enhancement. Moreover, we commissioned a third party to conduct a red team assessment drill and a penetration testing drill, in which the identified vulnerabilities were mitigated immediately. Retests were then conducted to verify that the vulnerabilities had indeed been mitigated. The annual information security defense drills systematically enhanced employee awareness and vigilance toward information security and prevented the occurrence of information security risks. In 2021, in addition to continuing the information security tasks from 2020, we shall also focus on cloud security and ransomware defense strategies.



## 2.3.3 Information security training program

To improve our employees' awareness and understanding of information security, PChome organizes an information security general meeting on a quarterly basis to convey relevant information. At the same time, we follow up on the progress and status of information security tasks in each department while collecting information security events or news relevant to each department, so as to remind them of the precautionary measures and defense methods. Furthermore, we have organized external training programs for employees to ensure that they are updated with the latest information security-related trends and knowledge.



▲ 2020 Information security general meeting

### Information security training programs in 2020



# Living together Green operations

# 3



Changes in consumer lifestyles and shopping habits have propelled the e-commerce sector in recent years. However, a wide range of resources such as packaging materials, utilities, and fuel are used when e-commerce platforms provide online shopping services to customers. To this end, PChome has taken action to help reduce the impact on the natural environment. In addition to implementing environmental protection measures and conserving the use of various resources at our physical locations (offices and warehouses), the Green Shopping Program launched in July 2019 aligns with the United Nations Sustainable Development Goals (SDGs), thus incorporating CSR measures into e-commerce services.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

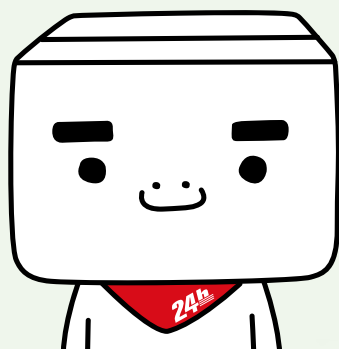
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

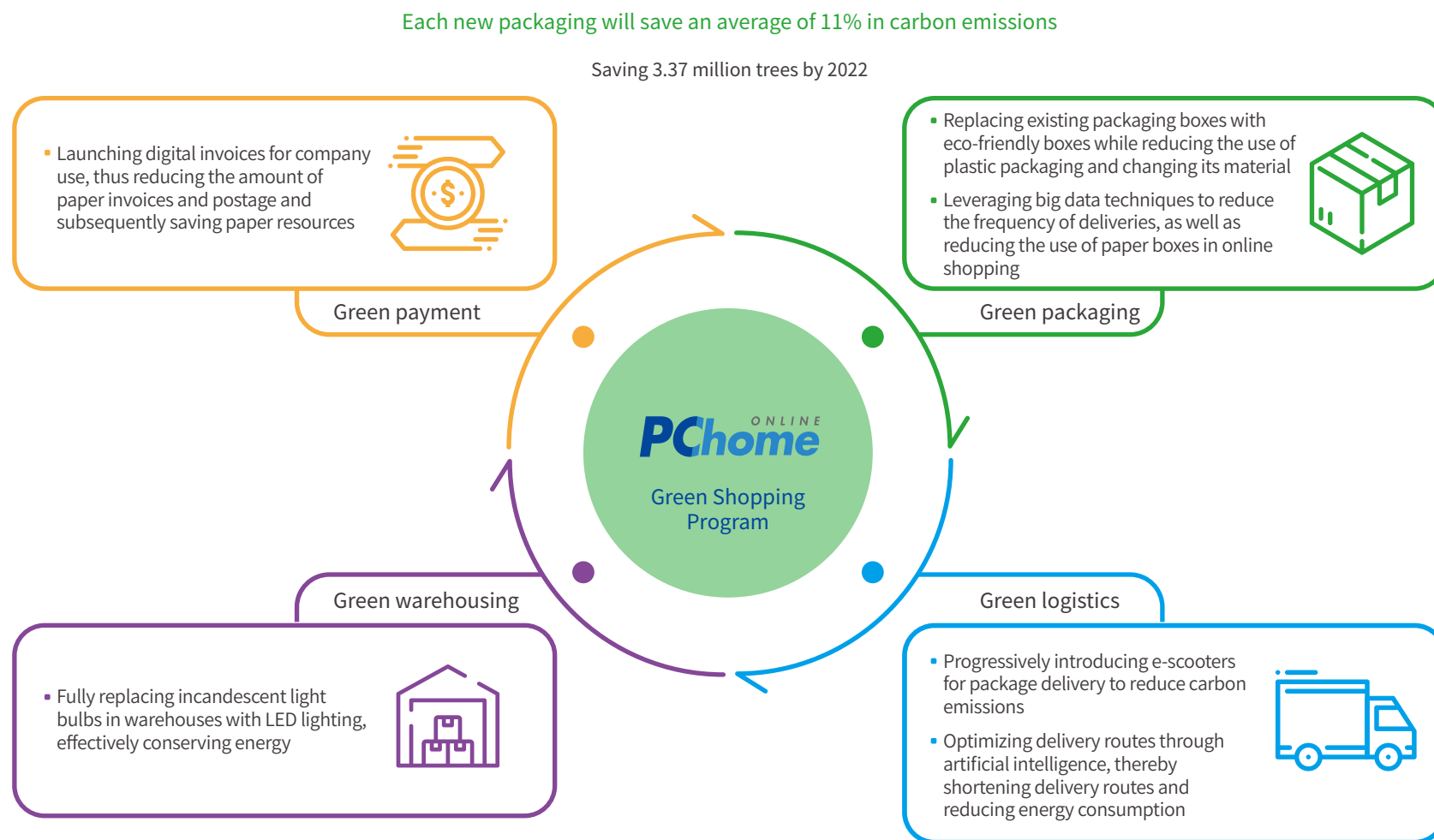
5 Benefiting together  
Embracing society

Appendix



## 3.1 Green Shopping Program

The PChome Green Shopping Program covers four aspects—Green packaging, Green transportation, Green warehousing, and Green payment. Based on our own estimations, when the Green Shopping Program comes into full effect, the new packaging will reduce carbon emissions by 11% on average. By 2022, it is expected that carbon emissions will be reduced by 1.24 million tons—equivalent to saving 3.37 million trees.



## About this Report

## Message from the Management

## 20 Years of Growth with You

## Awards and recognitions

## Sustainability highlights

## Sustainability goals and visions

## Stakeholder engagement

## Identification of material topics

### 1 Flourishing together Operations and governance

### 2 Creating together Sustainable consumption

### 3 Living together Green operations

### 4 Growing together Prosperous workplace

### 5 Benefiting together Embracing society

## Appendix

### Carbon Footprint Label

CO<sub>2</sub>

PChome is the first major integrated online shopping platform in Taiwan to receive the Executive Yuan-approved Taiwan Carbon Footprint Label. To achieve this, we assessed the carbon footprint involved at each stage in the life cycle of online retail services and analyzed the three aspects in particular—product-related services (product inspection, packaging, etc.), environmental services (official website, domains, servers, cross-platform connectivity, etc.) and logistics services (pickup, delivery, returns, exchanges, etc.), so as to effectively quantify carbon emissions and devise carbon reduction goals.

At PChome Online Inc., we encourage consumers to prioritize carbon footprint-labeled products, thereby enhancing the public's awareness of green consumption and ushering in a new era of low-carbon e-commerce with our consumers.

PChome also aims to apply for the Carbon Reduction Label in 2021, so as to showcase our commitment and determination towards carbon reduction.



#### Information on PChome products and carbon footprint

##### Product name

PChome 24h online retailing (tangible services)

##### Product type

Service

##### Carbon Footprint Label

Serial number : 2014879001  
Effective date : 2020/07/11  
Expiry date : 2025/07/12  
Status : Effective

##### Calculation of a product's carbon footprint

Carbon footprint data/  
labelled unit  
1.4 kg CO<sub>2</sub>e/per unit of retail  
service (tangible)

##### Additional information

As part of our commitment to reducing carbon emissions, we expect to implement the following measures :

- 1.The introduction of paperless warehouse system
- 2.The installation of solar panels in response to the government's renewable energy policy
- 3.Constructing green building warehouses and completely modifying internal warehouse operations
- 4.Using low-carbon vehicles for logistics
- 5.Collaborating with the EPA to launch a green point redemption activity as a means for encouraging consumers to purchase green-labeled products



Proportion of carbon footprint in each phase of the product's life cycle



Obtaining raw materials : 51.78%



Services : 46.22%



Waste management : 2.00%

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

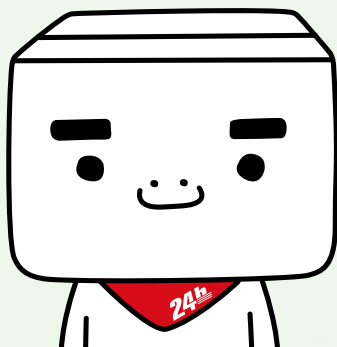
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



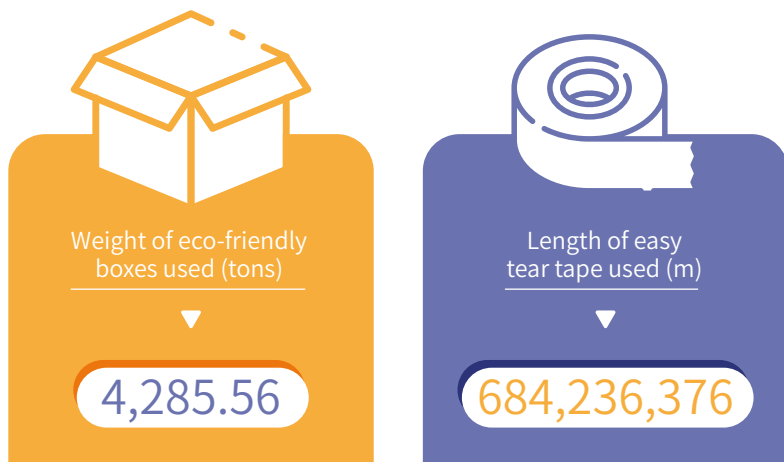
### 3.1.1 Green packaging

In view of the large amount of packaging used in traditional online shopping, PChome decided to integrate environmental protection concepts into our packaging. The Company has designed 31 new types of eco-friendly packaging boxes in 2019, thus effectively reducing the environmental impact of packaging materials. The new eco-friendly boxes boast the following features :

- Made from 100% recycled paper, thus effectively reducing the need to cut down trees.
- The high-density paper increases the reuse rate and lowers carbon emissions.
- The boxes maintain the original color of the pulp and the printed area has been reduced by 50%, thus reducing ink use.
- The ink used printed on small areas of the boxes' external is made from RoHS compliant, eco-friendly, and water-soluble ink.

Going forward, PChome continues to invest in green packaging by unveiling a new kind of easy tear tape in 2020 to be used alongside the eco-friendly boxes. The tape is made of hydrophilic acrylic and eco-friendly adhesive, making it eco-friendly, safe, easy to tear, RoHS compliant, US FDA-approved, non-toxic, and can be used directly on food. By using the tape, consumers do not need to remove it when they recycle boxes, and the tape itself does not leave any residual adhesive, thus effectively conveying the 100% recyclable concept of the box and showcasing our eco-friendly measures.

#### 2020 statistics of environmental friendly packaging use



Note : Products purchased from PChome Online Shopping are shipped directly from the manufacturer to the customer without using the PChome eco-friendly box

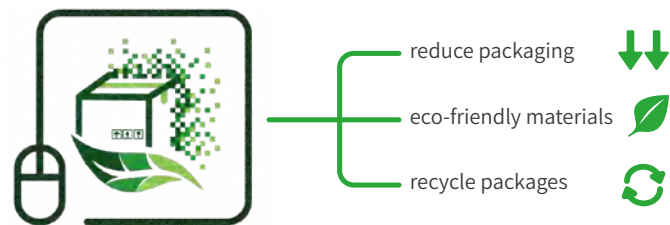


▲ New eco-friendly box



▲ New easy tear tape

PChome is among the online shopping platforms that have responded to the E-Shopping Packaging Reduction Program launched by the Environmental Protection Agency (EPA). The three main goals of the Program are to reduce packaging, introduce eco-friendly materials, and recycle packages. Online shopping platforms can freely submit their own packaging reduction action plans for review by the EPA to confirm whether their reduction measures are in line with the EPA's guidelines. Platforms approved by the EPA receive the Online Shopping Packaging Reduction Seal, which can be displayed on their websites. In 2019, PChome-affiliated PChome Online Shopping and PChome Store received the Seal in the B2C and B2B2C categories, respectively, which is a testament to PChome's progress in achieving environmental protection goals.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

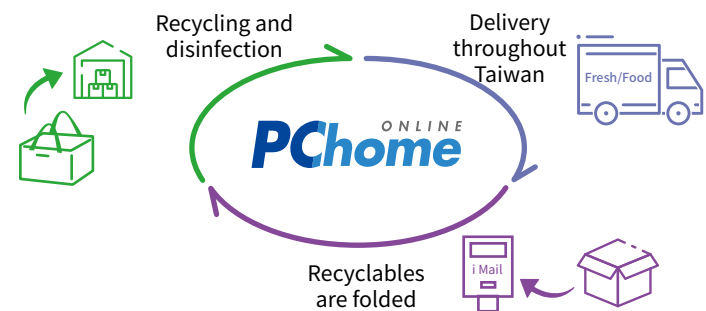
5 Benefiting together  
Embracing society

Appendix

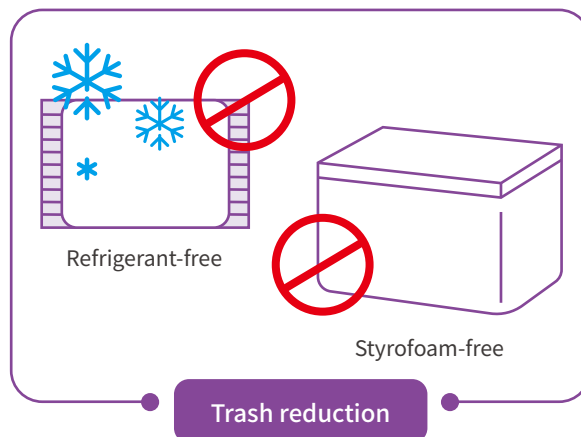
iMailbox and eco-friendly cooler bag



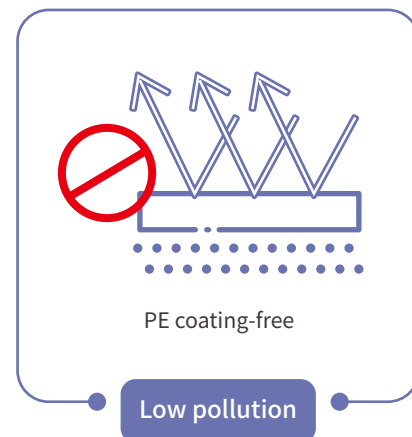
In response to EPA policies on reducing non-reusable packaging waste produced in online shopping, PChome launched a trial program involving a reusable cooler bag for small-sized frozen foods. In the initial phase, only selected goods were packed into the cooler bag and delivered to consumers at no extra cost or deposit. Once the consumer receives the product, they can mail back the cooler bag via any of the 9,200 mailboxes or 2,000 iMailboxes in Taiwan free of charge. This achieves the goal of reusing packaging materials. After recovering, cleaning, and disinfecting the bag, it is reused again. Grounded in our spirit of giving back to society, PChome continues to promote CSR measures and enhance green consumption awareness.



Reuse and recycling



Trash reduction

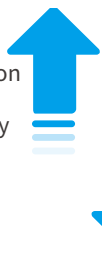


Low pollution

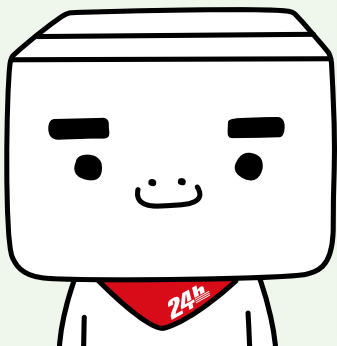
Concept of the cooler bag design : To reduce the use of refrigerants, Styrofoam, waterproof laminated boxes, and non-eco-friendly ink, the PChome Reusable Cooler Bag decorated with our BOXMAN mascot was launched. We expect that BOXMAN's hospitality and enthusiasm can encourage everyone to take action in protecting our environment.

On another note, to decrease the overall rate of packaging use, PChome has developed a smart box recommendation system that utilizes product information calculated through big data to help warehouse staff pick the optimal box for shipping an order. This reduces the time to decide on a box, allows staff to choose the best box shape and size for a product, and prevents them from wasting packaging material by picking an oversized box. By using the volume of a box efficiently, the load factor of a logistics vehicle can be increased, thus increasing the shipping efficiency and reducing the carbon footprint of each delivery. Based on our own estimations, compared to manual judgment in the past, the smart box recommendation system is projected to reduce 5% of boxes used per month and more than NT\$1.3 million in packaging costs per year.

Developed a smart box recommendation system to enhance packaging efficiency



Traditional manual box selection cannot choose the most suitable carton every time



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

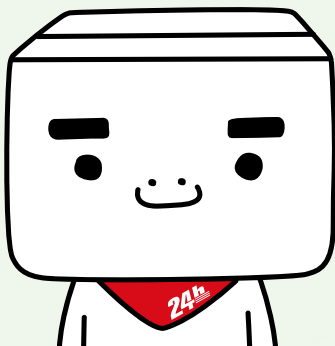
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



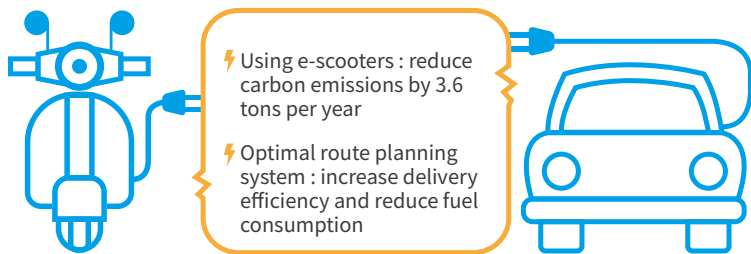
### 3.1.2 Green logistics

#### Using e-scooters

To enhance logistics operations, PChome founded a wholly-owned subsidiary logistics company in 2018—PChome Express Co., Ltd. and was the first e-commerce platform to do so. We continue to do our best in enhancing our warehousing and delivery services. The PChome logistics team uses vehicles such as trucks and scooters. In response to the Green Action Plan launched in 2020, e-scooters are expected to be introduced to the fleet in the third and fourth quarters of 2021, thus forming the PChome Green e-Scooter Fleet. The districts of Taipei and New Taipei cities with high population and delivery densities are expected to be covered by our e-scooters in the initial phase. This reduces the fuel consumption and carbon emissions generated through the delivery process. With the introduction of e-scooters, PChome Express expects to reduce carbon emissions by 66.78 kg per week and 3.6 tons per year in 2021.

