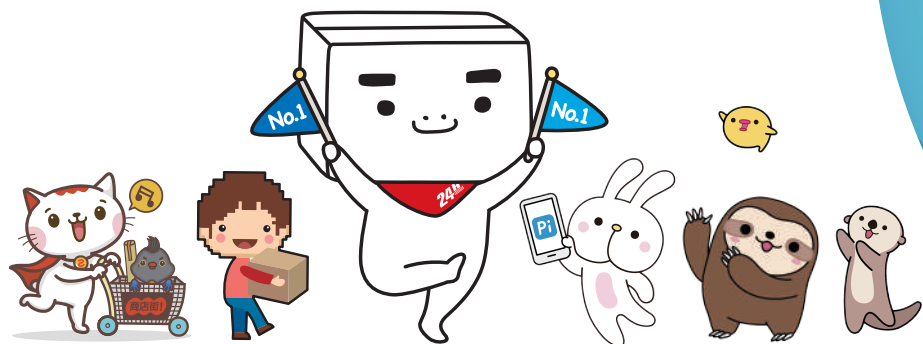


2021

Sustainability Report



About this Report	2
Message from the Management	3
Awards and Recognitions	4
Sustainable Partnerships	5

Ch.1 A Sincere Partner in Governance

1.1 PChome business overview	15
1.2 Ethical corporate governance and management	17
1.3 Robust risk management	21
1.4 Business partnership	25

Ch.2 An Innovative Partner in Retailing

2.1 Marketing high-quality products	28
2.2 Stress-free shopping experience	37
2.3 Reliable information security and protection	41

Ch.3 A Green Partner for the Environment

3.1 Green shopping program	47
3.2 Climate and sustainability action	57
3.3 Green operations management	61

Ch.4 A Reliable Partner in the Workplace

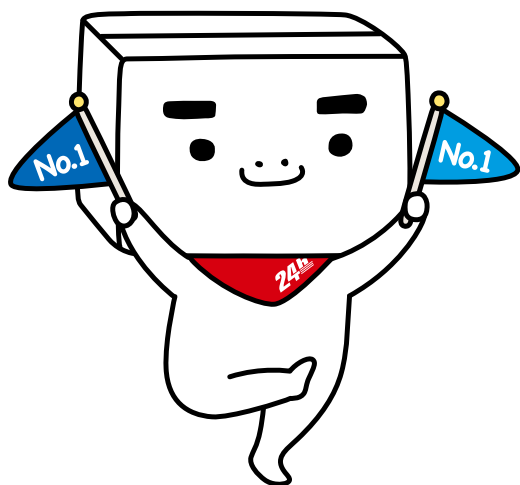
4.1 Professional team organization	64
4.2 Attractive remuneration and fringe benefits	65
4.3 Human resource recruitment and development	70
4.4 Healthy and friendly workplace	73

Ch.5 A Caring Partner in Society

5.1 Embracing society and charity	83
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Appendix

GRI Standards	89
Comparison table of disclosures in the Global Reporting Initiative (GRI) Sustainability Reporting Standards	
Comparison table of the Sustainability Accounting Standards Board (SASB) indicators	92
Third Party Verification Statement	93



- **About This Report**
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

About This Report

Welcome to the Sustainability Report of PChome Online Inc. (hereinafter referred to as PChome). The Chinese and English versions of this Report are available for download at the Sustainability section of PChome's website. This Report was completed voluntarily and sets out PChome's performance in its efforts to implement corporate sustainability. PChome plans to release an annual sustainability report from now on for the reference of stakeholders.

Period and Extent of the Report

This Report presents PChome's sustainability-related achievements and performance for the year 2021 (from January 1, 2021, to December 31, 2021) and covers economic, environmental, and social aspects of PChome's business locations across Taiwan. Specific sections are dedicated to the operations of our subsidiary company PChome Express Co., Ltd. (hereinafter referred to as PChome Express). The categories include e-commerce, warehousing, and logistics. The disclosure of the extent of incomplete findings will be highlighted in this Report.

Reference

Issuer	Compliance
The Global Reporting Initiative (GRI)	GRI Standards: Core option
Sustainability Accounting Standards Board (SASB)	E-commerce Sustainability Accounting Standards
Taipei Exchange	Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by Taipei Exchange Listed Companies
United Nations	Sustainable Development Goals (SDGs)

Internal audits

The information and data in this Report were validated through a three-stage internal review process.

- Stage 1: The supervisors of each department submitted information to be reviewed by their department chiefs.
- Stage 2: The Public Relations Department consolidated the information with the assistance of external consultants and completed the sustainability report, which was then verified by each department.
- Stage 3: The CEO approved the report for release to the public.

Publication overview

- First edition: September 2021
- Previous edition: September 2021
- Current edition: September 2022
- Upcoming edition: September 2023

External verification

Item	Independent third-party report	Verification/assurance institution
Sustainability data	Accountant limited assurance reporting in the Statements of Assurance Engagements Standards No. 01: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information	Deloitte & Touche
Financial data	Independent Auditors' Review Report	KPMG Taiwan

Contact

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

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 Taipei City 106, Taiwan
 Tel: (02)2700-0898
 Email : stakeholder@staff.pchome.com



PChome Sustainability
section QR Code

Message from the Management

A Word from the Chairman

In 2021, Taiwan benefited from the post-pandemic global economy recovery but was also severely impacted by the surge in local cases of COVID-19. During this challenging time, the world saw the resilience and combative spirit of the Taiwanese society against the pandemic. In similar fashion, PChome's tireless spirit has advanced against all odds and has succeeded in realizing our corporate value of continuous innovation and value creation. The pandemic has changed existing consumer habits and accelerated the revolution and development of online retailing. While creating a win-win situation between environmental sustainability and society, we have continuously modified our business model by investing resources to optimize customers' shopping experience and strengthen our Green Shopping Program, in addition to introducing AI-based automated smart logistics systems and short-chain logistics that adapt to the ever-changing online industry. PChome upholds our commitment to meet every family's daily necessities and is on track to become the best and most comprehensive e-commerce service provider in Taiwan, as well as a reliable partner in everyone's lives.

PChome has integrated all the member accounts and services of our self-owned brands by centering on the Pi Wallet service, which has been successfully expanded to include payment, public transportation, PPoint redemption, and other services, thus creating a PPoint ecosystem that encompasses physical stores and online e-commerce. Additionally, in light of the rise in customer demand for online shopping, we have proactively installed satellite warehouses to ensure logistics flexibility, and we have cooperated with Pickupp, a logistics company, to foray into the short-chain logistics industry. The combination of both the strengths of PChome Express and Pickupp has resulted in a more flexible logistics system that offers a more diverse range of services, thus improving last-mile delivery. We expect that the A7 Smart Logistics Center slated for opening in 2023 will significantly improve our warehousing and logistics capacity and performance, and subsequently enhance the benefits of the ONE PChome ecosystem. Services aside, in response to the growing importance of consumers' place on personal privacy, we have strengthened our employees' information security training and internal and external audit procedures, so as to provide reliable consumer experiences through robust information security.

Moving forward, PChome shall continue to shoulder our mission of being the best and most comprehensive e-commerce service provider in Taiwan, of creating sustainable value to our diverse stakeholders, and of guiding Taiwan into a new era of global e-commerce.

Chairman of PChome Online Inc.



- About This Report
- **Message from the Management**
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

Awards and Recognitions



2017

- Recognized as a 2017 Influential Asian Brand in the Web-Based Services category
- Awarded "2017 DTA Award - Trade Facilitation and Cross Border e-commerce" hosted by 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



2019

- Received the Top 10 Excellent Enterprise Award and the Excellent Customer Satisfaction Award at the 15th Golden Torch Awards hosted by the Outstanding Enterprise Manager Association
- Received the Online Shopping Packaging Reduction Label from the Environmental Protection Agency (EPA)
- Received award in the Computers/Consumer Electronics category at the 2019 Best Companies to Work For Awards hosted by 1111 Job Bank



2020

- 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 was awarded Excellence in Brand Communication in the Private Companies category at the 12th Distinguished Public Relations Awards hosted by the Foundation for Public Relations



2021

- Completed the Taiwan Intellectual Property Management System certification from the Industrial Development Bureau, Ministry of Economic Affairs (MOEA), in 2021
- Awarded Bronze in the 3rd Annual Enterprises Protection Awards ★
- CEO and GM Kevin Tsai awarded the Breakthrough Entrepreneur Award at the EY Entrepreneur Of The Year Awards
- Awarded a Special Award at the 2021 Buying Power Awards organized by the MOEA
- Awarded Silver at the 14th TCSA Awards in 2021 ★
- Awarded Silver in the Corporate Sustainability category at the 5th PwC Sustainability Impact Awards ★
- Awarded the Outstanding Enterprise Award, first prize in the Outstanding Enterprise category, and Best Popular Brand Award at the 2021 National Brand Yushan Award ★
- CEO and GM Kevin Tsai awarded the Outstanding Business Leader Award at the 2021 National Brand Yushan Award ★
- Awarded the Inspirational Brand Award and Fast Enterprise Award at the 2021 Asia Pacific Enterprise Awards by Enterprise Asia ★
- CEO and GM Kevin Tsai awarded the Master Entrepreneur Award at the 2021 Asia Pacific Enterprise Awards by Enterprise Asia ★
- Awarded Silver in the Content Application category in the 5th Asia-Pacific Chinese PR Awards hosted by Taiwan/Taipei International Relations Association (TIPRA)



Sustainable Partnerships

ONE PChome blueprint for sustainability

PChome sustainable value chain

Sustainable promotion framework

Stakeholder engagement

Material topics and development goals

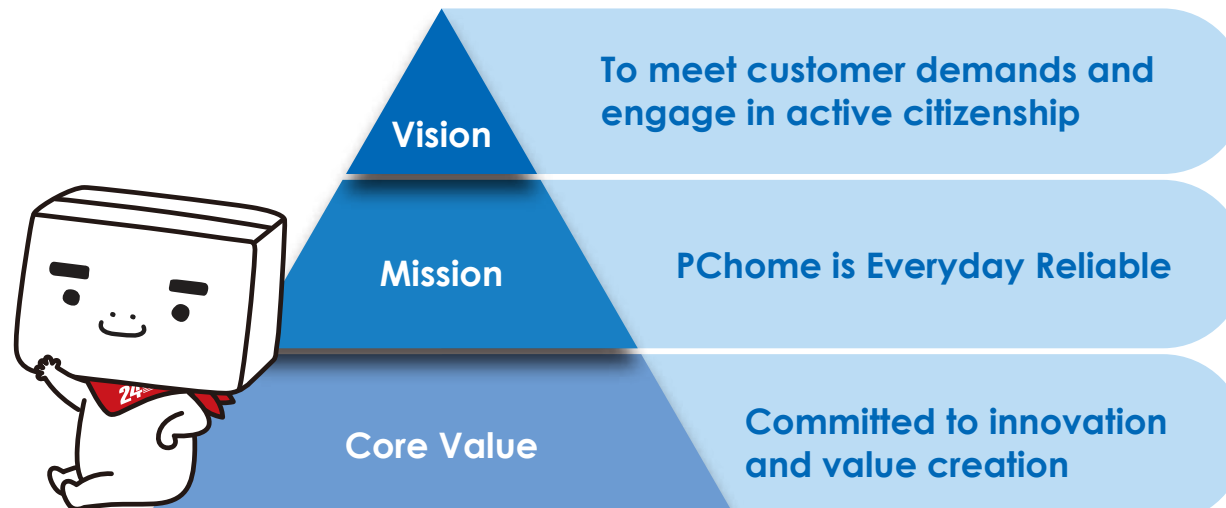
Important stakeholders

Customers Employees Suppliers Shareholders/Investors Government organizations Media Communities/NGOs

PChome firmly believes that every entity in the greater community is a stakeholder. Our operations are dependent on the well-being of every person. In line with the United Nations Sustainable Development Goals (SDGs), PChome actively leverages the influence of e-commerce platforms to not only meet customer demands but also to consolidate intra- and extra-organizational powers to build a society that benefits everyone.

ONE PChome blueprint for sustainability

As a renowned leader of online shopping in Taiwan, we actively adopt strategies to meet the different needs of our customers in their daily lives, such as expanding our brand development, engaging in cross-industry alliances, integrating our online and offline resources, and consolidating the services and resources of enterprises across various domains. While developing our business, we attach great importance to society and to realizing enterprise sustainability. Grounded in our core principle of commitment to innovation and value creation, we continue to infuse new energy into our business operations, environmental protection, and social care through strategies such as the Green Shopping Program, supporting the underprivileged and emphasizing the comfort of the workplace. We dedicate ourselves to fulfilling our corporate citizenship roles and becoming a reliable partner in everyday life.



- About This Report
- Message from the Management
- Awards and Recognitions
- **Sustainable Partnerships**
- Ch.1 A Sincere Partner in Governance
- Ch.2 An Innovative Partner in Retailing
- Ch.3 A Green Partner for the Environment
- Ch.4 A Reliable Partner in the Workplace
- Ch.5 A Caring Partner in Society
- Appendix

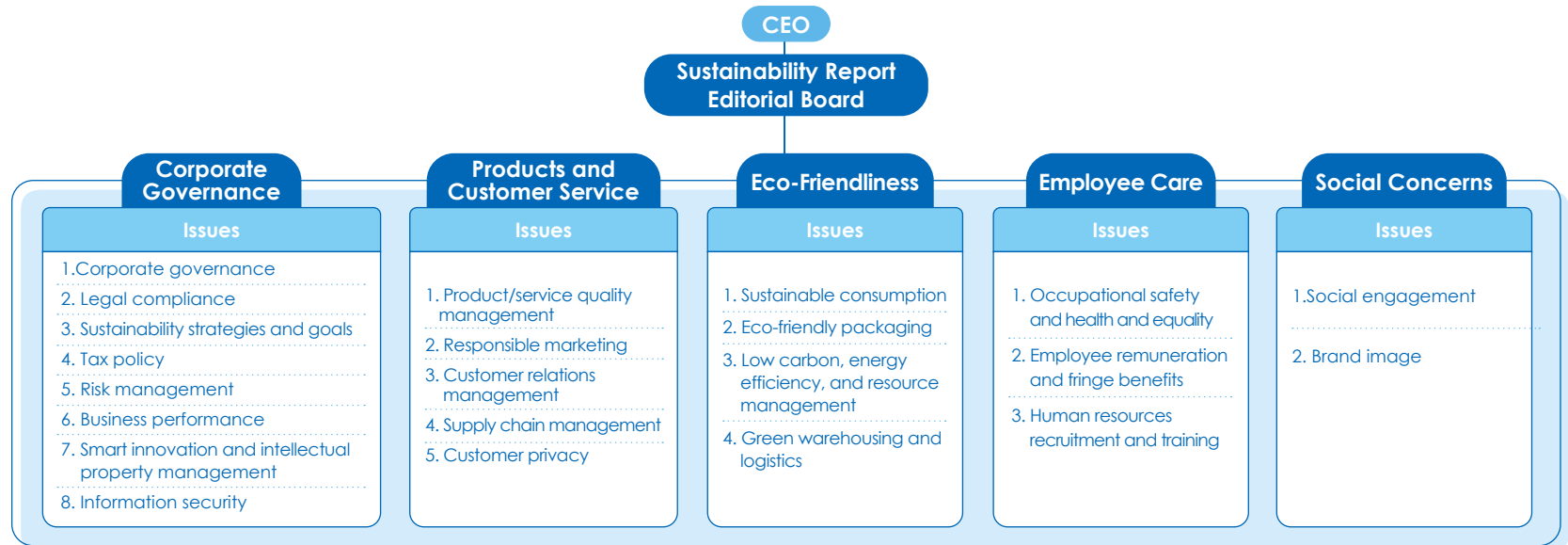
PChome sustainability value chain

PChome Green Shopping Program







Sustainable promotion framework

PChome has a dedicated task force for editing corporate sustainability reports to effectively manage sustainability-related information within the organization and facilitate communication across all departments regarding the planning of relevant affairs. Their main task is to devise management solutions in five categories – Corporate Governance, Products and Customer Service, Eco-Friendliness, Employee Care, and Social Concern – as well as to communicate with stakeholders. The CEO authorizes the highest-ranking supervisor of each department to take charge of decision-making and the division of labor and responsibilities for the implementation of intra- and extra-organizational sustainability efforts. The implementation status and resource demands are consolidated daily and reported from time to time to the Chairman or Board members so that they can remain up to date with progress and provide the necessary resources.



Stakeholder engagement




A PChome stakeholder includes any organization, group, or individual who affects or is affected by PChome's operations. At PChome, we are always concerned about our stakeholders' opinions and feedback. PChome achieves clear engagement with all parties by identifying stakeholders according to the five major principles of the AA1000 SES-2011 Stakeholder Engagement Standard (SES), Dependency, Responsibility, Influence, Diverse Perspectives, and Tension. The seven main stakeholder groups of PChome are suppliers, government organizations, customers, employees, shareholders/investors, media, and communities/NGOs.

Stakeholder	Importance to PChome	Material issues of concern	Means of communication	Frequency of communication	Number of communications and outcomes in 2021	Responses and actions
 Supplier	Strong cooperation with value chain partners is critical for providing products and services of the highest standards	<ul style="list-style-type: none"> Information security Legal compliance Tax commitment policy Responsible marketing Customer privacy 	Supplier hotline/Real-time communication	Immediate	Occasionally	<ul style="list-style-type: none"> Sustainable partnerships Chapter 1 A sincere partner in governance Chapter 2 An innovative partner in retailing
			Supplier compliant mailbox	Immediate	Occasionally	
			Creating an online bulletin board for suppliers	Immediate	Occasionally	
 Government organizations	All products and services must comply with regulations, and compliance is supervised by competent authorities	<ul style="list-style-type: none"> Legal compliance Information security Tax commitment policy Supplier management Sustainable consumption Responsible marketing Carbon reduction, energy conservation, and resource management 	Participating in policymaking seminars, forums, or public hearings	Occasionally	Participated in 10 policymaking forums	<ul style="list-style-type: none"> Sustainable partnerships Chapter 1 A sincere partner in governance Chapter 2 An innovative partner in retailing Chapter 3 A green partner for the environment
			Visiting or inviting competent authorities to establish opportunities for direct exchange	Occasionally	Visited eight government authorities	
			Communicating through official documents and in-person visits	Occasionally	40 instances of communicating through official documents and in-person visits	
			Communicating through phone and email	Immediate	100 instances of communicating through email and telephone	
			Creating links to contact people and government unit emails in the stakeholder section of our website	Occasionally	Occasionally	
 Customer	Enterprise sustainability depends on customers' trust. An enterprise flourishes by maintaining continuous and trustworthy interactions with other parties	<ul style="list-style-type: none"> Customer privacy Information security Customer relations management Product/service quality management Eco-friendly packaging 	Customer hotline	Immediate	Occasionally	<ul style="list-style-type: none"> Sustainable partnerships Chapter 2 An innovative partner in retailing Chapter 3 A green partner for the environment
			Customer comments	Immediate	Occasionally	
			Customer service announcements	Immediate	Occasionally	
			Responding on social media	Immediate	Occasionally	
			Organizing marketing campaigns	Monthly	More than once per month	
			In-person activities	Three times per year	One activity organized	
 Employees	Employees are a company's most important asset and are fundamental to its growth	<ul style="list-style-type: none"> Customer privacy Information security Employee remuneration and benefits Customer relations management Responsible marketing 	Employer-employee meetings	Seasonally	4 sessions	<ul style="list-style-type: none"> Sustainable partnerships Chapter 1 A sincere partner in governance Chapter 2 An innovative partner in retailing Chapter 4 A reliable partner in the workplace
			Performance evaluation briefings	Annually	1 session	
			Technical department forums	Annually	2 sessions	
			Customer service forums	Annually	2 sessions	
			Management meetings	Occasionally	Occasionally	
			Employee email	Immediate	Immediate	



Person-of-contact
section for stakeholders

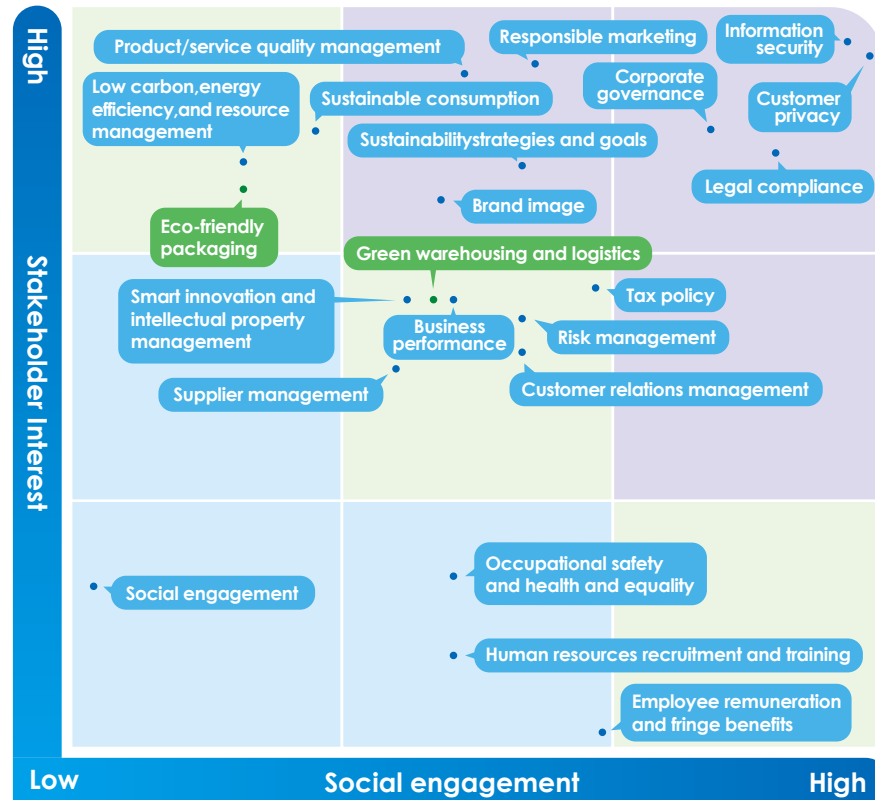
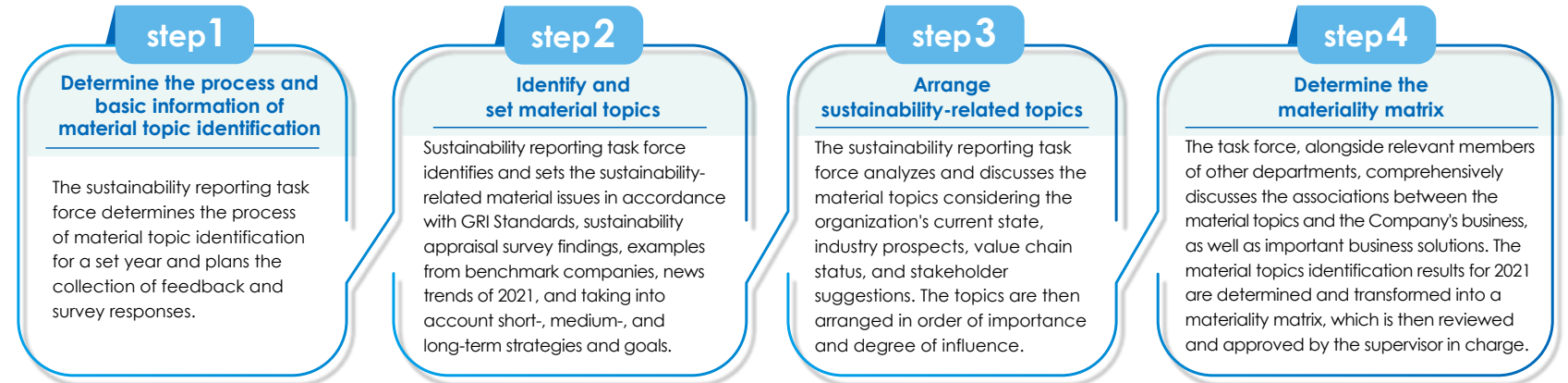
- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

Stakeholder	Importance to PChome	Material issues of concern	Means of communication	Frequency of communication	Number of communications and outcomes in 2021	Responses and actions
 Shareholders/ Investors	Long-term support from our shareholders and investors is crucial for PChome's robust growth	<ul style="list-style-type: none"> Corporate governance Business performance Sustainability strategies and goals Smart innovation and intellectual property management Risk control 	Meetings with legal persons Mandarin and English language briefings with legal persons Establishing an investors' section and designating a person-of-contact for shareholders on our website Major announcement	Occasionally Seasonally Immediate Occasionally	More than 150 sessions 9 sessions Occasionally 93 announcements	<ul style="list-style-type: none"> Sustainable partnerships Chapter 1 A sincere partner in governance Chapter 2 An innovative partner in retailing Chapter 3 A green partner for the environment
 Media	The media is an important means of conveying a company's image	<ul style="list-style-type: none"> Corporate governance Business performance Customer privacy Smart innovation and intellectual property management Sustainable consumption Eco-friendly packaging Product/service quality management Brand image Sustainability strategies and goals 	Maintaining media relations and communications Media release Media response Press conferences (online and in-person) Media interviews (Exclusive interviews and group interviews)	Occasionally Occasionally Occasionally Occasionally	Daily More than 173 releases More than 200 responses 5 sessions 10 sessions	<ul style="list-style-type: none"> Sustainable partnerships Chapter 1 A sincere partner in governance Chapter 2 An innovative partner in retailing Chapter 3 A green partner for the environment Chapter 5 A caring partner in society
 Communities/ NGOs	The welfare of local community residents is an important indicator of a company's sustainability influence	<ul style="list-style-type: none"> Responsible marketing Brand image Sustainable consumption Carbon reduction, energy conservation, and resource management Social participation 	Organizing marketing and charity activities Organizing in-person activities	Monthly since August 2021 Three times per year	5 activities 1 activity	<ul style="list-style-type: none"> Sustainable partnerships Chapter 2 An innovative partner in retailing Chapter 3 A green partner for the environment Chapter 5 A caring partner in society

Description of major news events		
Description of news event	Response and handling	Subsequent improvements
(1) Due to the worsening pandemic, Taiwanese citizens have increased their demand for online shopping. Consequently, the PChome 24h website was flooded with orders, which led to delayed deliveries	<ul style="list-style-type: none"> Strengthening communications with the media and stressing the rule that 24-hour deliveries are not applicable during peak order placement periods and products cannot be dispatched between warehouses in different regions Establishing a PChome convenience store in response to the inability to dispatch the required workforce and obtain the warehouse space needed in each warehouse in an immediate manner Using AI programming to identify important and high-demand products and dispatch these to warehouses with remaining capacity Clustering high-demand products such as daily necessities, electronics, electrical products, and stationery so as to enhance shipping and deliveries 	Building a warehouse automation system that drastically reduces the size of the shipping workforce and duration, consolidating consumption data, and preparing bestselling items in advance, so as to improve the delivery capacity of logistics partners
(2) On November 10, 2021, due to the unexpected wave of customers flocking to obtain the 8% LINE shopping rebate from 9 pm to 10 pm on PChome 24h, the order placement system malfunctioned, and checkouts became unsuccessful	<ul style="list-style-type: none"> In response to the enthusiasm of our customers, the deadline was extended from 10 pm to 11:59 pm Collecting all exposure-related reports and clarifying these with the media through a publicist Creating lists and continuously following up on the subsequent updates and media reports Clarifying the reason behind the system problem on the following day and offering additional promotions 	Optimizing the back-end processing system and continuously testing the maximum load of the website so as to mitigate the impact of large orders and extensive traffic on subsequent activities

Material topics and development goals

The material topics analysis in this report was completed in accordance with the Global Reporting Initiative (GRI) Standards to further delineate the sustainability-related topics of concern among stakeholders and the relative importance of each material topic to stakeholders.



Material topics for PChome in 2021

- ① Customer privacy
- ② Information security
- ③ Legal compliance
- ④ Corporate governance
- ⑤ Responsible marketing
- ⑥ Sustainability strategies and goals
- ⑦ Product/service quality management
- ⑧ Brand image
- ⑨ Green warehousing and logistics
- ⑩ Eco-friendly packaging

Note: Given that green warehousing, logistics, and eco-friendly packaging are key business solutions and trends in global e-commerce, both are specifically included as material topics.

- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1 A Sincere Partner in Governance
- Ch.2 An Innovative Partner in Retailing
- Ch.3 A Green Partner for the Environment
- Ch.4 A Reliable Partner in the Workplace
- Ch.5 A Caring Partner in Society
- Appendix

Impact and boundaries of material topics

Material topic	Scope of impact and degree of involvement							
	Internal		External					
	PChome	Employees	Customers	Government organizations	Suppliers	Shareholders /Investors	Media	Communities / NGOs
① Customer privacy	●		▲					
② Information security	●		▲	●	▲			
③ Legal compliance	●	●		●	▲	●		
④ Corporate governance	●	●		●		●		
⑤ Responsible marketing	●		▲		▲			
⑥ Sustainability strategies and goals	●	●	▲	○	▲	●	○	○
⑦ Product/service quality management	●		▲		▲			
⑧ Brand image	●		▲		▲	●	○	○
⑨ Green warehousing and logistics	●		▲	●	▲			
⑩ Eco-friendly packaging	●		▲	○	▲			

Note: ● PChome directly caused this impact; ○ PChome and other units jointly caused this impact; ▲ PChome is directly associated with this impact through its business relationships.