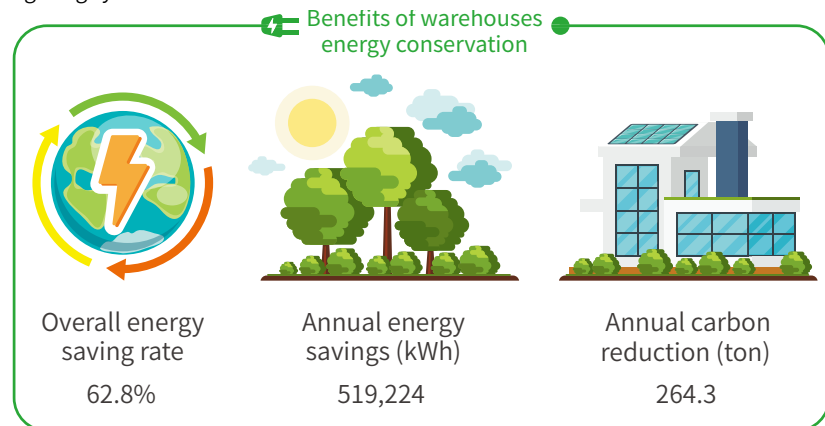
#### Introducing an optimal route planning system

To optimize each delivery route, PChome expects plans to introduce an optimal route planning system in the second and third quarters of 2021. The use of big data and smart route planning could help delivery personnel to avoid manually-judged and inefficient routes, thus increasing the delivery efficiency and reducing the fuel consumption and carbon emissions of the process.



### 3.1.3 Green warehousing

In terms of warehousing, PChome has been replacing incandescent light bulbs installed across 23 hectares of warehouse space with LED lighting. To date, LED lighting has been installed in 90% of our warehouse areas, which translates to 50% to 70% less energy consumption and greatly increases the energy efficiency of the lighting system.



Note 1: The annual carbon reduction is calculated by using the 2019 carbon emission factor for power generation (0.509 kg CO<sub>2</sub>e/kWh) issued by the Bureau of Energy, Ministry of Economic Affairs

Note 2: The amount of energy saved per year is equivalent to 1,869GJ

PChome also actively promotes warehouse automation. We expect to develop our smart logistics center in Linkou (hereinafter referred to as the A7 Project) into an advanced automated warehouse. In addition, we plan to venture into automated processes such as order picking optimization, inventory pre-positioning, storage location allocation optimization, smart picking, and packaging optimization. The expected benefits of warehouse automation include:

- Eliminating the need for lighting to achieve a darkened warehouse.
- Reducing the overall manual labor by 30% to 35%.
- Reducing manual labor for putaway and picking tasks by 65% to 75%, or equivalent to 25% to 35% of the existing workforce, to achieve the same work efficiency,
- Adopting a product-to-worker strategy to reduce the workload of putaway and picking tasks, thus increasing the reliability of the manual workforce.
- Designating each worker to a specific workstation such that they would not know the next item that they need to pick before the current product arrives at their workstation, thus ensuring the safety of higher-priced products.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix

Smart logistics center (A7 Project)



Chunghwa Post's smart logistics center (hereinafter referred to as the A7 Project) is located in a designated industrial development zone near Station A7 on the Taoyuan Mass Rapid Transit System. The warehouse has an area of around 15 hectares and serves as an integrated logistics center comprising four main warehouse floors. Increasing developments in e-commerce has propelled its steady share growth in the retail market. PChome expects to unify all the warehouses currently scattered around Taoyuan to A7. This large-scale expansion would increase the efficiency and quality of logistics and provide consumers with a superior shopping experience. Adopting centralized management effectively controls logistics costs and expenditures. The diversification of products as well as mass orders pose a great challenge to outbound logistics. To this end, PChome has already designed a smart warehouse system that combines automation and AI technology. PChome has rented a site from Chunghwa Post's postal logistics park near Station A7 and plans to develop it into a cross-border e-commerce and logistics center slated to open in the first half of 2022.



Artist's impression of the smart logistics center (Source: Chunghwa Post)

Training program for nurturing smart logistics talent

In view of the launch of the highly automated warehouse in the smart logistics center and to prevent the replacement of the workforce stationed at the current warehouses, PChome has organized human resources transformation measures and training programs for the workforce, such that they can successfully perform high-quality tasks without losing their positions as a result of automation. This will improve the process quality and stabilize the reliability of consumers' shopping experiences. In addition, the workforce could switch to new tasks in which they create innovative shopping experiences for consumers. The planned PChome training programs includes but are not restricted to the following :

1

Smart picking system operation training



2

Enhancement of inbound product quality management



3

Enhancement of product storage management



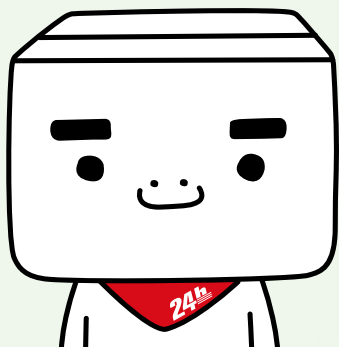
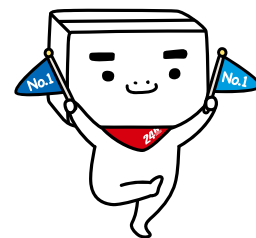
4

Value-adding processes training



5

Detection of various task-related anomalies



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

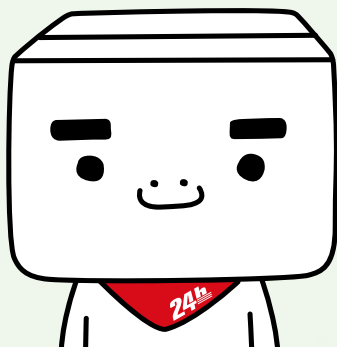
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix

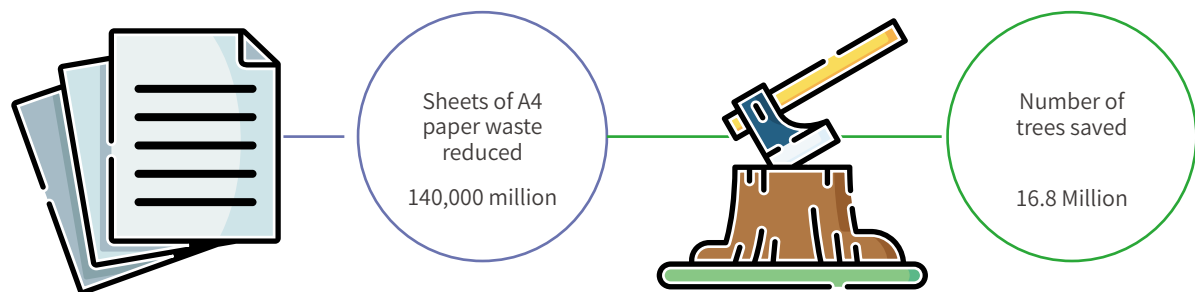


### 3.1.4 Green payment

In October 2005, PChome became the first commerce platform to digitize uniform invoices while also obtaining government approval. In January 2018, we even launched electronic invoices for business entities. This reduced the need to print physical invoices—over 5 million pieces per year—which is not only an effective means of saving paper and protecting primary forests, but also decreases the cost of mailing, thereby reducing carbon emissions from vehicles and conserving energy.

Moreover, we are pressing ahead with digitizing tickets. Once a consumer has purchased an e-ticket, it will appear as a serial number, barcode, or QR code inside an e-ticket holder, which they would show to the merchant for verification and redemption. e-tickets are also eco-friendly compared to traditional paper tickets, as e-tickets reduce printing costs, save forest and water resources, reduce packaging materials, and decrease the environmental burdens of logistics.

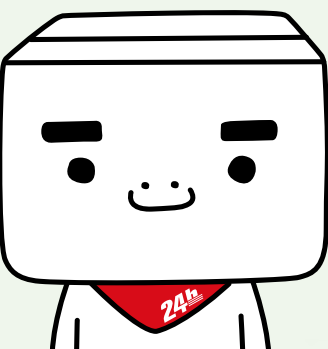
#### Projected environmental benefits of e-invoices



#### The PChome e-ticket holder



- About this Report
- Message from the Management
- 20 Years of Growth with You
- Awards and recognitions
- Sustainability highlights
- Sustainability goals and visions
- Stakeholder engagement
- Identification of material topics
- 1 Flourishing together  
Operations and governance
- 2 Creating together  
Sustainable consumption
- 3 Living together  
Green operations
- 4 Growing together  
Prosperous workplace
- 5 Benefiting together  
Embracing society
- Appendix



## Lights off for one hour on Earth Day



2020 marks the 50<sup>th</sup> anniversary of the Earth Day initiative. During this special day, in support of this initiative, PChome created a lights-off interactive activity on the homepages of our three major websites. When consumers enter the homepage on Earth Day, they could join PChome 24h Shopping's 1-hour lights-off activity by turning the homepage greyscale so as to protect our Earth.

In support of the 50th anniversary of Earth Day, PChome also launched an activity themed “Earth Day, The Day of Protecting Earth with Love” and set up a dedicated webpage for the Eco-Friendly Utensils Week, where various energy-efficient home appliances, eco-friendly cutlery, food bags, organic shampoo, and other green products are listed. We also teamed up with ESun Bank to launch various attractive online promotions that spread green living concepts.

## “Earth Day, The Day of Protecting Earth with Love” activity page

The ongoing pandemic has kept many people indoors, thus increasing their demand for air conditioners and air purifiers, as well as increasing their energy consumption levels. As a concurrent action in protecting the environment as well as creating post-pandemic lifestyles, PChome 24h Shopping has unveiled a series of Earth Day activities to promote energy-efficient appliances and sustainable development. In response to Earth Day, PChome 24h Shopping launched the “Earth Day, The Day of Protecting Earth with Love” activity, where many eco-friendly products on sale are displayed, including best-sellers that utilize R32 eco-friendly refrigerant and frequency variation modes.



## Eco-Friendly Utensils Week activity page



Many people are accustomed to using disposable utensils when dining out, which generates further unnecessary waste every day. In addition, the use of these disposable chopsticks and plastic spoons may be detrimental to our health. To this end, as an effort of increasing public awareness of environmental protection, PChome 24h Shopping launched the Eco-Friendly Utensils Week dedicated page on Earth Day, where a range of eco-friendly utensils are offered to consumers, thereby reducing their reliance on disposable utensils and cutting down waste.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

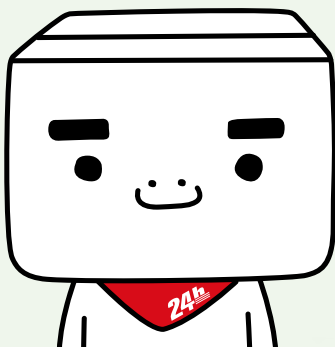
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 3.2 Green operations management

### 3.2.1 Environmental management policy and framework

In addition to promoting environmental protection to external entities, PChome is dedicated to green operations management by adhering to eco-friendly principles. The CEO Office devises an overall resource management plan which is implemented by each subordinate department under the guidance of the Administrative Center. At PChome, we construct appropriate environmental management systems by adhering to industry-specific environmental management regulations while continuously implementing energy-efficient and low-carbon solutions. For example, energy-efficient lighting has been installed throughout our warehouses, recyclables are sorted and reused in order to reduce wastage, a fixed recycling schedule is devised weekly, and eco-friendly concepts are instilled in our employees. At PChome, we feel it is our duty to help protect our planet.

### 3.2.2 Energy management

As PChome is aware of the impacts of energy consumption on climate change, we have constantly reduced our energy use over the years by promoting carbon management-related measures. By calculating the exact amount of carbon and greenhouse gases produced, we can devise improvement strategies and achieve carbon emission reduction goals. This includes actively saving power, replacing traditional lighting with LED lights, automatic light sensors etc., which showcase our determination for protecting the environment and reducing the impacts of our operations in contributing to climate change. Our operations' main sources of electricity consumption are lightning and air-conditioning at our warehouse offices, as well as fuel consumption in logistics vehicles. Because our offices are rented inside a building, the electricity consumption data that follows does not factor in these offices.

Energy use status from 2018 to 2020					
Type of energy		Unit	2018	2019	2020
Fuel Usage (Warehouse)	Diesel	liter	1,847	4,369	3,236
	Gas	liter	26	31	30
Fuel Usage (Vehicles)	Diesel	liter	-	289,642	459,068
	Gas	liter	-	11,066	17,974
Purchased electricity	Electricity	kWh	7,613,320	7,812,700	8,170,374
Energy unit conversions					
Fuel consumption	GJ		66	10,700	16,844
Electricity consumption	GJ		27,408	28,126	29,413
Total consumption	GJ		27,474	38,826	46,257

Notes :

1. PChome Express logistics was launched in October 2018.
2. The annual power consumption in the 3rd warehouse is calculated based on the electrical bills from February to the January of the following year.
3. Data calculated in accordance with the Ministry of Economic Affairs Bureau of Energy's conversion standards, i.e., 8,400 kcal per liter of diesel, 7,800 kcal per liter of gas, and 3600 kJ per unit of electricity; 1 kcal = 4184J.
4. PChome uses non-renewable energy.

Carbon emissions from various sources from 2018 to 2020					
Type of energy		CO <sub>2</sub> equivalent (tons)	2018	2019	2020
Fuel Usage (Warehouse)	Diesel	Scope 1	4.92	11.58	8.58
	Gas		0.06	0.07	0.07
FuelUsage (Vehicles)	Diesel		N/A	767.65	1,216.68
	Gas		N/A	26.13	42.44
Subtotal (Scope 1)			4.98	805.43	1,267.77
Purchased electricity	Electricity	Scope 2	3,875.18	3,976.66	4,158.72
Total (Scope 1+2)			3,880.16	4,782.09	5,426.49

Notes :

1. Greenhouse gas emissions are calculated in accordance with the operational control rights approach, i.e., activity data x emission factor x GWP. Emission factors are taken from the EPA's Greenhouse Gas Emission Factor Management Table Version 6.0.4, and the Global Warming Potentials (GWPs) are taken from the IPCC Fourth Assessment Report. Greenhouse gases include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.
2. The data in Scope 1 for the 2018 to 2020 period is calculated in accordance with the emission factors listed in the EPA's Greenhouse Gas Emission Factor Management Table Version 6.0.4, in which gas = 2.361 kg CO<sub>2</sub>/L and diesel = 2.650 kg CO<sub>2</sub>/L. The data in Scope 2 is calculated in accordance with the Bureau of Energy's grid emission factor : 0.509 kg CO<sub>2</sub>e/kWh.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

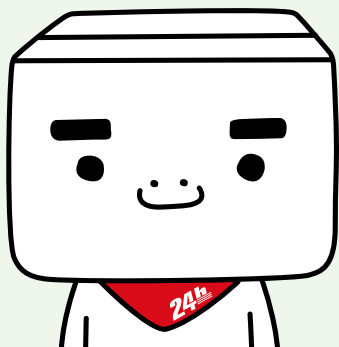
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

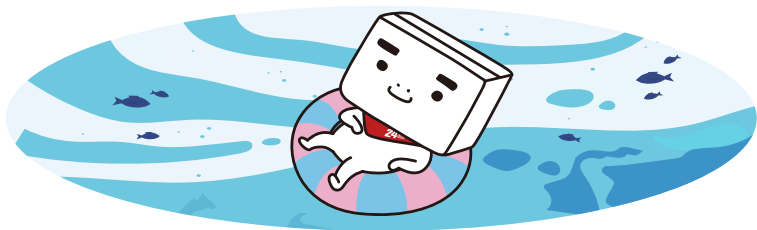
5 Benefiting together  
Embracing society

Appendix



### 3.2.3 Water resources management

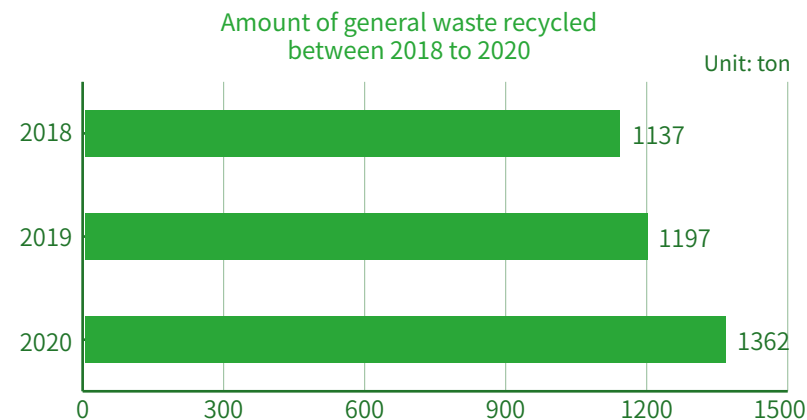
Water is life, especially in today's society, where it plays many indispensable roles. Even though Taiwan receives copious amounts of rainfall every year, most of it becomes runoff in rivers. Drought occurs when rainwater is distributed unequally, and the catchment areas of reservoirs do not receive enough rainfall. PChome warehouses are located in Taoyuan City and rely on water distributed from the Shimen Reservoir. Even though this region is not at a high risk of water shortage, Taiwan has been facing drought issues due to decreased rainfall over the past few years, thus increasing the public awareness around saving water resources.



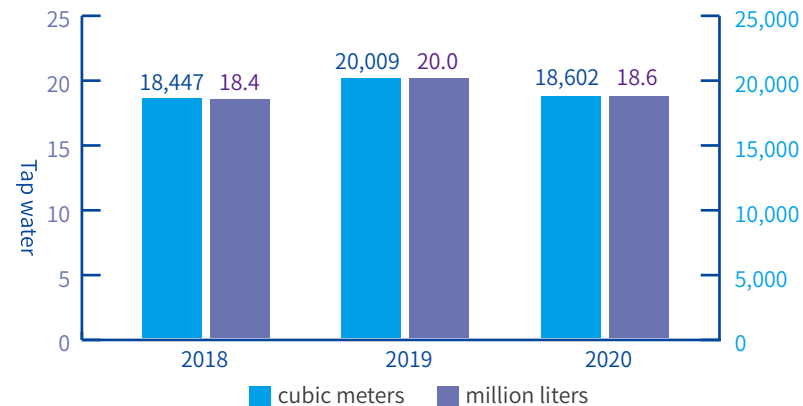
### 3.2.4 Waste management

Marine pollution is an issue of global concern. While advocating for plastic use reduction in Taiwan, PChome continues to promote recycling and reuse of resources. As an online platform, PChome's resource utilization is fairly simple as we do not generate toxic substances according to EPA regulations on waste. PChome outsources its general waste disposal operations. The monthly average amount of general waste incinerated from June to December was 8.84 tons, and the total amount incinerated in 2020 was estimated to be 106.1 tons. The amount of recycled general waste in 2020 was estimated to be 1,362 tons, which accounts for 92.8% of the total amount of general waste produced in 2020 (1,468.1 tons). In terms of recyclables sorting, statistics show that PChome has shown growth in all types of recyclables over the last three years, which indicates the outcomes of our efforts in reusing resources.

#### Resource recycling statistics

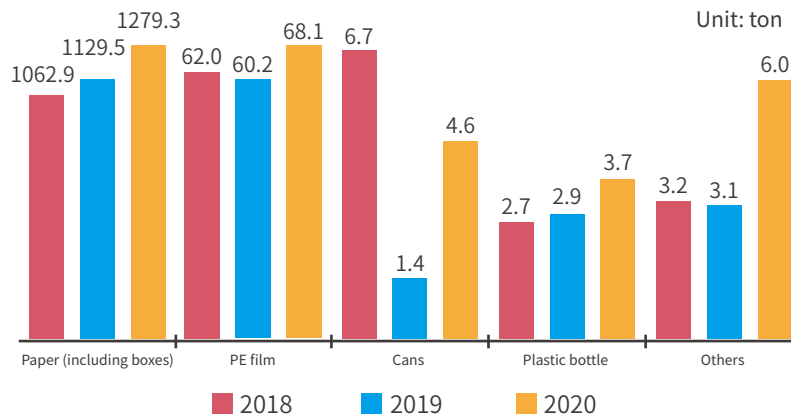


#### Water sources at warehouses



Note:

1. Because the water bill at our offices is included in the rent, it cannot be calculated separately, and hence the data in this table does not include water used at our offices.
2. The tap water used by PChome is provided by a third-party company.
3. According to the open data of the World Water Institute, PChome's water sources in Taiwan are not located in water-stressed regions.



# Growing together Prosperous workplace

# 4



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



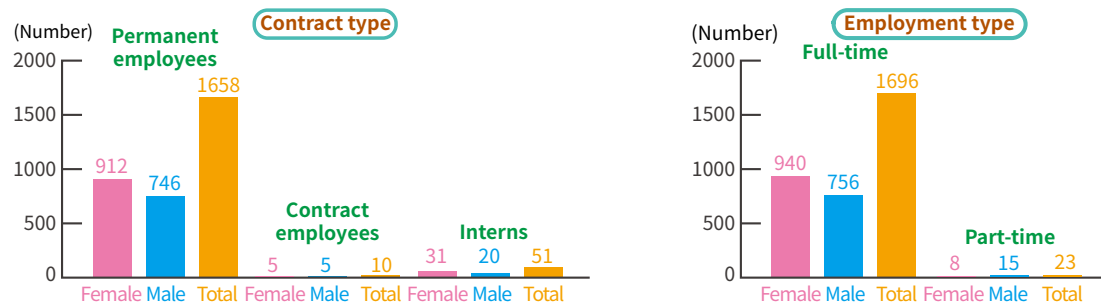
## 4.1 Professional team organization

At the forefront of the e-commerce industry in Taiwan, PChome is rooted in our spirit of “Committed to innovation and value creation” when providing consumers with products and services of the finest quality. We dedicated ourselves to nurture excellent e-commerce professionals by creating a youthful and energetic organizational environment. At PChome Online Inc., digital natives can learn swiftly online and embrace social media to provide continued innovation and services that more closely reflect the needs of consumers.

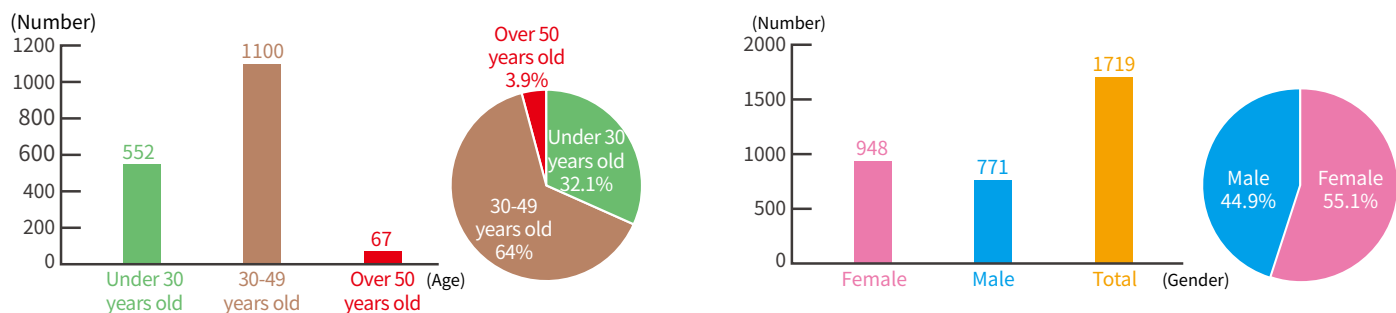
### 4.1.1 Employee diversity

PChome offers a diverse array of positions for aspiring and open-minded talent of all ages. We do not discriminate on the basis of gender, age, race, religion, marital status, and political beliefs. As of 2020, we have 1,719 employees, 11 of whom are disabled, and 38 of whom are indigenous peoples. More than 50% of our employees are aged 35 years and below, most of whom are affiliated with the E-Commerce Business Group and the Technology/Big Data Artificial Intelligence Center. The Company welcomes Generation Zers, who are known for their innovativeness and creativity, to the team and provide them the liberal workspace in which they express their ideas, engage in various opportunities which sharpen their professional skills, accumulate their practical experience, develop a dedicated work ethic, and unlock their potential capabilities. At the same time, in response to the ever-changing nature of the e-commerce industry, PChome also highly values female employees who are meticulous and detail-oriented, as well provide them with comprehensive and equal promotion opportunities. Thanks to our inclusivity efforts, females constitute around 60% of PChome’s workforce, with over 50% of them holding supervisory duties. We hope that our female employees can utilize their professional competence and characteristics to the fullest, bring forth their advantages and capabilities, and continuously enhance our business operations.

Workforce composition by contract type, employment type, and gender



Workforce composition by age and gender



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

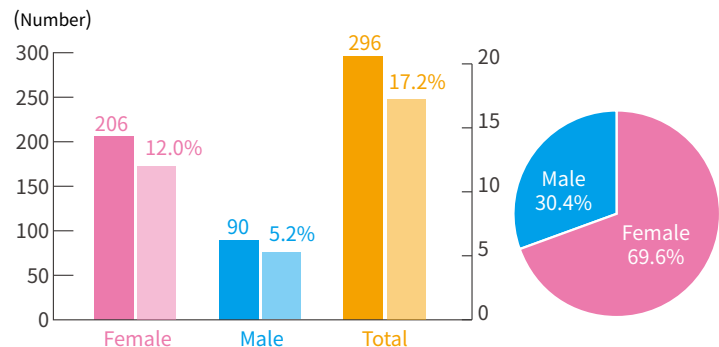
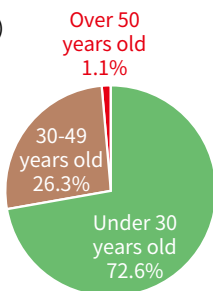
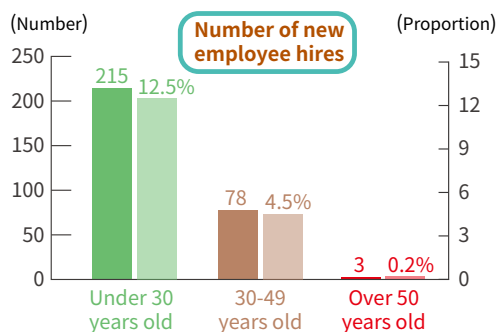
5 Benefiting together  
Embracing society

Appendix

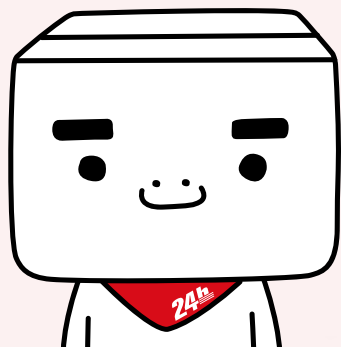
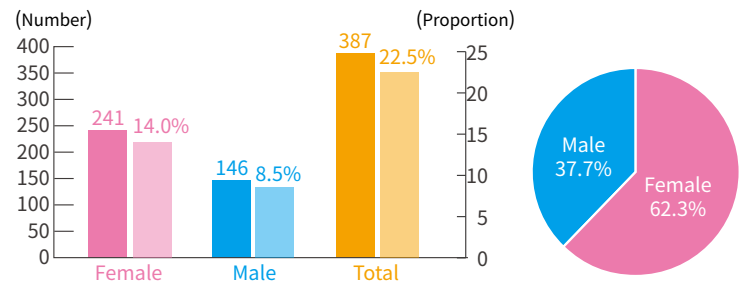
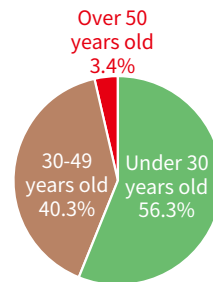
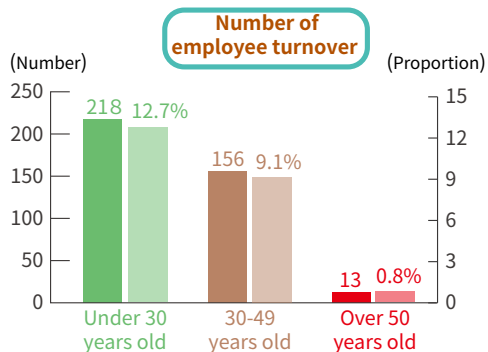
## 4.1.2 Statistics of newcomers and former employees

Global e-commerce has grown expansively in recent years. Despite the large number of vacancies in the local e-commerce industry, PChome has consistently recruited talent who are skilled in IT development, product marketing, video editing, marketing planning, big data analysis, operations management, and logistics management. We also provide management training programs and internships to young talent that bring an innovative mindset and passionate work ethic.

### Statistics of newcomers in 2020



### Statistics of former employees in 2020



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

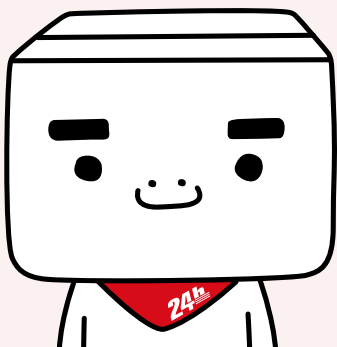
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 4.2 Attractive remuneration and fringe benefits

By embracing our spirit of Everyday Reliable, PChome is dedicated to building friendly workplaces where employees will feel happy at work. Our employee benefits surpass industry standards. These include providing an employee leave system that is more favorable than the minimum requirements in the Labor Standards Act, subsidies for taking up language courses, employee discounts from time to time, and welfare activities. In April 2019, PChome was among the recipients of the 2019 Best Companies to Work For Award handed out by 1111 Job Bank, and was the only local e-commerce company in the Computers/Consumer Electronics category. This highlights that PChome's employee benefits scheme and efforts in creating friendly and welcoming work environments have gained public traction and recognition. Moving forward, PChome will continue our efforts to establish a wider variety of benefits as well as creating cheerful and welcoming workplaces so that our employees can focus on their professional tasks, thereby infusing youthfulness and vitality into the e-commerce industry and becoming a leading e-commerce brand with innovative developments.

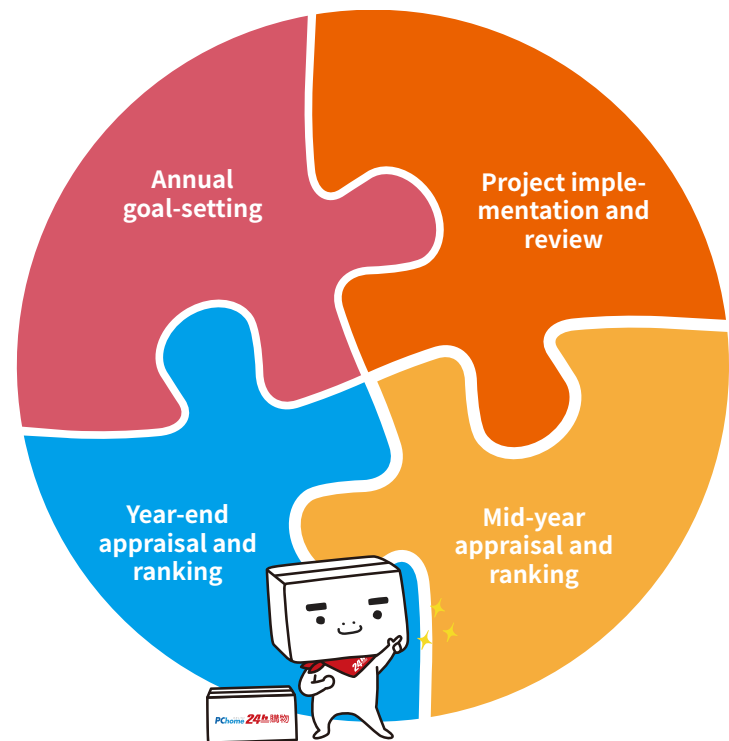
### 4.2.1 Attractive remuneration scheme

Our employees have always been the pillars of our success. PChome's approach to attracting talents into our workforce is to offer remunerations that are competitive when compared to current industry averages. How much an employee receives is dependent on their educational background, professional knowledge and skills, tenure and practical experiences, as well as individual job performance. We do not discriminate anyone on the basis of gender, age, race, religion, marital status, and political beliefs. PChome strictly complies with the law by providing minimum wage, overtime pay, insurance coverage, and workplace pension plans to our employees. We also developed fringe benefit schemes by taking into account the needs of our employees. The result of our efforts are competitive and attractive remuneration and fringe benefit schemes.

PChome's overall remuneration package includes minimum wage, bonuses, and fringe benefits. The minimum wage is set according to the value of an employee's position on the market; while the bonuses are given when employees and their affiliate department achieve certain goals, or in conjunction with the Company's business performance.

### 4.2.2 Performance appraisal and management

In accordance with our human resources management standards, PChome has an employee performance appraisal system in which the remuneration received by each employee is determined by their educational background, professional knowledge and skills, tenure and practical experiences, as well as individual job performance. As an effective means of tracking an employee's work status, PChome sets annual work goals and conducts mid-year and year-end appraisals and rankings. Additionally, an employee's performance appraisal outcomes are tied to their remuneration and bonuses, so that they can grow together with the Company. In 2020, all employees on probation were subjected to an appraisal, and those who completed their probationary period were subjected to another appraisal. Interns are excluded from our employee performance appraisal; instead, their appraisals are completed by their respective universities, and they also enjoy a year-end bonus after completing their first three months on the job.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

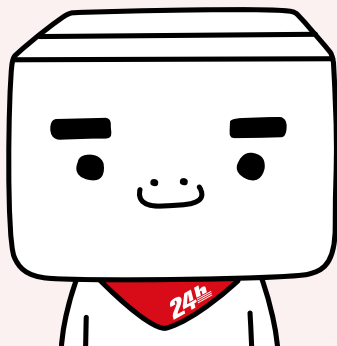
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



### 4.2.3 Wide variety of fringe benefits

In line with the Ministry of Labor regulations, PChome has an Employee Welfare Committee in charge of allocating monthly funds and routine handling various employee benefits on a regular basis. In terms of employee benefits planning, per the relevant regulations, we attend to the needs of employees by providing appealing and desirable benefits such as festive activities, birthday bashes, annual dinners, etc. By establishing numerous work social clubs, and providing health checkups as well as labor, health, and group insurance coverage, we create supportive work environment that helps our employees achieve a work-life balance and have more opportunities to interact with one another during their spare time.