Material topics for PChome in 2021	Significance to PChome	Corresponding GRI Standards or theme	Management solutions	Corresponding chapter
① Customer privacy	Customer trust is based on appropriate management of customer information and serves as the foundation of our growth	GRI 418: Customer privacy	<ul style="list-style-type: none"> Applying legal and managerial mechanisms Regularly organizing training programs to understand trends and new information privacy and protection concepts Regularly reviewing and auditing the effectiveness and process reliability of relevant guidelines 	● 2.3 Reliable information security and protection
② Information security	As a major e-commerce and online shopping platform, our ability to manage information is the core of our business. We have invested vast efforts and resources to build a secure and reliable system environment	Self-designated material topic - Information security GRI 418: Customer privacy	<ul style="list-style-type: none"> Organizing seasonal information security meetings and training programs on external information security Organizing information security drills and audits to enhance system reliability 	● 2.3 Reliable information security and protection
③ Legal compliance	Ethical corporate governance is the essence of a business. PChome's management implements self-discipline measures of the highest standard 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"> Applying ethical corporate management and complying with business ethics-related standards Continuously organizing training programs and realizing ethical corporate governance and commitments in daily business routines 	● 1.3 Robust risk management

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

Material topics for PChome in 2021	Significance to PChome	Corresponding GRI Standards or theme	Management solutions	Corresponding chapter
4 Corporate governance	The Board of Directors and management maximize the interests of all shareholders through good corporate governance, make good use of corporate resources, improve the Company's operational efficiency, build its business competitiveness, and enhance the social well-being of employees and shareholders	GRI 205: Anti-corruption	<ul style="list-style-type: none"> The performances of the Board of Directors and functional committees are evaluated annually Enhancing corporate governance and improving the corporate governance evaluation results 	1.2 Ethical corporate governance and management
5 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"> Implementing standards for goods labeling, providing excellent after-sales services and assurance, and clearly labeling a product's country of origin Complying with product review mechanisms and quality standards, self-auditing, and inspecting products 	1.3 Robust risk management
6 Sustainability strategies and goals	Continuously implementing sustainability strategies and operational goals are crucial for a company to expand its influence	Self-designated material topic: Sustainability strategies and goal	<ul style="list-style-type: none"> Participating in corporate sustainability-related appraisals, continuously enhancing the sustainability performance of benchmark industry standards Promoting various sustainability-related projects to increase social participation and topical influence 	<ul style="list-style-type: none"> ONE PChome blueprint for sustainability Material topics and development goals
7 Product/service quality management	PChome continues to optimize its product selection strategies and online shopping services to provide consumers with high-quality products and outstanding online shopping experiences	GRI 416: Customer Health and Safety	<ul style="list-style-type: none"> Continuously ensuring good quality products and building product inspection and quality control mechanisms Building the ONE PChome ecosystem as a link between various services such as e-commerce, online financing, online travel, and cross-border e-commerce 	1.3 Robust risk management
8 Brand image	Building a good brand image, riding the wave of sustainability, enhancing our brand sustainability, and becoming the top e-commerce platform among consumers	Self-designated material topic - Brand image	<ul style="list-style-type: none"> Interacting with consumers by expanding our social media presence and delivering an innovative and convenient service image Implementing and deepening the Green Shopping Program to create a green PChome image 	<ul style="list-style-type: none"> ONE PChome blueprint for sustainability 2.1 Marketing high-quality products 3.1 Green shopping program
9 Green warehousing and logistics	In response to the impacts of climate change, PChome is dedicated to reducing the environmental impact of our business to ensure a good future for coming generations	Self-designated material topic: Green warehousing and logistics GRI 302 Energy GRI 305 Emission	<ul style="list-style-type: none"> Planning the introduction of low-carbon vehicles, such as electric scooters Installing LED lighting in all warehouses Introducing big data technology for delivery route optimization 	<ul style="list-style-type: none"> 3.1 Green shopping program 3.3 Green operations management
10 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-designated material topic: Eco-friendly packaging GRI 301 Logistics	<ul style="list-style-type: none"> Introducing eco-friendly boxes and easy-tear tape, implementing a total packaging recycling policy Offering multiple types of boxes and introducing an optimal package size mechanism 	3.1 Green shopping program

Description of changes made to material topics

Material topic	Changes made	Description
Corporate governance	Name change	"Ethical corporate governance and legal compliance" was divided into "Corporate governance" and "Legal compliance" to ensure that the relevant descriptions were presented in their respective sections
Legal compliance	Name change	"Ethical corporate governance and legal compliance" was divided into "Corporate governance" and "Legal compliance" to ensure that the relevant descriptions were presented in their respective sections
Product/service quality management	Added description	The description was added to emphasize PChome's demand for product/service quality and to enhance customers' online shopping experience
Brand image	Added description	The description was added to establish an ideal sustainable brand image that enhances customers' willingness to purchase PChome's products

- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

Material issues and goals of implementations

Material issue	Sustainability strategy	Short-term goals (2022)	Mid-term goals (2023-2024)	Long-term goals (2025-2026)
① Customer privacy	Maintaining a high implementation rate of in-service personal data protection education and training sessions	100%	100%	100%
② Information security	Continuously strengthening our defense measures to reduce the likelihood of business interruptions caused by hacker attacks	No information security incidents	No information security incidents	No information security incidents
	Continuously shortening the detection and response speed to malicious activities and minimizing the scope of such activities	48 hours	24 hours	12 hours
	Continuously increasing the implementation of in-service information security education, training sessions, and social engineering drills	70%	85%	100%
③ Legal compliance	Compiling new and revised laws and regulations on a regular basis and providing immediate response to relevant units, and organizing in-service training programs on legal compliance as required by relevant units	<ul style="list-style-type: none"> Consolidating existing resources and continuously assessing and promoting legal compliance 	<ul style="list-style-type: none"> Organizing in-service training programs on legal compliance so that all employees understand the business activity-related laws that need to be complied with at work 	<ul style="list-style-type: none"> Strengthening our employees' awareness of legal compliance and internalizing this awareness into the Company's legal compliance culture, thereby reducing its risk of illegal operations
④ Corporate governance	Improving our corporate governance evaluation ranking	<ul style="list-style-type: none"> Continuously enhancing and elevating our ranking 	<ul style="list-style-type: none"> Breaking into the top 20% and maintaining this position 	<ul style="list-style-type: none"> Using the FSC's Corporate Governance 3.0 - Sustainable Development Roadmap as a blueprint while reviewing the Company's strategies for phased development, adjusting and developing corporate governance implementation programs, and actively enhancing the functions of the Board of directors and functional committees, thus creating long-term value for stakeholders
	Executing board performance evaluations	<ul style="list-style-type: none"> Internal performance is estimated to exceed 80% 	<ul style="list-style-type: none"> Continuously conducting internal and external performance evaluations while achieving excellent results 	
	Maintaining the attendance rate of directors	<ul style="list-style-type: none"> Board meetings are attended by more than 2/3 of the directors 	<ul style="list-style-type: none"> Board meetings are attended by more than 2/3 of the directors 	
	Enhancing information disclosure	<ul style="list-style-type: none"> Elevating the quality of disclosing non-financial information while strengthening the transparency of significant information and the information posted on the Company's English language website 	<ul style="list-style-type: none"> Continuously improving the quality of disclosing non-financial information while strengthening the transparency of significant information and the information posted on the Company's English language website 	
⑤ Responsible marketing	Monitoring warehoused goods	<ul style="list-style-type: none"> Suppliers are requested to possess complete identification information for inspection by warehouse staff Warehoused goods must be fully labeled and their contents disclosed in accordance with relevant regulations Keeping abreast of regulations and making immediate revisions to in-service training manuals on goods warehousing Prohibiting the sale of illegal goods All products must have a certification license, and the relevant licenses or selling permits for restricted products must be obtained before selling these products on PChome Calculating product validity systematically, designating product acceptance periods, and keeping tabs on product validity PChome's own products are sent for inspection by a credible certification body Prohibiting the entry of illegal products into warehouses 	<ul style="list-style-type: none"> Organizing in-service training programs for employees and announcing supplier-related laws and regulations on a regular basis or from time to time Continuously ensuring that the warehoused goods are labeled according to regulations 	<ul style="list-style-type: none"> Guaranteeing the quality of goods sold and offering consumers safe and secure services and products

- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

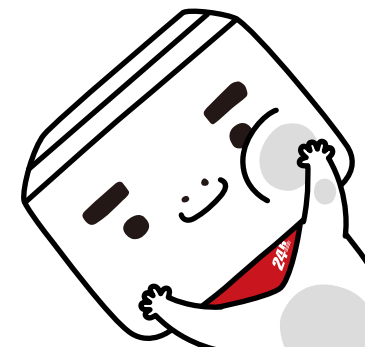
Material issue	Sustainability strategy	Short-term goals (2022)	Mid-term goals (2023-2024)	Long-term goals (2025-2026)
5 Responsible marketing	Ensuring the accuracy and transparency of printed information	<ul style="list-style-type: none"> Guaranteeing the intellectual property rights of published product graphics and documents Creating a keyword retrieval system to sustain the accuracy of documents Assigning employees to manage the keyword retrieval system 	<ul style="list-style-type: none"> The system is capable of detecting violation-related keywords in real time Non-compliant items are taken down, the problem is rectified, and then resold only when the documentary proof is obtained. Following such violations, suppliers and employees are educated about the relevant laws and regulations 	<ul style="list-style-type: none"> Reducing the return rate of goods with inadequate information Enhancing product safety for consumers
	Launching products or services in line with promotions or festivities as a means to express concern toward society, giving back to society, and enhancing our reputation	<ul style="list-style-type: none"> Continuously updating the DXBV store page and cooperating with universities and stray animal welfare organizations In line with Earth Hour, the Portal and PChome 24 home pages were "darkened" on March 26 	<ul style="list-style-type: none"> Implementing charity programs at the beginning or end of the year. 	<ul style="list-style-type: none"> Guided by our extensive brand experience, we continuously give back to entities in need and nurture the growth of SMEs
6 Sustainability strategies and goals	Inspecting our global sustainability rating and performance and conducting our own sustainability status inspection	<ul style="list-style-type: none"> Analyzing PChome's strengths and weaknesses based on the global ratings 	<ul style="list-style-type: none"> Implementing sustainability improvement programs 	<ul style="list-style-type: none"> Enhancing our global sustainability rating and scores, increasing the visibility of our sustainability-related efforts
7 Product/ service quality management	Implementing a green product business cycle	<ul style="list-style-type: none"> Creating green product stores Placing eco-friendly and sustainable products on our homepage to increase their visibility 	<ul style="list-style-type: none"> Continuously procuring eco-friendly and green products 	<ul style="list-style-type: none"> Continuously co-creating green business models through procuring green products and green business cycles, paving the way for green and sustainable consumption
	Inspecting warehoused goods	<ul style="list-style-type: none"> A dedicated warehouse audit team inspects warehoused goods on a regular and time to time basis Calculating product validity systematically, designating product acceptance periods, and keeping tabs on product validity Recalling defective goods 	<ul style="list-style-type: none"> Reducing product returns caused by poor quality Reducing customer complaints 	<ul style="list-style-type: none"> Guaranteeing the quality of goods sold and offering consumers safe and healthy services and products
	Upgrading the quality of warehoused goods	<ul style="list-style-type: none"> Identifying a list of manufacturers with a high rate of abnormal product delivery and mitigating these occurrences through guidance and management Enhancing the inspection of products from these manufacturers Reinforcing the dust protection of warehoused goods 	<ul style="list-style-type: none"> Continuously increasing inspection and testing of high-risk products 	<ul style="list-style-type: none"> Guaranteeing the quality of goods sold and offering consumers safe and healthy services and products
	Developing an internal sustainability mechanism for manufacturers	<ul style="list-style-type: none"> Implementing a supplier sustainability self-report questionnaire 	<ul style="list-style-type: none"> 4000 partner suppliers have completed their sustainability self-report questionnaires 	<ul style="list-style-type: none"> All supplier sustainability self-report questionnaires have been completed

- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

Material issue	Sustainability strategy	Short-term goals (2022)	Mid-term goals (2023-2024)	Long-term goals (2025-2026)
7 Product/ service quality management	Enforcing supplier quality management	<ul style="list-style-type: none"> Complying with the responsibilities and obligations stated in contracts and agreements Conduct onsite assessments Identifying a list of manufacturers with a high rate of abnormal product delivery and mitigating these occurrences through guidance and management 	<ul style="list-style-type: none"> Rewarding outstanding manufacturers annually Identifying high-risk suppliers for rectification 	<ul style="list-style-type: none"> Rewarding outstanding manufacturers annually Continuous rectification of defective manufacturers
8 Brand image	Reinforcing the link between our brand image and social concern	<ul style="list-style-type: none"> Designing various in-person and online public welfare activities and deepening the link between our brand and public welfare among relevant groups 	<ul style="list-style-type: none"> Regularly organizing charity activities every year to improve our exposure and establish the link between the PChome brand and public welfare among consumers 	<ul style="list-style-type: none"> Building our public welfare image through long-term cooperation with public welfare bodies and becoming the top e-commerce choice for future cooperation among public welfare bodies
	Reducing the distance between brands and consumers	Short-term: <ul style="list-style-type: none"> Providing innovative and unique services to enhance customer satisfaction and impression when receiving such services Implementing corporate identity guidelines to create a consistent brand image environment Enhancing stakeholders' brand identification and conveying our corporate vision and core values 	Medium-term: <ul style="list-style-type: none"> Establishing a competent unit for ESG sustainable developments, creating and implementing focus projects, gaining stakeholders' identification, showcasing the group's progress in developing diverse services, enhancing stakeholders' understanding 	Long-term: <ul style="list-style-type: none"> Presenting the performance and outcomes of implementing the ESG focus projects, detailing the group's achievements in developing diverse services, gaining stakeholders' identification and approval
	Communicating with the public through social media and creating topics by integrating current affairs, consumption, patterns and consumer knowledge	<ul style="list-style-type: none"> Publishing at least 30 Instagram posts and 150 stories, and at least 100 Facebook posts monthly 	<ul style="list-style-type: none"> Continuously attracting different groups on social media through posts by social media managers, lucky draws, PM ads, entire websites, projects, marketing, apps, and so on 	<ul style="list-style-type: none"> Improving our brand cohesion by serving as an important means for consumers to access a full range of promotions and obtain current information
9 Green warehousing and logistics	Logistics fleet energy management	<ul style="list-style-type: none"> Procuring energy-efficient goods and vehicles 	<ul style="list-style-type: none"> Procuring electric vehicles that run on renewable energy 	<ul style="list-style-type: none"> Continuously replacing diesel vehicles with electric vehicles and achieving an all-electric vehicle fleet
	Increasing the fleet efficiency	<ul style="list-style-type: none"> Inspecting and managing the fleet's energy efficiency (fuel consumption) and eliminating defective vehicles 	<ul style="list-style-type: none"> Improving truck utilization based on delivery loads, enhancing each load's efficiency to more than 90%, thus reducing the number of deliveries 	<ul style="list-style-type: none"> Unit supervisors must produce an inspection report on the vehicle trajectory by combining automotive-machine systems with drop-off points. Delivery route optimization further reduces fuel consumption and carbon emissions
10 Eco-friendly packaging	Adopting eco-friendly packaging in accordance with the E-Shopping Packaging Reduction Program launched by the Environmental Protection Agency (EPA)	<ul style="list-style-type: none"> Adopting eco-friendly packaging-based shipping on a trial basis. Each delivery reduces the use of non-reusable packaging, such as boxes and shopping bags 	<ul style="list-style-type: none"> Systematically recording and keeping track of the status of the eco-friendly packaging materials in forward and reverse logistics Increasing the recovery rate of eco-friendly packaging to 10% 	<ul style="list-style-type: none"> Increasing the overall ratio of deliveries using eco-friendly packaging Reducing the use of non-reusable packaging such as tapes and cushioning
	Planning the use of renewable packaging and reducing the use of non-reusable packaging	<ul style="list-style-type: none"> Replacing existing delivery boxes with those made of recycled pulp Introducing a box number recommendation system to optimize box utilization Combining products from different warehouses into the same box to reduce single-box shipments for orders 	<ul style="list-style-type: none"> Expanding the scope of the warehouse-wide box number recommendation system and enhancing the picking list for various items through algorithms Adopting eco-friendly and biodegradable packaging materials 	<ul style="list-style-type: none"> Increasing the reuse rate of renewable packaging materials Reducing the packaging weight-content ratio, thus optimizing the specifications of the contents, packaging, and cushioning

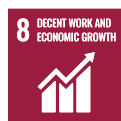
Ch.1 A Sincere Partner in Governance

1.1 PChome business overview / 1.2 Ethical corporate governance and management
1.3 Robust risk management / 1.4 Business partnership



- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- **Ch.1 A Sincere Partner in Governance**
- Ch.2 An Innovative Partner in Retailing
- Ch.3 A Green Partner for the Environment
- Ch.4 A Reliable Partner in the Workplace
- Ch.5 A Caring Partner in Society
- Appendix

Sustainable development goals



Important stakeholders

Employees, Suppliers,
Shareholders/Investors,
Government organizations,
Media



Sustainability highlights

PChome achieved consolidated revenue of **NT\$48.579 billion** in 2021, a **10.74%** growth from the same period last year



The first Taiwanese e-commerce company to receive the **Grade A** Taiwan Intellectual Property Management System (TIPS) verification



Two female directors were elected



Initiated a **vendor scoring mechanism**; outstanding vendors are selected and publicly recognized



The overall evaluation score for board performance was **4.95 points (Outstanding)**



Obtained **13 patents**



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, online financing, and web portal services

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1 A Sincere Partner in Governance

Ch.2 An Innovative Partner in Retailing

Ch.3 A Green Partner for the Environment

Ch.4 A Reliable Partner in the Workplace

Ch.5 A Caring Partner in Society

Appendix

1.1 PChome business overview

Company name	PChome Online Inc.
Date of establishment	Tuesday, July 14, 1998
Listing date	Monday, January 24, 2005
Chairman	Hung-Tze Jan
Location of headquarters	12F, No. 105, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan
Capital	NT\$ 1,285,139,450
Number of employees	1,903(as of December 31, 2021, and including full-time and part-time employees)

PChome Online Inc. is an integrated e-commerce service group engaged in a broad range of business activities such as e-commerce, digital finance, and web portals. At present, PChome offers more than 20 services, including PChome 24h Shopping, a B2C online shopping platform; Ruten, a C2C auction site; PChome Store, a B2B2C online business startup platform; PChome Travel, a travel e-commerce platform; MITCH, a fashion e-commerce platform; PChome Global, PChomeSEA, and Bibian, which are cross-border e-commerce platforms; and PChome Thai, a Thai online shopping platform. Furthermore, PChome provides mobile payment solutions such as Pi Wallet; PChomePay, a third-party payment system; PChome InterPay, an electronic payment solution; and FinTech companies e-Insure Inc. and 21st Century Digital Technology Co., Ltd. Information about the affiliated companies can be found in the Annual Report.

PChome 24h Shopping is Taiwan's most popular and influential e-commerce brand. We will continue to enhance our service innovation and product range by offering brand 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 responding to climate change, a global concern in recent years, we are committed to reducing all possible environmental impacts of our operations as this is our commitment toward sustainable operations in the market. In 2019, we officially launched the Green Shopping Program. Going forward, we will continue to promote environmental-friendly strategies through the influence of our e-commerce platforms, thereby achieving a full product-packaging life cycle and zero-waste vision and realizing our goal of becoming a green e-commerce platform.

Year	PChome milestones
1996	<ul style="list-style-type: none"> PChome Online was created, and our web portal business began in the same year 
1998	<ul style="list-style-type: none"> PChome Online Inc. was established
2000	<ul style="list-style-type: none"> The E-Commerce Department was established, and Taiwan's first B2C integrated online shopping platform, PChome Online, was created 
2004	<ul style="list-style-type: none"> PChome entered a strategic partnership with Skype, the first such partnership worldwide, and proceeded to launch the PChome & Skype VoIP service in Taiwan
2005	<ul style="list-style-type: none"> The launch of PChome Store assisted local micro-entrepreneurs and SMEs in developing their e-commerce businesses PChome Online was officially listed as an internet company (symbol 8044) on the TWSE 
2006	<ul style="list-style-type: none"> PChome Online and eBay formed a joint venture and launched a new online auction site, Ruten 
2007	<ul style="list-style-type: none"> PChome Online unveiled the world's first 24-hour online shopping service 
2008	<ul style="list-style-type: none"> Entered the real estate e-commerce sector with the launch of Rakuya International 
2010	<ul style="list-style-type: none"> PChome Global officially began online operations 
2012	<ul style="list-style-type: none"> PChome US was launched to cater to ethnic Chinese shoppers in the US
2015	<ul style="list-style-type: none"> Released Pi Wallet, the first payment service provider using smartphone-based transactions
2016	<ul style="list-style-type: none"> PChome's subsidiary InterPay officially commenced operations 
2017	<ul style="list-style-type: none"> PChome collaborated with Skype's founding team and launched Lingvist, an AI-based language learning tool 
2018	<ul style="list-style-type: none"> Engaged 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	<ul style="list-style-type: none"> PChome Online Inc. signed an agreement and announced a strategic alliance with Rakuten, a Japanese internet services provider PChome Online Inc. initiated the Green Shopping Program and unveiled 31 new types of eco-friendly packaging boxes
2020	<ul style="list-style-type: none"> Became the first integrated e-commerce giant in Taiwan to receive the Carbon Footprint label from the Environment Protection Agency. Also pioneered the use of new easy-tear tape Launched PChomeSEA, a one-stop multinational e-commerce platform, to help Taiwanese merchants sell their products to the southeast Asia region 
2021	<ul style="list-style-type: none"> Introducing a business team that consists of strategic investors such as China Development Financial, Chunghwa Telecom, and 21st Century Digital Technology through private placements, thus propelling PChome's fintech developments Making strategic investments in e-Insure Inc. and creating new opportunities in digital insurance Making strategic investments in Pickup to improve last-mile delivery and deploy a more flexible logistics chain Creating a joint financing plan through a partnership between our subsidiary Pi Wallet and Rakuten Bank

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

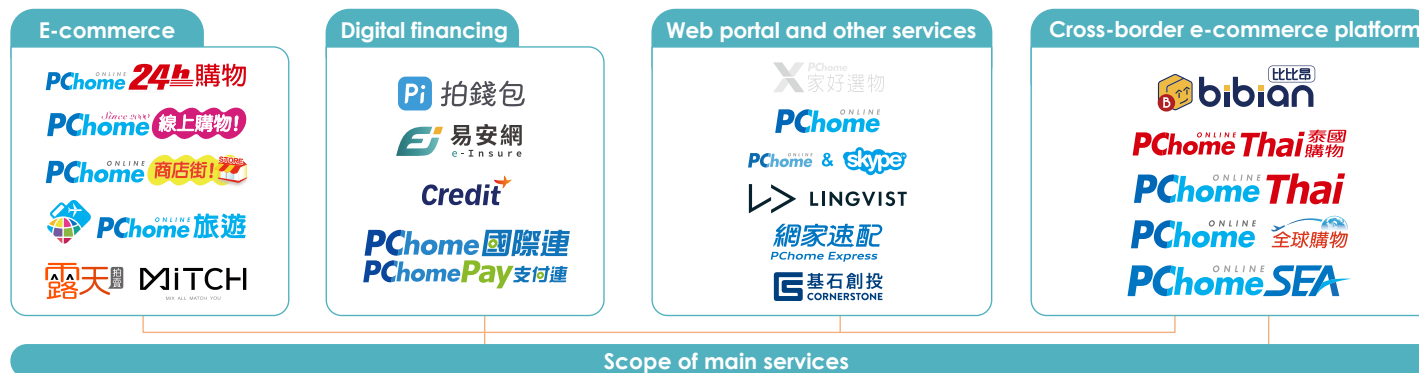
Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

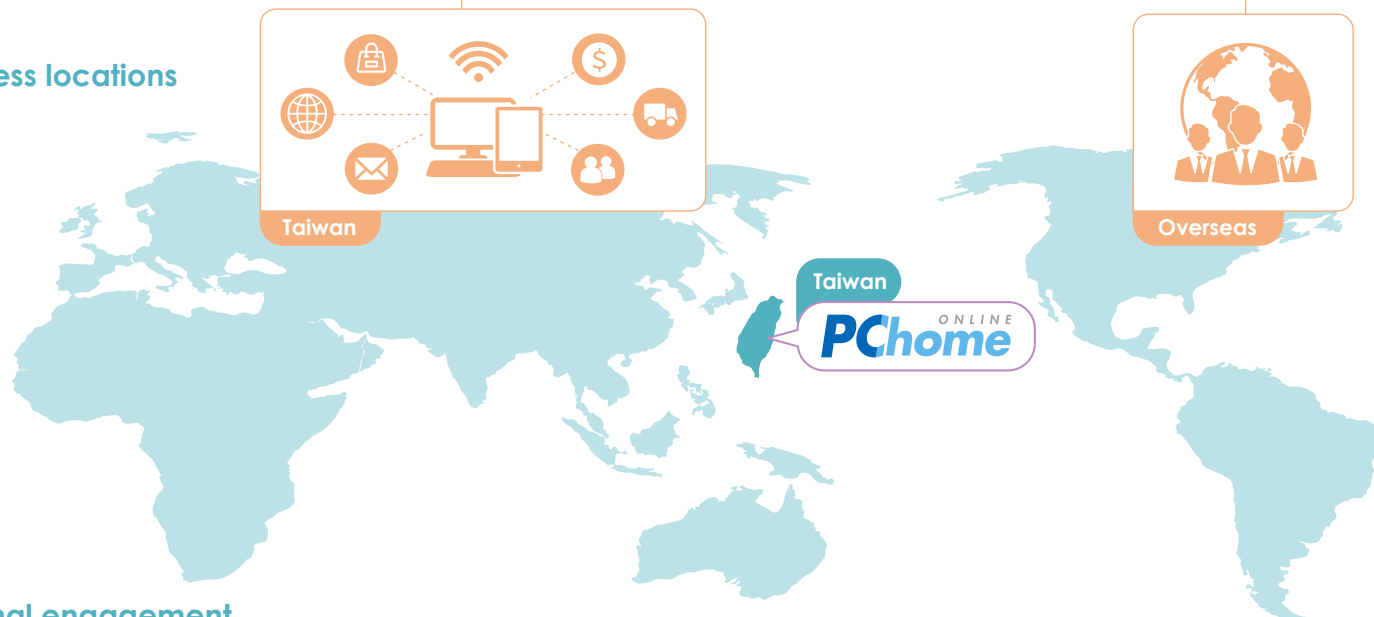
Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix



Business locations



External engagement

PChome actively participates in associations and organizations promoted by its 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 Jode Science and Technology Association of Taiwan	Member

Participatory organization	Title
Information Service Industry Association of R.O.C.	Member
Taiwan Agriculture and Food E-Commerce Association	Director
Taiwan AI Federated Learning Alliance	Member
Taiwan Coalition of Service Industries (CSI)	Supervisor
Taiwan CERT/CSIRT Alliance	Member
Taiwan Association of Logistics Management	Member
Global Logistics & Commerce Council of Taiwan	Member
Taiwan Contact Center Development Association	Member

- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

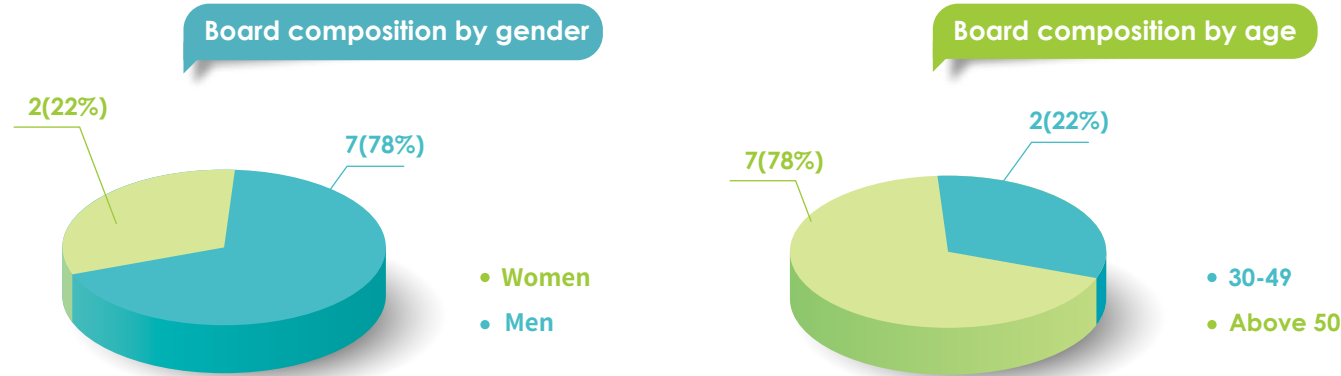
1.2 Ethical corporate governance and management

1.2.1 Corporate governance

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 nine directors (including two women) and three independent directors, all serving three-year terms. Chairman Hung-Tze Jan is the founder of PChome and is a key figure in the Taiwanese e-commerce sector. Chairman Jan is revered for his insightful views on the internet and social trends. Under his leadership, PChome has overcome many challenges over the years and enjoyed robust growth in revenue and size. Each Board member has a wide range of expertise and practical experience and is recruited for their professional background and outstanding performance in their respective industry to ensure a diversified Board. There are no age, gender, nationality, and cultural restrictions for directors, and gender equality is emphasized when planning the Board's composition. Please refer to our Annual Report for further information on the educational background and concurrent posts of each Board member.