#### Overview of fringe benefits at PChome

##### Workplace benefits

Exclusive labor group insurance, a leave system that surpass the minimum requirements in the Labor Standards Act for employees who complete three months on the job, labor pension, flexible work hours, unlimited coffee, "back to work" lucky money

##### Festive celebrations

Birthday cash bonus, Labor Day cash bonus, Mid-Autumn Festival cash bonus, year-end vouchers, Valentine's Day flash sales, festive high tea

##### Wellness benefits

Health examination subsidy, paid health examination leave, flu vaccine subsidies, healthcare lectures

##### Key life events benefits

Marriage cash bonus, baby bonus, childcare benefits at cooperating nurseries, hospitalization allowance, bereavement allowance, exclusive discounts at cooperating merchant, car loans, discounted telco rates

##### Group perks

Annual dinner subsidies, vendor events, group buying discounts, social activities

##### Incentives for continuing education

Incentives for learning a foreign language (English/Japanese), external training



#### Wide array of social events

At PChome, we encourage our employees to establish and join work social clubs, so as to build a warm and collegial workplace climate. To date, there are 11 social clubs that encompass sports, livelihood, and learning, offering diverse options for employees to utilize their spare time to the fullest. We encourage our employees to maintain a healthy work-life balance, relieve their stress, and broaden their interests and expertise by joining these social clubs.

##### Knitting Club

Helps members broaden their expertise and interest in handicraft by offering instruction on accessory making, scarf knitting, hat making, and other handiwork. Each activity centers on a different theme, so that members can learn the techniques for knitting various objects. Members not only spend time doing meaningful activities, but also stimulate their creativity and achieve a sense of achievement.

##### Coffee Club

Members get to choose and change coffee beans so that everyone gets to enjoy a different coffee flavor every day. In addition to boosting everyone's work efficiency, members also get to understand more about coffee.

##### Reading Club

The Reading Club aims to nurture mutual learning and sharing climate in the workplace through guided reading, which improves one's ability to consolidate and present information. The books read here are knowledge acquisition-oriented and are jointly selected by members. Meetings are held every fortnight, during which members take turns to guide others through the chapters and share their opinions.

##### Fitness Club

Under the guidance of professional weight trainers, members learn the basics of aerobic fitness exercises and muscle relaxation, thus enhancing their physical and mental well-being.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



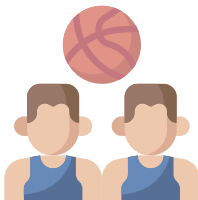
● **Yoga Club**

The Yoga Club includes yoga instructors and mainly focuses on aerobic yoga and stretching. Members get to learn about the correct postures and movements and engage in full body stretches which help relax their muscles and reduce anxiety caused by a buildup of stress.



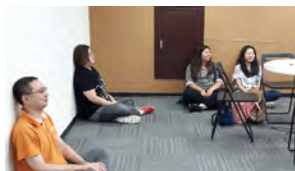
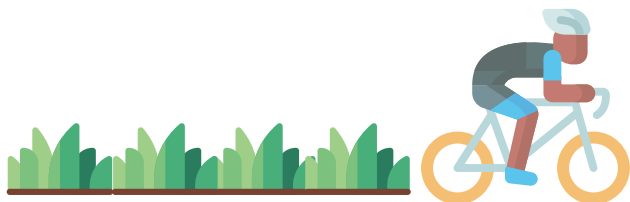
● **Basketball Club**

By organizing 5-on-5 basketball competitions, employees get to improve their fitness level and teamwork while expanding their interpersonal relations.



● **Cycling (YouBike) Club**

1- to 2-hour long cycling trips are held on workdays and weekends to help members relieve stress, improve blood flow, and enhance friendships between the members.



● **Relaxation Club**

In light of the physiological effects of stress, the Relaxation Club organizes stress relief courses for members to achieve balanced physical and mental well-being.



● **Boxing and Aerobics Club**

Members engage in intensive fat-burning full-body sports that combine boxing and aerobics. Suitable for those who wish to improve their weight, become fit, or relieve stress. Guaranteed to be sweat-drenching and stress-relieving.



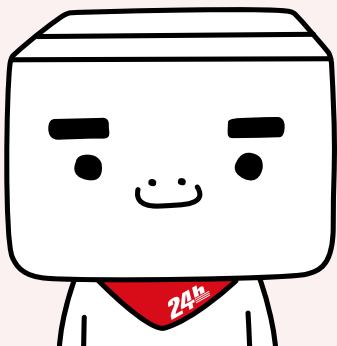
● **Combat Sports Club**

Combat sports are good for health and they have no gender and age restrictions as they improve flexibility and coordination, reaction time, and agility.



● **Board Games and Escape Room Club**

Intellectual board games or escape room activities are beneficial to developing one's logical thinking skills, fostering teamwork and friendship, evoking creativity and integration capabilities, enhancing improvisation skills, increasing self-value, and improving work efficiency.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

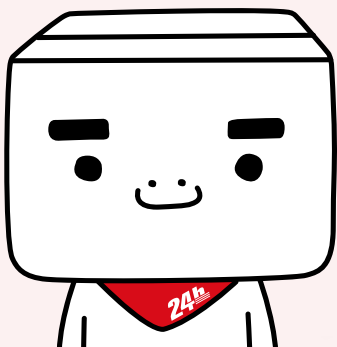
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## Language learning incentives

To improve employees' capabilities in reading and conversing in English and Japanese, PChome encourages our employees to engage in foreign language learning as well as taking part in the TOEIC and JLPT examinations. Additionally, we provide incentives and rewards for continuing education. In order to benefit from these incentives an employee must attain a certain level in their English/Japanese proficiency test and meet the specified requirements. PChome will then provide an incentive of up to NT\$100,000 in recognition of their efforts in continuous learning.

## Employee remuneration distribution and issuance of employee stock subscription






PChome's employee profit-sharing scheme gives our employees an opportunity to engage in the Company's operations, jointly reap the performance outcomes, and combine their goals with the Company's business goals. The Bylaws of PChome Online Inc. states that if the Company is profitable during a year, it should allocate 1% to 15% of the profits as employee remuneration. When new shares are issued via raising equity capital, the Company will allocate a specified percentage of shares for employee subscription, the employees themselves can decide whether they want to subscribe or not.



## 4.2.4 Employer-employee relations and communication

PChome Online Inc. strives to maintain harmonious employer-employee relations and establish work environments which value human rights and are free of discrimination and harassment. Grounded in our beliefs of merit-based hiring and utilizing employees to their best of their abilities, mutual trust and respect is essential among employees and employers alike. Everyone is encouraged to express their capabilities to the fullest in a work environment characterized by inclusivity, equality, and diversity. PChome strictly complies with relevant laws and provides employees with remuneration, fringe benefits, and leave packages that are more favorable than legal requirements, in addition to providing healthy work environments. No human rights-related complaints were made in 2020 at PChome, and we will continue our efforts in safeguarding the human rights of our employees and creating prosperous work environments.

### Harmonious employer-employee relations at PChome

- 
**Freely chosen employment**
  - PChome recruits talents through open and transparent approaches and strictly prohibits the restriction of a labor's free choice of employment through coercion, bonded labor, debt bondage, or indentured labor.
- 
**Young workers**
  - PChome strictly prohibits the employment of child labor
  - For student workers, we work closely with their respective universities to ensure proper management, protection of their rights in accordance with the law, and provision of appropriate support and training.
- 
**Non-discrimination**
  - PChome is committed to a workplace free of discrimination and harassment, which should not be engaged on the basis of race, skin color, age, gender, sexual orientation, gender identity and expression, nationality, disability, pregnancy, political affiliation, marital status, etc. in recruitment practices, wages, promotions, and rewards.
- 
**Humane treatment**
  - PChome protects our employees from inhumane treatment at the workplace including sexual harassment, sexual abuse, corporal punishment, threats, mental or physical coercion, etc. We also have policies and complaint filing methods for sexual harassment and workplace violence incidents. We are strongly against any form of inhuman treatment at the workplace.
- 
**Working hours**
  - Not only are our working hours and work schedules arranged in accordance with the articles of the Labor Standards Act, but we also offer flexible working hours as well as a more favorable leave system, so that our employees have more flexibility in their working hours.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

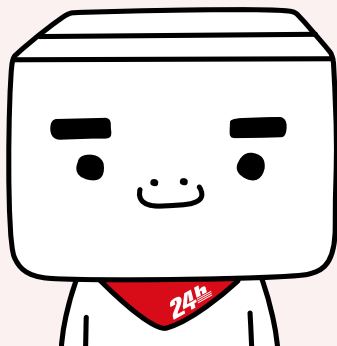
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## Diverse employer-employee communication channels

In addition to providing remuneration packages and fringe benefits that exceed industry standards, PChome Online Inc. also places emphasis on effective employer-employee communication in our approach to attracting and retaining talents. We are committed to establishing effective and bilateral employer-employee communications. All our working conditions are implemented in accordance with the Labor Standards Act and go beyond the legal requirements. To date, there have been no employer-employee disputes and both parties maintain good relations. PChome also organizes quarterly employer-employee meetings as per the Regulations for Implementing Labor-Management Meeting, in which the employee representatives provide their opinions on different issues to ensure that employee and employer alike are able to move forward together as a team.

Moreover, PChome also organizes regular management meetings in which employees' opinions are collected on a larger scale and appropriate improvement measures are devised. Employees are welcomed to mail their opinions in writing to the HR Department or directly to the HR supervisor. We also have a dedicated email address on our website and in our internal web system that allows employees to communicate directly with higher-ranking supervisors and express their opinions or make complaints. These communication channels received all kinds of feedback ranging from employer-employee relations, remuneration and fringe benefits, work-related issues, or occupational safety and health issues. We also plan to develop an employee satisfaction scale in the future in order to systematically understand the status and feedback of our employees.



Employee  
feedback  
mechanism



PChome employees can provide their feedback and make inquiries through the following methods:

Via email:

[hr@response.pchome.com.tw](mailto:hr@response.pchome.com.tw)

In writing:

Employees can mail their feedback in writing to the HR Department or submit it directly to the HR Supervisor



## 4.3 Human resource recruitment and development

### 4.3.1 Diverse recruitment approaches

Our talent is our most valuable asset. To provide better shopping experiences to our consumers, PChome has continuously enhanced the efficiency of our internal services by recruiting new talents into the team. In 2020, we offered 300 job opportunities. At the same time, the Company also engaged in industry-academia collaboration with around 320 universities across Taiwan, while our departmental internship programs were available all year round. By employing diverse recruitment approaches, we expect to recruit determined and passionate talents into the team and enhance the quality of our e-commerce services.



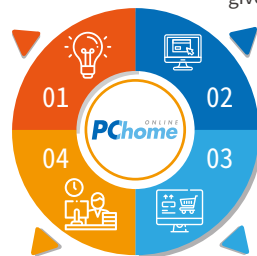
Internships and industry-academia collaboration

PChome continues to engage in industry-academia collaboration with numerous universities across Taiwan. 52 students from 14 partner universities in 2020 interned in warehousing, marketing, activity planning, human resources, and public relations tasks, in which they took part in practical tasks, on-the-job projects, and routine tasks, and learned e-commerce business operations by doing so. During the internship, department supervisors provided the interns with professional guidance, while the HR department held conversations and lectures to express concern toward the interns, understand the status of their internship, and provide timely assistance. 50% of the interns over the years moved on to become permanent employees at PChome. We expect to continue our industry-academia collaborations and attract innovative and enthusiastic talents to the teams.

#### At PChome, you can

“Dare to innovate and dream”

“Create self-value and give back to society”



“Outstanding performers get the chance to transform their lives”  
Break the stereotype of not getting employed upon graduation

“Be an e-commerce expert by getting in touch with the industry before others”



Open and transparent recruitment methods

PChome in 2020 offered 300 job positions in IT development, product marketing, video editing, marketing planning, big data.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

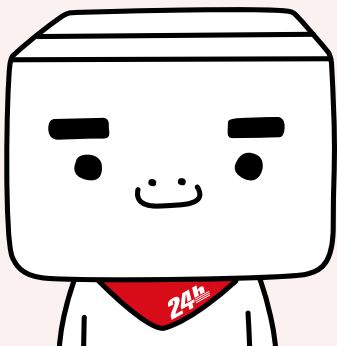
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

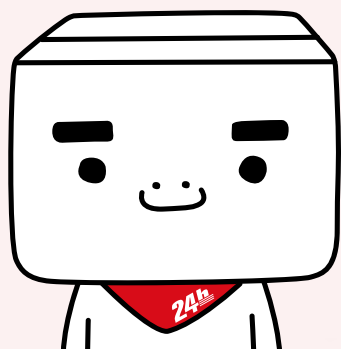
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

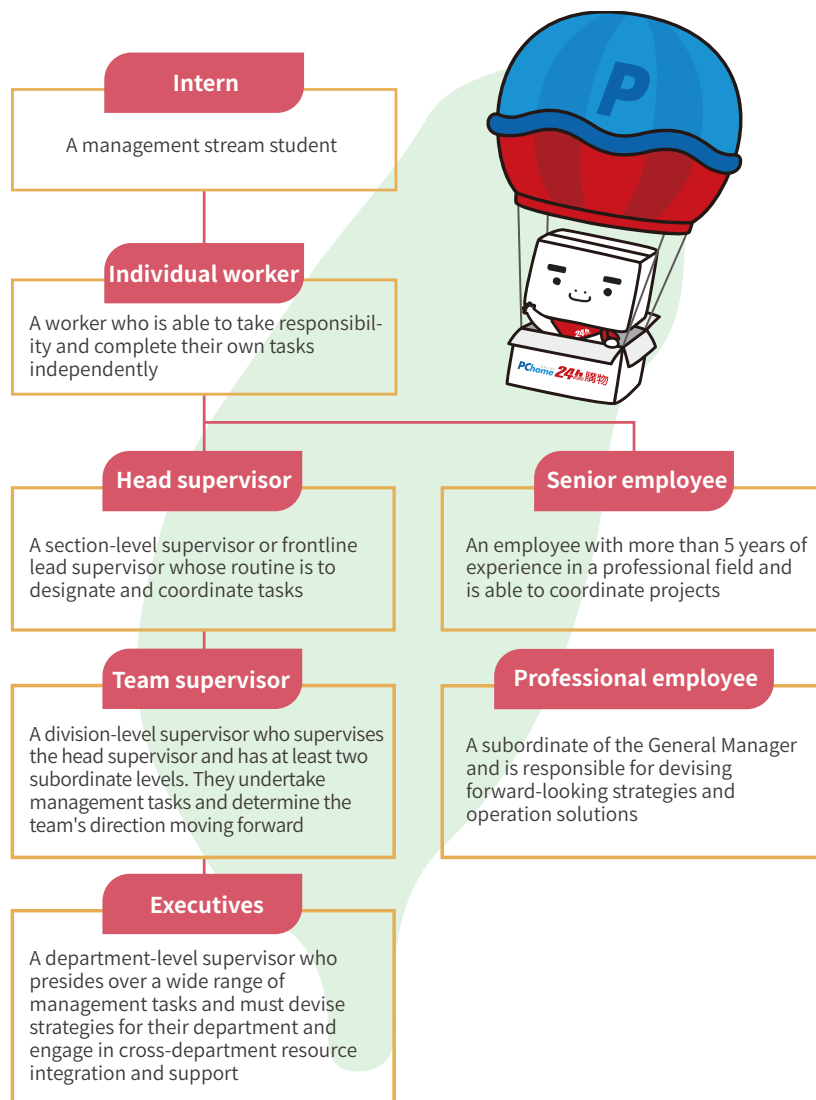
Appendix



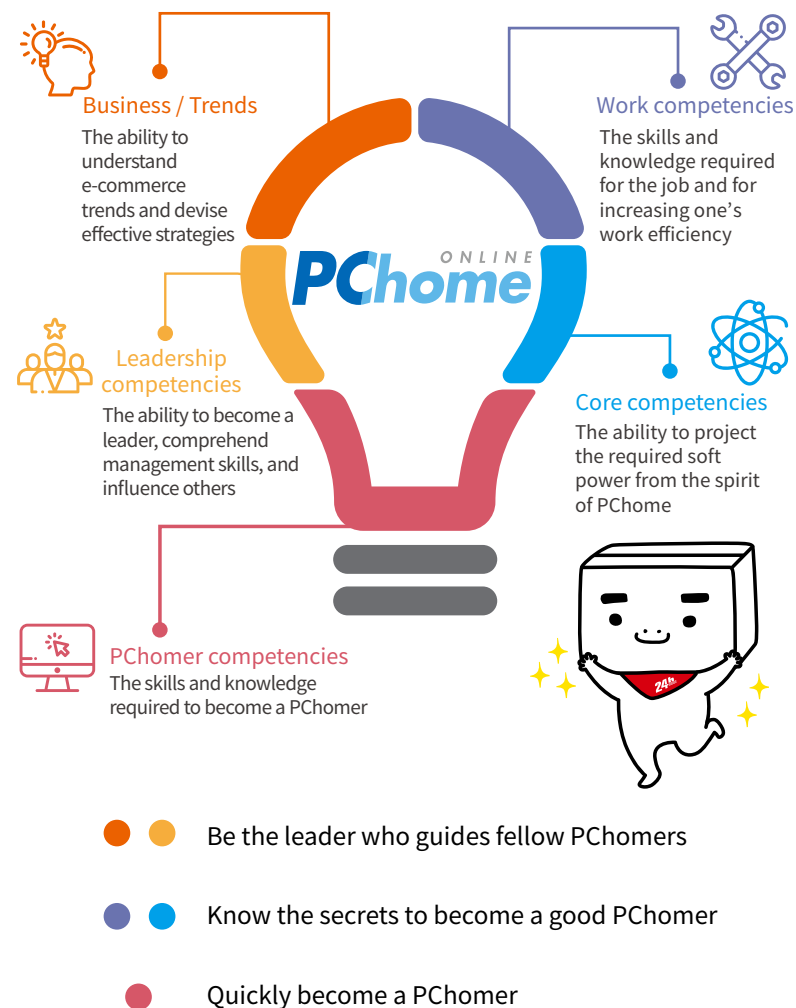
### 4.3.2 Talent development blueprint

PChome not only welcomes talent from different professional fields, but also highly values their in-service training and career prospects. PChome adopts a dual-track system for career development that includes various professional training programs at every stage as well as helping our employees to understand their career prospects. To ensure that every PChomer utilizes their professional competence and value to the fullest, we adopt a three-tier competence development scheme. The scheme comprises comprehensive training programs that are implemented in various stages. The aim of the scheme is to progressively develop the five main competencies prerequisite in every PChomer, and equips employees with managerial and professional skills.