Annual report
QR code



Board member introduction
QR code

The Board convenes at least four meetings annually (10 meetings were held in 2021). The Board was reelected in 2021, and the average attendance rate of new members was 91.67%. PChome has adopted a set of procedural rules for Board meetings to ensure the Board's independence in accordance with 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 has dedicated corporate governance personnel responsible for providing information required for Board operations, handling affairs related to Board 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

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

Evaluating the performance of the Board

Beginning in 2021, to improve the operational efficiency and governance quality of the Board, PChome began to implement a system to evaluate the performance of the Board. The Rules on Performance Evaluation of the Board of Directors of PChome Online Inc. were formulated as per the Best Practice Principles for Corporate Governance in TWSE/GTSM Listed Companies, and performance evaluations are conducted under the Rules. According to these rules, performance evaluation is carried out yearly through internal self-reports by the Board, directors' self-assessments, peer assessments, and other appropriate means. The results are submitted to the Board for discussion and improvement, and the outcomes are disclosed in our annual report. The results of the 2021 self-reported board performance review were presented on a five-point scale. The overall results were consolidated at the board meeting on February 25, 2022 and will serve as a blueprint for future developments. The self-reported evaluation results are as follows.



Audit committee

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 on the supervisory role previously fulfilled by legal supervisors. The second PChome Audit Committee was formed on July 29, 2021, and comprised three independent directors, one of whom was Hochen Tan, who was nominated as chairperson. The committee convenes 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, evaluate auditor independence and performance, implement effective internal controls, ensure legal compliance, and mitigate and manage the Company's existing or potential control risks. Eight audit committee meetings were held in 2021, with a 95.8% 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 consists of three independent directors who convene at least two meetings annually. Three remuneration committee meetings were held in 2021, with an attendance rate of 77.7% among committee members.



Remuneration committee charter QR code

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 creating a solid foundation for a robust corporate governance system within the Company. In the future, additional resources will be invested to provide board members with diverse means of engaging in continuing education, thereby achieving the relevant goals set forth for Board members in 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 2021

Participating Director	Course	Organizer
Hung-Tze Jan	Development of blockchain technologies and business models	Taiwan Securities and Futures Market Development Foundation
	Practice in anti-money laundering and countering the financing of terrorism	Taiwan Securities and Futures Market Development Foundation
	Digital opportunities and digital talents	Taiwan Corporate Governance Association
	Sustainability thinking in real estate and sharing of brand development experiences	Taiwan Corporate Governance Association
	Corporate governance 3.0 and a blueprint for sustainability in the tourism industry	Chinese National Association of Industry and Commerce
	Unfolding a new chapter for Sinyi Realty through digital transformation	Taiwan Corporate Governance Association
	Global trends and examples of executive compensation and governance	Taiwan Corporate Governance Association
	Fundamental theory of and innovations in activity value management (AVM) and its practical application in corporate management and decision-making	Taiwan Corporate Governance Association
Kevin Tsai	Development of blockchain technologies and business models	Taiwan Securities and Futures Market Development Foundation
	Practice in anti-money laundering and countering the financing of terrorism	Taiwan Securities and Futures Market Development Foundation
Hsung-Yi Tseng	Development of blockchain technologies and business models	Taiwan Securities and Futures Market Development Foundation
	Practice in anti-money laundering and countering the financing of terrorism	Taiwan Securities and Futures Market Development Foundation
Hong-Zhang Fong	Development of blockchain technologies and business models	Taiwan Securities and Futures Market Development Foundation
	Practice in anti-money laundering and countering the financing of terrorism	Taiwan Securities and Futures Market Development Foundation
Bruce Chou	Development of blockchain technologies and business models	Taiwan Securities and Futures Market Development Foundation
	Practice in anti-money laundering and countering the financing of terrorism	Taiwan Securities and Futures Market Development Foundation
	Measures to prevent insider trading their latest developments in practice	Taiwan Corporate Governance Association
	Cathay Sustainable Finance and Climate Change Summit	Taiwan Stock Exchange
Ryan Kuo	Development of blockchain technologies and business models	Taiwan Securities and Futures Market Development Foundation
	Practice in anti-money laundering and countering the financing of terrorism	Taiwan Securities and Futures Market Development Foundation
Tzu-Hsien Tung	Understanding related party transactions, non-arm's length transactions, and insider trading	Taiwan Corporate Governance Association
	Interpretation of practical cases of ethical corporate management, CSR, and ESG	Taiwan Corporate Governance Association
	Corporate sustainability—environmental protection and legal compliance management	Taiwan Corporate Governance Association
	Complete implementation of enterprise digital resilience - On the urgency of ransomware attacks	Taiwan Corporate Governance Association
	Examining corporate governance through major fraud cases	Taiwan Corporate Governance Association
Hochen Tan	Development of blockchain technologies and business models	Taiwan Securities and Futures Market Development Foundation
	Practice in anti-money laundering and countering the financing of terrorism	Taiwan Securities and Futures Market Development Foundation

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

Strengthening ethical corporate management

PChome emphasizes the principles of ethical and transparent governance. The entire management team and our value chain partners are bound by standards of 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. PChome strives to increase the transparency of our corporate governance and we welcome tips and suggestions from everyone. Depending on the conditions, our investor relations, services, human resources, customer service, and procurement departments are responsible for stakeholder communication. Our website includes contact information for our spokesperson and relevant business departments, as well as a dedicated webpage for stakeholders to respond to the issues of concern among stakeholders in an appropriate manner.



Ethical Corporate Management Best Practice Principles QR code



Codes of Ethical Conduct QR code



Corporate Governance Best Practice Principles QR code



Dedicated webpage for stakeholders QR code

1.2.2 Operational performance

In 2021, consumption patterns underwent tremendous changes, and customer purchase channels shifted from physical to online spaces, driving impressive sales on PChome's e-commerce platforms. In addition, to further 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 our revenue and thereby increase our profits. PChome's overall growth has increased consecutively for the last three years, and our revenue reached a record NT\$48.579 billion in 2021, which shows that our business as a whole has received strong support from the market. Details on the financial data can be found in our Annual Report.

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

Item	2021	2020
Revenue	48,579,367	43,869,852
Operating cost	43,023,627	38,875,441
Gross profit	5,555,740	4,994,411
Operating expenses	5,314,263	4,678,123
Profit	62,245	220,874
Earnings per share	NT\$ 0.84	NT\$ 2.16
Total assets	24,430,526	16,461,729
Total liabilities	16,776,216	12,377,727
Total equity	7,654,310	4,084,002



2021 Consolidated Financial Report QR code

Tax governance

PChome upholds the principles of transparency and responsibility in tax governance and creates a tax governance culture in line with local tax regulations as well as global anti-tax avoidance efforts. 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 in an effort to enhance overall information transparency.

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 to major policy changes
- ★ All companies in the group must comply with the laws of the relevant 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 laws during related party transactions and performing activities with commercial substances
- ★ Refraining from aggressive cross-border tax planning, tax avoidance, or profit shifting

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

1.3 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 could be detrimental to a company's ability to prevent major losses and flexibly adjust business strategies. The GM 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 own risk management and response measures. To build a robust risk management system, PChome has analyzed and responded to potential events that affect our business goals and objectives, including the accuracy of financial reporting and fraud risks. Our risk management policies primarily cover the early identification and accurate measurement of risk and plans for effective risk mitigation and control to develop an appropriate risk management-oriented business model that keeps risks within an acceptable range. Based on risk assessment outcomes and existing regulations, the Auditing Office devises an Annual Audit Plan and Audit Methodology tailored to industry standards. The main goals are to control and manage the underlying risks in respect of business management, health and safety, and information security, as well as report 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 must devise relevant strategies and procedures for compliance with laws and regulations and in response to market changes. Risks shall be analyzed and monitored regularly, and appropriate responses 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 will be implemented in the online shopping, front-end web service, and back-end management systems
Economy	Information security risks	1.Reviewing and evaluating information security regulations and procedures annually to ensure their appropriateness and effectiveness 2.Organizing security-breach drills and making use of email-based social engineering techniques, in addition to cyber defense exercises, to identify and mediate system shortcomings in a timely manner 3.Organizing annual information security audits to mitigate information security risks 4.Strengthening the information security competence of employees and providing training programs to enhance their skill sets in these areas
Corporate governance	Market risks	The Legal Department evaluates the Company's regulatory compliance and the legitimacy of its decision-making processes. The Legal Department responds to changes by implementing all new regulations issued by the government
Environment	Climate risks	Incorporating climate risks into the overall risk management framework and the agenda for meetings 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

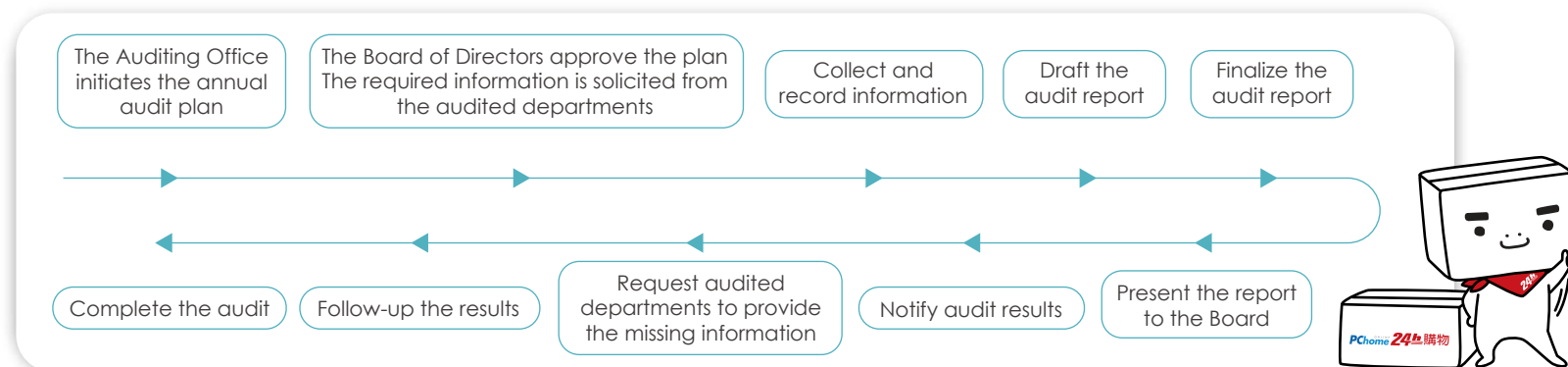
1.3.1 Internal audit and internal control

The Auditing Office is responsible for PChome's internal audits and internal control tasks and supervises and reviews these to ensure the effective operation of the internal control system. The internal audit supervisor effectively fulfills the functions of the Audit Committee and must regularly report to this body based on the Annual Audit Plan. A routine annual risk assessment exercise is conducted by the Auditing Office, and the outcome is reported to the Board. The internal audit supervisor must also submit an audit report.

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 audits and 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 2021 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.





1.3.2 Legal compliance

The Legal Department handles all affairs pertaining to PChome's legal compliance mechanisms and legal risk management. It also assists the senior management and other business departments in understanding statutory revisions and regulatory assessments while organizing and formulating relevant legal training to enhance legal compliance within the organization and execute ethical and transparent corporate governance measures. As PChome is a customer-oriented business, customer information is handled in accordance with stringent internal procedures and through multiple inspections. In 2021 there were no cases of breaches of privacy in respect of customer information or complaints of missing data.

There were no violations of labor-related laws at PChome in 2021. Other violations of social and economic regulations at PChome in 2021 are as follows: There were 20 violations of regulations and voluntary protocols related to marketing communication (including advertisements, promotions, and sponsorships), four of which resulted in fines and 16 in a warning being issued. Upon receiving notices of false advertising from the Fair Trade Commission, PChome promptly notified the vendors and corrected the product descriptions or recalled the products in question. There was one reported violation of product and service information labeling requirements in 2021, which resulted in a warning being issued. Upon receiving the notices of violations, PChome promptly notified the vendors and requested they correct the product labeling. In 2021 there were 31 reported health and safety violations concerning products and services, all of which resulted in a warning being issued, and PChome promptly notified the vendors and corrected the product descriptions or recalled the products in question. The following is an overview of the aforementioned social and economic violations.

Type of violation	Number of cases	Type of penalty	Subsequent corrective actions
Violation of regulations regarding marketing communications (including advertisements, promotions, and sponsorships)	20	<ul style="list-style-type: none"> Warning Fine (NT\$600,000) 	<ul style="list-style-type: none"> Description corrected Description removed Product recalled
Violation of regulations regarding the information labeling of products and services	1	<ul style="list-style-type: none"> Warning 	<ul style="list-style-type: none"> Description corrected Product recalled
Violation of regulations regarding the health and safety of products and services	31	<ul style="list-style-type: none"> Warning 	<ul style="list-style-type: none"> Description corrected Product recalled



About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

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 Group must undergo legal compliance training of a specified length. There were two two-hour courses held in 2021 for newcomers in each department of the Company (including the Products, Information, Business Management, and Engineering Departments and the Customer Service Center). The courses were held on March 22 and April 27 and covered the provisions of the Copyright Act and the Commodity Labeling Act. The participants were directed 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 reducing the Company's operational risks. The participants were subjected to a multiple-choice examination and evaluation.

1.3.3 Intellectual property management

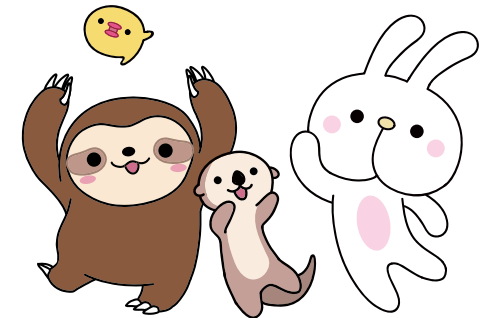
PChome officially introduced the Taiwan Intellectual Property Management System (TIPS) in late 2020 and received the TIPS verification from the Industrial Development Bureau in the Ministry of Economic Affairs on January 24, 2022. Our first application was successful, and we are the first Taiwanese e-commerce company to receive the Grade A TIPS certification. This reflects the high level of importance we attach to the quality of our intellectual property management and corporate governance. Through the establishment and enforcement of the TIPS, we expect to not only strengthen our corporate value and market competitiveness but also improve customers' trust and increase our partners' willingness to cooperate with us. This allows us to effectively achieve our business goals of creating robust business growth and reducing operational risks.

Intellectual property management and protection measures

PChome's intellectual property management strategies are primarily directed toward optimizing the intellectual property management system, creating an organizational culture that emphasizes innovation and securing patents, focusing on customer relations and sustainable operations, and protecting the confidentiality of customers' payment information. At the same time, the Company's leading position in R&D outcomes and techniques is sustained through suitable evaluation and reward schemes, in-service education, and talent development.

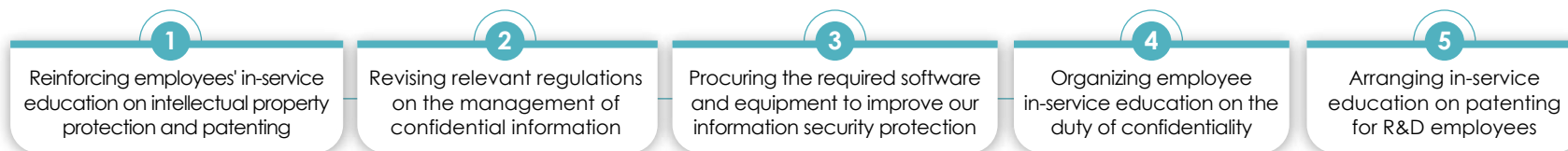


Patent management and protection measures	<p>To achieve a robust patent combination, we developed a reward scheme in accordance with our Policy on Patent Application and Rewards as a means to encourage patent applications by our employees. A patent application review and patent protection and assessment procedure were created to handle the quantity and quality of patent applications by employees.</p>
Trade secret management and protection measures	<p>Trade secret management requires the protection of specified intellectual assets but also covers a company's competitive advantages, such as technological leadership, manufacturing excellence, and customer reliability. PChome has developed a rigorous and thorough system of confidentiality classification for physical and electronic documents to ensure comprehensive and effective trade secret management. Based on the definition of categories, management principles, user specifications, labeling, duplication, storage, external transmission, and destruction, all documents are comprehensively managed, recorded, and integrated alongside the trade secrets and confidential information comprising the Company's competitive advantage. Relevant in-service education programs are also held for employees, along with communication and promotional strategies and internal audits.</p>



Intellectual property risks and responsive measures

With the goals of enhancing our employees' knowledge of intellectual property management, protecting the information and documents provided by customers, achieving continuous improvement of our intellectual property management system, and creating an organizational culture that stresses innovation, PChome has adopted the following internal strategies.

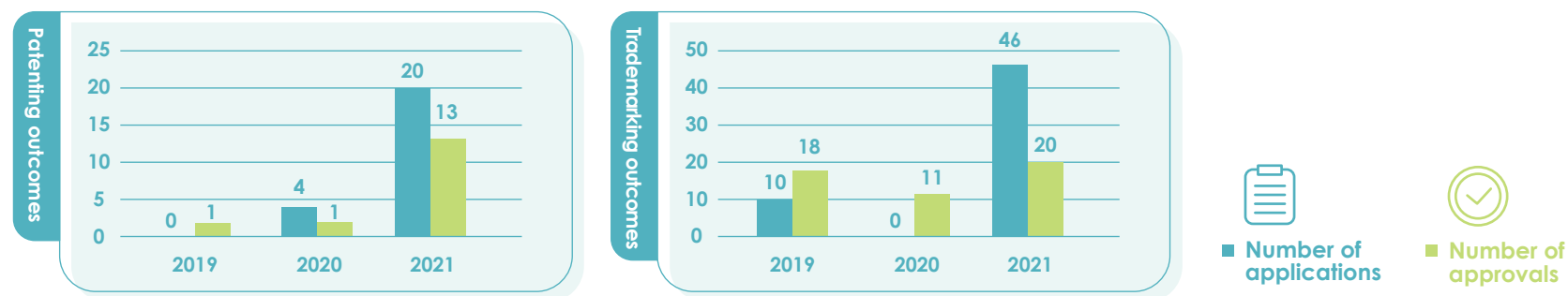


Intellectual property management outcomes

Since 2020, PChome has enthusiastically implemented an intellectual property management program that includes the following measures:

2020	Consolidating the Company's intellectual property management system program	2021	Planning in-service education and training programs for R&D employees
2021	Constructing the intellectual property management system and other relevant systems	2021	Newcomers are required to undergo a one-hour introductory program on intellectual property management to enhance their awareness and understanding of the need to protect the Company's intellectual property

As of late 2021, PChome has secured a total of 44 patents and 578 trademarks. Our achievements over the past three years are as follows.



In-service training programs on intellectual property and patents

Course title	Recipients
Annual in-service training program on intellectual property rights	All employees
In-service training program on patenting and patent application	Technical department employees
Introductory program on intellectual property management	Newcomers
Training programs based on TIPS standards	Employees affiliated with the introduction of TIPS

- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

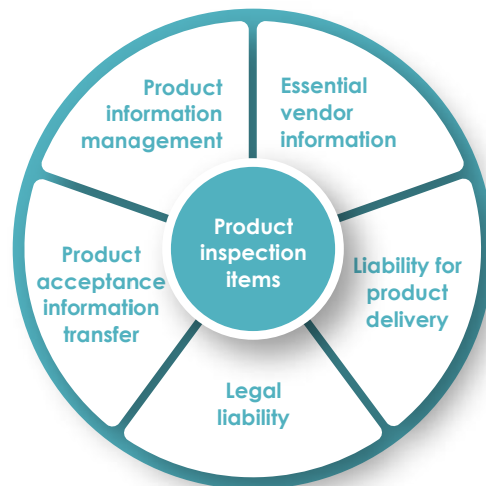
1.4 Business partnership

Over the last 20 years, PChome has upheld our principle of providing top-notch products and services that meet relevant regulations and the demands of the market while creating heartwarming shopping experiences. By adopting various procedures, we guarantee the quality of all products and customers inside the One PChome ecosystem, who will, 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 member 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, we have established an internal management code and procedure. Our supplier management framework consists of the following seven key elements.

1.Regular factory visits	Inspections are regularly scheduled to inspect the safety measures of suppliers and check whether the quality of their products is in line with the Company's product inspection requirements and quality guidelines
2.Protecting intellectual property rights	Suppliers must comply with intellectual property regulations and ensure that their information and documentation are legally compliant
3.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. The supplier's license shall be listed alongside the product
4.Food labeling enforcement	In line with the Act Governing Food Safety and Sanitation and the Enforcement Rules of the Act Governing Food Safety and Sanitation, all suppliers of food products are required to clearly label their products with relevant information and must pass our review before the products are sold online
5.Prohibiting unjust enrichment	A salesperson and a supplier must not directly or indirectly provide and accept bribes, commissions, rebates, kickbacks, other gifts, or unjust enrichment
6.Duty of confidentiality	Suppliers 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 and from siphoning data to third parties
7.Product liability insurance	All products should have product liability coverage based on their properties to guarantee the rights of consumers



Multiple measures to ensure good product quality

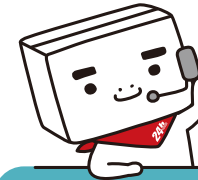
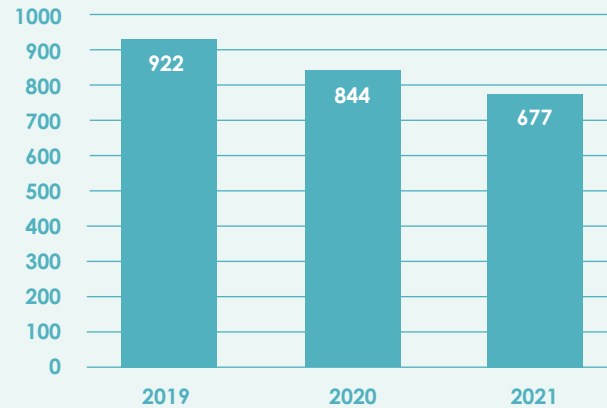
PChome ensures that every product delivered to our consumers is held to the highest standards. In addition to signing cooperative agreements with suppliers, our first line of defense for ensuring good product quality for our customers is to offer legal protections. Such measures include comprehensive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

- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

Supplier evaluation and appraisal mechanisms

To ensure it meets its own quality standards, PChome provides written evaluations on each supplier and performs onsite evaluations as necessary. We regularly check suppliers' operations by various methods (e.g., phone and email). We consider suppliers to be important stakeholders and maintain close contact with them within the supply chain. In addition, PChome aspires to achieve corporate sustainability through supplier collaboration. We have also developed a self-reporting supplier sustainability questionnaire that covers the environment, society, and corporate governance. The results serve as a basis in the future for choosing top-performing suppliers and ensuring suppliers cooperate with PChome in the long run.

Number of suppliers evaluated in written



Self-reported supplier sustainability questionnaire

Environment

- Energy efficiency
- Carbon reduction
- Environmentally friendly

Society

- Human rights
- Labor rights
- Occupational safety and health

Corporate governance

- Stakeholder communication methods
- Code of conduct
- Information security
- Corporate sustainability disclosure

PChome awards excellent suppliers



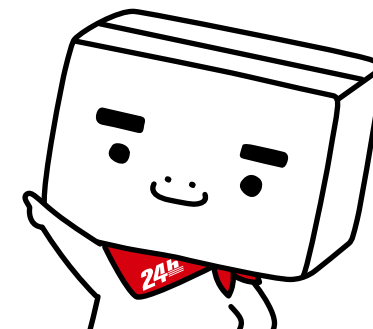
Plans for enhancing supply chain management

To enhance long-term cooperation and trustworthy relations within our supply chain, PChome in 2021 introduced a cooperating vendor evaluation scheme in which such elements as the product information, sales, import/export status, operating capacity, and level of legal compliance are evaluated to manage the supply chain risks and publicly recognize top-performing suppliers. In addition, PChome plans to publicly award vendors for their excellent performance in these areas every year. We expect that this mechanism will propel our value chain partners and us toward sustainable operations and maximize the value for stakeholders.

Ch.2 An Innovative Partner in Retailing

2.1 Marketing high-quality products / 2.2 Stress-free shopping experience

2.3 Reliable information security and protection



- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1 A Sincere Partner in Governance
- **Ch.2 An Innovative Partner in Retailing**
- Ch.3 A Green Partner for the Environment
- Ch.4 A Reliable Partner in the Workplace
- Ch.5 A Caring Partner in Society
- Appendix

Sustainable development goals



Important stakeholders

Employees, Suppliers,
Shareholders/Investors,
Government organizations,
Communities/NGOs,
Media



Sustainability highlights

PChome 24h Shopping achieves membership of **1,300 million**



Promoting the **Buying Power Store** in collaboration with the Small and Medium Enterprise Administration, Ministry of Economic Affairs



Establishing an **information security task force** that is in charge of preventing information security breaches and for the audit, governance, and crisis management of matters of information security



Creating the **ONE PChome** ecosystem that centers on the Pi Wallet



Establishing a **Voice of Customer (VOC)** committee to enhance our customer service system



Promoting various information security measures and striving to maintain a record of **zero** information security incidents



PChome Online Inc. is committed to providing reliable and comprehensive e-commerce, FinTech, and web portal services to ensure that every customer has a positive shopping experience

2.1 Marketing high-quality products

2.1.1 Brand strategies and planning

PChome continues to strengthen our current brands while tapping into new self-owned brands. Together with the MOEA, we have launched the Buying Power Store to bolster the digital transformation of social innovation brands while consolidating our organizational resources to construct the ONE PChome ecosystem that meets a range of customer demands. In addition to the ten-million member accounts registered with PChome having direct access, 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. We have also expanded our services to include general payments, public transportation, and PPoint rebates, thus creating a PPoint ecosystem that spans physical networks and e-commerce operators.

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 group with the highest number of products in stock. We are also the first e-commerce platform to provide a 24-hour product delivery service throughout Taiwan and a 6-hour delivery service in Taipei City (this is currently on a trial basis). In so doing, we provide highly convenient and real-time 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 Taiwan's most popular and influential e-commerce platform. There are currently more than 2 million products in stock, ranging from USBs, cellphones, and daily necessities, to refrigerators, large-size TVs, and washing machines. All of these can be delivered within 24 hours anywhere in Taiwan once an order is placed, thus providing an accurate and quick online shopping experience. We further launched a 6-hour delivery service in Taipei City in December 2013, which is currently operating on a trial basis. Deliveries are available over weekends and holidays to meet consumer demand for prompt delivery.



PChome Online Inc. officially entered the field of e-commerce in 2000 with the establishment of 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 the vendor for shipping. This process that consolidates supplier development and management, product information management, payment and logistics, and customer series not only significantly reduces the sales hierarchies of consumers and suppliers but also lowers our overall operating costs and product prices as well as presenting consumers with a convenient shopping experience achieved through efficient processes.



PChome Online Inc. launched PChome Global in July 2010, in which products can be delivered from Taiwan to overseas. We build connections in different markets in the global trade through the internet to serve almost 8 billion worldwide consumers 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 convenient and borderless shopping experiences. The warehouse management system at our self-operated central warehouse facility enables consumers to shop online effortlessly, and orders are delivered to 104 countries and regions around the world as soon as possible. PChome Global currently supports traditional Chinese, simplified Chinese, and English, and accepts various payment methods such as credit cards and Paypal, thus providing a wide array of services to consumers around the world.

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1 A Sincere Partner in Governance

Ch.2 An Innovative Partner in Retailing

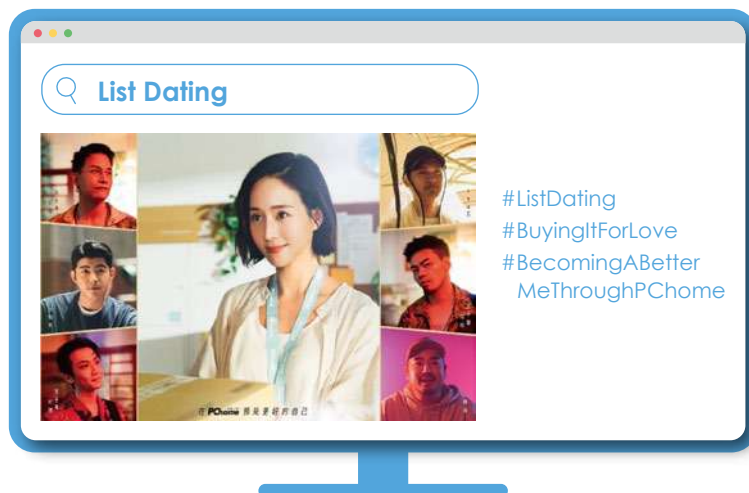
Ch.3 A Green Partner for the Environment

Ch.4 A Reliable Partner in the Workplace

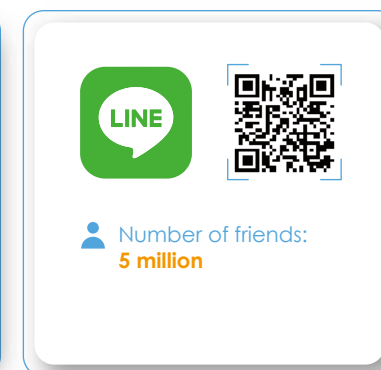
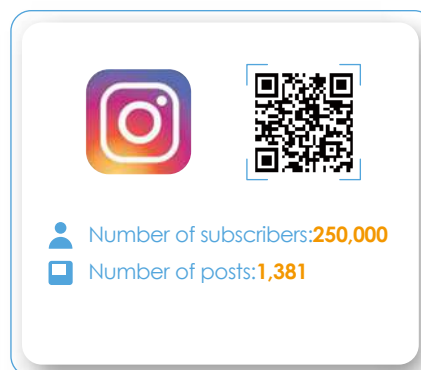
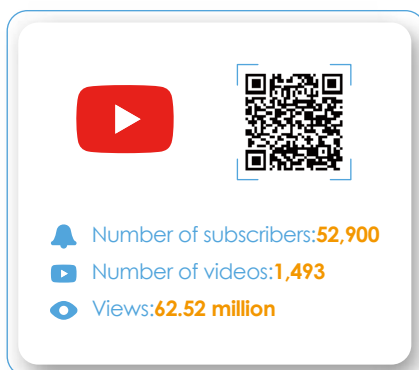
Ch.5 A Caring Partner in Society

Appendix

Thanks to our marketing strategies across all age groups, PChome 24h Shopping reached 1,300 million members in 2021. Based on user growth statistics, the year-over-year (YoY) growth in active app users was 23% in 2021 as compared to growth in site-wide active users of 9%. The YoY growth in app downloads was 34%. Since most of PChome 24h Shopping's users shop using their preferred mobile device, we actively manage our social media, such as Facebook fan pages, Instagram, LINE, and YouTube channels, to increase customer interaction and provide them with the latest shopping information. Customers can provide immediate feedback through social media and help us optimize the shopping processes and consumption experience. We also continuously monitor the latest topics and trends on the market and recommend new top-selling products to customers based on their demands. We are also committed to leveraging our social influence by consolidating regular promotions and anniversary promotions, as well as collaborating with iGoods and the Taipei Xiahai City God Temple. These efforts allow us to join with our customers to give back to society through charitable events.