#### PChome competence map



#### PChome competence system



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

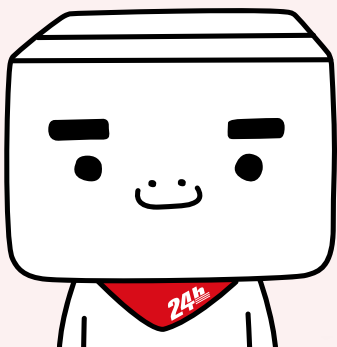
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



### 4.3.3 Nurturing professionals

PChome's robust training system involves newcomer orientation training, basic in-service training, professional in-service training, and external training programs. This assists our employees in acquiring the correct knowledge, concepts, and skills required for the job. We also adopt a wide range of training methods including in-person courses, mixed courses, training activities, and talent cultivation approaches, so that all employees can further their knowledge and skills to become enthusiastic and innovative professionals. At PChome, every employee can achieve self-growth by progressively completing various training programs throughout their career.

#### Newcomer orientation training

On their first day, all newcomers receive a half-day orientation training session to equip them in becoming PChomers. The training session introduces them to the organizational structure and workplace, using the web and information systems, describes occupational safety and health items as well as the fringe benefits and incentives for continuing education. We also emphasize the organizational culture and core values during this first day training session, to instill the core value of Everyday Reliable into all newcomers. Newcomers thus embark on their journey of growing together with PChome, and providing consumers with excellent services. 296 newcomers had completed their orientation training in 2020.



▲ Newcomer orientation training

#### Basic in-service training

In addition to providing a wide range of career options for our employees, PChome also has basic in-service training programs that are tailored to the expertise of every employee. These programs provide employees with specific job-related training, thereby ensuring that they are well-versed in the processes associated with the task at hand. Moreover, the safety of our warehouse and logistics personnel is of utmost importance. To this end, we have established various regulations and schemes on safety operations and constantly provide training programs to strengthen employee safety awareness, thereby ensuring that they are able to safely complete every task.



▲ Powered pallet truck use training



▲ Warehouse onsite training

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

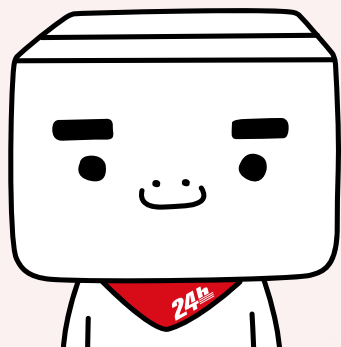
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## Professional in-service training and external training

PChome is committed to providing our employees with expertise-specific professional training programs throughout the course of their career development. Employees are also encouraged to engage in external training programs from time to time so that they can strengthen their professional capabilities and acquire new knowledge. Our internal and external training programs encompass a wide range of themes. Considering the rapid developments in e-commerce big data and information security, PChome has provided our employees with information on relevant training programs such as program application, information security, and patent-related knowledge. These programs equip our employees with up-to-date and professional information about the latest trends in these fields.

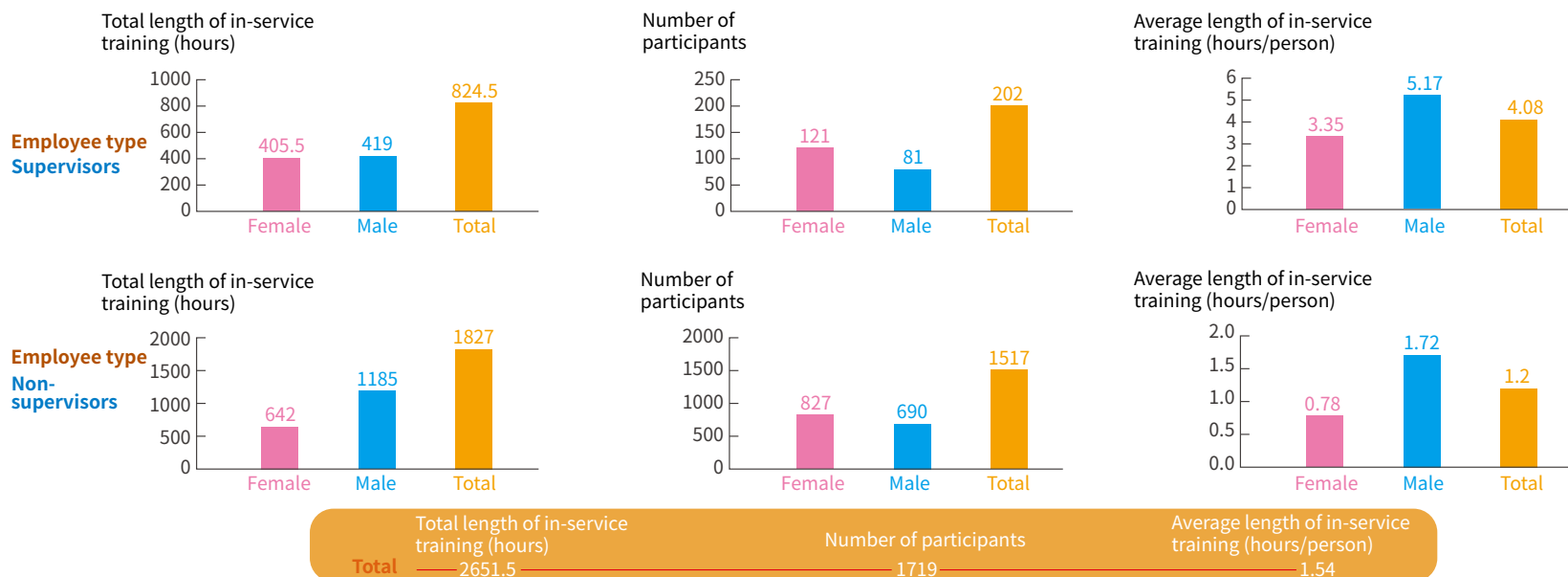


▲ Information security training



▲ Intellectual property education training session

## Statistics on the length of in-service training undertaken by PChome employees



Note : 1. Supervisors are defined as those who hold a managerial position and above.

Note : 2. The figures above do not include the training data of the Customer Service Department, which organizes its own standalone training programs and does not record the type and gender of employees. For more information, please refer to Section 2.2.3, Professional customer service representative training programs.

## 4.4 Healthy and friendly workplace

### 4.4.1 Occupational safety and health management

PChome strives to construct a safe workplace to guarantee the safety and health of every employee. At PChome, the Administrative Center presides over the Company's occupational safety and health matters. The Company also sets up an Occupational Safety and Health Office under the Administration and Management Department to handle the occupational safety and health matters in each warehouse. These structures implement the various occupational safety and health matters and devise relevant policies. To protect the health of our employees, we always comply with the Ergonomic Risk Management Program, Prevention of Overwork-Related Disorders, Prevention of Employee Workplace Violations, and Maternity Health Protection protocol. In terms of risk management and assessment, we have adopted the PDCA (plan-do-check-act) cycle as well as appropriate management approaches to establish a safe and secure work environment for all employees. The Company continuously implements measures to ensure occupational safety and health management outcomes are met, thereby reducing risks as well as establishing a safe workplace with the goal of achieving zero accidents.



#### Ergonomic Risk Management

PChome applies ergonomic approaches to perform assessments and improvements for preventing the occurrence of musculoskeletal injuries or disease caused by long-term exposure to poorly-designed work environments, improper work postures, and poor time management. In 2020, PChome continued to improve our work environments, especially in warehouses, in which numerous improvements were made to eliminate potential hazards.

#### Prevention of Overwork-Related Disorders

To prevent occupational diseases arising from shifts, night work, and long working hours, PChome conducts workload risk assessment, physician interviews, health instruction, and health management and protection measures as means of reducing the occurrence of work-induced cardiovascular disease, thus protecting employees from overwork and managing their stress.

#### Prevention of Employee Workplace Violations

To protect our employees from physical or mental workplace violence exerted by their peers or other third-party members, we set up protective measures and complaint filing approaches, organize anti-violence training programs on a regular basis, and provide professional guidance to our employees, so that they feel safe and healthy at work.

#### Maternity Health Protection

We prioritize the protection of our female employees, especially those who perform tasks with maternity health hazards. Our measures include hazard assessment and control, physician interviews and instruction, management of risk levels, task suitability arrangement, etc. to ensure that pregnant, postpartum, and lactating women are able to maintain their physical and mental health and achieve maternity health protection.

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

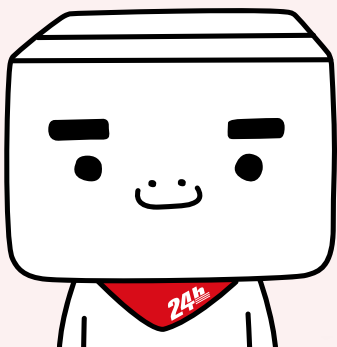
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

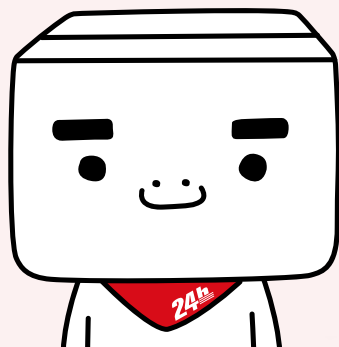
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 4.4.2 Safe and comfortable workplace

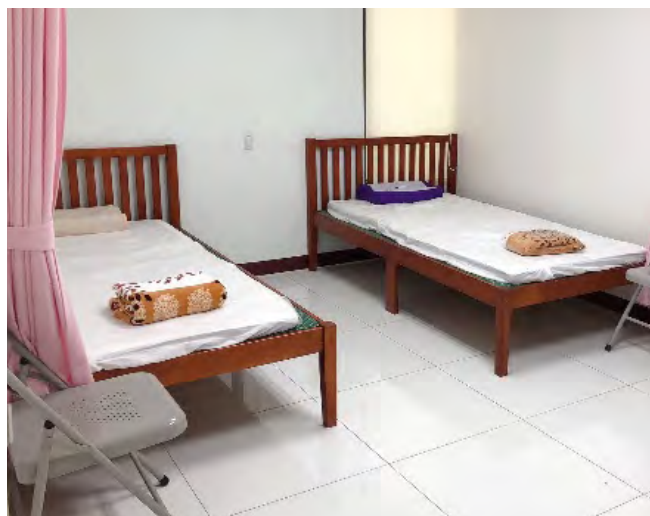
Grounded in our spirit of Everyday Reliable, PChome strives to provide an uninterrupted high-quality and reliable service to consumers. This spirit is also carried through into workplace safety and health, so that our employees can work in reliable and safe environments while engaging in value co-creation and supporting the Company along the way. PChome continues to improve our workplace environments with the aim of providing employees with welcoming spaces. The Company also continuously reviews and assesses each workplace setting for potential safety risks. Measures have included setting up nursing rooms and AEDs (automated external defibrillator) in office settings, as well as stationing medical staff who monitor our employees' health and address unexpected health problems should they arise. In 2020, we have made numerous improvements to our warehouse workplace environment so that the frontline employees there are able to safely handle and deliver products to every customer.



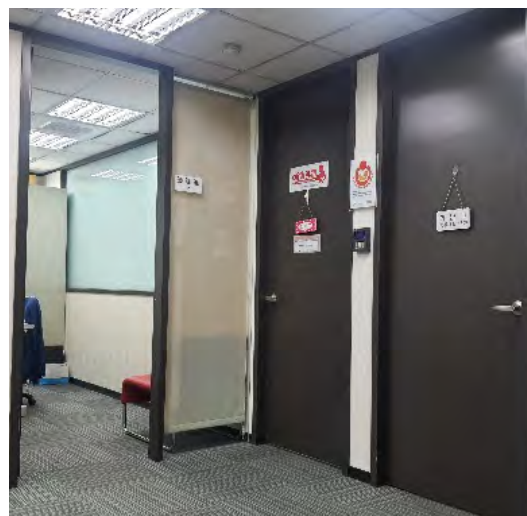
▲ Comfortable work environment



▲ Comfortable work environment



▲ Nursing room



▲ Nursing room



▲ AED in the office

## Improvements to warehouse workplace environments

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

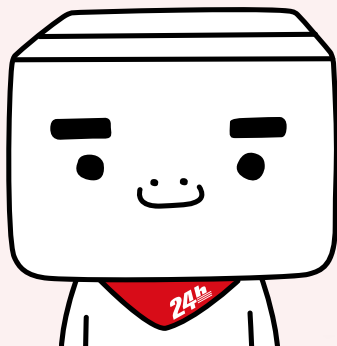
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



### Description of warehouse improvements

Before

After



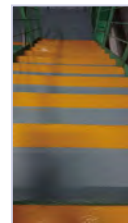
In response to sweltering summer temperatures in Taiwan, PChome has improved the ventilation system of our warehouses to reduce indoor temperatures and ensure that our employees have a comfortable and well-ventilated environment.



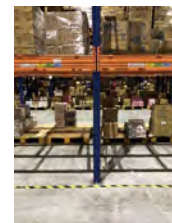
The previous maintenance access to the automated conveyor belt was slippery and susceptible to sagging due to weak support. To this end, anti-slip strips were installed to increase the strength of the access and prevent sagging.



To prevent and minimize the risk of falling and slipping when moving on the stairs, we refurbished the stairs by installing anti-slip nosing and improved depth perception.



The racks where products are stored are subjected to high loading stress, which results in deformation over time. We regularly inspect the storage conditions of the warehouse racks and immediately replace faulty equipment to safeguard the safety of employees at the storage area.



Safety bars were previously not installed on the rack and hence, products were at risk of falling due to handling errors or earthquakes. The addition of safety bars effectively decreases the likelihood of falling products.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

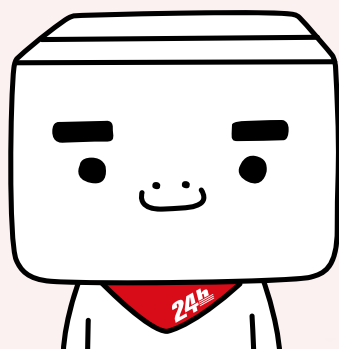
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## In-service training and routine campaigning

To enhance our employees' level of awareness around occupational safety and health (OSH), they are regularly educated on the relevant best practices. PChome also organizes in-service training programs on OSH. In 2020, we held general and work task-specific OSH training programs for newcomers and in-service employees alike. For the latter, training programs regarding forklift operations in warehouses, safety precautions for powered pallet truck operations, logistics (PChome Express) driver safety, and prevention of heat-related hazards were provided to the relevant employees performing these tasks. To ensure that products are delivered safely to each consumer, PChome Express also organizes multiple driver safety meetings every year to remind logistics drivers about the importance of driving safely. There were 23 such meetings held in 2020, and most of the contents were focused on safe driving practices, defensive driving tips, liabilities associated with professional negligence, and presentations related to accidents. In addition, to strengthen preparedness in the case of potential fires and occupational hazards, we take on a preemptive stance by providing regular in-service training programs including disaster drills, AED-use training, and CPR training. PChome spent a total of 3,263 hours on employee OSH training in 2020.

Category	Training program
 General occupational safety training	Occupational safety training for general employees
	OSH advocacy meetings
	Workplace violation prevention and friendly workplace creation courses
	Class A OSH affairs manager prep course
 Occupational safety training in warehousing and logistics	Forklift operations safety training
	OSH training in powered pallet truck operations
	OSH training in logistics and warehousing
	Driver safety training
 Fire safety and first aid training	Courses on the prevention of heat-related hazards
	Disaster drills
	Fire safety management training
	AED use and CPR training
	First aid personnel safety and health training



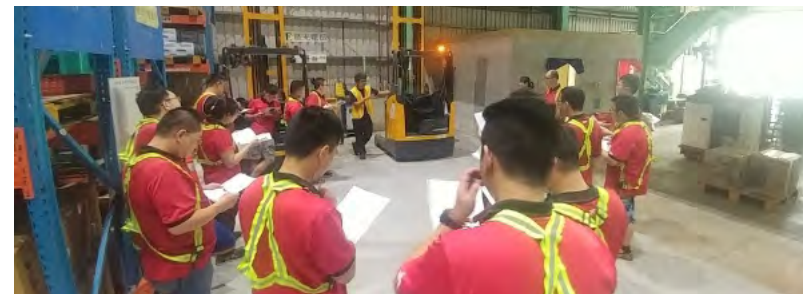
▲ Driver safety training



▲ CPR training



▲ Fire drill



▲ Forklift operations safety training

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

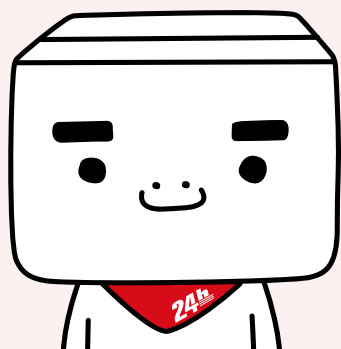
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## Occupational safety and injury prevention

Throughout the year, PChome conducts regular hazard identification and risk assessments of the work environment, to enhance workplace safety and highlight and mitigate potential hazards and risks. The assessments in 2020 indicated that the hazards that could potentially cause harm or severe injuries to our employees were mostly physical hazards associated with warehouse machinery operations. There was only one recordable work-related injury that occurred in 2020, which involved a malfunctioning pallet truck that injured an employee's leg. To prevent similar accidents from occurring, PChome subsequently made improvements to the warehouse equipment such as enhancing the charging method of the pallet trucks and requesting the vendor to strengthen their machine inspections. PChome continues to assess and improve upon the work environment to protect the safety of our employees and the environment.

2020 occupational injury statistics	Employees			Interns		
	Females	Males	Total	Females	Males	Total
Number of hours worked	1,454,247	1,704,271	3,158,518	32,437	53,181	85,618
1.1 Number of fatalities as a result of work-related injury	0	0	0	0	0	0
1.2 Number of high-consequence work-related injuries (excluding fatalities)	0	0	0	0	0	0
1.3 Number of recordable work-related injuries	1	0	1	0	0	0
2.1 Ratio of fatalities as a result of work-related injury	0	0	0	0	0	0
2.2 Ratio of high-consequence work-related injuries (excluding fatalities)	0	0	0	0	0	0
2.3 Ratio of recordable work-related injuries	0.138	0	0.063	0	0	0

Notes : 1. In 2020, the number of work-related injuries among our contractors as well as the total work hours were not consolidated, and hence no information is disclosed on these matters

2. Rate of fatalities as a result of work-related injury = (Number of fatalities as a result of work-related injury / Number of hours worked) \* 200,000

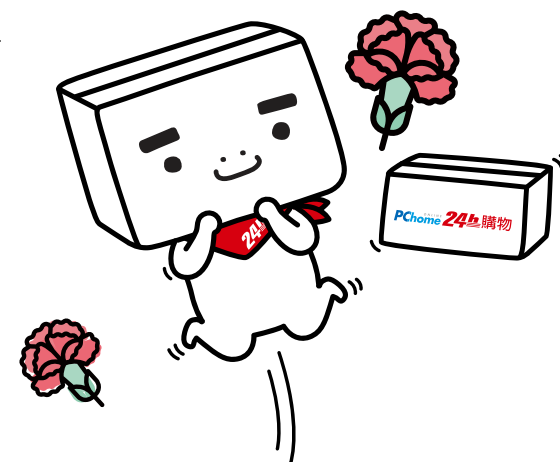
3. Rate of high-consequence work-related injuries (excluding fatalities) = (Number of high-consequence workrelated injuries (excluding fatalities) / Number of hours worked) \* 200,000

4. Rate of recordable work-related injuries = (Number of recordable work-related injuries / Number of hours worked) \* 200,000

## Maternity health protection

Females comprise the majority of the PChome workforce. To guarantee the rights of our female employees, we comply with the Act of Gender Equality in Employment and the Regulations for Implementing Unpaid Parental Leave for Raising Children. Female employees are given the opportunity to take unpaid leave to raise their children while retaining their position in the Company. This ensures that female employees have time to take care of their careers and family during pregnancy.

Parental leave statistics			
Item	Males	Females	Total
A : Number of employees applying for parental leave in 2020	1	34	35
B : Number of employees due to return to work in 2020 after taking parental leave	4	31	35
C : Number of employees that did return to work in 2020 after parental leave	4	26	30
D : Number of employees returning from parental leave in 2019	11	21	32
E : Number of employees retained 12 months after returning to work following a period of parental leave in 2019	7	16	23
Return to work rate (%) = C/B	100%	83.9%	85.7%
Retention rate (%) = E/D	63.6%	76.2%	71.9%



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix

To maintain the health and work-life balance of female employees during their pregnancy, postpartum, and lactation periods, PChome has a maternity protection policy. This policy sets the standards for safeguarding maternity rights and assists employees in caring for their newborns. Once a female employee becomes aware of her pregnancy, we provide a consultation session to inform her about her maternity rights as well as guiding her on the completion of the Self-Rated Health Status Form for Pregnant and First-Year Postpartum Labors, which serves as a reference for subsequent recommendations on health guidance, management, and hazard control. In addition, we also perform hazard assessments at our workplaces to mitigate and eliminate potential hazards, and medical experts are recruited to provide guidance to our employees. We also provide lactation rooms in our offices to provide a private environment for lactating employees. Our lactation rooms have been certified as Excellent by the Department of Health, Taipei City Government. Going forward, we will continue to attend to the maternity needs of our employees by inspecting and revising the relevant measures to fully safeguard their maternity rights.

#### 4.4.3 LOHAS practices in the workplace

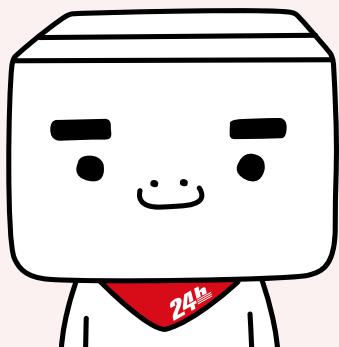
Due to work- and non-work-related stress, people nowadays often overlook the importance of healthy eating as well as physical and mental health. As a consequence, they unknowingly put themselves at risk of developing diseases. PChome highly values the physical and mental well-being of every employee. To this end, the Company subsidizes employee health checkup fees, provides paid leave for health checkups, and has designed a series of lectures and training courses on health. The health courses cover a wide range of topics including healthy eating, healthy exercises, good mental health, etc. To gauge the success of these training courses, participants complete post-training satisfaction surveys to ensure that each course meets health-related needs of our employees. These annual health courses are also held to encourage a reduction in our employees' stress and fatigue and assist them in maintaining a healthy work-life balance.



▲ Lactation room



▲ Department of Health, Taipei City Government Certification of Excellent Lactation Room



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix

Health course	Description	Course participation data	Post-training satisfaction results
Healthy living-AED use + CPR + Heimlich maneuver	This course gives employees the opportunity to acquire first-aid skills for saving themselves and others in emergency situations. A follow-up course is also held once every year to refresh their knowledge. The course is held as a joint effort with Da'an District Public Health Center and Taipei City Hospital Women and Children Campus, and emergency room nurses from the latter served as instructors.	Total course length : 19 hours Number of participating employees : 277	Satisfaction : 95%
Healthy living-Are you staying in a healthy weight? Tips on losing weight and body fat	This theme was designed based on the feedback from the participants in 2019 in order to tailor the course to their interests and health needs. This lecture aimed to enhance health literacy among our employees and focused on increasing muscle strength, reducing body fat, maintaining a healthy weight, and preventing metabolic syndrome. The lecture was held in collaboration with Pfizer, and the lecturer was Dr. Chia-Wen Lu from the Department of Family Medicine at National Taiwan University Hospital.	Total course length : 1 hour Number of participating employees : 35	Satisfaction : 87%
Healthy living-Physical exercise courses	This theme was designed based on the feedback from the participants in 2019 in order to tailor the course to their interests and health needs. Professional sports coaches were recruited to increase the health literacy of employees through theoretical and practical courses, which also add diversity to the course contents.	Total course length : 44 hours Number of participating employees : 72	Not conducted
Healthy living-Say goodbye to metabolic syndrome and beat high blood sugar, hypertension, and high blood lipid	This theme was designed based on the feedback from the participants in 2019 in order to tailor the course to their interests and health needs. The contents of the lecture included increasing muscle strength, maintaining a healthy weight, and preventing metabolic syndrome. The lecture was held in collaboration with Pfizer, and the lecturer was Dr. Chia-Ming Li from the Department of Family Medicine at National Taiwan University Hospital.	Total course length : 1 hour Number of participating employees : 31	Satisfaction : 89%
Healthy eating-Muscle strength building, low GI diet, and body fat and blood sugar reduction	This theme was designed based on the feedback from the participants in 2019 in order to tailor the course to their interests and health needs. The contents of the lecture included increasing muscle strength, maintaining a healthy weight, and preventing metabolic syndrome. The lecture was held in collaboration with Da'an District Public Health Center, and the lecturer was a nutrition consultant, Dr. Lai Hsiu-yi from Cathay General Hospital	Total course length : 1 hour Number of participating employees : 31	Satisfaction : 88%
Maintaining good mental health-workplace stress relief and management	This lecture focused on workplace mental health, with a particular emphasis on emotional health. The participants were given tips on how to improve their emotional health and stress relief skills. The lecture was held in collaboration with the Taipei City Community Mental Health Center, and the lecturer was Nalin Chen, a counseling practitioner from Seeing Counseling.	Total course length : 1.5 hours Number of participating employees : 41	Satisfaction : 87.5%



▲ Aerobic exercises



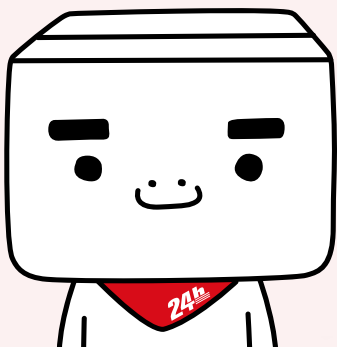
▲ Lecture on muscle strength building, low GI diet, and body fat and blood sugar reduction



▲ Lecture on workplace stress relief and management

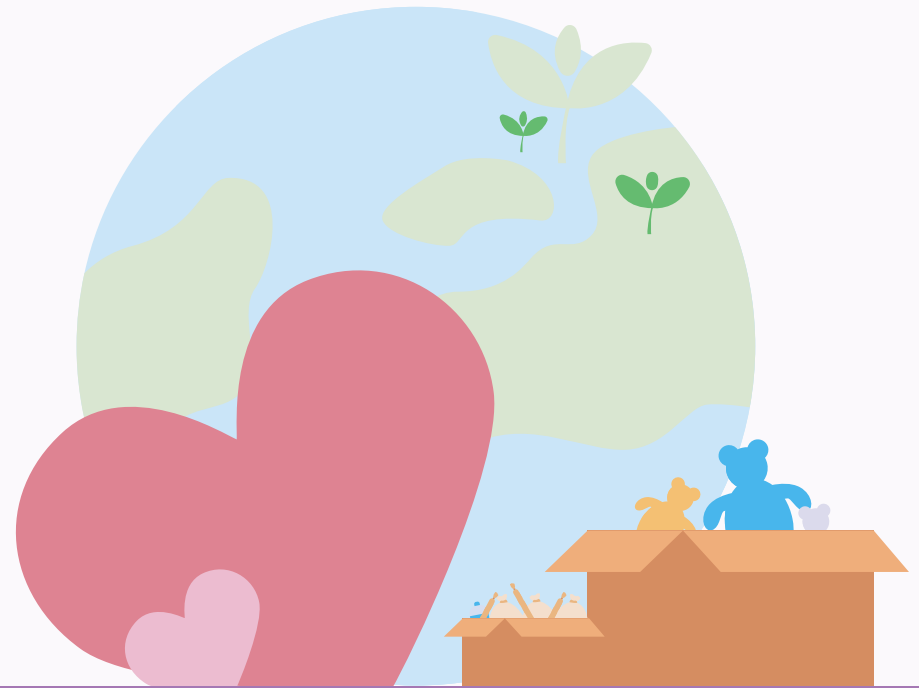
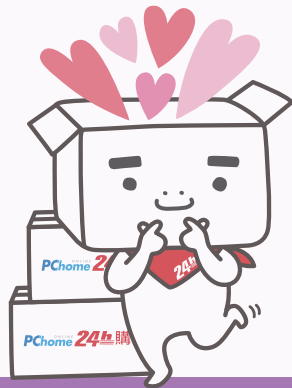


▲ Heimlich maneuver training



# Benefiting together Embracing society

5



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

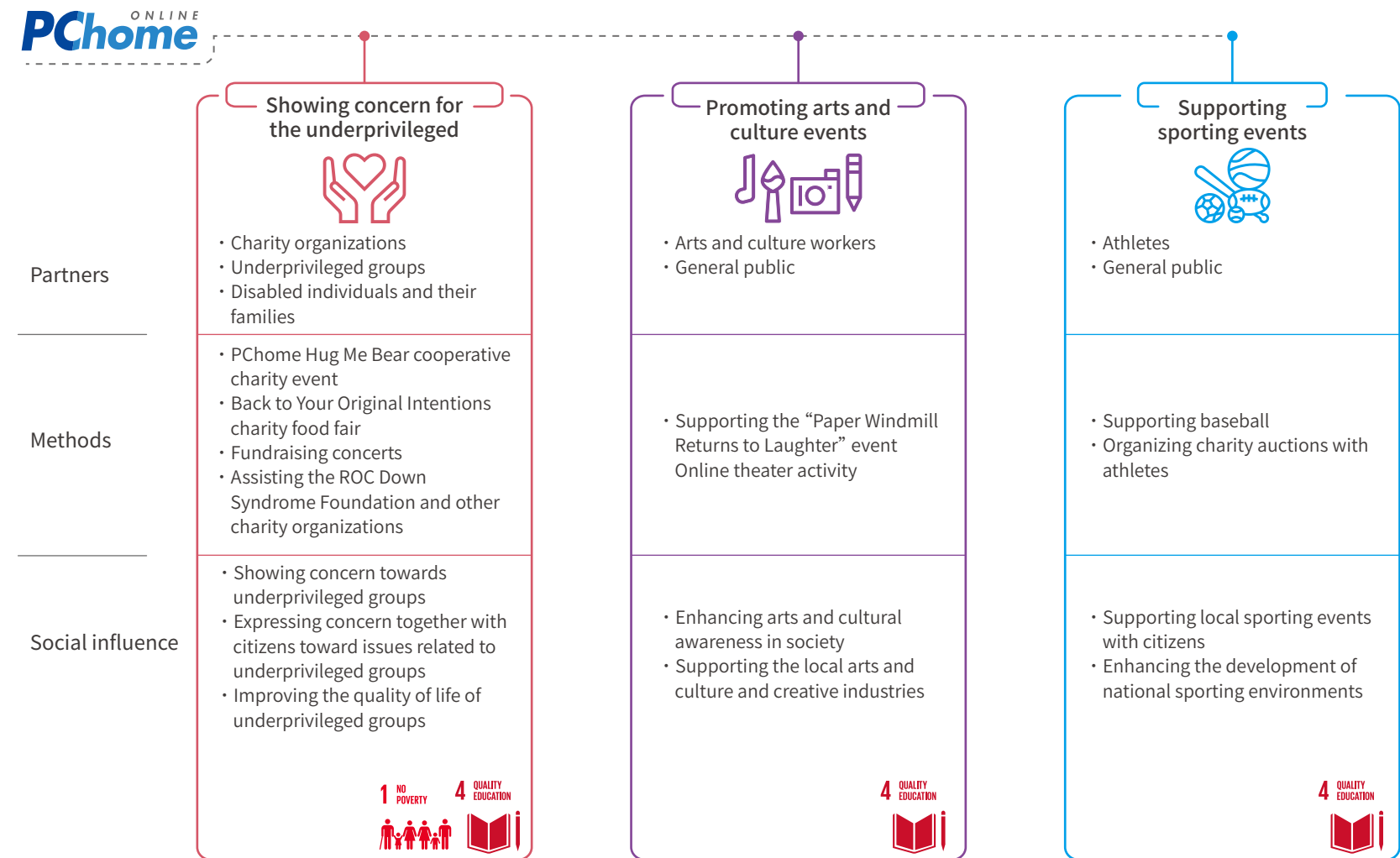
Appendix



## 5.1 Giving back to society

PChome has always expressed concern toward underprivileged children and adolescents by soliciting public donations for professional public welfare institutions through professional athletes and celebrity charity fundraising events. As a continuation of the Charity Bolster auction held in 2019, PChome collaborated with social welfare groups and the entertainment industry in 2020 to hold two Hug Me Bear in-person events as well as three online charity auctions. Members of the public were able to demonstrate their love and support for underprivileged groups along with their celebrity and athlete. We also organized a charity auction with CTBC Brothers, in which all proceeds were donated to the Taichung City Government Epidemic Prevention Center. This event showcased our support for local sporting events as well as our efforts towards epidemic prevention.

### PChome social participation framework



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 5.1.1 AMAZING Hug Me Bear

The AMAZING Hug Me Bear is PChome's mascot. It embodies charity through the giving of hugs to everyone. Just as PChome serves the public, Hug Me Bear appears whenever social welfare is needed spreading warmth to every corner of society.

### 1. AMAZING Hug Me Bear

The year 2020 was like no other as a result from the pandemic. Many people lived with fear and anxiety, some even felt perplexed and insecure. Even though Taiwan escaped relatively unscathed and lives gradually returned to normal after the disease came under control, some children continued to feel a sense of uncertainty toward the future due to congenital reasons. To them, the future appears like an inescapable gigantic maze.

AMAZING Hug Me Bear is a charity event jointly organized by PChome and the Chung Yi Social Welfare Foundation. The Foundation primarily serves underprivileged children and provides placement and care services for children who have been abandoned at birth or abused at a young age. In so doing, dependent children are able to lead a normal life, go to school, have access to medical care, and feel the warmth of being at home. The AMAZING Hug Me Bear highlights the plight of dependent children to the public. By making and immediate donation, people participate through a giant maze symbolizing the feeling of hope a dependent child as they discover their way out.

Theme : AMAZING Hug Me Bear (Xiangti Avenue Plaza, Xinyi District, Taipei City )



## About this Report

## Message from the Management

## 20 Years of Growth with You

## Awards and recognitions

## Sustainability highlights

## Sustainability goals and visions

## Stakeholder engagement

## Identification of material topics

## 1 Flourishing together Operations and governance

## 2 Creating together Sustainable consumption

## 3 Living together Green operations

## 4 Growing together Prosperous workplace

## 5 Benefiting together Embracing society

## Appendix



**Aims :** In 2020, many people were uncertain and perplexed about the future due to the pandemic. However, from a young age, dependent children have always felt uncertain about the future due to congenital reasons. By organizing the giant maze flash event, PChome intended to increase public awareness towards dependent children. While navigating through the maze, people can show compassion and support for the improvement of dependent children's livelihood.

**Co-organizer :** Chung Yi Social Welfare Foundation

**Beneficiary :** Chung Yi Social Welfare Foundation

**Date :** 3 days, from November 3 to 5, 2020



▲ Scene of the event



▲ Illustration of the maze



## Lose Children

Most Lose Children in Taiwan come from families who cannot not afford to raise them or are mistreated by their parents. Statistics show that every year, around 1000 children in Taiwan are referred to social welfare organizations for placement. From highlighting a case to the intervention of social workers, once an underprivileged child enters the social welfare system, placement would be the last line of service defense for them.

School is the place where knowledge is acquired. It is also the place children build their interpersonal relations outside from home. From mixing with their peers, children progress and later go to work, fall in love, and have their own offspring. Lose Children do not have a family to lean on. Without equal access to education, it is difficult for them to develop robust social connections. This not only impacts their academic life, but also affects their personality and literacy development.