Statistics of PChome 24h Shopping social media accounts



Note: Data correct as of June 30, 2022

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

In addition to our online shopping business, PChome Online Inc. has launched a variety of distinct self-owned brands. For example, PChomeX Crème de la Crème Deals celebrated its first anniversary in 2021. In collaboration with different professionals and brands, we offer a PChome-exclusive product-selection service, allowing all customers to enjoy the satisfaction of high-level products from the comfort of their homes.

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

Chairman Hung-Tze Jan has always ensured that PChome is capable of fulfilling its e-commerce responsibilities, delivering a high-quality shopping experience to customers, and meeting public demands for a better quality of life. PChome's self-grown brand PChomeX has been committed to reducing the experiential distance between customers and high-quality products in the past year. In 2021, PChomeX not only continued its efforts to create product value based on "empowerment" and "recreation," it has overcome previous operational barriers and expanded its sales channels to more than 5,000 physical locations such as convenience stores, supermarkets, and hypermarkets, thus expanding its sales outlets and opening a wider range of offline and online development possibilities. PChomeX expects its team members to dedicate themselves to offering a wide array of products that cover basic needs such as food, clothing, shelter, transportation, education, and entertainment. We commit ourselves to provide 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. We have established the core belief that quality is better than quantity. Our food products have received third-party verification from national testing agencies and the FDA and are therefore guaranteed to be of the highest quality.

Add Some Uniqueness Anytime at Home

A simple phrase like "Add Some Uniqueness Anytime at Home" reflects PChome X's first key business strategy. PChome X is committed to both helping consumers meet the physiological demands of the five main internal organs (heart, liver, spleen, lungs, and kidneys) from home at any time and to enhancing their mental comfort and adding a touch of uniqueness to their lifestyle.

People nowadays lead a fast-paced life and find it difficult to focus on the quality of their diet at all times. To this end, we have carefully selected a range of products to help consumers add a little uniqueness to their diet at any time.

Taiwan was impacted by the pandemic in 2021, which drastically changed the dining habits and culture of consumers. In the past, many people purchased food through physical outlets and then gradually shifted to online stores. In addition to expanding our range of ready-to-eat foods, PChomeX assists many F&B brands in engaging in the transition to home-based retail. We plan to introduce a wider array of home living products and cooperate with various partners to develop diverse products and achieve market segmentation. For instance, we cooperated with Mazendo's dumplings and steamed meat buns, Tao Chicken, Star Chefs' Beef Noodles, Coopers Beer, and other local delicacies to provide consumers with additional dining options during the pandemic.



Mazendo



Tao Chicken



Star Chefs' Beef Noodles



Coopers Beer



baan



PChome
X Crème de la Crème Deals

Portal site **PChome** ONLINE

PChome Online Inc. also integrates a wide array of web services ranging from news platforms, stock market reports, email, Kaza personal blogs, news, tour groups, car sales, photo albums, and search engines, thus expanding its membership numbers and traffic flow. The portal also provides online advertising services, including display ads and broadcast networks. To date, PChome Online has more than 20 million registered members. With the increasing influence of the internet, we continue to enhance the functions of each channel in the PChome Online Portal to ensure excellent web services and positive online experiences.

2.1.2 Responsible and sustainable shopping

PChome intends to supply the most reliable products to our customers every day. In terms of product options, we ensure that consumers can purchase the products that they desire, which is why we have consolidated products from major global brands into our brand flagship store on PChome 24h Shopping. Furthermore, we guarantee the authenticity of our products as they are directly supplied from the manufacturer to the consumer. In light of the growing concern for the environment among consumers, we emphasize the importance of environmental protection through action by actively developing eco-friendly and energy-efficient products. We have also launched a series of Earth Day-themed activities on March 26 and provide a wide range of eco-friendly options to our consumers.

Brand flagship store

The increasing number of buying channels and the overabundance of online platform information have made it difficult for consumers to distinguish the authenticity of branded products sold online. To eliminate the difficulties encountered by consumers when shopping online, PChome 24h Shopping sells original and manufacturer-authorized products at our brand flagship store. In this way, customers 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 creates a safe and convenient shopping environment for consumers.

Buying Power store



When Taiwan was under a Level 3 alert for two months during the pandemic, PChome assisted many SMEs in engaging in digital transformation to overcome the impacts and challenges of the pandemic. In line with the concept launched by the Small and Medium Enterprise Administration in the Ministry of Economic Affairs, we joined hands with the administration to launch the Buying Power store that shares platform resources such as marketing, cash flows, and logistics. This measure assists social entrepreneurs in undergoing digital transformation while identifying environmentally- and socially-friendly high-quality products. To date, there are 530 items across 24 brands sold at the Buying Power store. This figure is also constantly increasing so that merchants can continue with their production and consumers can continue shopping. Additionally, we donated 17% of the first-month revenue from the Buying Power store to the Taiwan Fund for Children and Families to ensure sustainable operations and express our concern for underprivileged children. PChome expects to convey the responsible production concept of the Buying Power store, thus allowing consumers to enjoy responsible shopping experiences while also creating a harmonious ecosystem and cycle.

Green product options

In light of the growing concern for the environment among consumers, green living concepts have been incorporated into the market. 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 include Electrolux, the first European electrical company to produce a full range of eco-friendly appliances, O'right, a homegrown brand that exclusively utilizes recycled 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. We dedicate ourselves to offering these diverse green products to our consumers to allow them to realize that shopping and living with us can be green and eco-friendly.

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1 A Sincere Partner in Governance

Ch.2 An Innovative Partner in Retailing

Ch.3 A Green Partner for the Environment

Ch.4 A Reliable Partner in the Workplace

Ch.5 A Caring Partner in Society

Appendix

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 include Astonish, Eco-Me, and ANDALOU.

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 in the design stage.

Cradle to Cradle-certified brands available on PChome Shopping include method and ecover.

PChome GreenPoint System

In recent years, much attention has been focused on the stability of Taiwan's power supply and energy transition. Water scarcity and power shortages exacerbated by climate change have had a considerable impact on our lives, which is why PChome emphasizes the green features of a product, such as the availability of energy-efficient, eco-friendly, FSC, and water-efficiency labels. We can effectively reduce the environmental impact of human activity by offering green-labeled products to consumers. In addition to being the first major Taiwanese e-commerce platform to obtain the Carbon Footprint Label from the EPA, PChome 24h Shopping has also collaborated with the EPA's GreenPoint scheme in 2021. Consumers have to first register as a GreenPoint member and then link their PChome 24h Shopping account. They then earn 500 GreenPoints for every order they place subsequently, which can be accumulated and redeemed in subsequent purchases. We expect that this measure not only promotes awareness toward the Carbon Footprint Label but also attract consumers to participate in point redemption activities in a fun way and incorporate green lifestyles and consumption into their daily life.



Effortless Recycling, Turning Old Electronics into Gold—Recycling Old Smartphones

As we enjoy the benefits and convenience of smartphones, we tend to overlook the recycling problems resulting from the product's life cycle. In addition to selling smartphones on PChome, we 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 encourage 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 fulfilling a circular economy model. 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. We have also formulated comprehensive and well-defined recycling procedures. Upon completing the assessment and application steps, all consumers need to do next is stay home and wait for a PChome delivery person to collect the old phones. We then keep the customer updated online about the notification, verification, and issuance of cash returns. The recycling process is in line with the iMT Online Trade-in Standards (ITS).

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

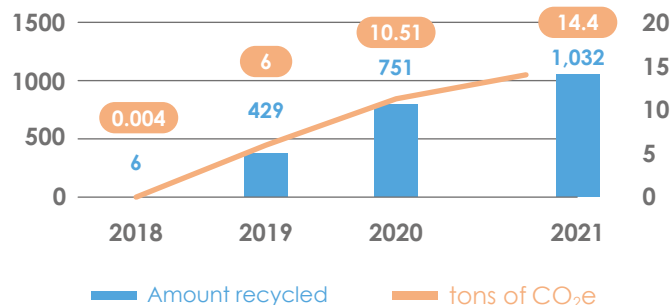
Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

The number of old smartphones recycled and carbon emissions reduced



Note: The smartphone recycling webpage was launched in December 2018

Process of recycling old smartphones

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

Smartphone recycling web page



Recycle your old smartphone



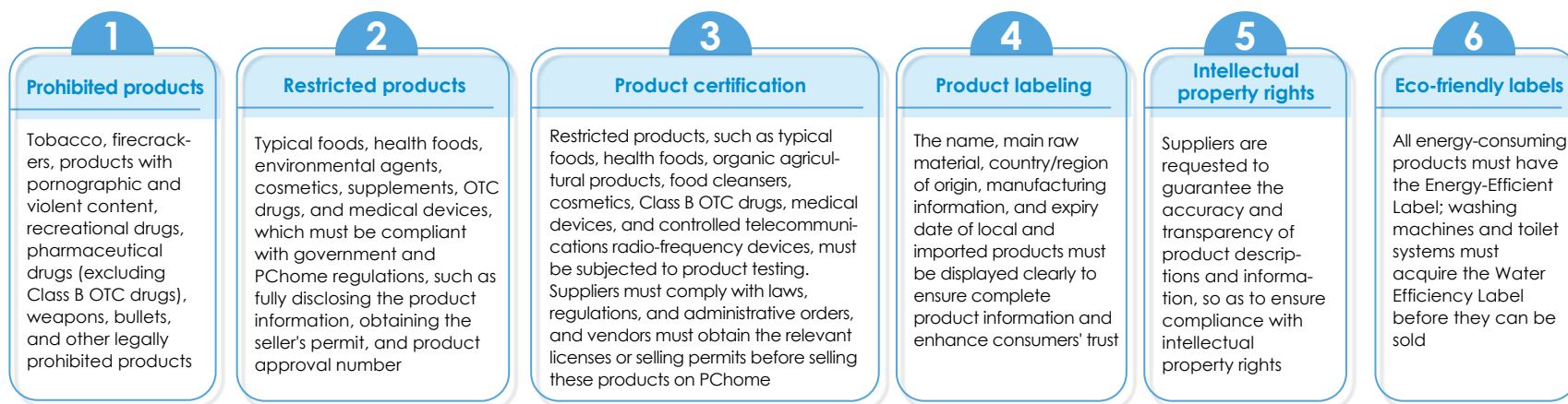
For the benefit of our planet and to achieve resource sustainability

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 to ensure that every product is safe to consumers. During our business engagements with manufacturers, we first investigate whether a manufacturer's products comply with relevant laws, request manufacturers to complete all necessary information before a product is listed, and inform them that their promotional activities and prices must comply with those regulated by us. Afterwards, inbound stocks must comply with relevant regulations before being stored in our warehouses. Once within our warehouses, our auditors regularly inspect products to ensure that the quality and external appearance meet the required standards. These protection measures ensure that our consumers continue to receive reliable and credible products.

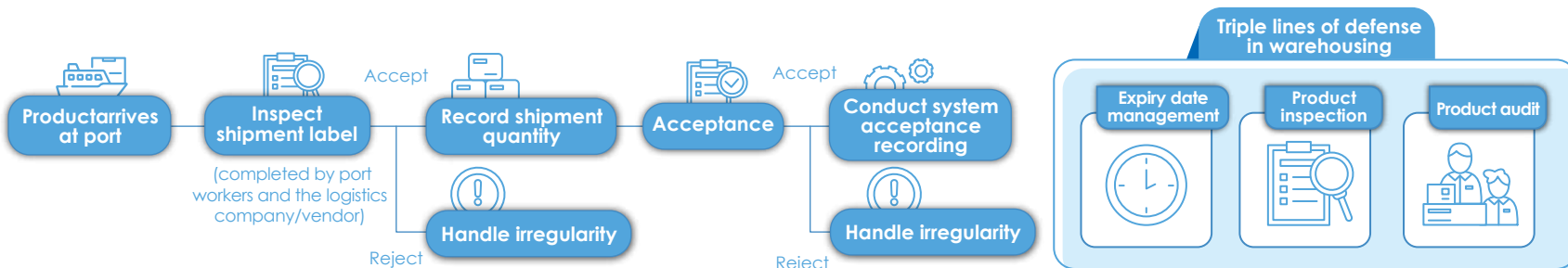
Product review

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 different products and require businesses to comply with these guidelines when reviewing products.



Warehouse processes and management

PChome has standardized the product warehousing procedure. Inbound products arriving at our warehouses are subject to various product inspection procedures to ensure that the products safely enter storage. In terms of warehouse control, we have established three lines of defense for quality assurance, including post-storage validity period management, quality spot checks, and audits, so as to ensure that the stored products have not expired or spoiled.



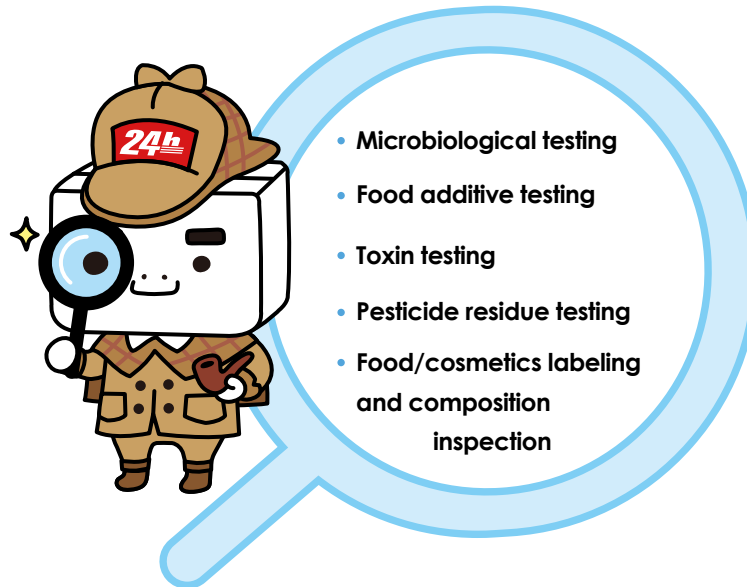
- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

Validity period management

PChome has devised different permitted storage periods and withdrawal periods for products with different validities, as well as systematic monitoring and control of product condition. Our warehouse employees reinspect the quality of a product before shipping it to the consumer.

Product testing

Upon signing a purchase contract, PChome requests that suppliers provide proof of product inspection. To guarantee product quality and safety, PChome also cooperates with Intertek, the FDA, and other third-party certification and verification agencies to test for aerobic plate counts, E. coli, food additives, toxin levels, heavy metals, and pesticide residues, as well as inspections of food and cosmetics labeling, and prescription reviews of our self-owned products.



Notification received from consumer/competent

authority
Precautionary recall

Request supplier to provide the relevant certifications and proofs

Accept

Resume sales of product

Reject

Recall product

Inventory audit

PChome has a warehouse audit task force whose members perform daily audits on products stored in specific places. The audit includes 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 are 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 recall: A product is recalled as a precautionary measure when it is subject to overwhelming customer concerns or media reports or upon notification from the competent authority and other law-related bodies. To safeguard the rights and interests of consumers, PChome will actively remove the product in question as a precautionary measure while informing the vendor. Our employees will handle the issue promptly with the supplier through appropriate reporting or documentation measures, and request that the supplier provide the relevant certifications and documentary proofs for display on the webpage of the product. If the vendor is unable to produce these supporting documents or provide a reasonable explanation, meaning that the product fails to meet relevant requirements, then the product will be recalled as a whole or in part.

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

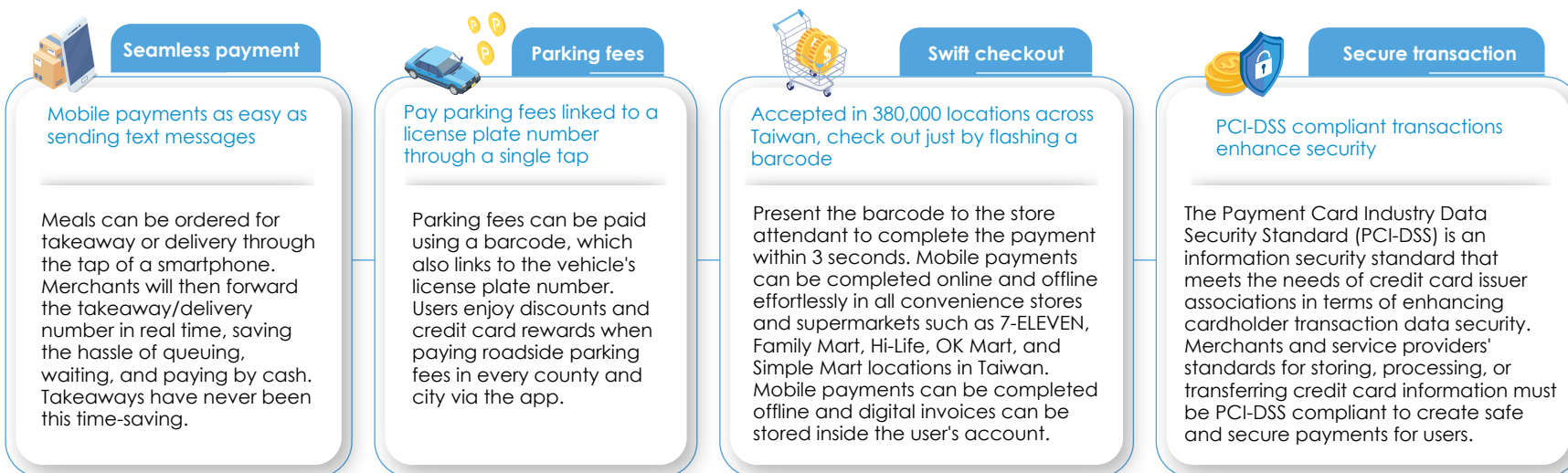
Ch.5
A Caring Partner in Society

Appendix

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 and combining various kinds of services, as well as engaging in cross-domain integration. As a means of introducing mobile payments for our consumers, the Pi Wallet serves as a basis for creating the PPoint ecosystem, which combines physical outlets and e-commerce. To date, Pi Wallet is accepted in 380,000 locations across Taiwan, allowing use of the Pi Wallet for various services, enjoying quick web finance services, and experiencing more convenient mobile services. We have successfully built a PPoint ecosystem that covers the basic human requirements for food, clothing, shelter, transportation, education, and entertainment. To reassure users of the safety of the Pi Wallet, we continuously focus on developing more convenient and secure payment services that allow consumers to complete various transactions through mobile apps. We currently provide individual and company transactions. Consumers can begin 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).



In recent years, PChome joined hands with E.SUN Bank, Citibank, and Rakuten Bank to launch the PChome Prime credit card and E.SUN Pi Wallet credit card. The card also doubles as an EasyCard. 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 and redeemed through credit card payments can be used across 380,000 locations including convenience stores, department stores, hypermarkets, online shopping, gas stations, public transportation, utility bills, parking fees, and insurance. Since various credit card demands are met through a single tap, the Pi Wallet app is indeed a consumer's best friend.

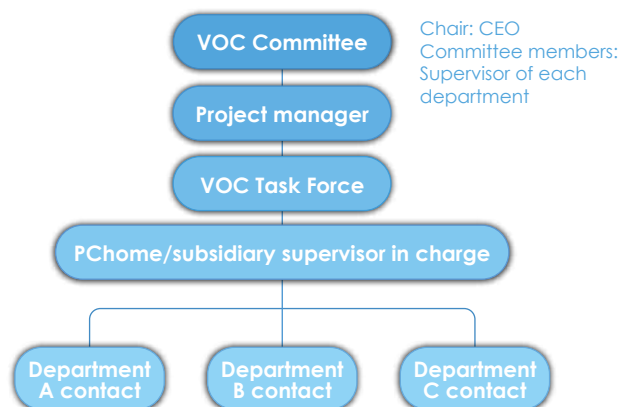


- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1 A Sincere Partner in Governance
- Ch.2 An Innovative Partner in Retailing
- Ch.3 A Green Partner for the Environment
- Ch.4 A Reliable Partner in the Workplace
- Ch.5 A Caring Partner in Society
- Appendix

2.2.2 Attentive customer service

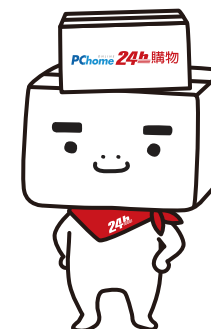
At PChome, we have always insisted on providing the highest level of service to every customer, and customer feedback is the driving force behind our continuous self-improvement. In October 2021, PChome was awarded the Best Popular Brand Award at the 2021 National Brand Yushan Awards, the only e-commerce platform to achieve this feat. It is a testament to our excellent brand management and customer service, which are recognized and trusted by industry, academia, governments, and consumers. To enhance our customer service system, we established a Voice of Customer (VOC) committee in 2021. The VOC committee is chaired by the GM, and the supervisors of all departments serve as committee members. We expect to construct a concise top-down responsibility delineation structure through two stages. In the first stage, the relevant regulations and project proposal and review procedures will be established alongside the manual collection of external customers' feedback. In the second stage, a proposal review system will be introduced in various departments alongside the adoption of a proposal/acceptance reward system, as well as delineating the internal key performance indicators (KPIs) to ensure efficient project implementation.

VOC committee structure



Role	Competent unit /person	Scope of duties
Project manager	Supervisor of the PChome Customer Service Department	<ul style="list-style-type: none"> Project planning and advocacy
VOC Task Force	Project Section	<ul style="list-style-type: none"> Follow-up project implementation and outcomes Cross-department communication, coordination, and problem solving
PChome/subsidiary supervisor in charge	Department supervisor	<ul style="list-style-type: none"> Project implementation within the department Member of the VOC Committee Regularly attend VOC meetings to understand their implementation reports
Department contact person	Role assigned by the department supervisor	<ul style="list-style-type: none"> Project department proposals for management Propose project review Contact for cross-assessment

VOC proposal review process



2022 goals

- In 2022, every Customer Service Center employee is expected to complete a daily target of 3 cases and attain an achievement rate of 85% or above. These goals shall be gradually extended to every PChome department and subsidiary

We offer efficient customer communication channels to ensure that customers receive real-time responses and assistance to any issues ranging from product inquiry, order tracking, 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 check whether they have received a reply from us.



Per company regulations, any written customer feedback received by PChome's Customer Service Center must be addressed within two working days, and all customer feedback is handled by a customer service representative until the entire case is fully rectified. Our customer complaint handling process is heartfelt, and we continue optimizing the customer service experience. In the future, we plan to implement customer service satisfaction surveys, and items such as the following are included: 1. Response efficiency satisfaction. 2. Problem rectification satisfaction. 3. Service attitude satisfaction. The survey is expected to help us understand more about customer demands and provide a more accurate approach to continued service improvement.

2.2.3 Professional customer service representative training programs

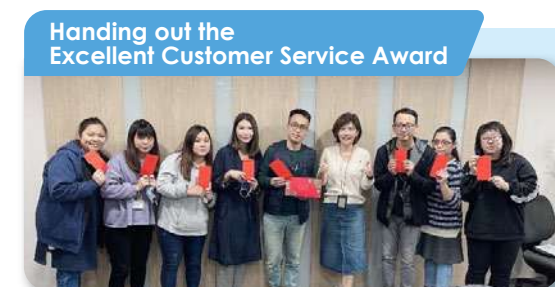
PChome's exceptional customer service is rooted in the efforts and professionalism of our customer service representatives. To improve their professionalism, every new customer service representative is required to undergo a five-week professional training course and a simulation training program. These rigorous programs allow each newcomer to boost their self-confidence and independence in providing exceptional customer service. Additionally, we organize regular internal and external training sessions to continuously improve professional competence. For example, in 2021, we organized training activities and programs such as customer service team building, negotiation skills, and telephone communication skills.

Customer service training					
2021	Employee type	Management		Non-management	
		Female	Male	Female	Male
	Total length of in-service training (hours)	91	173	4,949.5	1,804.5



Note: Management is defined as employees who hold a managerial position or above.

Per PChome's internal quality audit procedures, all customer service representatives are required to undergo an annual evaluation on relevant indicators used in quality auditing. Every representative is graded from A+ to C based on their performance. Furthermore, to encourage the representatives to continue providing the best customer service, the Customer Service Center also organizes a regular awards ceremony in recognition of exceptional employees; 21 excellent customer service representatives were recognized in 2021, and one received the Best New Customer Service Award.



Heartwarming customer feedback

Feedback 1

I finally felt at ease after receiving the reply from PChome's customer service. It assured me that my purchases from PChome are secured and guaranteed. I express my gratitude to the customer service representative for their utmost dedication and commitment to maintaining PChome's reputation. There is no doubt that I will continue shopping with PChome in the future.

Feedback 2

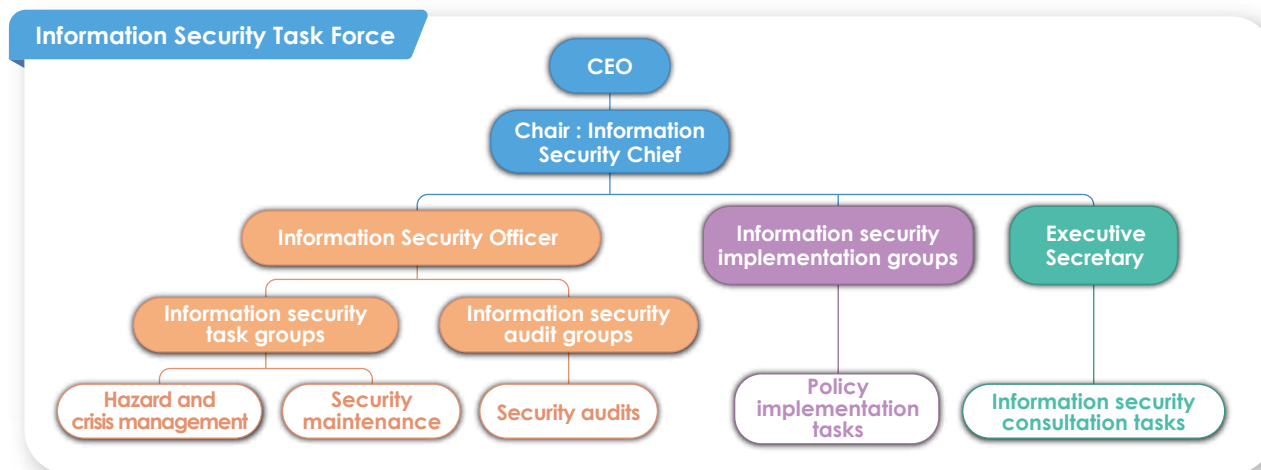
I sincerely thank PChome's customer service representative for reassuring consumer rights and interests. Having purchased from PChome for 18 years, the most touching and respectable feature of PChome is its persistent prominence as an altruistic entity in the Taiwanese consumer market. PChome has definitely achieved corporate social responsibility.

2.3 Reliable information security and protection

PChome is committed to providing secure and robust online shopping environments to customers through continuous system optimization and improved user friendliness. In addition to protecting consumption information relating to our customers, we also regard individual privacy highly as a fundamental assurance. As consumer demands continue to rise, we shall improve our internal structure, risk assessment, and system upgrades to create a more resilient and enhanced information system.

2.3.1 Information security governance structure

In 2018, PChome created the Information Security Department to coordinate the formulation, implementation, risk assessment, control, and compliance auditing of the Company's information security and protection policies. To implement the information security strategies devised by the Information Security Department and to ensure internal compliance with information security-related practices, processes, and regulations, we established an information security task force in 2021 to take charge of the prevention, audit, governance, and crisis management of information security-related affairs. The GM assigns an information security executive to serve as the task force convener. Members are responsible for the protection, audit, governance, and crisis management of information security-related affairs. Additionally, the senior-level managers from all business units form an information security implementation task force to carry out policy implementation tasks. At PChome, an information security general meeting is held every season to review and decide the relevant solutions and policies on information security and information protection, and to ensure the effectiveness of our management measures. To strengthen our information security protection and achieve a systematized set of norms, in December 2021 we formulated 12 major information security policies based on the ISO27001 international standard. Policy integrity, applicability, and legitimacy are reviewed on a regular basis every year so as to further ensure that policies progress with the times, meet practical demands, and guarantee safe and secure customer transactions.



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.



2.3.2 Information security management

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 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 following strategies for active identification and rectification of any potential information security risks:

Methods for identifying potential information security risks

1. Implementing an internal audit and internal control inspection of the information systems on a regular basis every quarter
2. Using automated tools and procedures to identify the potential risks in information systems every quarter
3. Reviewing and evaluating information security-related regulations and procedures annually, so as to ensure their appropriateness and effectiveness
4. Organizing annual information security audits to mitigate information security risks
5. Performing cyber defense exercises on our business information systems from time to time

Methods for resolving the identified potential information security risks

1. Inspecting the status of internal audit and internal control management risks through information security audits, so as to ensure the effectiveness of information security policy implementation
2. Inspecting the outcomes of the cyber defense exercises performed on our business information systems and identifying unknown vulnerabilities and inappropriate settings, so as to prevent hacker attacks and unlawful use
3. Performing in-depth investigations on abnormalities in outsourcing contracts to ensure that vendors fulfill their information security non-disclosure obligations

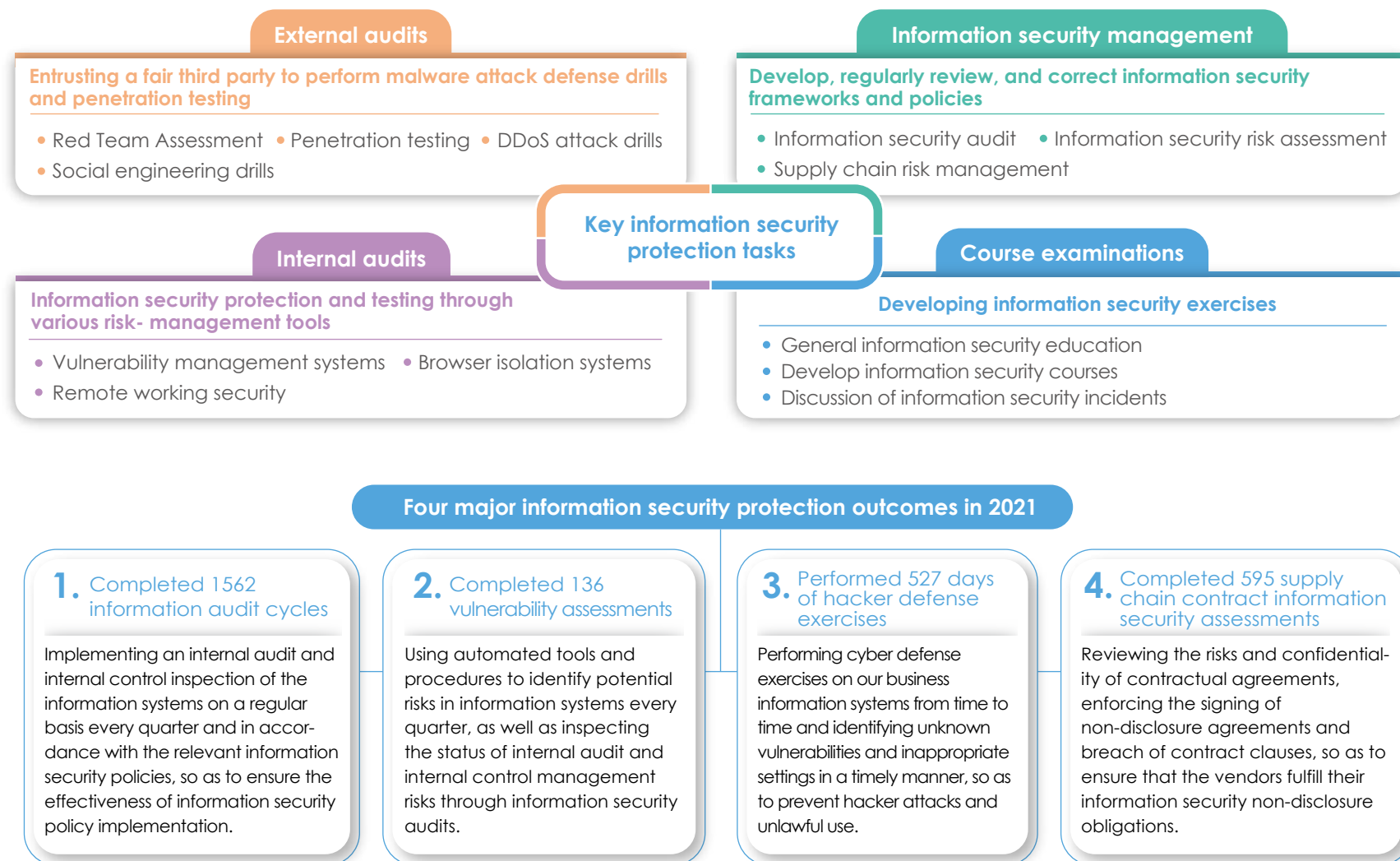
With regard to the process of reporting and handling information security incidents, PChome has devised an incident and emergency reporting procedure that systematically consolidates reporting, interpretation and analysis, treatment, review, and improvement procedures. This ensures that information security incidents are resolved quickly and appropriately and that similar incidents can be prevented in the future. PChome did not experience any incidents of data breach, data loss, or missing customer data in 2021. We shall continue to implement our internal information security strategies to safeguard company information and customer rights and interest.

PChome's information security incident and emergency reporting procedure



2.3.3 Information security measures

PChome developed four information security-related aspects in 2021: 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. In light of the rising frequency of information security incidents at home and abroad, as well as the uniqueness of the e-commerce industry, we drastically improved the frequency and intensity of information system testing in 2021. Information security defense drills are performed frequently to systematically enhance employee awareness and vigilance toward information security and prevent the occurrence of information security risks. Going forward, we shall continue our efforts in implementing various information security tasks, analyze information security incidents from abroad, assess our information security defense capabilities, and incorporate cloud security and ransomware defense strategies as key task objectives



2.3.4 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 detailing information security events and news relevant to each department so as to remind them of precautionary measures and defense methods. In 2021, we also organized external training programs for employees to ensure they are updated with the latest information security-related trends and knowledge.

PChome's Information Security Classroom

Common signs of suspicious social engineering



1
An abnormal message is sent from a friend whom you have not communicated with for a while



2
The message induces fear, anxiety, and nervousness



3
The message is abnormally urgent and demanding



4
You are informed that you have won a large sum of cash or a big prize



5
Unmentioned technical demands at work have been met



6
You are unable to determine the authenticity of the message sender



2021 statistics on employee information security training

Employee type	Number of trainees	Total Training Hours
New employees	751	239
Current full-time employees	861	430.5
IT personnel	216	324

Note: Management is defined as employees who hold a managerial position or above.

Three major outcomes of information security training in 2021



216 IT personnel passed an advanced development security course and examination

IT employees underwent an information security training program that covered hacker attacks, secure development and programming, and network system security reinforcement and protection. They immediately underwent an evaluation after completing the course. 216 employees participated in the program, for a total length of 324 hours.



861 employees completed an in-service training program on information security awareness

All employees whose tasks involve computer operations underwent an online training program on information security awareness. The program covered safe computer use, personal data protection, and common internet traps. They immediately underwent an evaluation after completing the course. 861 employees participated in the program, for a total length of 430.5 hours.



751 newcomers completed a training program on information security and personal data protection

All newcomers were required to complete a training program on information security and personal data protection. 715 newcomers participated in the program, for a total length of 239 hours.

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

2.3.5 Customer data protection

To protect consumer privacy, PChome protects customer data in accordance with our Terms of Service and Privacy Statement. The Privacy Statement and the disclosures therein are applicable only to the websites and mobile applications owned and operated by PChome. PChome will not provide information sufficient to identify a user to any third party (either onshore or offshore), or use the data for any purpose other than the purpose for which it is collected, unless the Company gives prior explanation, or as necessary for the purpose of completing provision of services, or fulfilling contractual obligations, or in accordance with the relevant laws and regulations or as ordered or requested by a competent authority. To this end, no members were involved in the following company activities in 2021: marketing, consumer/customer management and service, providing online shopping and other e-commerce services, protecting the rights and interests of the parties and stakeholders, providing after-sales services, handling reward activities, and engaging in other registered services or services specified in the Articles of Incorporation. Additionally, for the purpose of implementing e-commerce-related business, PChome may collect behavioral customer data and personally identifiable information (PII) based on user registration details and purchase history. We conditionally assess the commercial behaviors conducive to promoting our business activities while complying with information security regulations. In addition, PChome has defined the relevant regulations for each stage in the information life cycle. For more details, please refer to the PChome Online Inc. Terms of Service and Privacy Statement.

Information stage	Description
1. Data collection	<p>PChome collects the personal data of customers through the following methods:</p> <ol style="list-style-type: none"> 1. When the customer registers as a member 2. When the customer uses the services provided on our websites and mobile application 3. When the customer shops online at our websites and mobile application 4. When the customer participates in the lucky draws or marketing activities organized by us and our partners 5. When the customer uses our customer service and customer feedback system
2. Data use	<p>PChome shall use the collected personally identifiable information (PII) for the following purposes:</p> <ol style="list-style-type: none"> 1. Advertising and marketing 2. Product delivery 3. Financial transaction authorization 4. Prize notification and delivery 5. Other business-related affairs 6. Market analysis
3. Data storage	<p>The personal data of customers are securely stored in the data processing system of PChome and our subsidiaries. When necessary, the sensitive personal information of our customers shall be entrusted to a highly secure, stable, and stringent information company for storage and safekeeping. In addition, the data processing systems used by PChome and our subsidiaries for customer data storage and safekeeping are protected with firewalls to prevent unauthorized access and illegal intrusions by third parties or unauthorized internal use</p>
4. Data processing	<p>Based on the nature of the services and activities provided to customers, PChome shall collect, process, use, and transfer customers' personal data within the scope of the specified purposes as follows: life and health insurance, marketing, legal collection, processing, and use of personal information by a non-government agency, credit card, cash card, and other business operations in accordance with the registered business practices and those defined in the organization's Articles of Incorporation</p>
5. Information disclosure	<p>Except for any one of the following reasons, PChome will not provide any personally identifiable information (PII) to any third party (either onshore or offshore), or use the PII for purposes other than data collection:</p> <ol style="list-style-type: none"> 1. Where the informed consent of the customer has been obtained 2. Where it is necessary to complete the provision of services and fulfill contractual obligations 3. Where it is provided to an insurer to assist in handling insurance-related incidents 4. Where it is required for purposes stated by the relevant regulations or under the order or request of the competent authority 5. Where it is used to protect the legal rights and interests of customers and other members or third parties in the event of an emergency 6. Where it is used to maintain the normal operations of our member service system 7. Where it is permitted to be used for different purposes other than those specified in Article 20 of the Personal Data Protection Act
6. Data erasure	<p>When the specific purpose of data collection no longer exists, or upon expiration of the relevant time period, a customer may request to terminate the collection, processing, and use of their personal data. However, this does not apply when PChome requires the data for official or business purposes, or when the data is not applicable for exercising the right to erasure as specified by the relevant regulations</p>

In addition to protecting customer data security and privacy, PChome is also committed to safeguarding internet safety for children. We offer tips on how to teach children to use the internet safely and allow children and their parents to protect their security and privacy online. For more information, please refer to our internet safety guide for children.



Internet Child Safety
QR code



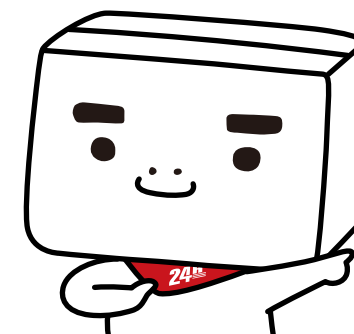
Privacy Statement
QR code



PChome Online Inc.
Terms of Service QR code

Ch.3 A Green Partner for the Environment

3.1 Green shopping program / 3.2 Climate and sustainability action
3.3 Green operations management



- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1 A Sincere Partner in Governance
- Ch.2 An Innovative Partner in Retailing
- **Ch.3 A Green Partner for the Environment**
- Ch.4 A Reliable Partner in the Workplace
- Ch.5 A Caring Partner in Society
- Appendix

Sustainable development goals



Important stakeholders

Customers, Shareholders/Investors, Government organizations, Media, Communities/NGOs



Sustainability highlights

Advocating the use of eco-friendly recyclable delivery boxes with a new start-up, **PackAge+**



Creating **an hour-long lights-off** activity on the homepages of PChome's three major websites on Earth Day



Achieving a **95.95%** e-invoice coverage among company and individual accounts



Implementing a box number recommender system in our warehouses and achieving a match rate of **48.6%**



Procuring **13** electric scooters and forming the PChome **green energy logistics fleet**



Identifying **5 climate change-related risks** and **3 climate change-related opportunities** relevant to PChome in accordance with the Task Force on Climate-Related Financial Disclosures (**TCFD**)



E-Commerce platforms require a wide range of resources, such as packaging materials, utilities and fuel, to provide online shopping services to customers. To reduce the impacts of resource utilization on Taiwan's environment, PChome has taken measures to help reduce the effects on the natural environment. In addition to implementing eco-friendly measures at our business locations (offices and warehouses), we launched the Green Shopping Program in line with United Nations Sustainable Development Goals. This eco-friendly initiative reexamines all aspects of our operations and embeds sustainable management concepts into our e-commerce and online shopping services. Additionally, PChome debuted at the 3rd Annual Enterprises Environmental Protection Award with a bronze medal, being the first e-commerce platform in Taiwan to be given the most prestigious eco-friendliness award.

3.1 Green shopping program

The development and popularization of the internet has changed consumer patterns. Impacted by the COVID-19 pandemic, people nowadays rely more on online shopping and contribute to the robust developments in e-commerce. In 2021, PChome delivered more than 40 million products. To reduce the environmental impacts of e-commerce, in 2019, we launched the Green Shopping Program which covers four initiatives for standard improvement—green packaging, green transportation, green warehousing, and green payment—as a means to reduce carbon emissions in e-commerce.



PChome 24h online retailing (Carbon Label)

In July 2020, PChome was the first major integrated online shopping platform in Taiwan to receive the Executive Yuan-approved Taiwan Carbon Footprint Label. To achieve this, we examined the carbon footprint involved at each stage in the life cycle of online retail services and analyzed 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 acquire quantified data and further implement carbon reduction strategies. At PChome, we encourage consumers to prioritize carbon footprint-labeled products to showcase their green influence as consumers. We also invite numerous SMEs and supply chain partners to engage in social sustainability with us and usher in a new era of low-carbon e-commerce. PChome also actively applies for the Carbon Reduction Label to demonstrate our commitment and determination towards carbon reduction.

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

Information on PChome products and carbon footprint

Product name	PChome 24h online retailing (tangible services)	
Product type	Service	
Carbon Footprint Label	Serial number: 2014879001 Status: Effective	Expiry date: 2025/07/12 Effective date: 2020/07/11
Calculation of a product's carbon footprint	Carbon footprint data / labeled unit 1.4kg CO ₂ e / per unit of retail service (tangible)	
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%	
Additional information	<p>As part of our commitment to reducing carbon emissions, we expect to implement the following measures:</p> <div> <div>1. The introduction of a paperless warehousing system</div> <div>2. Installation of solar panels in response to the government's renewable energy policy</div> <div>3. Constructing green-building warehouses and completely modifying internal warehouse operations</div> <div>4. Using low-carbon vehicles for logistics</div> <div>5. Collaborating with the EPA to launch an eco-friendly consumption point redemption activity as a means for encouraging consumers to purchase green-labeled products</div> </div>	



碳標字第2014879001號
每件零售服務(實體)
不含內容物之碳足跡

3.1.1 Green packaging

In light of the need to consume a significant amount of single-use packaging in traditional online shopping, as well as driven by our goal to realize eco-friendly management, PChome has adopted four strategies for packaging improvement: implementing recyclable packaging, increasing the ratio of delivery boxes made from recyclable pulp, reducing the use of single-use packaging, and selectively switching to recyclable cushioning. In 2019, we designed 31 new types of eco-friendly paper boxes to effectively reduce the environmental impacts of packaging used in online shopping. The new eco-friendly boxes boast the following features:



Made from 100% recycled paper, thus effectively reducing the need to log 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 printed on small external areas of the boxes is made from RoHS compliant, eco-friendly, and water-soluble ink

PChome continued 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. Consumers can swiftly remove the tape when recycling 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.

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

Item	Amount used in 2021
Use of eco-friendly materials	
1. Weight of uncolored eco-friendly boxes used (tons)	4,094.01
2. Length of easy-tear tape used (m)	21,569,670
Use of other materials	
1. Weight of plastic packaging used (tons)	10.31
2. Weight of cushioning used (tons)	163.16

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

PChome is among the online shopping platforms that have responded to the E-Shopping Packaging Reduction Program launched by the 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, the 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.

Advocating the use of eco-friendly recyclable delivery boxes with a new start-up, PackAge+

As a continuation of our efforts in EPA policy compliance in 2020, PChome launched a trial program on the use of a small-sized cooler bag to reduce single-use packaging waste from online shopping. In 2021, we joined hands with an innovative eco-friendly start-up, PackAge+, thus upgrading our previous trial program on online shopping packaging optimization. PChome 24h Shopping is currently implementing a trial program in the cities of Taipei and New Taipei in which consumers who choose to collect their deliveries at convenience stores can opt for eco-friendly boxes at checkout. After receiving their packages, consumers can return the boxes to PackAge+'s cooperating merchants such as designated 7-ELEVEN and Family Mart locations, Carrefour, Watson's, and other franchisees or independent stores. The PackAge+ recyclable box is made of stain-resistant and crash-proof eco-friendly material and can be used more than 30 times. The boxes are disinfected thoroughly upon return, before being offered to the next customer. Therefore, we are optimistic about the PackAge+ recyclable packaging system as it is conducive to enhancing customer acceptance of recyclable packaging and its return rate, thus enhancing their awareness of green consumption.

New eco-friendly box



New easy-tear tape



Reduce packaging

Eco-friendly materials

Recycle packages

Recycling procedure

STEP 1

AI big data is used to check whether the solution is suitable for your order. At checkout, you will be asked whether you are willing to have your purchases shipped using recyclable packaging. If you agree to this, our employees will verify the suitability of your order, and your purchases will be shipped using the recyclable bags/boxes if deemed suitable.

STEP 3

Redeem rewards at partnering merchants for every successful box return (the rewards are announced monthly by the merchants)
Stand a chance to win an iPhone

STEP 2 | Recyclable bag/ box return



PChome recyclable bag

1. Remove your purchases
2. Fold the bag with the mailing address facing upwards
3. Place the bag into the green mailbox in any Chunghwa Post iMailbox or any green mailbox nationwide



PackAge+ recyclable box

Download PackAge+LINE
(On trial beginning February 12)

1. Remove your purchases
2. Return the box within 14 days after receiving your purchases
3. Download the PackAge+LINE app to locate the nearest return location
4. Scan the QR code at the return location and then scan the QR code on the side of the box
5. Return the box and packaging materials according to the instructions in the LINE app

Features of the recyclable bag



Repeated usage

Can be used more than 30 times

Clean and disinfected

Bags are cleaned and disinfected upon return

Eco-friendly material

Stain-resistant and crash-proof eco-friendly material



About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

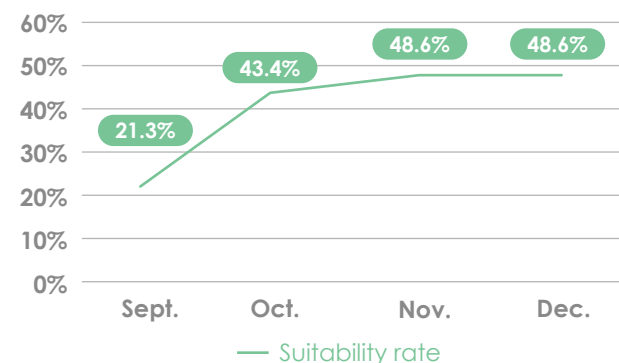
Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

To improve the efficiency of packaging utilization, PChome has adopted two strategies: commingling products from different warehouses and developing a box number recommender system. This means the products in an order are collectively gathered without affecting the 24-hour delivery operations, and at no additional cost, and a box number recommender system is implemented in our warehouses. The minimum number of boxes to be shipped as well as the optimum box size are determined through big data, so as to achieve box and packaging use reduction. The load factor of a logistics vehicle can be increased through efficient box space utilization, thus increasing 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 number recommender system is projected to reduce the number of boxes used per month by 5%. The boxes are estimated to save more than NT\$1.3 million in packaging and logistics costs per year. Since its official launch in September 2021, the accuracy of the box number recommender system remains on the rise. The goal is to improve accuracy to above 80%, so as to reduce manual errors and increase operational performance.

Suitability rate (%) recommended by the box recommendation system as of the end of 2021



3.1.2 Green logistics

Using e-scooters

In response to the expansion of our logistics operations, PChome founded a wholly owned subsidiary logistics company in 2018, PChome Express Co., Ltd., and was the first e-commerce platform to venture into last mile logistics. We continue to do our best in enhancing our warehousing and delivery services. The PChome logistics team uses vehicles such as trucks and gas-powered scooters. In response to the Green Action Plan launched in 2020, we procured 13 e-scooters in 2021 which form the PChome Green e-Scooter Fleet. Districts of Taipei and New Taipei with high population and delivery densities are expected to be covered by our e-scooters in the initial phase. Going forward, we shall mainly procure e-scooters and gradually phase out our gas-powered scooters based on their service life. We expect to achieve a fully e-scooter fleet by the end of 2025.

Our current general logistics management strategy is to require unit supervisors to manually inspect for abnormal fuel consumption rates in each scooter. Defective scooters, those with poor transmission lines, and high idle speeds are corrected to reduce the idling rate of our logistics fleet. Strategies for delivery time optimization are also proposed to improve the delivery efficiency in last mile logistics.

Introduction of e-scooters



- Annual 3.6-ton carbon emission reduction

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

Delivery truck/scooter statistics

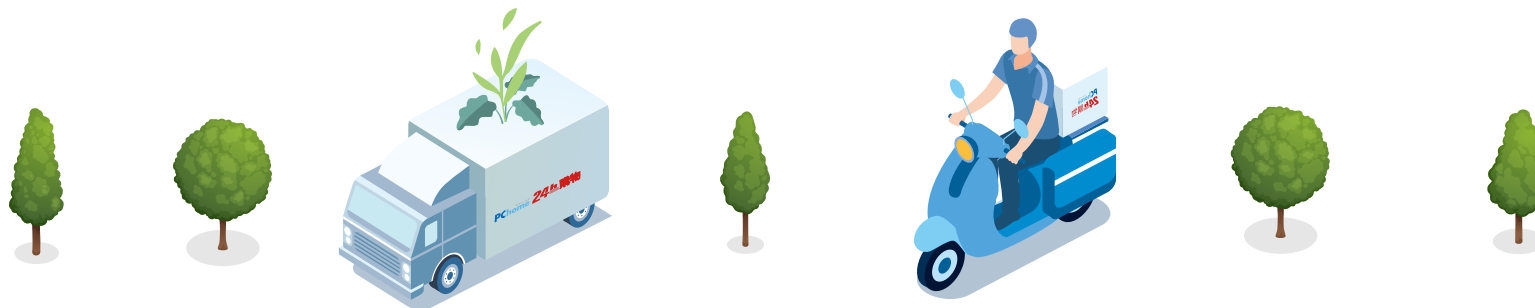
Type of vehicle	Standard		Number procured in 2021	Accumulated fleet at the end of 2021	Expected procurement in 2022
Trucks	Energy efficiency level	Level 1	5	5	5
		Stage 6 diesel trucks	5	5	10
	Emission standard	Stage 5 diesel trucks	0	76	0
Gas-powered scooters	Energy efficiency level 1		0	41	0
E-scooters			13	13	15



Enhancing last mile delivery with Pickupp, a strategic logistics partner



At the height of the local epidemic in July 2021, PChome opted to collaborate with a strategic logistics partner Pickupp, as a new venture into short chain logistics. By leveraging Pickupp's technology-based logistics solutions and flexibly developing our mode of collaboration, we optimized the integrated deployment of our logistics structure, enhanced the overall delivery efficiency and delivery routes, and reinforced the crucial last-mile delivery. We expect to increase the supply and utilization flexibility of our logistics resources through our collaboration with Pickupp. We also expect to use this opportunity as a cornerstone for short-distance deliveries and open up a broader range of convenient business models for our customers. Going forward, we plan to integrate our strengths and services with those of Pickupp and enhance the synergy within the ONE PChome ecosystem, thereby ushering in new milestones in e-commerce and logistics through professionalized and technology-based operations management strategies.



About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

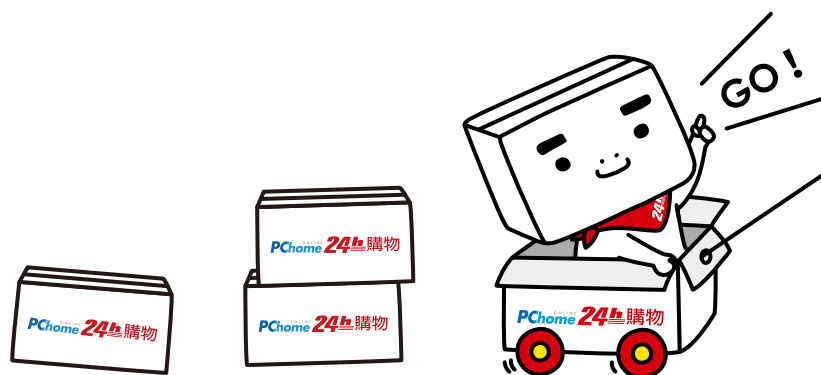
Ch.5
A Caring Partner in Society

Appendix

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 a 50-70% drop in energy consumption and greatly increases the energy efficiency of the lighting system. PChome also actively optimizes the warehouse automation system. In 2019, we planned to transform our A7 Smart Logistics Center into an advanced automated warehouse that includes shuttle racking systems and automated guided vehicles (AGVs). 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. These measures are expected to be fully implemented in 2023. The expected benefits of warehouse automation include:

- ✓ Eliminating the need for lighting with a darkened warehouse
- ✓ Reducing overall manual labor by 30-35%
- ✓ Reducing manual labor for put-away and picking tasks by 50-60%, while maintaining the same order volume and achieving a work efficiency equivalent to manual warehousing
- ✓ Adopting a product-to-worker strategy to reduce the walking distance and the workload of put-away 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



Shuttle racking system and Automated guided vehicle (AGV)



A7 Smart Logistics Center (A7 Project)

The A7 Smart Logistics Center (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 13.88 hectares and serves as an integrated logistics center comprising four main warehouse floors. Increasing developments in e-commerce have propelled its steady growth in the retail market. PChome expects to unify all warehouses currently scattered around Taoyuan with 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 logistics park near Station A7 and plans to develop it into a cross-border e-commerce and logistics center slated to be completed in the first half of 2022, open for trial use in the second half, and fully open in 2023 by the latest. The logistics performance is expected to be doubled after the opening.

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 so employees 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 employees create innovative shopping experiences for consumers. The planned PChome training programs include but are not restricted to the following:



Smart picking system
operation training



Enhancement of
inbound product
quality management



Enhancement of
product storage
management



Value-adding
processes training



Detection of various
task-related
anomalies

About This Report

Message from the
Management

Awards and
Recognitions

Sustainable
Partnerships

Ch.1
A Sincere Partner
in Governance

Ch.2
An Innovative
Partner in Retailing

Ch.3
A Green Partner for
the Environment

Ch.4
A Reliable Partner
in the Workplace

Ch.5
A Caring Partner
in Society

Appendix

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

3.1.4 Green payment

Digitization of uniform invoices

In October 2005, PChome became the first commerce platform to digitize uniform invoices while also obtaining government approval. We actively encouraged consumers to embrace the use of digital invoices. In January 2018, we launched electronic invoices for business entities. Our digital invoice development goals are threefold: to increase the number of digital invoices issued to customers, reduce the number of physical invoices, and to fully adopt digital invoicing during vendor account checking. These measures in general help increase the popularization of digital invoices. In 2021, we saved over 14.9 million physical invoices and all vendor invoices have been fully converted to PDF files for download. In addition to effectively saving paper and protecting primary forests, this measure also decreases the cost of mailing invoices, thereby reducing carbon emissions from vehicles and conserving energy.

Number of invoices in 2021

	Company account	Individual account	Total
Number of invoices issued the whole year	2,148,761	12,999,125	15,147,886
Number of digital invoices (other carriers such as donation and member account)	1,674,809	12,859,014	14,533,823
Number of physical invoices	473,952	140,111	614,063
Ratio of digital invoices	77.94%	98.92%	95.95%

Paperless internal approval procedures

Since 2021, PChome has initiated a paperless internal approval workflow policy. By digitizing the approval procedures, we aim to reduce the printing costs and energy consumption of using paper, as well as to expedite approval procedures for all documents. We subsequently introduced a BPM electronic form approval software and an ERP electronic form approval solution, saving a total of 6,346 pieces of paper in December 2021. We expect to save 198,564 pieces of paper annually when approval solutions are subsequently installed in 2022.