## Chung-Yi Social Welfare Foundation

Chung-Yi Social Welfare Foundation was established in the spring of 1951 by Ms. Liu Te-chen. She sheltered needy and displaced children by building a safe haven, the Chung-Yi Children's Home. The name Chung-Yi comes from the spirit of loyalty and justice evoked by her great-grandfather, the governor Liu Ming-chuan, who defended Taiwan and Penghu from French invasion. The foundation makes good use of government resources to help Lose Children find security and happiness. The Foundation constantly organizes the Dandelion Project and safeguard the present and future livelihood, education, and healthcare of Lose Children, so that they can fully continue on with their lives after leaving the children's shelter home. These children are expected to reach out and become family member equivalents to other children, like a tree reaching out its branches.

As the services for children and adolescents become diversified, Chung-Yi strives to help Lose Children find their home while raising funds for a Children's Welfare Garden. They expect to integrate existing services to expand the living spaces of children, continue helping children in need and children with difficulties. Under their professionalism and the public's benevolence, these children would regain happiness.



Certificate of Appreciation  
issued by Chung-Yi Social  
Welfare Foundation

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

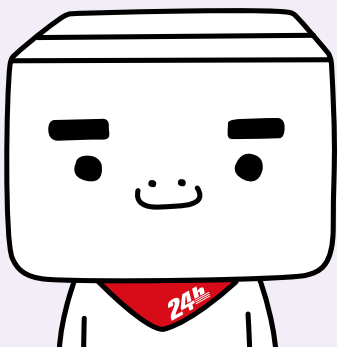
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 2. Charitable actions x ORIGINAL Food Fair

As a follow-up to the event held at Xiangti Avenue Plaza with the Chung Yi Social Welfare Foundation in early November, during the 2020 Simple Life Festival, PChome organized an event featuring the Hug Me Bear in conjunction with the R.O.C. Down syndrome Foundation. Grounded in the core value of “ORIGINAL—Back to Your Own Intentions” at the 2020 Simple Life Festival, PChome launched the “ORIGINAL Food Fair” charity event in conjunction with the R.O.C. Down syndrome Foundation to support and assist children with Down syndrome and to create supportive living environments.

Over the years, R.O.C. Down syndrome Foundation has assisted families of children with Down syndrome by providing needed services, just as PChome 24h Shopping is dedicated to providing comprehensive and expedient services.

Theme : Charitable actions x ORIGINAL Food Fair (Huashan 1914 Creative Park)



Aims : Grounded in the core value of “ORIGINAL—Back to Your Original Intentions” at the 2020 Simple Life Festival, PChome launched the “ ORIGINAL Food Fair” charity event in conjunction with charity foundations to spread the spirit of social endowment, support and assistance for children with Down syndrome, and create supportive living environments for them.

Co-organizers : 2020 Simple Life Festival, R.O.C. Down syndrome Foundation

Beneficiary : R.O.C. Down syndrome Foundation

Date : 2 days, from December 12 to 13, 2020

Outcomes : 337 participants, NT\$25,006 raised



▲ Giant Hug Me Bear at Huashan 1914 Creative Park



▲ ORIGINAL Food Fair

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

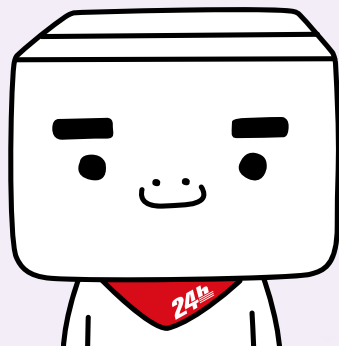
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



▲ Description of the event



## Down syndrome

Down syndrome is the most common chromosomal condition in Taiwan. It mostly occurs sporadically and is not inherited. Children with Down syndrome are characterized by their physical appearance, being short of stature, experience growth restriction, and suffer from congenital structural defects (such as congenital heart disease). The disease affects their central nervous system by causing hypotonia, intellectual disability, developmental delays, reduced and delayed pain responses, epilepsy, cognitive delays, dementia, and behavioral problems.



## R.O.C. Down syndrome Foundation

Grounded in the spirit of "Committed to Doing the Right Things," for over 20 years, the R.O.C. Down Syndrome Foundation has provided assistance to families of children with Down syndrome or other disabilities. The Foundation's mission is to create a loving environment where children with Down syndrome can learn, train, grow, nurture, and receive care as they move forward. Moving forward, the Foundation will continue their commitment of providing professional and attentive services to assist families of children with Down syndrome or other disabilities and strives to become the most reliable social welfare organization.



Certificate of Appreciation issued by  
R.O.C. Down syndrome Foundation

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix

## 5.1.2 Charity auction

While the pandemic swept across Taiwan in 2020, PChome joined forces with various artists and organized an online charity auction, which mitigated the need for social distancing. The event aimed to provide the resources needed by underprivileged children and adolescents and their families. Two charity auctions were held, one in August and the other in December. A star-studded lineup of artists joined the August “Super Gift 88 Online Charity Auction” event, including 9m88, A-Lin, Bii, 831, NICKTHEREAL, Janice Yan, MJ116, Harlem Yu, etc., followed by K-pop sensation A-Pink in December. The auctions were held in conjunction with Taiwan Fund for Children and Families. The plight of underprivileged children is highlighted through the artists’ performances, and funds were raised by auctioning off autographed merchandise.

Theme : Super Gift 88 Online Charity Auction



Aims : PChome once again organizes the Super Gift 88 Online Charity Auction in conjunction with artists in the hope of strengthening the public’s compassion and support for underprivileged children

Co-organizers : Taiwan Fund for Children and Families

Beneficiary : Taiwan Fund for Children and Families

Date : 11 days, from August 19 to 30, 2020

Funds raised : NT\$48,256



### Underprivileged children and adolescents

- (1) Children and adolescents from middle- and low-income households with financial and other difficulties.
- (2) Children and adolescents as well as their offspring with difficulties resulting from pregnancies or births.
- (3) Children and adolescents from underprivileged households whose parents lack the capabilities to support their family.



Certificate of Appreciation issued by Taiwan Fund for Children and Families

Theme : Online Charity Auction Featuring Bolsters Autographed by A-Pink



Aims : The pandemic greatly impacted the livelihood of many families in 2020. To this end, PChome hopes to assist underprivileged children and their families in rural areas by garnering everyone’s support and organizing a charity auction at the end of the year, so that these families can enjoy a delicious Chinese New Year dinner.

Co-organizers : Taiwan Fund for Children and Families

Beneficiary : Taiwan Fund for Children and Families

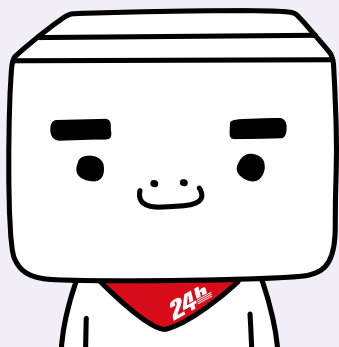
Date : 3 days, from December 22 to 24, 2020

Funds raised : NT\$34,811



### Taiwan Fund for Children and Families

Taiwan Fund for Children and Families (TFCF) is an international non-governmental organization who provides support to underprivileged children and their families. It started off with financial support through foreign donors and has now become a self-independent children's welfare organization. Its mission and vision are to help underprivileged children, youth, and their families. By adopting professional practices in social work, TFCF is committed to improving the livelihood of underprivileged and special needs children and the protection from abuse.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

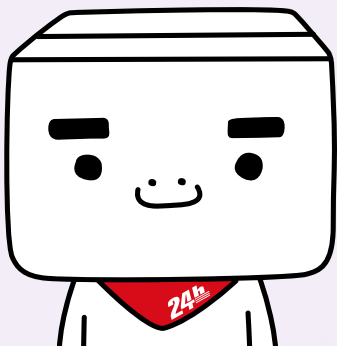
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 5.2 United against the pandemic

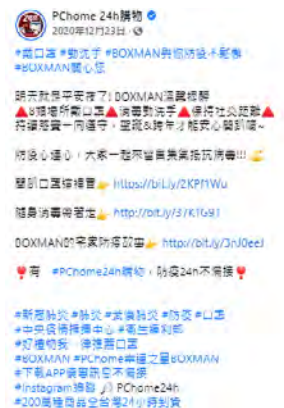
The COVID-19 pandemic has unleashed an unprecedented impact on our lives. PChome 24h Shopping provides an online platform for citizens to purchase epidemic prevention supplies. By harnessing the power of web media and joining forces with the arts, cultural, and athletic sectors, we have produced videos and promotional content for members of the public to cheer for frontline medical workers.

### 5.2.1 Promotional content

Serving on the frontline of customer service, PChome 24h Shopping has no room for sloppiness. In addition to strictly complying with epidemic prevention SOPs to safeguard logistics drivers and customers, we also successfully launched online activities amid the expanding uncertainty of the pandemic. PChome 24h Shopping has a special webpage dedicated to a wide selection of epidemic prevention products for consumers staying at home. Our robust tracking and monitoring system also provides notification to consumers once a product has been restocked, which is an effortless and secure way of guaranteeing their safety. PChome 24h Shopping also disseminates epidemic prevention information on social media to increase public awareness. By joining hands with the government, we ensure that our policies and plans are implemented quickly and comprehensively.

“My wish would be to have PChome continue to deliver necessities when society stops functioning. For every detail, every item that someone would use in life, I hope that we are able to build up that service system bit by bit.”

Hung-Tze Jan, Chairman of PChome Online Inc.



▲ PChome's Epidemic prevention posts



▲ Epidemic prevention ads featuring BOXMAN, PChome's mascot

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix

## Description of Paper Windmill Returns to Laughter

As a result of the COVID-19 pandemic, many arts and culture performances were either canceled or postponed, which harshly impacted the livelihood of arts and culture workers. The “Paper Windmill Returns to Laughter” online activity organized by the Paper Windmill Theater Troupe was well-received by Taoyuan City Mayor Cheng Wen-Tsan, and PChome was also invited as a digital media partner. The activity features one-minute clips produced by arts and culture workers broadcasted on PChome platforms, and Taoyuan citizens could join the fun and support the workers by submitting their own works. The videos received a lot of views. This activity is not only a new means of stress relief for theater troupe workers and audiences, but also a testament to Taiwan’s mighty web application capabilities, as proven by PChome’s sufficient bandwidth and algorithm support. The activity also promotes the Name-Based Mask Distribution System 2.0 as a protective effort against the pandemic.



▲ Taoyuan Stay at Home ACTION (Paper Windmill Returns to Laughter) program



▲ Promoting mask storage



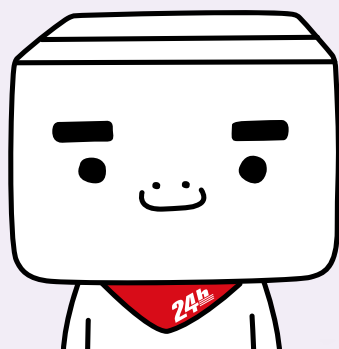
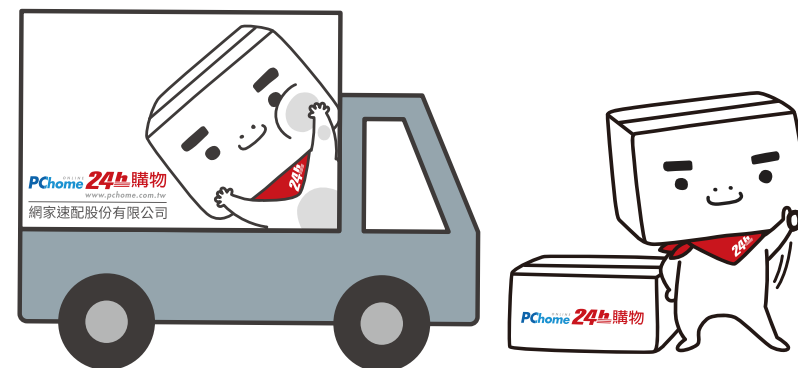
▲ Special colored CSD masks goes on sale

## PChome 24h Shopping combines six major service platforms and launches the “Taoyuan No Hassle Leisure Pack.” A single pack can meet the needs of citizens who are undergoing self-isolation.

As the COVID-19 pandemic rages on, inbound visitors to Taiwan must undergo a 14-day quarantine period as a measure for safeguarding the health of citizens. In light of the inconvenience experienced by quarantined individuals, PChome 24h Shopping joined hands with Taoyuan City Government and launched the “Taoyuan No Hassle Leisure Pack.” By combining six major service platforms, we also implemented the “Stay at Home with You” activity centered on safe purchasing, learning, and payment. A wide range of promotions were offered to meet the shopping needs of at-home residents, allowing them to replenish their stocks and undergo self-health management in a safe and convenient manner.



▲ Taoyuan No Hassle Leisure Pack.



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

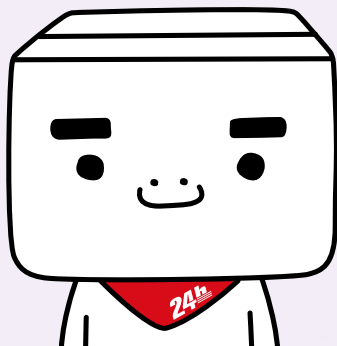
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## 5.2.2. Providing epidemic prevention aid overseas

### 1. Malaysia :

—Epidemic prevention knows no boundaries, PChome 24h Shopping joined hands with Taiwan Champ ship orders of adult and children medical mask combos directly to Malaysia

Over the last decade, PChome Global has always provided various international shopping services, with good-luck charms, maternity and baby products, home appliances, and electronics being the top 4 bestselling item categories. As part of a shopping experience without any time difference, orders can be shipped directly to Malaysia. Taiwanese products are known for good quality, affordable prices, and great for one's money's worth. A further look at the online sales trend indicates that Malaysian consumers favor quality products at affordable prices, such as small appliances and computer accessories. Consumers are also very receptive toward Taiwan-made maternity and baby products, which are made of safe and durable materials. Moreover, as the danger of the pandemic is far from over, face masks are still very much high in demand. In an online-exclusive collaboration, PChome Global and Taiwan Champ launched an adult and children medical mask combo that especially for overseas consumers. In addition to Malaysia, PChome Global also ships directly to more than a hundred countries and regions worldwide. We are committed to delivering safe and excellent products as we join the fight against the pandemic.

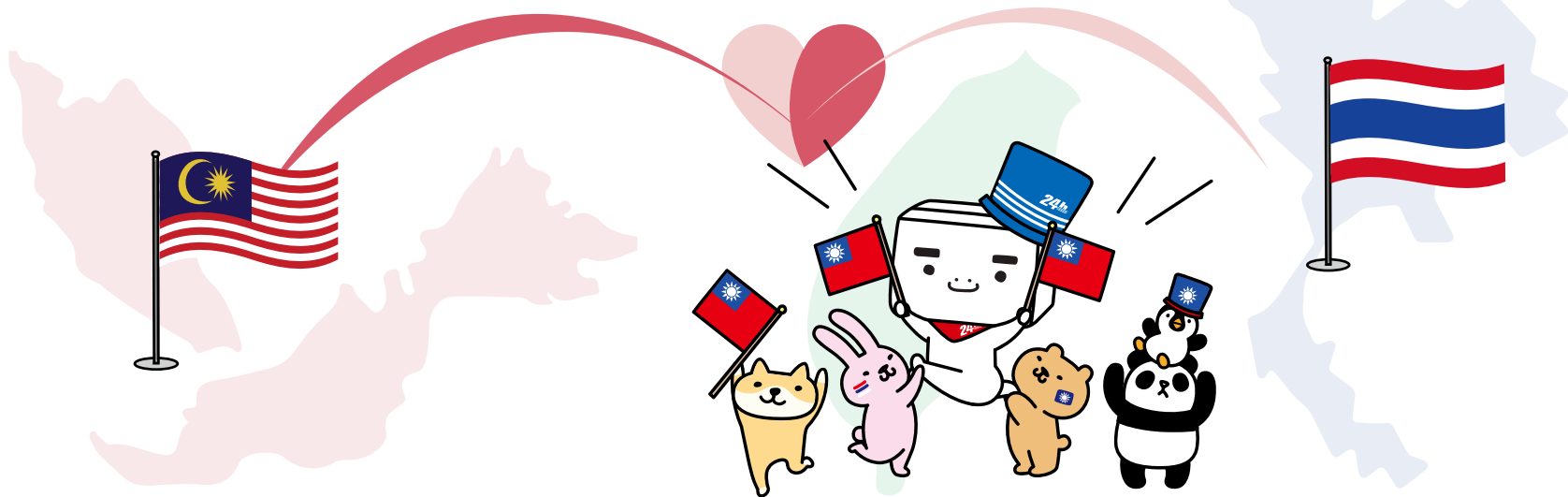
### 2. Thailand :

—As requested by the Taipei Economic and Culture Office in Thailand, PChome sets up a “Thailand-Exclusive Taiwan-Made Epidemic Prevention Products” webpage

Per the emergency orders stipulated by Thai authorities, many malls and restaurants have shuttered, and locals spend less time outdoors. In response to requests from the Taipei Economic and Culture Office in Thailand, PChome Thai set up “Thailand-Exclusive Taiwan-Made Epidemic Prevention Products” webpage to help Taiwanese stranded overseas in purchasing epidemic prevention products and basic necessities. The Chinese language interface of the webpage, combined with local payment methods and free shipping to Thailand, break the boundaries of international e-commerce and display our efforts in epidemic prevention. By setting up the webpage, PChome Thai expects to assist Taiwanese in Thailand in purchasing epidemic prevention products as well as familiar homegrown goods, thereby expressing our concern toward their well-being in dire times.