The PChome e-ticket holder

- 1 Tap E-wallet in Customer Service Center
- 2 Select the e-ticket to be redeemed from the list of e-tickets
- 3 Tap Next after confirming the number of tickets to be redeemed
- 4 The tickets can be redeemed when the QR code appears

Paperless internal approval procedures

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Lights off for one hour on Earth Day

Instead of only expressing interest during Earth Day, every day should be a day for loving our planet. In response to Earth Day 2021, we launched promotions for various eco-friendly products based on our slogan "Repair our Earth." We stand by engaging in eco-friendly measures with our customers for the sake of our planet. During this special day, in support of the initiative, PChome created a lights-off interactive activity on the homepages of our three major websites. When consumers entered the homepage on Earth Day, they could join PChome 24h Shopping's 1-hour lights-off activity by turning the homepage into greyscale so as to protect our Earth.



About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

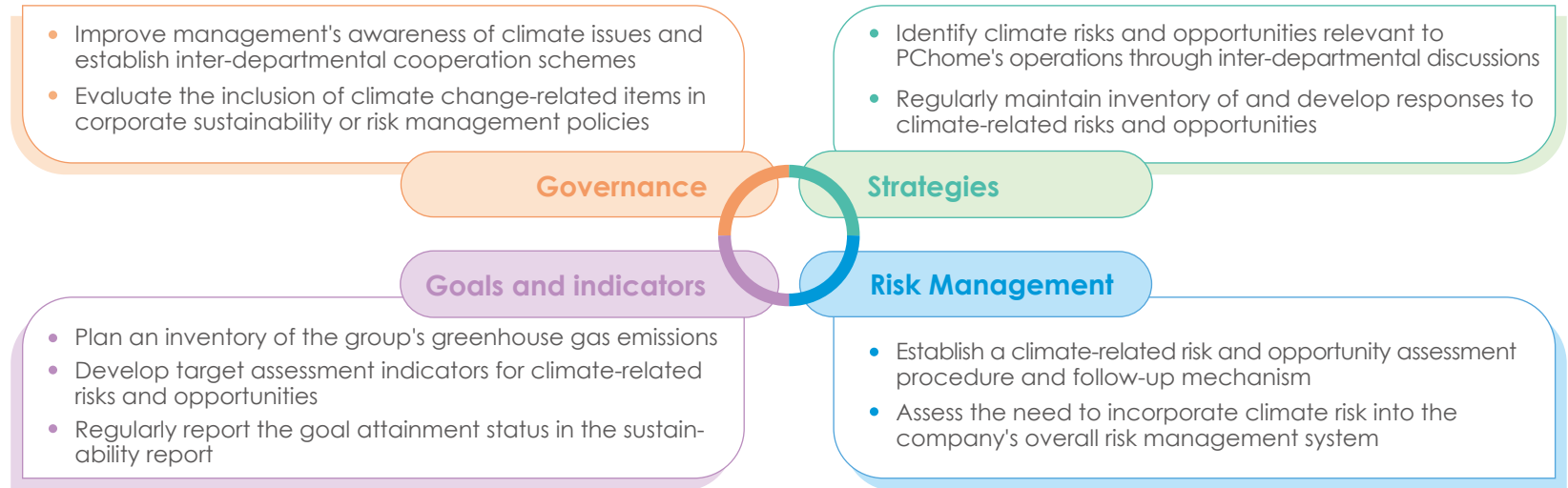
Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

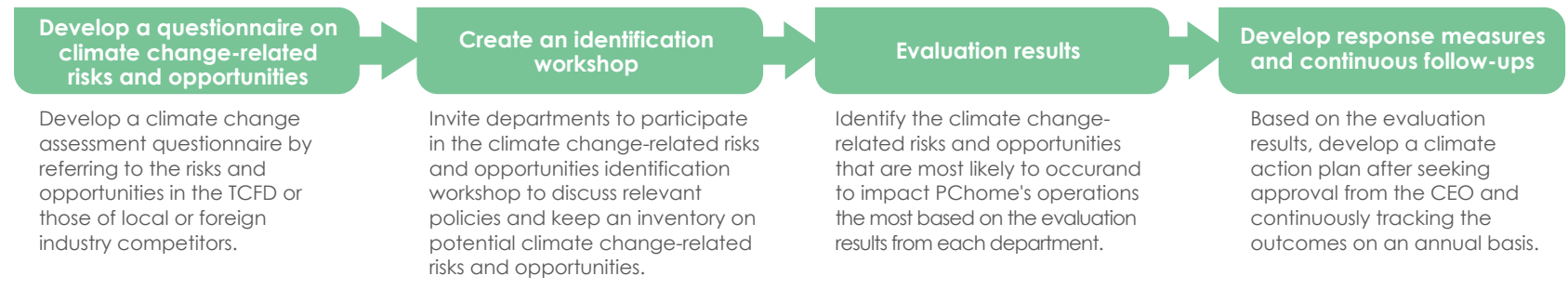
Appendix

3.2 Climate and sustainability action

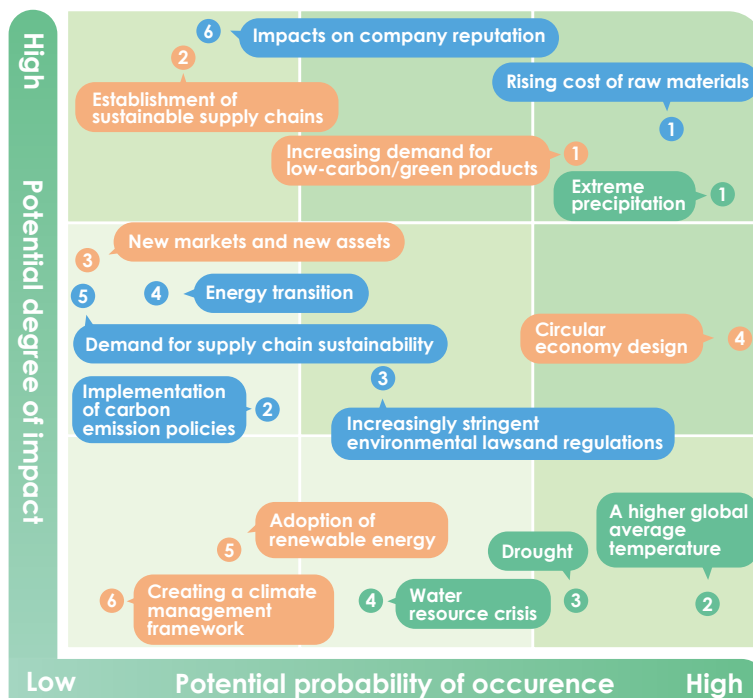
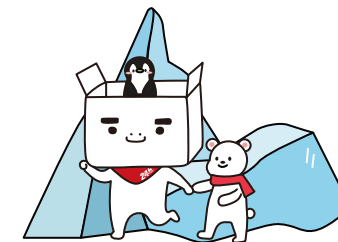
Climate change remains a persistent global issue. During the 2021 UN Climate Change Conference (COP26), all countries pledged to continue limiting global warming below a critical 1.5°C. The Taiwanese government has also actively proposed sustainability measures to achieve net-zero emissions by 2050. Additionally, local and foreign investors and stakeholders are concerned about the impacts of climate change on businesses, as well as the risks and opportunities associated with corporate measures to tackle climate change. To mitigate the potential impacts of climate change on our business, since 2021, PChome has applied the Task Force on Climate-related Financial Disclosures (TCFD) created by the Financial Stability Board (FSB) and developed a climate information framework structured around the four major aspects of the TCFD. We also invite various entities to identify PChome's climate change-related risks and opportunities, so as to develop response measures and management goals based on the outcomes.



With the support of our executives and participation from all departments, we have jointly identified through collaborative discussions the climate change-related physical risks and the transition risks and opportunities that are most relevant to our operations, as well as the potential financial impacts. We have identified several climate-related risks with moderate-to-high impact and incidence rates as follows: extreme precipitation, a higher global average temperature, drought, rising cost of raw materials, as well as impacted company reputation. On the other hand, the climate-related opportunities with moderate-to-high impact and incidence rates include increasing demand for low-carbon/green products, circular economy design, and creation of sustainable supply chains. Going forward, we shall continue our efforts in implementing action plans to combat climate change, with the hopes of mitigating the operational and financial risks of climate change and to seize the opportunities for growth.



Climate change risks and opportunities matrix



Physical risks

- 1 Extreme precipitation
- 2 A higher global average temperature
- 3 Drought
- 4 Water resource crisis

Transition risks

- 1 Rising cost of raw materials
- 2 Implementation of carbon emission policies
- 3 Increasingly stringent environmental laws and regulations
- 4 Energy transition
- 5 Demand for supply chain sustainability
- 6 Impacts on company reputation

Climate opportunities

- 1 Increasing demand for low-carbon/green products
- 2 Establishment of sustainable supply chains
- 3 New markets and new assets
- 4 Circular economy design
- 5 Adoption of renewable energy
- 6 Creating a climate management framework

Physical risks

Type of risk	Risk	Risk scenario	Potential impacts	Key management measures
Immediate	Extreme precipitation	Increasing intensity of typhoon and plum rain events in Taiwan hampers normal company operations. Impacts include warehouse flooding, power supply interruption, delivery delays, and upstream/downstream supply chain interruptions	Operational impacts <ul style="list-style-type: none"> Flooding interrupts normal operations and delays operational plans Flooding of activity/business areas or extreme precipitation events that occur during product delivery can cause occupational injuries to employees Financial impacts <ul style="list-style-type: none"> Revenue loss due to service interruptions or suspensions Damage to warehoused goods due to flooding Equipment damage or reduced product lifespan caused by flooding 	<ul style="list-style-type: none"> Planning appropriate response measures. In the event of extreme precipitation events, real-time disaster reports should be made, in addition to deploying flood barriers, pumping systems, and emergency lighting equipment Constructing more satellite warehouses to disperse the flood risk of warehouse spaces, as well as taking into consideration the relevant environmental risk factors during warehouse construction Using advertising resources appropriately to disclose the impacts of extreme climate events on product delivery, as well as informing consumers about delivery delays

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

Physical risks

Type of risk	Risk	Risk scenario	Potential impacts	Key management measures
Long-term	Higher global average temperature	Taiwan's temperature is set to gradually increase along with the length of extreme climate events. This increases power supply costs and air-conditioning loading due to increased air-conditioning usage, and also reduces equipment lifespans. High temperatures also increased the risk of heat hazards	Operational impacts <ul style="list-style-type: none"> Rising temperatures result in hotter activity areas, thus increasing the risk of heat-related hazards for employees Persistent high temperatures may impact the supply of certain products or raw materials and thus increase the difficulty of acquisition Financial impacts <ul style="list-style-type: none"> Higher power supply costs resulting from prolonged air-conditioning usage for the sake of maintaining a fixed temperature in warehouses and offices Prolonged air-conditioning usage reduces equipment lifespan and accelerates their replacement Certain products cannot be delivered steadily due to high temperatures, leading to lower revenue 	<ul style="list-style-type: none"> Instilling climate change-related concepts in employees and improving their awareness of environmental sustainability and corporate social responsibility. Continuously advocating simple eco-friendly measures such as turning off unnecessary lights and switching off computers after work Improving the involvement of business outlets, assessing the need to install energy-efficient air-conditioning, positive/negative pressure ventilation fans, or industrial fans to achieve air circulation improvement and heat reduction in activity areas Keeping tabs on the health status of on-site employees and reducing their heat hazard risk
Long-term	Drought	Taiwan experiences an uneven water distribution, in addition to significant extended periods of low precipitation. This leads to an inadequate water resource supply and a shortage of water for operations use	Operational impacts <ul style="list-style-type: none"> Water shortages may impact production in some suppliers, and the subsequent reduced supply may cause supply chain interruptions A decreased water supply leads to a shortage of water for production use Financial impacts <ul style="list-style-type: none"> Supply chain interruptions caused by water shortages reduce the company's revenue Additional costs are required to obtain the products or raw materials for operation uses 	<ul style="list-style-type: none"> Developing relevant response measures to ensure a stable supply of water for operational use, such as reducing water for daily activities, maintaining pipes to reduce leakage, and deploying emergency water trucks during water shortages Enhancing in-service education on water conservation and establishing water conservation habits and awareness among employees Negotiating a stable supply of products with suppliers to ensure stable prices and secure stock supplies

Transition risks

Type of risk	Risk	Risk scenario	Potential impacts	Key management measures
Market	Rising cost of raw materials	Climate change-induced rise in the quoted price of raw materials for operational use (such as products or packaging materials) further affects operational costs	Operational impacts <ul style="list-style-type: none"> A shortage of products or raw materials interrupts supply stability such that a company is unable to properly supply stock Financial impacts <ul style="list-style-type: none"> Increased cost due to raw material shortage and higher cost of acquisition 	<ul style="list-style-type: none"> Developing diverse raw materials and increasing usage options to prevent stock supply interruption Planning eco-friendly measures such as repeated use of materials and boxes
Reputation	Impacts on company reputation	A lack of proactive greenhouse gas management and reduction reduces investors' trust in a company, which consequently reduces its reputation and overall operations	Operational impacts <ul style="list-style-type: none"> Inability to meet investors' expectations on corporate sustainability reduces the willingness to invest Consumers develop firmer intentions to switch to other green e-commerce platforms, which leads to fewer customer sources Financial impacts <ul style="list-style-type: none"> A lower willingness to invest among investors decreases a company's stock price. Reduced company revenue when consumers switch to other e-commerce operators 	<ul style="list-style-type: none"> Implementing various carbon reduction measures such as expanding the green energy-powered logistics fleet, constructing green warehouses, and developing carbon reduction objectives to achieve low-carbon transportation Implementing a greenhouse gas inventory, regularly evaluating greenhouse gas reduction measures and outcomes, and disclosing the results in the sustainability report Continuously encouraging consumers to support low-carbon consumption, thereby enhancing their identification with corporate sustainability and further increase a company's reputation for sustainability

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

Climate opportunities				
	Opportunities	Opportunity scenarios	Potential impacts	Key management measures
Market	Increasing demand for low-carbon/green products	Due to increasing consumer demand for low-carbon/green products and services, the availability of sustainable products becomes a key determinant of consumers' willingness to purchase	Operational impacts <ul style="list-style-type: none"> Introducing a diverse range of low-carbon/green products in response to changing consumer preferences is an effective means to improve a company's green brand image and strengthen its sustainability competitiveness Cooperating with suppliers of low-carbon/green products reinforces both a company's and the supplier's symbiosis in the sustainability market Financial impacts <ul style="list-style-type: none"> Growth in the revenue of relevant low-carbon/green products is increased once a company has good command of the market demand for such products. This subsequently increases the company's market value and stock price 	Launching a wider range of low-carbon shopping solutions in response to customer purchasing preferences and market demands. Such solutions include developing low-carbon products, designing low-carbon spaces and low-carbon activities, and expanding the scope of the low-carbon market
Resource efficiency	Circular economy design	In light of higher consumer awareness toward sustainable consumption, designing a circular economy-based operational framework can improve a company's popularity among consumers. The framework should include measures such as reducing recyclable materials, enhancing resource utilization, and reducing packaging waste	Operational impacts <ul style="list-style-type: none"> Reducing the environmental effects caused by company operations through increased resource utilization and effective reduction of online shopping-derived waste Introducing the concept of a circular economy in online shopping, thereby increasing a company's green e-commerce image Financial impacts <ul style="list-style-type: none"> Reducing the operational costs derived from packaging use by reducing waste and repeatedly using resources, as well as improving the utilization of packaging Introducing the concept of a circular economy in online shopping procedures, thereby increasing consumers' willingness to purchase as well as company profits gained from green shopping 	<ul style="list-style-type: none"> Increasing the types of eco-friendly packaging and expanding the means and scope of application Continuously advocating corporate circular economy solutions to consumers in order to expand good circular consumption patterns
Resilience	Establishment of sustainable supply chains	Promoting product and service transformation and tapping into new opportunities by forming sustainable supply chains. Promoting sustainable supplier operations and reinforcing sustainable cooperation with suppliers through supply chain management, as well as developing and expanding the types of low-carbon products	Operational impacts <ul style="list-style-type: none"> Implementing sustainable management of supply chains, identifying and responding to sustainability-related risks in the supply chain Evoking corporate influence through sustainable supply chain management and constructing a corporate sustainability image Financial impacts <ul style="list-style-type: none"> Enforcing supplier sustainable management to guarantee the sources of products for consumers and enhance their willingness to purchase 	<ul style="list-style-type: none"> Jointly creating a low-carbon and sustainable supply chain by proactively inviting green suppliers and creating a low-carbon product section for corporate procurement, as well as strengthening cooperative relations with low-carbon suppliers Developing supplier transition solutions and instructing suppliers to engage in sustainable operations, as well as planning and understanding their carbon reduction intentions Evaluating sustainability-related training programs provided to suppliers

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

3.3 Green operations management

3.3.1 Environmental management policy and framework

In addition to promoting environmental protection for external entities, PChome is dedicated to green operations management by adhering to eco-friendly principles. The CEO Office devises a clear and defined environmental management framework along with its relevant policies, which are 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 waste, a fixed weekly recycling schedule is devised, and eco-friendly concepts are instilled in our employees. At PChome, we feel it is our duty to help protect our planet.

3.3.2 Energy management

As PChome is fully aware of the impacts of energy consumption on climate change, we have constantly reviewed and revised 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. To showcase our dedication toward environmental protection and to reduce the impacts of our operations in contributing to climate change, we have taken measures such as replacing traditional lighting with LED lights and automatic light sensors. Our operations' main sources of electricity consumption are lighting and air-conditioning at our warehouses, as well as fuel consumption in logistics vehicles. Our overall fuel consumption levels in 2021 were higher than those in 2020 due to increased deliveries and distances following the opening of our Taoyuan, Taichung, and Tainan logistics centers. Additionally, because our offices are rented inside a building, the electricity consumption data that follows does not factor in these offices.

Energy use status from 2019 to 2021					
Type of energy		Unit	2019	2020	2021
Fuel usage (warehouse)	Diesel	liter	4,369	3,236	4,713
	Gas	liter	31	30	12
Fuel usage (fleet)	Diesel	liter	125,827	243,653	509,765
	Gas	liter	11,066	17,974	25,727
Purchased electricity	Electricity	kWh	7,781,940	8,149,054	8,917,928
Energy unit conversion					
Fuel consumption		GJ	4,940	9,269	18,931
Power consumption			28,015	29,337	32,104
Total consumption			32,955	38,606	51,035

Note 1: 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 3,600 kJ per unit of electricity; 1 kcal = 4,186J

Note 2: PChome uses non-renewable energy

Carbon emissions from various source					
Type of energy		CO ₂ equivalent (tons)	2019	2020	2021
Fuel usage (warehouse)	Diesel	Scope 1	11.58	8.58	12.49
	Gas		0.07	0.07	0.03
Fuel usage (fleet)	Diesel		333.44	645.68	1,350.88
	Gas		26.13	42.44	60.74
Subtotal (Scope 1)			371.22	696.77	1,424.14
Purchased electricity	Electricity	Scope 2	3,906.53	4,090.83	4,476.80
Total (Scopes 1 and 2)			4,277.75	4,787.60	5,900.94

Note 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 CO₂, CH₄, and N₂O

Note 2: The data in Scope 1 for the 2019 to 2021 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 CO₂e/L and diesel = 2.650 kg CO₂e/L. The data in Scope 2 is calculated in accordance with the Bureau of Energy's grid emission factor: 0.502 kg CO₂e/kWh

3.3.3 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 rainfall is distributed unequally and the catchment areas of reservoirs do not receive enough water. 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 public awareness around saving water resources.

Water sources at warehouses	Unit	2019	2020	2021
Tap water	Cubic meters	20,009	18,602	22,774
	Million liters	20.0	18.6	22.8

Note 1: 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

Note 2: The tap water used by PChome is provided by a third-party company

Note 3: According to the open data of the World Water Institute, PChome's water sources in Taiwan are not located in water-stressed regions

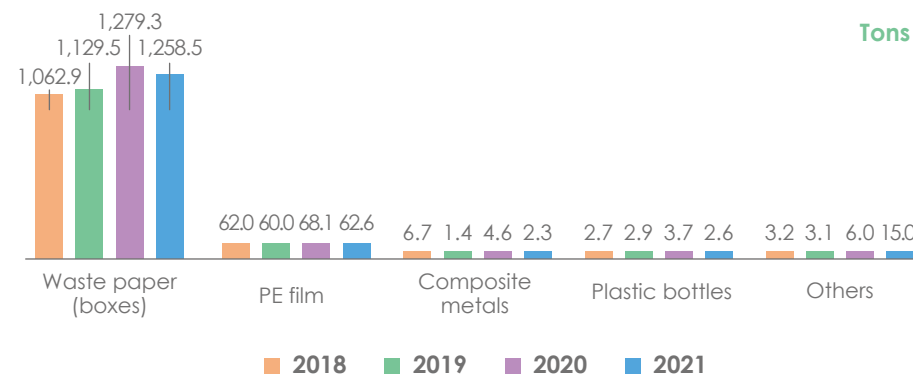
3.3.4 Waste management

The global consensus on waste reduction is to improve resource utilization and promote the development of a circular economy. Marine pollution is an issue of global concern. While advocating for a reduction in plastic use 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 and the total amount of general waste incinerated in 2021 was estimated to be 108.2 tons. The amount of recycled general waste was estimated to be 1,341 tons. This means the recycling rate of the total amount of general waste produced in 2021 (1,449.2 tons) was 92.5%. In terms of sorting recyclables, statistics show that PChome has increased all types of recyclables over the last four years. We expect to achieve effective waste management through concurrent waste reduction and resource recycling and reuse, as well as to instill resource recycling habits into every member of the PChome family.

Amount of general waste recycled from 2018 to 2021

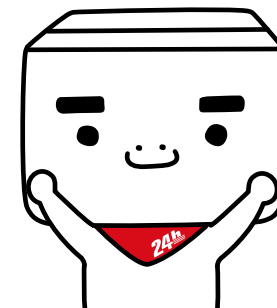


Resource recycling classification statistics



Ch.4 A Reliable Partner in the Workplace

4.1 Professional team Organization / 4.2 Attractive remuneration and fringe benefits
4.3 Human resource recruitment and development / 4.4 Healthy and friendly workplace



- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1 A Sincere Partner in Governance
- Ch.2 An Innovative Partner in Retailing
- Ch.3 A Green Partner for the Environment
- **Ch.4 A Reliable Partner in the Workplace**
- Ch.5 A Caring Partner in Society
- Appendix

Sustainable development goals



Important stakeholders

Employees



Sustainability highlights

Gender equality in the workplace. Female employees account for **55%** of the workforce while female managers account for **57%**



Female-male wage ratio of **1.1:1**



Implementing a flexible **three-shift** work schedule



0 violations of labor-related laws and **0** human rights-related complaints filed



Implementing employee health promotion courses and achieving a mean course satisfaction score of **4.42 points** (out of a maximum 5 points)



PChome is rooted in our spirit of "Committed to innovation and value creation" to provide high-quality products and services to our customers. We dedicate ourselves to nurturing excellent e-commerce professionals and infusing vitality into the e-commerce market. We stand by our obligations to be at the forefront of the e-commerce industry in Taiwan. At the same time, by leveraging the swift learning capabilities of digital natives and their frequent use of social media, we have created a team that can quickly adapt to changing market demands, engage in continued innovation, and provide services that more closely reflect the needs of customers.

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

4.1 Professional team organization

4.1.1 Employee diversity

PChome offers a diverse array of positions. We welcome with an open mind all talented people regardless of age to join us. We do not discriminate on the basis of gender, age, race, religion, marital status, or political belief. As of 2021, we have 1,903 employees, 10 of whom are disabled (accounting for 0.5% of all employees) and 54 of whom are indigenous peoples (accounting for 2.8% of all employees). More than 50% of our employees are aged 35 or under, most of whom are affiliated with the E-Commerce Business Group and the Technology/Big Data /Artificial Intelligence Center. This shows that during employee recruitment, we focus on the innovative mindsets and practical creativity of younger employees. Team members can freely express themselves in the workplace, as we allow them to participate in various projects and perform their duties. This allows younger employees to enhance their practical experience, nurtures enthusiasm in their work, and uncovers their developmental potential. In response to the ever-changing nature of the e-commerce industry, PChome also values highly a uniform growth in the employee gender ratio. To achieve this, we offer comprehensive and equal promotion opportunities to our employees. Thanks to our inclusivity efforts, female employees constitute around 60% of PChome's workforce, with over 50% having supervisory duties. We hope our female employees 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

Gender	Contract type			Employment type		Total	Percentage
	Permanent employees	Temporary employees	Interns	Full-time	Part-time		
Female	1,038	4	16	1,055	3	1,058	56%
Male	836	2	7	834	11	845	44%
Total	1,874	6	23	1,889	14	1,903	100%
Percentage	98.5%	0.3%	1.2%	99.3%	0.7%		

4.1.2 Statistics of newcomers and former employees

Global e-commerce has grown extensively in recent years. In light of the vast potential for development in the local e-commerce industry, PChome has consistently recruited talented people skilled in IT development, product marketing, video editing, marketing planning, big data analysis, operations management, and logistics management. At the same time, we implement internship programs with the aim of developing e-commerce talents among students. We engage in industry-academia collaborations with 15 universities in Taiwan, in which we offer one-year internships to students from various departments. We welcome young talented people with innovative mindsets and passionate work ethics to join the e-commerce industry.

In 2021, we welcomed a total of 594 newcomers, accounting for 31.2% of our workforce. Regarding the turnover rate, there were 430 separated employees, accounting for 22.6%, and 418 voluntary separations, a rate of 22.0%; there were 12 involuntary separations, a rate of 0.6%.

Employee diversity

Employee category		Employee type					
		Management		Technicians		All other employees	
		Number	Percentage	Number	Percentage	Number	Percentage
Gender	Female	106	58%	60	40%	892	57%
	Male	78	42%	91	60%	676	43%
	Undisclosed/unavailable	0	0%	0	0%	0	0%
	Total	184	100%	151	100%	1,568	100%
Age	Below 30	3	2%	57	38%	527	34%
	30-49	167	91%	91	60%	972	62%
	Above 50	14	7%	3	2%	69	4%
	Total	184	100%	151	100%	1,568	100%
Race/ethnicity (nationality)	Non-indigenous Taiwanese	184	100%	150	99%	1,510	96%
	Indigenous Taiwanese	0	0%	1	1%	53	3%
	Foreign nationals	0	0%	0	0%	5	1%
	Total	184	100%	151	100%	1,568	100%

Note 1: Permanent employees refer to full-time or part-time employees whose employment contract is valid for an indefinite term

Note 2: Temporary employees refer to employees whose employment contract is valid for a definite term

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

Statistics of newcomers in 2021

	Below 30	30-49	Above 50	Female	Male	Total
Newcomers	337	244	13	332	262	594
Percentage of all employees	17.7%	12.8%	0.7%	17.4%	13.8%	31.2%

Statistics of former employees in 2021

	Below 30	30-49	Above 50	Female	Male	Total
Number of voluntary separations	227	185	6	240	178	418
Number of involuntary separations	2	10	0	6	6	12
Subtotal	229	195	6	246	184	430
Percentage of total employees	12.0%	10.2%	0.3%	12.9%	9.7%	22.6%

4.2 Attractive remuneration and fringe benefits

PChome is dedicated to building friendly workplaces where employees feel happy. Our employee benefits surpass industry standards. These include providing an employee with leave and a vaccination leave system that are more favorable than the minimum requirements in the Labor Standards Act as well as epidemic prevention policies, flexible work hours for all three shifts, subsidies for taking language courses, employee discounts from time to time, and welfare activities. Moving forward, PChome will continue our efforts to establish a wider variety of benefits and create cheerful and welcoming workplaces so our employees can focus on their professional tasks and subsequently infuse youthfulness and vitality into the e-commerce industry. We aim to achieve our goal as a leading e-commerce brand with innovative developments.

4.2.1 Attractive remuneration scheme

Our employees have always been the pillars of growth. PChome's approach to attracting and retaining talented employees 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 experience, as well as individual job performance. We do not discriminate on the basis of gender, age, race (nationality), religion, marital status, and political belief. PChome strictly complies with the law by providing minimum wage, overtime pay, insurance coverage, and workplace pension plans to our employees. At the same time, we continue to enhance our fringe benefit scheme by understanding the needs of our employees. We commit ourselves to creating competitive and attractive remuneration and fringe benefit schemes for our employees.

PChome's remuneration structure primarily consists of minimum wage and compensation. Minimum wage refers to the minimum fixed remuneration employees receive for performing their work. Compensation refers to the additional payments given to employees, such as bonuses (cash or stocks/shares), fringe benefits, overtime pay, and other subsidies (in transportation and childbirth).

Female-male wage ratio in 2021

Employee type	Management	Non-management	Total
Female	1.13	1.01	1.1
Male	1	1	1

Note 1: Management is defined as employees who hold a managerial position and above

Note 2: Male employees hold a fixed rate of 1 in the female-male wage ratio

Number of full-time employees who do not hold a supervisor position, the mean and median wage of full-time employees who do not hold a supervisor position, and the difference in the three from the previous year

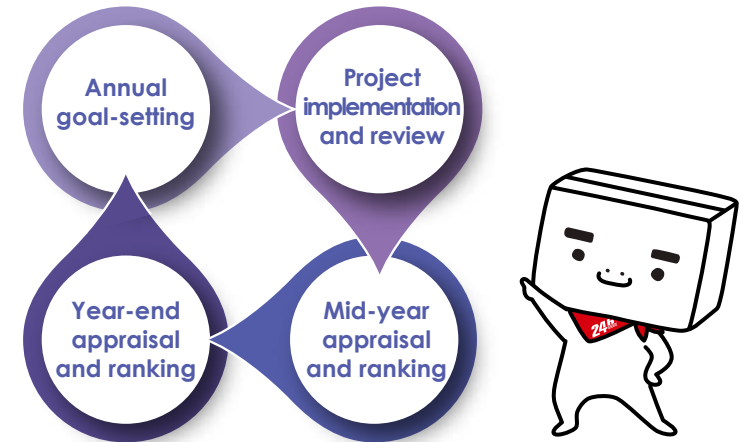
Employee type	2020	2021	Difference
Number of full-time employees who do not hold a supervisor position	1,673	1,628	(45)
Mean wage of full-time employees who do not hold a supervisor position	\$707,000	\$668,000	(\$39,000)
Median wage of full-time employees who do not hold a supervisor position	\$502,000	\$527,000	\$25,000

Note 1: Managers and part-time employees are not included as full-time employees who do not hold a supervisor position. The scope for disclosure is based on the remuneration level of typical employees

- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

4.2.2 Performance appraisal and management

PChome has created an employee performance appraisal system in accordance with our human resources management standards. As an effective means of tracking an employee's work status, PChome sets annual work goals at the start of the year and conducts mid-year and year-end appraisals to check the progress toward goal achievement. Additionally, an employee's performance appraisal ratings are linked to their remuneration and bonuses, so they can grow together with PChome. In 2021, all employees on probation were subject to an appraisal, and those still in their probationary periods were subject 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.



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 fringe benefit-related activities 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

1 Workplace benefits	Exclusive labor group insurance (injury, medical, cancer, accidental healthcare, life insurance), a leave system that surpasses the minimum requirements in the Labor Standards Act for employees who complete three months on the job, labor pension, flexible work hours for all three shifts, unlimited coffee, "back to work" lucky money
2 Festive celebrations	Birthday cash bonus, Labor Day cash bonus, Mid-Autumn Festival gift box, Dragon Boat Festival/Valentine's Day/Double 11 flash sales, festive high tea, year-end vouchers, year-end lucky draws
3 Wellness benefits	Paid vaccination leave, subsidies for self-paid flu vaccinations
4 Key life events benefits	Marriage cash bonus, baby bonus, hospitalization allowance, bereavement allowance, exclusive discounts at cooperating merchants, car loans, discounted telcom rates, domestic travel discounts
5 Group perks	Annual dinner subsidies, group buying discounts, social activities
6 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 or relevant associations so as to build a warm and collegial workplace. To date, there are 11 social clubs that encompass sports, livelihood, learning, and entertainment, offering diverse options for employees to relax during their spare time. 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.

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1 A Sincere Partner in Governance

Ch.2 An Innovative Partner in Retailing

Ch.3 A Green Partner for the Environment

Ch.4 A Reliable Partner in the Workplace

Ch.5 A Caring Partner in Society

Appendix

Knitting Club

Helps members broaden their expertise and interest in handicraft. Each activity centers on a different theme, such as accessory making, scarf knitting, hat making, and other handiwork. Members not only spend time undertaking meaningful activities, but also stimulate their creativity and have a sense of achievement.

Basketball Club

The Basketball Club aims to improve the physical fitness of employees through basketball sessions such as 5-on-5 games (first to 13 points wins). Employees get to improve their fitness level and teamwork while expanding their interpersonal relations.

Yoga Club

The Yoga Club invites professional yoga instructors and mainly focuses on aerobic yoga and stretching. Members engage in full-body stretches to reduce muscle tension and anxiety.

Coffee Club

Improves employee work efficiency by providing a free flow of coffee. Coffee beans are varied from time to time so everyone can savor different coffee flavors.

Reading Club

The Reading Club is a book club where members decide which knowledge acquisition-oriented books they read. Meetings are held every fortnight, during which members take turns to guide others through chapters. The goal is to nurture a mutual learning and sharing climate in the workplace, as well as to help members improve their knowledge consolidation and presentation skills through reading.

Badminton Club

This club aims to improve members' badminton skills, nurture employee relations and friendships, and promote teamwork and cooperation through badminton games (singles/doubles).

Board Games and Escape Room Club

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

Combat Sports Club

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

Fitness Club

Each monthly session is guided by a professional weight trainer who teaches members basic aerobic and muscle relaxation movements that help improve their posture.

Boxing and Aerobics Club

Two training sessions are held every Wednesday at 18:00 and 19:00. Members engage in intensive fat-burning full-body sports that combine boxing and aerobics. Guaranteed to be sweat-drenching and stress-relieving, this club is suitable for those who wish to improve their weight, become fit, or relieve stress.

Spiritual Detox Club

The social activities held here, such as meditation, getting close to nature, and watching movies, help members achieve physical and spiritual relaxation and detox.

Badminton Club in session



Yoga Club in session



Boxing and Aerobics Club in session



- **About This Report**
- **Message from the Management**
- **Awards and Recognitions**
- **Sustainable Partnerships**
- **Ch.1
A Sincere Partner in Governance**
- **Ch.2
An Innovative Partner in Retailing**
- **Ch.3
A Green Partner for the Environment**
- **Ch.4
A Reliable Partner in the Workplace**
- **Ch.5
A Caring Partner in Society**
- **Appendix**

Flexible three-shift work hours

PChome in 2021 began to implement a flexible three-shift schedule in which each shift lasts for 8 hours. Based on their individual needs and the requirements of their department, employees can choose to clock in at 08:30, 09:00, or 09:30 after gaining approval from their supervisor. They are also allowed to change their clock-in time once every three months. The implementation of a flexible work hour schedule improves employees' work efficiency and flexibility.

Language learning and in-service training incentives

To encourage our employees to learn foreign languages and take part in the TOEIC and JLPT language tests, PChome has developed an incentive and reward scheme for continuing education. In order to receive PChome's language learning incentives, an employee must attain a certain level in their English/Japanese proficiency test and meet the specified requirements. Employees who apply for continuing education by meeting the relevant policy regulations receive subsidies of up to NT\$30,000 per semester. We take action to support our employees to continuously sharpen their language skills and job competences.

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 integrate their performance with the Company's business goals. According to PChome, if the Company has profit after tax, it should allocate 1%~15% of the profits as employee remuneration. Additionally, when new shares are issued via equity capital raising, 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

To promote harmony and long-term developments in our employer-employee relations, PChome strives to establish work environments which value human rights, are free of discrimination and harassment, and safeguard employees' rights and interests. Grounded in our beliefs in merit-based hiring and utilizing employees to the best of their abilities, we allow our employees 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 2021 at PChome, and we will continue our efforts in safeguarding the human rights of our employees, establishing diverse employer-employee communication means, and creating work environments conducive to employer-employee prosperity.

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.



Equal pay for equal work

- PChome complies with the provisions of equal pay for equal work in the Labor Standards Act, and ensures that employees regardless of age, gender, identity, etc. receive the same remuneration for same amount of work they did.

- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

Diverse employer-employee communication channels

In addition to providing remuneration packages and fringe benefits that exceed industry standards, PChome also attaches equal importance to the opinions and feelings of every employee through effective employer-employee communication. Per the Regulations for Implementing Labor-Management Meeting, PChome also organizes regular employer-employee meetings on a quarterly basis. Four meetings were held in 2021, during which employee representatives provide their opinions on different issues, and both parties thoroughly discuss concerns among employees. These meetings ensure that employees and employers achieve consensus and move forward together as a team. To date, there have been no internal conflicts as we maintain a harmonious employee-employer relationship. This demonstrates positive developments in our employee-employer relationship over the years.

In addition to employee-employer meetings, 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 send their opinions in writing to the HR Department or directly to the HR supervisor. Meanwhile, we also have a dedicated email address on our website and on our internal web system that allows employees to communicate directly with higher-ranking supervisors and express their opinions or make complaints. Employees who wish to provide suggestions about company operations or perceive that their rights and interests have been violated can use the aforementioned means to give their opinions and feedback. We also plan in future to develop an employee satisfaction scale in order to systematically understand the physical/mental health and work status of our employees, and to resolve problems encountered by our employees in a timely manner.



About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

4.3 Human resource recruitment and development

4.3.1 Diverse recruitment approaches

Our talent is our most valuable asset. It is also the key to providing better shopping experiences for our consumers and improving the efficiency of our internal services. PChome continues to attract talented people from various domains to our workforce. In 2021, we launched an internship program at more than 20 local universities of science and technology that covers three themes: Summer, Industry-academia, and workplace experience. In addition to the internship opportunities available in our e-commerce, marketing, public relations, human resources, warehousing, and investment departments and business groups, we also debuted 80 internship opportunities at our technology, portal site, payment, and logistics centers and business groups. These internship opportunities enable talented young people to experience the limitless possibilities of e-commerce, leverage their strengths to the fullest, and make innovative contributions. By using diverse recruitment approaches, we expect to attract determined and passionate people into the team and enhance the quality of our e-commerce services.



Industry-academia collaboration and internships

PChome internship program for 2021			
Item	Summer internship program	Industry-academia internship program	Workplace experience internship program
1. Program details	In our two-month summer internship program, we recruit undergraduate and postgraduate students from all universities to join our team. The interns begin with minor projects and then report the outcomes to the GM and executives	In our one-year industry-academia internship program, students acquire professional knowledge and skills by performing routine tasks at the marketing, human resources, public affairs, and logistics departments and centers	The objective of our workplace experience internship program is to allow undergraduate and postgraduate students to enter the workplace during their spare time, learn about our workplace climate and job patterns, and apply their expertise in our routine operations. Students and supervisors decide on the internship length and location. The general rules are that internships must be at least 20 hours every week and the tasks are project-oriented
2. Number of participants	16 (3 interns retained their posts in 2021)	29 (13 interns became full-time employees in 2021)	



Open and transparent recruitment methods

PChome's corporate culture is to promote an employee DNA characterized by entrepreneurship, bold innovation, and value creation. In light of our desire for talent development, PChome continues to recruit individuals who are skilled in IT development, product marketing, video editing, marketing planning, big data analysis, operations management, and logistics management. We welcome π-shaped talents with enthusiasm for e-commerce and who are competent in multidisciplinary learning and self-improvement to join our quest of becoming a better local e-commerce platform and elevate the PChome brand.

● **About This Report**

● **Message from the Management**

● **Awards and Recognitions**

● **Sustainable Partnerships**

● **Ch.1
A Sincere Partner in Governance**

● **Ch.2
An Innovative Partner in Retailing**

● **Ch.3
A Green Partner for the Environment**

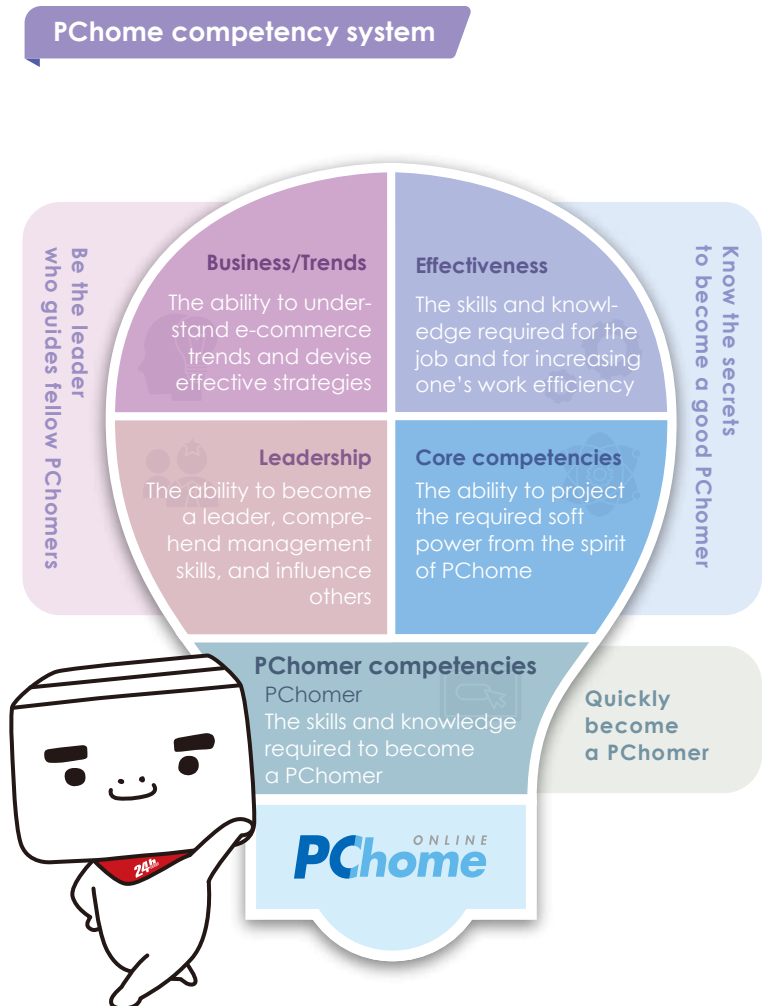
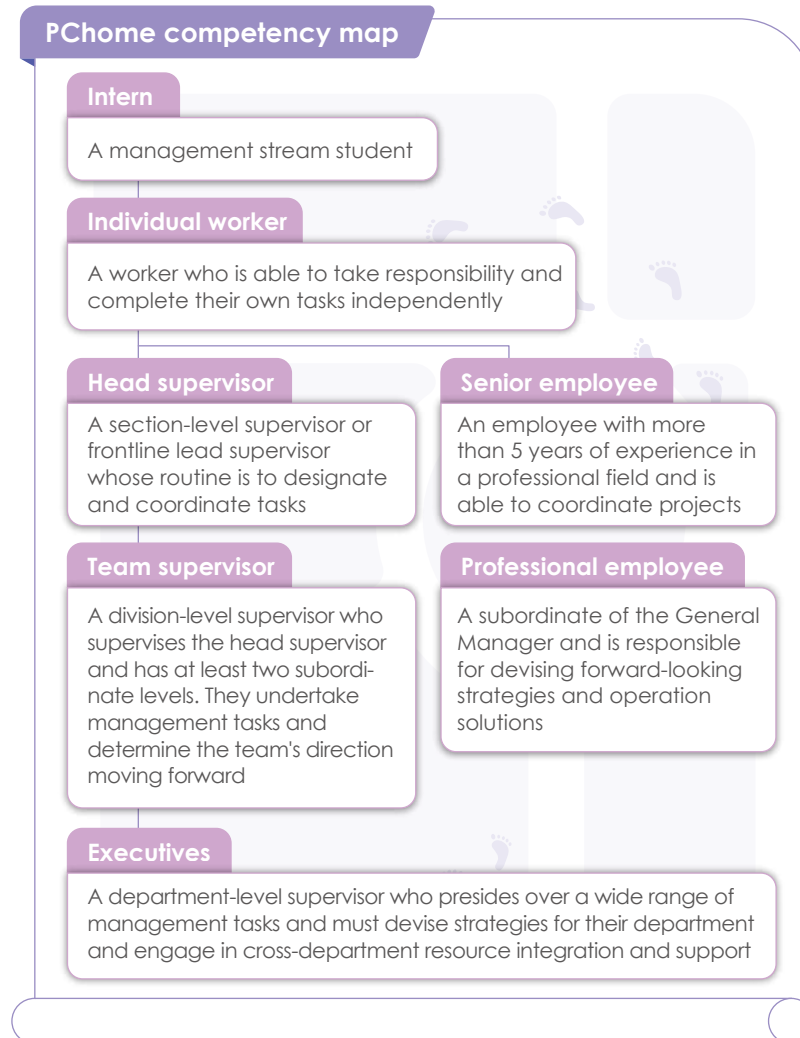
● **Ch.4
A Reliable Partner in the Workplace**

● **Ch.5
A Caring Partner in Society**

● **Appendix**

4.3.2 Talent development blueprint

In addition to recruiting talented people from various disciplines, PChome also has a well-defined policy for subsequent professional training and employees' career planning. PChome adopts a dual-track system for career development blueprints that takes into account employees' tenure, performance, and willingness. We provide progressive professional training programs to help our employees better understand their career prospects. At PChome, we adopt a three-tier competence development scheme to ensure that every member of the PChome family is able to utilize their professional competence and value to the fullest. The scheme is progressive and starts at developing PChomer competency, followed by job and core competence, and then advancing to business and leadership competence. By completing all three stages, employees develop the five main competencies prerequisite in every PChomer, and become outstanding talents who are well-versed in professional judgment and managerial practice.



About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

4.3.3 Nurturing professionals

In response to post-pandemic business transformations, as well as long-term forays into foreign markets, PChome dedicates itself to comprehensively enhancing its own and employees' industrial competitiveness. To this end, our training system involves newcomer orientation training, basic in-service training, professional in-service training, external training programs, and other learning resources. This system enables our employees to gain the correct knowledge, concepts, and skills required for the job, and to adapt to rapid market changes and challenges. In response to the pandemic, we employed flexible and diverse online or mixed (online/in-person) methods to promote various training activities or talent development programs. By progressively completing various training programs throughout their career, every PChomer can achieve self-growth and sustain their competitiveness in the ever-changing e-commerce market.

Newcomer orientation training

On their first day, all newcomers receive a half-day orientation training session to help equip them in becoming a member of the PChome family. The training session introduces them to the organizational structure and workplace, the web and information systems, describes occupational safety and health items as well as the fringe benefits and incentives for continuing education. We actively instill our corporate culture and core values in every newcomer so they contribute to PChome's position as the most reliable e-commerce brand in Taiwan. 595 newcomers completed their orientation training in 2021.

Newcomer orientation training



Basic in-service training

In addition to providing a wide range of career options for our employees, PChome also provides basic in-service training programs that are tailored to different job responsibilities. This way, every newcomer PChomer can quickly understand their tasks and shorten the onboarding process. Furthermore, we organize regular in-service training programs to ensure that our employees are well-versed in the processes associated with the task at hand and continue to maintain their diligence at work. In addition to keeping tabs on our internal performance, PChome also highly values the safety of our warehouse and logistics personnel. To this end, we have established and continuously improved our workplace safety policies and protocols, and provide training programs to strengthen employees safety awareness. These measures ensure that they are able to safely complete every task.

Powered pallet truck use training



Warehouse on-site training



- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

Professional in-service training and external training

Apart from the regular in-service training programs, PChome also encourages our employees to engage in external training programs so they can strengthen their professional capabilities and acquire new knowledge through external exchanges and interactions.

Our internal and external training programs encompass a wide range of themes. In line with the rising popularity of e-commerce big data and information security in course design, PChome has arranged various information-related training programs such as program application, information security, and patent-related knowledge for our employees. These programs thoroughly enhance our employees' appropriate use of information technology, their awareness toward information security protection, and their understanding of the latest trends in these fields. In light of the local COVID-19 outbreak in 2021, we moved most of our in-service training programs online so as to safeguard the health of our employees, reduce necessary contact, and promote their growth.

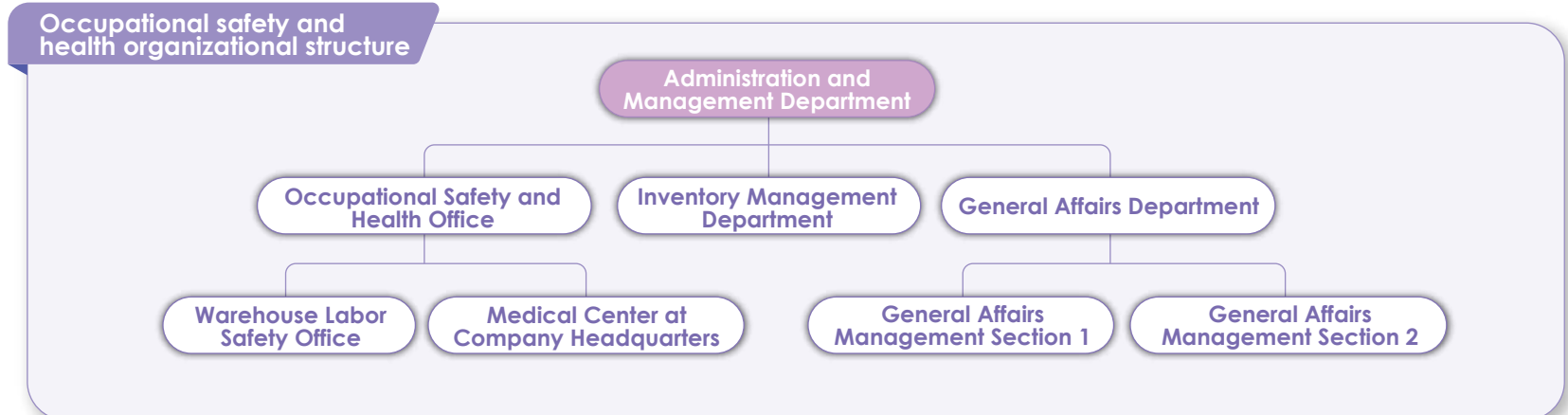
Statistics on the length of in-service training undertaken by PChome employees				
Employee type	Gender	Total length of in-service training (hours)	Number of participants	Average length of in-service training (hours/person)
Supervisors	Female	1,363	106	12.86
	Male	1,183	78	15.17
	Total	2,546	184	13.84
Non-supervisors	Female	1,929	952	2.03
	Male	1,824	767	2.38
	Total	3,753	1,719	2.18
Total		6,299	1,903	3.31

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

4.4 Healthy and friendly workplace

4.4.1 Occupational safety and health management

Our talent is the cornerstone of our growth and the key determinant of our position as a leader in the e-commerce industry. 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 Logistics Center to handle the occupational safety and health matters in each warehouse. In addition to our strict compliance with the regulations of the Occupational Safety and Health Act, we also implement various occupational safety and health measures and devise relevant policies. We have thus far implemented four protection protocols: The Ergonomic Risk Management Program, Program on Preventing Overwork-Related Disorders, Program on Preventing Employee Workplace Violations, and Program on Maternity Health Protection. 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. In response to statute law revisions, we continuously implement and improve our internal management measures such as enhancing occupational safety and health (OSH) prevention measures and reducing the occurrence of OSH accidents, so as to achieve effective occupational safety and health management. We continue to create a safe and friendly workplace with the goal of achieving zero accidents.



About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1 A Sincere Partner in Governance

Ch.2 An Innovative Partner in Retailing

Ch.3 A Green Partner for the Environment

Ch.4 A Reliable Partner in the Workplace

Ch.5 A Caring Partner in Society

Appendix

Four protection protocols

Four programs	A. Ergonomic Risk Management Program	B. Program on Preventing Overwork-Related Disorders	C. Program on Preventing Employee Workplace Violations	D. Program on Maternity Health Protection
Description	To safeguard the health and welfare of our employees, PChome applies ergonomic approaches to perform workplace environment 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 2021, PChome continued our focus on improving the internal environments of our warehouses to eliminate potential hazards for frontline warehouse employees	To prevent occupational diseases arising from shifts, night work, and long working hours, PChome conducts workload risk assessments, physician interviews, health instruction, and health management and protection measures as means of reducing the occurrence of work-induced cardiovascular disease. Through these measures, we expect to prevent employees from overworking and help them manage their stress properly	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	We actively 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
Outcomes of project implementation in 2021	<ul style="list-style-type: none"> A total of 77 individuals completed a survey on the condition of their musculoskeletal injuries/illness A total of 57 individuals required in-person consultation and guidance from a nurse/on-site physician 	<ul style="list-style-type: none"> A total of 28 high-risk individuals were identified A total of 108 individuals completed their in-person consultation and guidance with a nurse/on-site physician A total of 105 individuals required regular follow-ups and assessments 	<p>There was one case of unlawful infringement (physical violence), which was handled and resolved immediately</p> <p>Subsequent responses:</p> <ul style="list-style-type: none"> The assailant was dismissed immediately The victim filed a police report after work and both assailant and victim settled the case at the police station <p>Improvement measures:</p> <ul style="list-style-type: none"> Reinforcing employee in-service training so that everyone has a mutual understanding, acceptance, and respect toward the differences between their individual values and perceptions Constantly reminding employees to notify their supervisors immediately in the event of a conflict to prevent further escalation caused by delayed reporting 	<ul style="list-style-type: none"> A total of 36 individuals completed their in-person consultation and guidance with a nurse/on-site physician A total of 12 individuals required an assessment of the workplace and activity hazards associated with maternity health A total of 4 individuals were found to be exposed to various risk factors in their activity areas. The risk factors were then reduced or eliminated

Epidemic prevention measures

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 comprising nine major precautionary measures for ensuring stable and continuous operations:

No.	Measures	Description
1	Devising response procedures against major infectious diseases	<ul style="list-style-type: none"> Notifiable infectious diseases can significantly damage and impact the health and safety of 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	<ul style="list-style-type: none"> Establishing an epidemic prevention response team who take timely decisions and response measures throughout the course of the epidemic. The team convenes at regular meetings to discuss preventive measures and disseminate epidemic prevention information

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

No.	Measures	Description
3	Environmental monitoring	<ul style="list-style-type: none"> ● Maintaining a clean and well-ventilated workplace ● Providing sanitizers and cleaning agents in the workplace ● Disinfecting the entire setting ● Disinfecting high-risk places such as washrooms, parlors, meeting rooms, as well as frequently touched objects and places
4	Access control	<ul style="list-style-type: none"> ● Taking the temperatures of all visitors and refusing entry to those with a high body temperature ● Leading visitors to the reception desk to have their hands sanitized and fill out a health status questionnaire ● Wearing a mask at all times in indoor settings
5	Initiating split team operation	<ul style="list-style-type: none"> ● Arranging flexible work hours to split workforce flows ● Implementing remote working for different locations and teams to minimize the risk of cluster infection ● Segregating workplace areas or floors in the same building to minimize the risk of cluster infection
6	Self-health management	<ul style="list-style-type: none"> ● Enhancing workplace health management practices ● Providing information and epidemic prevention products in response to the status of the epidemic ● Tracking employee movements during epidemics
7	Temperature checks	<ul style="list-style-type: none"> ● Employing a temperature tracker who records visitors' body temperature ● Those with high temperatures are reported to an occupational health nurse for subsequent monitoring
8	Emergency response	<ul style="list-style-type: none"> ● Emergency response measures are implemented immediately when there are suspected COVID-19 cases in the workplace
9	Work from home planning and simulation	<ul style="list-style-type: none"> ● Initiating work-from-home measures and requesting employees to report their health status every day

PChome continues to deliver to epidemic hotspots or hospital surroundings during tough times. In response to outbreaks, our warehouse and logistics teams immediately implemented split operations so that each logistics center does not engage in cross-region deliveries. Though this measure reduces shipment capacity, it lowers the risk of contact and safeguards product and consumer safety. In May 2021, we purchased vaccine insurance for all employees. To date, every logistics employee has been vaccinated and is requested to display a vaccination badge for safe and quick identification by consumers and other employees.



We provide three masks every day for our field workers



Each logistics vehicle is equipped with a spray bottle filled with alcohol



Field workers who have received two vaccine doses are required to display a vaccination badge for easy identification by consumers



All our business locations are equipped with an automatic disinfection station and everyone entering and leaving the premises are required to sanitize their hands and have their temperature taken



About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

4.4.2 Safe and comfortable workplace

PChome upholds our spirit of providing high quality services to customers. This spirit is also carried through in workplace safety and health, so that our employees can work in reliable and safe environments while engaging in value co-creation.

To allow PChome employees to express their creativity to the fullest in a secure, comfortable, and healthy environment and thereby provide high quality and reliable services to consumers, we have made efforts to upgrade our office areas, rest areas, and medical facilities. Additionally, we continue to inspect and assess the potential safety risks at each activity area and develop improvement solutions in a timely manner. We have also installed first aid stations and AEDs and stationed medical professionals at our offices to safeguard employee health and prevent potential health emergencies. In light of the surge in demand for online shopping during the post-pandemic period, we have made numerous improvements to the traffic flow and work environments in our frontline warehouses. These measures ensure that warehouse employees can safely pick up the products ordered and deliver them to customers in a timely manner.

Comfortable work environment



Lactation room



AED in the office



Improvements to warehouse workplace environments

Mitigating heat-related hazards at activity areas

Description of warehouse improvements

Despite being open spaces, the activity areas are particularly stuffy and hot during summer. Thus, we have installed large 54-inch fans to improve the airflow, reduce indoor humidity levels, and mitigate heat-related hazards.

Before



After



Before



After



Reinforcing heavy duty rack supports

Description of warehouse improvements

Assessing the conditions of heavy duty rack supports and using galvanized iron to reinforce those with minor deformations.

Before



After



In-service training and routine campaigning

PChome organizes relevant in-service training programs on occupational safety and health (OSH), so as to enhance employees' level of awareness toward OSH and to improve their knowledge on the topic as well as the relevant prevention measures. Every year, we organize 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 devised a driver safety manual for newcoming logistics drivers and provided in-service training that covers driver safety, service etiquette and sales pitch, and vehicle introduction and inspection. We also organize multiple driver safety meetings every year to remind logistics drivers about the importance of driving safely. PChome Express continued to organize driver safety meetings in 2021. The meetings aimed to instill correct driver safety awareness and practices and covered 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 a preemptive stance by providing regular in-service training programs including disaster drills, AED-use training, and CPR training.