Epidemic prevention knows no boundaries, PChome 24h Shopping joined hands with Taiwan Champ ship orders of adult and children medical mask combos directly to Malaysia

As requested by the Taipei Economic and Culture Office in Thailand, PChome sets up a “Thailand-Exclusive Taiwan-Made Epidemic Prevention Products” webpage



About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

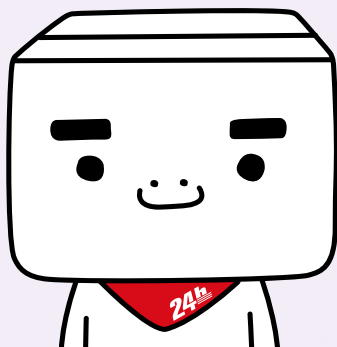
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



### 5.2.3 Sowing Positivity through Epidemic Prevention—Charity Auction

Taiwan is a global exemplar of epidemic prevention. To express gratitude to frontline medical workers, PChome launched a charity auction in collaboration with CTBC Brothers. At 12 noon every day from May 22 to 24, 2020, 2 “Elephant Warrior” baseball jerseys autographed by CTBC Brothers players were up for bidding online. The entire bidding process can be queried throughout the duration of the activity, and the highest bidder gets a jersey. All proceeds are donated to the Health Bureau of Taichung City Government for home quarantine uses. The “Elephant Warrior” jersey is CTBC Brothers’ new uniform for the 2020 baseball season. Its Glorious Yellow and Steel Blue colors represent the team’s glory and its dedication to the fans. The autographs on the jersey add more significance and effectively attract crowds of fans to join the celebration. By bidding online, fans also help to mitigate the spread of the disease and expedite the day when baseball events are once again open to spectators. We expect to combine resources through this activity and receive plenty of donations within a short time. In addition to enjoying sporting events, fans can also take part in charitable events, express their gratitude to frontline medical workers, support the development of the local sports industry, and spread positivity during the epidemic period.

Theme : Kick Off the Professional Baseball Season with Elephant Warrior Online Charity Auction



Co-organizer : CTBC Brothers

Beneficiary : Taichung City Government Health Bureau

Date : 3 days, from May 22 to 24, 2020

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

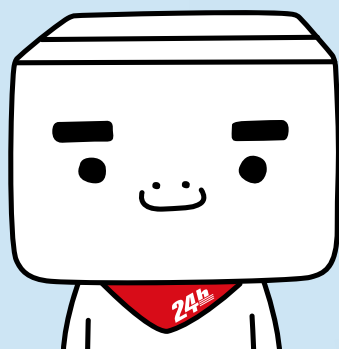
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## Appendix

### List of corresponding Global Reporting Initiative (GRI) Standards indicators

General disclosure		Corresponding CSR Report chapter and/or description	Page(s)
Overview of the organization (2016)			
102-1	Name of the organization	About this Report	3
102-2	Activities, brands, products, and services	1.1.1 Business overview	22
102-3	Location of headquarters	1.1.1 Business overview	22
102-4	Location of operations	1.1.1 Business overview	22
102-5	Ownership and legal form	1.1.1 Business overview	22
102-6	Markets served	1.1.1 Business overview	22
102-7	Scale of the organization	1.1.1 Business overview 1.1.3 Operational performance	22 26
102-8	Information on employees and other workers	4.1.1 Employee diversity	62
102-9	Supply chain	Stakeholder engagement 1.1.1 Business overview 1.4 Business partner management	15 22 33
102-10	Significant changes to the organization and its supply chain	No significant changes this year	
102-11	Precautionary principle or approach	1.2 Robust risk management	27
102-12	External initiatives	No initiatives signed this year	
102-13	Membership of associations	1.1.1 Business overview	22
Strategy (2016)			
102-14	Statement from senior decision-maker	Message from the Management	4
102-15	Key impacts, risks, and opportunities	1.2 Robust risk management 1.2.1 Risks and opportunities of climate change	27
Ethics and integrity (2016)			
102-16	Values, principles, standards, and norms of behavior	1.1.2 Corporate governance	24

General disclosure		Corresponding CSR Report chapter and/or description	Page(s)
Governance (2016)			
102-18	Governance structure	Sustainability goals and vision 1.1.2 Corporate governance	12 24
102-27	Collective knowledge of highest governing body	1.1.2 Corporate governance	24
102-32	Highest governance body's role in sustainability reporting	About this Report	3
102-36	Process for determining remuneration	1.1.2 Corporate governance 4.2.1 Appealing remuneration scheme 4.2.2 Performance appraisal and management No remuneration consultants participated in the process for determining remuneration this year.	24 64
Stakeholder engagement (2016)			
102-40	List of stakeholder groups	Stakeholder engagement	15
102-41	Collective bargaining agreements	The company does not have any collective agreements, but employee-employer meetings are convened quarterly to reach a consensus between both parties.	
102-42	Identifying and selecting stakeholders	Stakeholder engagement	15
102-43	Approach to stakeholder engagement	Stakeholder engagement	15
102-44	Key topics and concerns raised	Stakeholder engagement	15
Reporting practice (2016)			
102-45	Entities included in the consolidated financial statement	About this Report 1.1.3 Operational performance	3 26
102-46	Defining report content and topic Boundaries	About this Report Identification of material topics	3 18
102-47	List of material topics	Identification of material topics	18

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

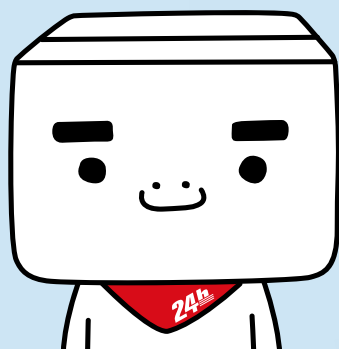
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



	General disclosure	Corresponding CSR Report chapter and/or description	Page(s)
102-48	Restatements of information	Since this is the first CSR annual Report released by the company, there are no restatements of information.	
102-49	Changes in reporting	Because this is the first annual CSR Report released by the company, there are no significant changes in the material topics or topic boundaries.	
102-50	Reporting period	About this Report	3
102-51	Date of most recent Report	This is the first annual CSR Report released by the company.	
102-52	Reporting cycle	About this Report	3
102-53	Contact point for questions regarding the report	About this Report	3
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	3
102-55	GRI content index	Appendix List of corresponding Global Reporting Initiative (GRI) Standards indicators	91
102-56	External assurance	About this Report Third Party Verification Statement	3 95
Management approach (2016)			
103-1	Explanation of the material topic and its boundary	Identification of material topics	6
103-2	The management approach and its components	Identification of material topics	
		Chapter 1 Flourishing together · Operations and governance	18
		Chapter 2 Creating together · Sustainable consumption	21
		Chapter 3 Living together · Green operations	35
		Chapter 4 Growing together · A prosperous workplace	50
103-3	Evaluation of the management approach	Chapter 5 Benefiting together · Embracing society	61
		Stakeholder engagement	80
		Sustainability goals and visions	
		Chapter 1 Flourishing together · Operations and governance	15
		Chapter 2 Creating together · Sustainable consumption	12
		Chapter 3 Living together · Green operations	21
		Chapter 4 Growing together · A Prosperous workplace	35
		Chapter 5 Benefiting together · Embracing society	50

	Economic aspect	Corresponding CSR Report chapter and description	Page(s)
GRI 201 : Economic performance (2016)			
201-1	Direct economic value generated and distributed	1.1.3 Operational performance	24
GRI 202 : Market presence (2016)			
202-2	Proportion of senior management hired from the local community	About this Report Senior management refers to the general manager, vice general manager, assistant manager, and supervisors of each department and branch of the institution as reported in the 2020 Annual Report. All of these positions are held by individuals with full Taiwanese citizenship.	3
GRI 205 : Anti-corruption (2016)			
205-3	Confirmed incidents of corruption and actions taken	There were no substantiated incidents of corruption this year.	
	Environmental aspect	Corresponding CSR Report chapter and description	Page(s)
GRI 301 : Materials (2016)			
301-1	Materials used by weight or volume	3.1 Green Shopping Program PChome mainly uses eco-friendly boxes made of renewable material for packaging. The total amount used in 2020 was 4,285.56 tons. Statistics on other packaging materials are currently unavailable and will be disclosed in the future.	51
GRI 302 : Energy (2016)			
302-1	Energy consumption within the organization	3.2 Green operations management	59
302-4	Reduction of energy consumption	3.1 Green Shopping Program	51
GRI 303 : Water and effluents (2018)			
303-3	Water withdrawal	3.2 Green operations management	60
GRI 305 : Emissions (2016)			
305-1	Direct (Scope 1) greenhouse gas emissions	3.2 Green operations management	59
305-2	Energy indirect (Scope 2) greenhouse gas emissions	3.2 Green operations management	59
GRI 306 : Effluents and waste (2016)			
306-2	Waste by type and disposal method	3.2 Green operations management	60

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

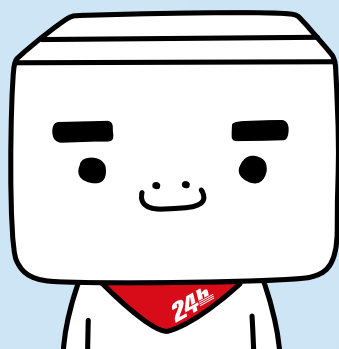
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



GRI 307 : Environmental compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	No reported incidents	
Social aspect		Corresponding CSR Report chapter and description	Page(s)
GRI 401 : Employment (2016)			
401-1	New employee hires and employee turnover	4.1.2 Statistics of newcomers and former employees	63
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2.3 Wide variety of fringe benefits The fringe benefits described in the corresponding chapters in the Report are those received by full-time employees.	65
401-3	Parental leave	4.4.2 A Safe and comfortable workplace	77
GRI 403 : Occupational health and safety (2018)			
403-1	Occupational health and safety management system	4.4.1 Occupational safety and health management	73
403-2	Hazard identification, risk assessment, and incident investigation	1.2 Robust risk management 4.4.1 Occupational safety and health management	26 73
403-3	Occupational health services	4.4.2 A safe and comfortable workplace	74
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2.4 Employer-employee relations and communication	67
403-5	Worker training on occupational health and safety	4.4.2 A safe and comfortable workplace	76
403-6	Promotion of worker health	4.4.2 A safe and comfortable workplace 4.4.3 LOHAS practices in the workplace	74 78
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.2 A safe and comfortable workplace	74
403-9	Work-related injuries	4.4.2 A safe and comfortable workplace	77
GRI 404 : Training and education (2016)			
404-1	Average hours of training per year per employee	4.3.3 Nurturing professionals	72
404-3	Percentage of employees receiving regular performance and career development reviews	4.2.2 Performance appraisal and management	64

GRI 405 : Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	1.1.2 Corporate governance 4.1.1 Employee diversity	24 62
GRI 406 : Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination on the basis of race, skin color, gender, religion, political affiliation, nationality, or social background, as defined by the International Labor Organization, or involving internal and external stakeholder relations occurred in 2020.	
GRI 408 : Child labor (2016)			
408-1	Operations and suppliers at significant risk for incidents of child labor	No reported incidents	
GRI 411 : Rights of Indigenous peoples (2016)			
411-1	Incidents of violations involving rights of indigenous peoples	No incidents of violations involving the rights of Indigenous peoples were identified or had occurred in 2020	
GRI 417 : Marketing and labeling (2016)			
417-2	Incidents of non-compliance concerning product and service information and labeling	1.2.3 Legal compliance	29
417-3	Incidents of non-compliance concerning marketing communications	1.2.3 Legal compliance	29
GRI 418 : Customer privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No reported incidents	
GRI 419 : Socioeconomic compliance (2016)			
419-1	Non-compliance with laws and regulations in the social and economic area	1.2.3 Legal compliance	29

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

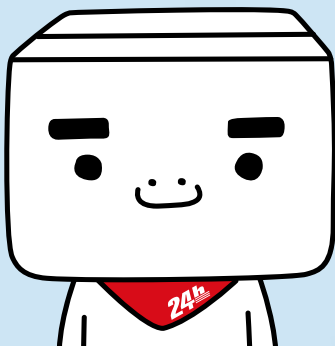
2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix



## List of corresponding Sustainability Accounting Standards Board (SASB) disclosure metrics

Topic of disclosure	Metric code	Type	Disclosure metric(s)	Description	Page(s)
Hardware infrastructure, energy, and water management	CG-EC-130a.1	Quantitative	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	In 2020, (1) the total energy consumption was 46,257GJ, (2) the percentage of grid electricity used was 63.6%, and (3) the percentage of renewable energy used was 0%.	59
	CG-EC-130a.2	Quantitative	(1) Total water withdrawn; (2) Total water consumed; (3) Percentage of each in regions with High or Extremely High Baseline Water Stress	(1) The amount of water withdrawn at PChome in 2020 was 18,602m <sup>3</sup> ; (2) the total water consumption is currently unavailable; and (3) because Taiwan is not a water-stressed region, the percentage of water withdrawn from water-stressed regions is 0%. Information on water withdrawal is available in 3.2 Green operations management.	60
	CG-EC-130a.3	Qualitative	Discussion of the integration of environmental considerations into strategic planning for data center needs	Environmental considerations have yet to be integrated into the strategic planning of our data center.	
Data security	CG-EC-230a.1	Qualitative	Description of approach to identifying and addressing data security risks	Details regarding information security are available in 2.3 Reliable information security and protection.	48
	CG-EC-230a.2	Quantitative	(1) Number of data breaches; (2) Percentage involving personally identifiable information (PII); (3) Number of users affected	(1) 0 cases; (2) 0%; (3) 0 cases	
Product packaging and distribution	CG-EC-410a.1	Quantitative	Total greenhouse gas (GHG) footprint of product shipments	Information on the carbon footprint of product deliveries is available in 3.1 Green Shopping Program and 3.2 Green operations management.	51 59
	CG-EC-410a.2	Qualitative	Discussion of strategies to reduce the environmental impact of product delivery	PChome launched the Green Shopping Program in 2019 with the goal of reducing the environmental impacts of our services. The relevant strategies and performance are available in 3.1 Green Shopping Program.	51
Activity metrics	CG-EC-000.A	Quantitative	Entity-defined measures of user activity	PChome 24h has amassed 12 million members, successfully created the ONE PChome ecosystem, and activated direct access for the ten million members who are registered with PChome.	
	CG-EC-000.B	Quantitative	Data processing capacity, percentage of outsourced	No information disclosed currently	
	CG-EC-000.C	Quantitative	Number of shipments	No information disclosed currently	

About this Report

Message from the Management

20 Years of Growth with You

Awards and recognitions

Sustainability highlights

Sustainability goals and visions

Stakeholder engagement

Identification of material topics

1 Flourishing together  
Operations and governance

2 Creating together  
Sustainable consumption

3 Living together  
Green operations

4 Growing together  
Prosperous workplace

5 Benefiting together  
Embracing society

Appendix

## Third party verification statement

**Deloitte.**

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### INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

The Board of Directors and Stockholders  
PChome Online Inc.

We have performed a limited assurance engagement on the selected subject matter information (see Appendix) in the Corporate Social Responsibility Report ("the Report") of PChome Online Inc. ("the Company") for the year ended December 31, 2020.

#### Responsibilities of Management for the Report

Management is responsible for the preparation of the Report in accordance with Taipei Exchange Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEx Listed Companies and GRI Standards published by the Global Reporting Initiatives (GRI) and other applicable rules according to its sector features, and for such internal control as management determines is necessary to enable the preparation of the Report that are free from material misstatement.

#### Auditors' Responsibilities for the Limited Assurance Engagement Performed on the Report

We conducted our work on the selected subject matter information (see Appendix) in the Report in accordance with the Statements of Assurance Engagements Standards No. 1 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on the preparation, in all material respects, of the Report. The nature, timing and extent of procedures performed in a limited assurance engagement are different from and more limited than a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We applied professional judgment in the planning and conduct of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Obtaining and reading the Report.
- Inquiring management and personnel involved in the preparation of the Report to understand the policies and procedures for the preparation of the Report.
- Inquiring the personnel responsible for the preparation of the Report to understand the process, controls, and information systems in the preparation of the selected subject matter information.
- Analyzing and examining, on a test basis, the documents and records supporting the selected subject matter information.

#### Inherent Limitations

The subject matter information included non-financial information, which was under more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

#### Independence and Quality Controls

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which contains integrity, objectivity, professional competence and due care, confidentiality and professional behavior as the fundamental principles. In addition, the firm applies Statement of Auditing Standard No. 46 "Quality Control for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China and, accordingly, maintains a comprehensive system of quality controls, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

#### Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected subject matter information in the Report are, in all material respects, not prepared in accordance with the above mentioned reporting criteria.

#### Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of the Report.

The engagement partners on the limited assurance engagement is Shih-Tsung Wu.

*Shih-Tsung Wu*

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

July 23, 2021

#### Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of selected subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of selected subject matter information shall prevail.

#### APPENDIX

#### SUMMARY OF SELECTED SUBJECT MATTER INFORMATION

#	Rules/Standards	Descriptions of Indicators	Corresponding Sections	Applicable Criteria
1.	GRI 302-1: 2016	Energy consumption within the organization	3.2 Green operations management	The energy consumption calculated by externally purchased electricity and fuel.
2.	GRI 305-1: 2016	Direct (Scope 1) GHG emissions	3.2 Green operations management	The GHG emissions (Scope 1) calculated by direct energy consumption (fuel) and greenhouse gas emission factors published by Environmental Protection Administration, Executive Yuan.
3.	GRI 305-2: 2016	Energy indirect (Scope 2) GHG emissions	3.2 Green operations management	The GHG emissions (Scope 2) calculated by indirect energy consumption (externally purchased electricity) and electricity carbon emission factors published by Bureau of Energy, Ministry of Economic Affairs.
4.	GRI 405-1: 2016	Diversity of governance bodies and employees	1.1.2 Corporate governance 4.1.1 Employee diversity	The ratios of governance bodies and employees counted by genders, ages and positions.
5.	GRI 419-1: 2016	Non-compliance with laws and regulations in the social and economic area	1.2.3 Legal compliance	The total number of non-compliance with laws and regulations in the social and economic areas that cause significant fines and non-monetary sanctions which were confirmed by the summary of sanctions and the record of paying fines, etc.

- 1 -

- 2 -

- 3 -