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1 A Sincere Partner in Governance

Ch.2 An Innovative Partner in Retailing

Ch.3 A Green Partner for the Environment

Ch.4 A Reliable Partner in the Workplace

Ch.5 A Caring Partner in Society

Appendix

- **About This Report**
- **Message from the Management**
- **Awards and Recognitions**
- **Sustainable Partnerships**
- **Ch.1
A Sincere Partner in Governance**
- **Ch.2
An Innovative Partner in Retailing**
- **Ch.3
A Green Partner for the Environment**
- **Ch.4
A Reliable Partner in the Workplace**
- **Ch.5
A Caring Partner in Society**
- **Appendix**

Information on occupation safety and health training at PChome in 2021 is as follows:

Category	Training program	2021 training outcomes
General occupational safety training	Occupational safety and health (OSH) for typical employees	Number of sessions held: 133 / Number of participants: 754 / Total length: 200 hours / Evaluation pass rate: 100%
	In-service training for OSH and management staff	Number of sessions held: 12 / Number of participants: 11 / Total length: 59.5 hours
	OSH advocacy meetings (including OSH committee meetings)	Number of sessions held: 31 / Number of participants: 337 / Total length: 34 hours
	Preliminary training for supervisors in charge of organic solvent operations	Number of sessions held: 2 / Number of participants: 2 / Total length: 36 hours / Evaluation pass rate: 100%
Occupational safety training in warehousing and logistics	Refresher training for forklift operators	Number of sessions held: 9 / Number of participants: 49 / Total length: 27 hours / Evaluation pass rate: 100%
	OSH training on electric-powered pallet jack and forklift operations	Number of sessions held: 56 / Number of participants: 1,144 / Total length: 29 hours
	Site hazard notifications/training sessions for contractors	Number of sessions held: 161 / Number of participants: 482 / Total length: 80.5 hours
Disaster and emergency drills	Disaster drills	Number of sessions held: 6 / Number of participants: 182 / Total length: 7 hours
	Refresher training for fire safety management personnel	Number of sessions held: 2 / Number of participants: 2 / Total length: 12 hours / Evaluation pass rate: 100%
	Preliminary OSH training for first aid personnel	Number of sessions held: 1 / Number of participants: 11 / Total length: 18 hours / Evaluation pass rate: 100%
	Refresher OSH training for first aid personnel	Number of sessions held: 6 / Number of participants: 41 / Total length: 18 hours / Evaluation pass rate: 100%

Driver safety training



CPR training



Fire drill



Forklift operations safety training



About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in 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 2021 indicated that the hazards that could potentially cause harm or severe injury to our employees were mostly physical hazards associated with warehouse machinery operations. There were four recorded occupational injury events that occurred in 2021, which we swiftly clarified the reasons and proposed the mitigation measures. To prevent similar accidents from occurring, PChome subsequently made improvements to warehouse equipment such as enhancing the charging method of the pallet trucks, requesting that the vendor to strengthen machine inspections, and workflow optimization. PChome continues to assess and improve the work environment so as to ensure that our employees work in a safe and secure environment.

2021 occupational injury statistics	Employees			Intern		
	Female	Male	Total	Female	Male	Total
Total work hours	2,067,696	1,667,304	3,735,000	31,872	13,944	45,816
1.1 Occupational fatalities	0	0	0	0	0	0
1.2 Number of serious occupational injuries (excluding fatalities)	1	0	1	0	0	0
1.3 Number of recordable occupational injuries	3	1	4	0	0	0
2.1 Ratio of occupational fatalities	0	0	0	0	0	0
2.2 Ratio of serious occupational injuries (excluding fatalities)	0.48	0	0.27	0	0	0
2.3 Ratio of recordable occupational injuries	1.45	0.6	1.07	0	0	0

Notes: 1. In 2021, the number of occupational injuries among our contractors as well as the total work hours were not consolidated, and hence no information is disclosed on these matters.

2. Ratio of occupational fatalities = (Occupational fatalities / Total work hours) * 1,000,000.

3. Ratio of serious occupational injuries = (Serious occupational injuries / Total work hours) * 1,000,000.

4. Ratio of recordable occupational injuries = (Number of recordable occupational injuries / Total work hours) * 1,000,000.

Incidents of work-related injuries	Description of injury	Type of injury	Subsequent improvements
Incident 1	An employee cut their finger when they attempted to relocate a 18-inch pedestal fan that was still in operation	Physical	1. Installing a protective netting on the fan cover 2. Reminding employees to turn off fans and other electronic equipment before relocating them
Incident 2	An employee fell down and suffered injuries to their left wrist, left knee, and left side of the back when they hit a pallet board while handling an anomaly	Physical	Reinforcing employee training
Incident 3	An employee fell from the washroom steps	Physical	Reinforcing employee training
Incident 4 (Serious occupational incident)	An employee was injured after getting hit by a pallet truck	Physical	Reinforcing employee training

The surge in demand for online shopping and warehousing has not only expedited the scale of our logistics operations, but also resulted in several traffic violations and accidents. We actively attend to the reasons and liabilities with each violation and accident to prevent injuries to our employees. To enhance driver safety awareness, we reinforced our employee training and implemented key performance indicators (KPIs) of driver safety.

Incident	Subsequent response measures
Traffic violation	Due to the lack of large parking spaces for trucks, traffic violations are inevitable in the logistics industry. PChome Express has taken measures to prevent moving violations and major violations such as parking in front of a fire hydrant, double parking, and parking against the flow of traffic. Based on the code of conduct of field workers, violators are subjected to a monthly KPI bonus reduction so as to remind them about the importance of parking correctly
Traffic accident	A meeting was convened immediately at the logistics center where the accident occurred. From the following day onwards, employees at all business locations were reminded of the accident upon clocking in for three consecutive days so as to improve driver safety awareness

Maternity health protection

Female employees comprise over half of the PChome workforce. To guarantee the rights of our female employees, we comply with the relevant regulations in 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 career and family during pregnancy.

Unpaid parental leave statistics			
Item	Male	Female	Total
A: Number of applicants for unpaid parental leave in 2021	7	31	38
B: Number of reinstated employees who should receive unpaid parental leave in 2021	4	21	25
C: Number of reinstated employees who actually received unpaid parental leave in 2021	3	18	21
D: Number of reinstated employees who received unpaid parental leave in 2020	3	25	28
E: Number of reinstated employees who continued to work for a year after receiving unpaid parental leave in 2020	3	21	24
Reinstatement rate (%) = C / B	75%	86%	84%
Retention rate (%) = E / D	100%	84%	86%

PChome has a maternity protection policy that sets the standard for safeguarding maternity rights and assists employees in caring for their newborns. This allows our female employees to maintain their health and work-life balance during their pregnancy, postpartum, and lactation periods. Once a female employee becomes aware of her pregnancy, we provide a consultation session to inform her about maternity-related 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 perform hazard assessments at our workplaces to mitigate and eliminate potential hazards for pregnant employees. Medical experts are also recruited to help these employees cope with complicated feelings and physical discomfort during pregnancy. To create breastfeeding-friendly workplace settings, we have set up lactation rooms in our offices. Our lactation rooms have been certified as excellent by the Taipei City Government Department of Health. Going forward, we will continue to attend to the maternity needs of and suggestions from our employees by inspecting and revising the relevant measures to improve our maternity health protection program.

Lactation room



Certification of Excellent Lactation Room by the Taipei City Government Department of Health



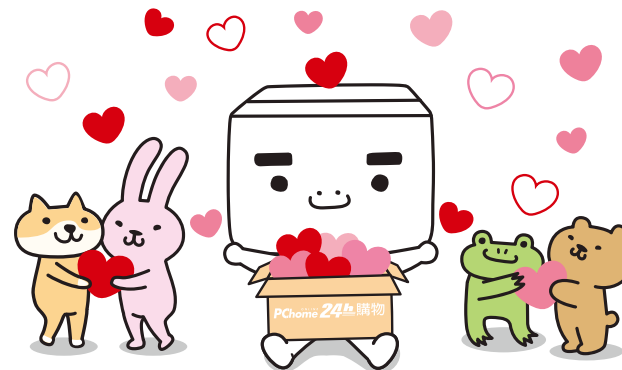
- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1
A Sincere Partner in Governance
- Ch.2
An Innovative Partner in Retailing
- Ch.3
A Green Partner for the Environment
- Ch.4
A Reliable Partner in the Workplace
- Ch.5
A Caring Partner in Society
- Appendix

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 wellbeing 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 courses cover a wide range of topics including healthy eating, healthy exercise, good mental health, etc. To gauge the success of these training courses, participants complete post-training satisfaction surveys to ensure that each course meets the 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.

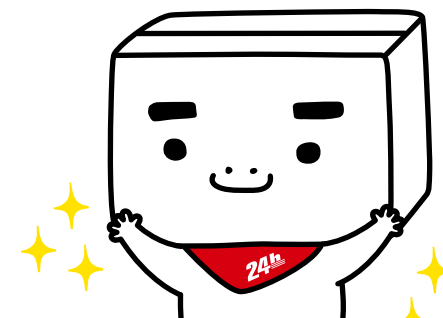
Course	Description	Course participation data	Course satisfaction (five-point scale)
Healthy living—Physical exercise and stress relief-themed courses	These themed courses in 2021 were tailored to the interests and health needs of our employees based on their feedback on the courses in 2020. Professional 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: 10 hours Total number of participating employees: 41 Participation rate: 70.24%	Not conducted
Healthy mindset—Supervisor sensitivity: How to identify distressed and highly stressed employees	In 2021, we collaborated with Central Hill Counseling Center to organize a series of lectures on mental health in the workplace. A clinical psychologist from the counseling center provided the lecture to improve supervisors' awareness of their subordinates' feelings	Total course length: 4 hours Total number of participating employees: 93 Participation rate: 90%, 88%	Session 1: 4.53 Session 2: 4.70
Healthy mindset—Employee care and emotional support	In 2021, we collaborated with Central Hill Counseling Center to organize a series of lectures on mental health in the workplace. A clinical psychologist from the center provided the lecture to improve supervisors' concern toward their subordinates and competency in providing emotional support	Total course length: 4 hours Total number of participating employees: 96 Participation rate: 96.08%, 87.04%	Session 1: 3.59 Session 2: 4.10
Healthy mindset—First lesson in emotional regulation: Emotional awareness	In 2021, we collaborated with Central Hill Counseling Center to organize a series of lectures on mental health in the workplace. A clinical psychologist from the center provided the lecture to help employees relieve their stress in a healthy manner	Total course length: 2 hours Total number of participating employees: 32 Participation rate: 80%	4.89
Healthy living—In-service training on occupational safety and nursing: Assessment and prevention of work-related soreness among employees	In 2021, we organized a course on the assessment and prevention of work-related soreness among employees. The course was given by Dr. Yen-Ping Kung and aimed to enhance occupational nurses' knowledge of occupational safety and nursing, such that they are able to provide relevant measures to safeguard the health of our employees	Total course length: 2.5 hours Number of participating employees: 8 Participation rate: 100%	4.71

Aerobics course in session



Ch.5 A Caring Partner in Society

5.1 Embracing society and charity



- About This Report
- Message from the Management
- Awards and Recognitions
- Sustainable Partnerships
- Ch.1 A Sincere Partner in Governance
- Ch.2 An Innovative Partner in Retailing
- Ch.3 A Green Partner for the Environment
- Ch.4 A Reliable Partner in the Workplace
- **Ch.5 A Caring Partner in Society**
- Appendix

Sustainable development goals



Important stakeholders

Employees, Media,
Communities/NGOs



Sustainability highlights

Launched the PChome E-Commerce University online course in which **500 participants** completed their training



Launched the Strays for Stay event with **Dog Home** to help the public gain knowledge on pet adoption and care



Joined hands with the **Eden Social Welfare Foundation** to organize the PC Hug Me Bear charity event, which received support and donations from around **500** members of the public



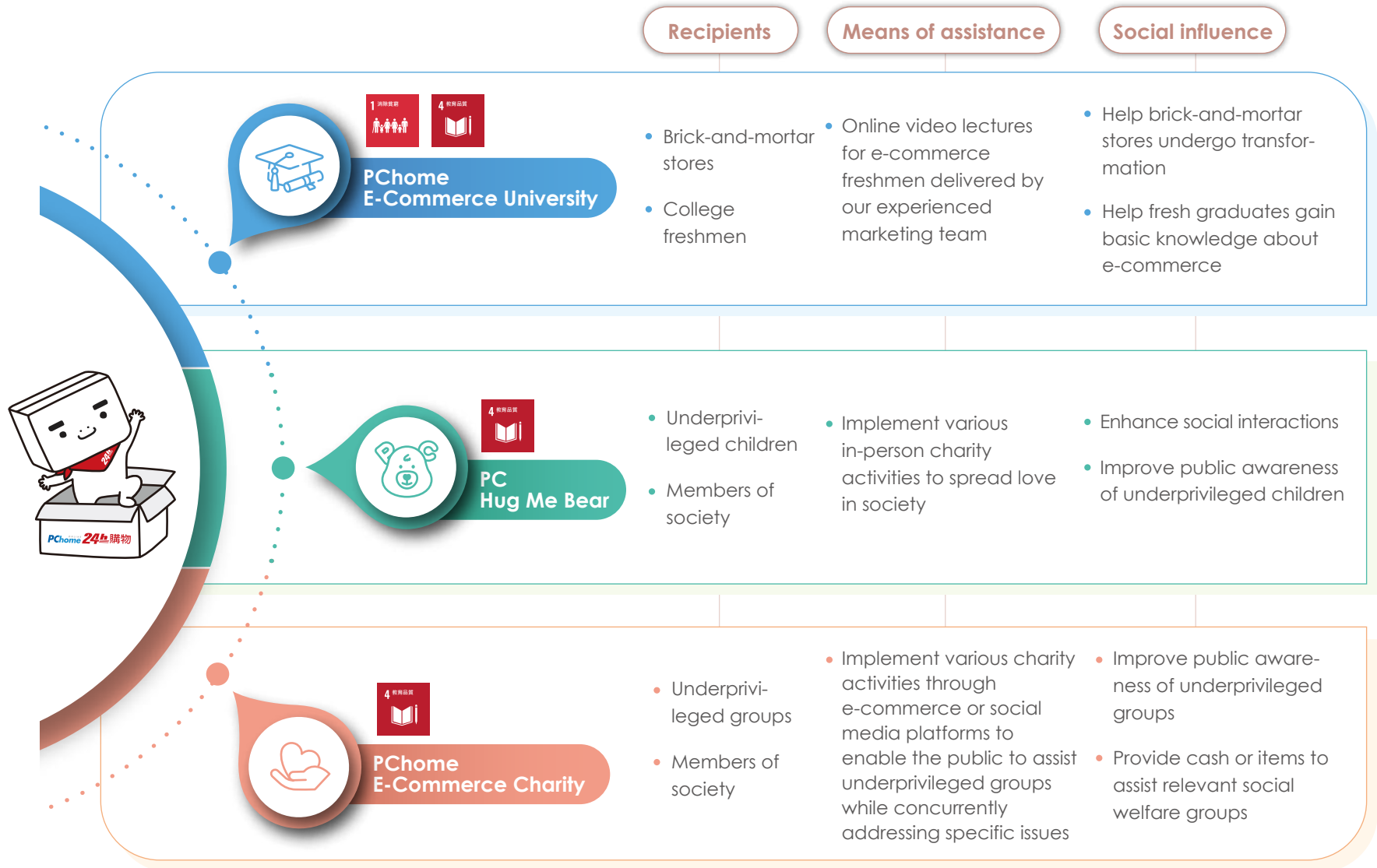
Organized the Warm Christmas With You event with **iGoods** and donated **240** boxes of goods to social welfare organizations



As the COVID-19 pandemic sweeps across the globe, PChome has leveraged the power of online shopping services to reduce consumer anxiety by enabling life at home and adopting a lifestyle for epidemic prevention. We also express our concern and support for public welfare through actions, such as organizing charity auctions and fundraising events to help underprivileged children and adolescents. We publicize public service announcements to safeguard our nation by adopting practices for epidemic prevention and environmental protection.

5.1 Embracing society and charity

In addition to our business operations, PChome also has concern about the social context and groups in need. We hope to infuse positivity in society using our role in the e-commerce industry. In 2021, we continued to promote charity events through the influence of our e-commerce platform, such as the PC Hug Me Bear event. We also debuted our PChome E-Commerce University online course to share our knowledge of and experience in e-commerce business operations to all members of the public.



About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

5.1.1 PChome e-commerce university

Business benefits

- Engaged with around 900 e-commerce talents

Social benefits

- More than 500 participants completed their training

The COVID-19 pandemic has driven digital transformation in many companies. However, some physical merchants and college freshmen remain hesitant to engage in digital transformation in spite of their curiosity. As a major e-commerce platform in Taiwan, PChome launched the free PChome E-Commerce University online course in September 2021 in which participants register through an activity webpage. Video lectures were presented by our experienced marketing team to help participants establish basic knowledge about e-commerce and to share their experiences with members of the public. This broadens our engagement with consumers who are interested in the e-commerce business.



Learning about offline and online e-commerce marketing strategies such as promotions, cross-industry partnerships, and dissemination of topics



Understanding social media management from the perspectives of e-commerce marketing



Learning the components and concepts required to complete a digital marketing proposal



Knowing more about e-commerce marketing strategies through case analysis of practical e-commerce operations

PChome E-Commerce University



5.1.2 PC Hug Me Bear

We created the PC Hug Me Bear brand as a means of assisting underprivileged children in society through brand power. The PC Hug Me Bear is seen in our charity events to showcase our commitment to helping these children. The PC Hug Me Bear concept understands children are the basis of society and are crucial for a nation's future development. In today's society, many social issues are associated with a child's education and environment while growing up. PC Hug Me Bear stresses child-related welfare issues and hopes to steer underprivileged children in a positive direction through the influence of brand power, thus improving social harmony as a whole going forward.

Name

PC Hug Me Bear

Personality

Warm, likes to help the underprivileged, is concerned about children issues



The letters "P" and "C" on the ears represent PChome and stand for the words "People" and "Care"

The cowlick is the word "Love" written in cursive

PChome's brand mascot "IP-BOXMAN" is printed on the t-shirt, signifying PC Hug ME Bear's embodiment of our brand image and concerns to society

In early 2021, PChome entered a cross-industry partnership with KKBOX and debuted the PC Hug Me Bear Zone at KKBOX's Turn Up Fest. Together with the Eden Social Welfare Foundation, we showcased our charitable actions and invited members of the public to lend a helping hand to schooling children in rural areas. During the event, we invited director Leo Liao and YouTuber Alexander (@alx.112) to be ambassadors to promote our causes during the music festival. This measure not only improved our brand reputation, but also attracted donations from around 500 members of the public. We received NT\$50,000 in donations within two days, all of which were given to the Eden Social Welfare Foundation to improve learning environments and capabilities of schooling children in rural areas, enhance their self-worth, and strengthen their determination to fulfill their dreams.

The PC Hug Me Bear event



Video QR code

Business benefits

- Participants: More than 5,000 people
- Social media posts: More than 100 likes per post, engaged with 5,000 netizens
- More than 100 posts featuring the #PChomeTogetherWithYou hashtag were published

Social benefits

- Donated NT\$50,000 to the Eden Social Welfare Foundation

5.1.3 PChome's charity events

PChome Strays for Stay

The pandemic has not only impacted humans, but also increased the number of stray animals. In light of this issue, PChome 24h Shopping joined hands with Dog Home to launch the Strays for Stay online campaign, which was supported by a fan page, Instagram filters, a limited edition box with stray animal motifs, official Instagram and Facebook posts, and Instagram influencers' posts and stories. Consumers were invited to purchase outdoor sports equipment and receive a limited edition box with stray animal motifs and make a donation by liking the Facebook page and posts. When consumers develop a charitable mindset toward stray animal welfare, PChome shall donate NT\$24 to Dog Home. We encourage consumers to adopt the strays and spread positivity and right-minded concepts of pet adoption to every corner of society.

Business benefits

- 1,000 limited edition cat/dog boxes sold out within 2 weeks
- Interacted with around 1,000 people

Social benefits

- Donated NT\$50,000 to Dog Home



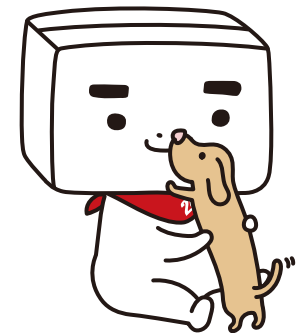
Step1. Buy pet products



Step2. Get a limited edition box



Step3. Get unlimited love



About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1 A Sincere Partner in Governance

Ch.2 An Innovative Partner in Retailing

Ch.3 A Green Partner for the Environment

Ch.4 A Reliable Partner in the Workplace

Ch.5 A Caring Partner in Society

Appendix

Warm Christmas with you

Taiwan was greatly affected by the COVID-19 pandemic in 2021. It was also a harsh year for social welfare organizations to acquire the resources they need. To this end, PChome joined hands with iGoods in December 2021. First, we asked social welfare organizations about the goods they needed, and then we asked our sponsor vendors to donate a batch of new products. By applying our influence and appeal, we rolled out a donation drive on our website to help spread charitable concepts among the general public. To expand the scope of this heartwarming act, PChome 24h Shopping employees cooperated with our professional PChome Express logistics staff to sort, clean, arrange, and pack the goods donated by consumers to the iGoods warehouse. We also donated some of our own items to social welfare organizations to share a warm and festive Christmas with them.

Business benefits

- Launched on November 29 and exceeded the target enrollment with 120 participants by December 9

Social benefits

- Donated 240 boxes of goods to social welfare organizations
- The fundraising outcomes were made into a film and released on December 25. During this festive season, we continued to show our concern for social welfare organizations as well as adding layers of warmth and storytelling to our brand image, thus injecting vitality into regular shopping and logistics experiences



Year of the Tiger, year of prosperity and happiness

The Year of the Tiger is here! PChome 24h Shopping offers limited edition tiger year-themed couplets to help consumers enjoy a prosperous new year. In collaboration with Taipei Xiahai City God Temple and the illustrated Happy Tiger mascot, we launched three limited edition co-brand spring couplets. 10% of the sales revenue was used to purchase goods needed by elementary school children in rural areas. All goods were handed out by Taipei Xiahai City God Temple to help underprivileged children enjoy a joyous Chinese new year.

Business benefits

- Launched on January 10 and sold out on January 21

Social benefits

- 10% of the sales revenue from this event was used to purchase goods needed by elementary school children in rural areas



PChome 24h Shopping has collaborated with the art platform WITHART and invited an emerging local NFT artist, Fisheep Tung, to design a co-brand desktop wallpaper. Netizens get to show their support for Taiwanese art by liking, sharing, and downloading the wallpaper on Facebook. By leveraging the power of art, we help to convey local artistic and cultural concepts to a broader audience and give back to loyal fans of PChome and WITHART.



About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1 A Sincere Partner in Governance

Ch.2 An Innovative Partner in Retailing

Ch.3 A Green Partner for the Environment

Ch.4 A Reliable Partner in the Workplace

Ch.5 A Caring Partner in Society

Appendix

Appendix

GRI Standards

Comparison table of disclosures in the Global Reporting Initiative (GRI) Sustainability Reporting Standards

General disclosure		Corresponding ESG Report chapter and/or description	Page(s)
Overview of the organization (2016)			
102-1	Name of the organization	About this Report	p.2
102-2	Activities, brands, products, and services	1.1 PChome business overview	p.16
102-3	Location of headquarters	1.1 PChome business overview	p.16
102-4	Location of operations	1.1 PChome business overview	p.17
102-5	Ownership and legal form	1.1 PChome business overview	p.16
102-6	Markets served	1.1 PChome business overview	p.17
102-7	Scale of the organization	1.1 PChome business overview 1.2 Ethical corporate governance and management 4.1 Professional team organization	p.16 p.21 p.65
102-8	Information on employees and other workers	4.1 Professional team organization	p.65
102-9	Supply chain	Sustainable partnerships 1.1 PChome business overview 1.4 Business partnership	p.6 p.16 p.25-26
102-10	Significant changes to the organization and its supply chain	No significant changes this year	-
102-11	Precautionary principle or approach	1.3 Robust risk management	p.22
102-12	External initiatives	No initiatives signed this year	-
102-13	Membership of associations	1.1 PChome business overview	p.17
Strategy (2016)			
102-14	Statement from senior decision-maker	Message from the Management	p.3
102-15	Key impacts, risks, and opportunities	1.3 Robust risk management 3.2 Climate and sustainability action	p.22 p.58-60
Ethics and integrity (2016)			
102-16	Values, principles, standards, and norms of behavior	1.2 Ethical corporate governance and management	p.21
Governance (2016)			
102-18	Governance structure	Sustainable partnerships - Sustainable promotion framework 1.2 Ethical corporate governance and management	p.6 p.18-19
102-27	Collective knowledge of highest governing body	1.2 Ethical corporate governance and management	p.20
102-32	Highest governance body's role in sustainability reporting	About this Report	p.2
102-36	Process for determining remuneration	1.2 Ethical corporate governance and management 4.2 Attractive remuneration and fringe benefits No remuneration consultants participated in the process for determining remuneration this year	p.19 p.66

Stakeholder engagement (2016)			
102-40	List of stakeholder groups	Sustainable partnerships	p.7-8
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	Sustainable partnerships	p.7-8
102-43	Approach to stakeholder engagement	Sustainable partnerships	p.7-8
102-44	Key topics and concerns raised	Sustainable partnerships	p.7-8
Reporting practice (2016)			
102-45	Entities included in the consolidated financial statement	About this Report 1.2 Ethical corporate governance and management	p.2
102-46	Defining report content and topic boundaries	About this Report Sustainable partnerships	p.2
102-47	List of material topics	Sustainable partnerships	p.9-11
102-48	Restatements of information	No restatements of information	-
102-49	Changes in reporting	Sustainable partnerships	p.11
102-50	Reporting period	About this Report	p.2
102-51	Date of most recent report	About this Report	p.2
102-52	Reporting cycle	About this Report	p.2
102-53	Contact point for questions regarding the report	About this Report	p.2
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	p.2
102-55	GRI content index	Appendix list of corresponding Global Reporting Initiative (GRI) standards indicators	p.90-91
102-56	External assurance	About this Report Appendix: Third party assurance statement	p.93
Management approach (2016)			
103-1	Explanation of the material topic and its boundary	Sustainable partnerships	p.10
103-2	The management approach and its components	Sustainable partnerships	p.10-11
103-3	Evaluation of the management approach	Sustainable partnerships Ch1.A sincere partner in governance Ch2.An innovative partner in retailing Ch3.A green partner for the environment Ch4.A reliable partner in the workplace Ch5.A caring partner in society	p.6 p.15 p.28 p.47 p.64 p.83

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1
A Sincere Partner in Governance

Ch.2
An Innovative Partner in Retailing

Ch.3
A Green Partner for the Environment

Ch.4
A Reliable Partner in the Workplace

Ch.5
A Caring Partner in Society

Appendix

Economic aspect		Corresponding ESG Report chapter and description	Page(s)
GRI 201: Economic performance (2016)			
201-1	Direct economic value generated and distributed	1.2 Ethical corporate governance and management	p.21
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 ESG Report chapter and description	Page(s)
GRI 301: Materials (2016)			
301-1	Materials used by weight or volume	3.1 Green Shopping Program	p.50
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	3.3 Green operations management	p.62
GRI 303: Water and effluents (2018)			
303-3	Water withdrawal	3.3 Green Operations Management	p.63
GRI 305: Emissions (2016)			
305-1	Direct (Scope1) greenhouse gas emissions	3.3 Green Operations Management	p.62
305-2	Energy indirect (scope 2) greenhouse gas emissions	3.3 Green Operations Management	p.62
GRI 306: Waste (2020)			
306-3	Waste generated	3.3 Green Operations Management	p.63
GRI 307: Environmental compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	No reported incidents	-
Social aspect		Corresponding ESG Report chapter and description	Page(s)
GRI 401: Employment (2016)			
401-1	New employee hires and employee turnover	4.1 Professional team organization	p.66
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Attractive remuneration and fringe benefits 4.4 Healthy and friendly workplace The fringe benefits described in the corresponding chapters are those received by full-time employees	p.67-69 p.81
401-3	Parental leave	4.4 Healthy and friendly workplace	p.81
GRI 403: Occupational health and safety (2018)			
403-1	Occupational safety and health management system	4.4 Healthy and friendly workplace	p.74
403-2	Hazard identification, risk assessment, and incident investigation	1.2 Robust risk management 4.4 Healthy and friendly workplace	p.74
403-3	Occupational health services	4.4 Healthy and friendly workplace	p.75-76
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2 Attractive remuneration and fringe benefits	p.70

403-5	Worker training on occupational health and safety	4.4 Healthy and friendly workplace	p.78-79
403-6	Promotion of worker health	4.4 Healthy and friendly workplace	p.82
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Healthy and friendly workplace	p.78-80
403-9	Work-related injuries	4.4 Healthy and friendly workplace	p.80
GRI 404: Training and education (2016)			
404-1	Average hours of training per year per employee	4.3 Human resource recruitment and development	p.73
404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Attractive remuneration and fringe benefits	p.66
GRI 405: Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	1.2 Ethical corporate governance and management 4.1 Professional team organization	p.18 p.65
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 2021	-
GRI 408: Child labor (2016)			
408-1	Operations and suppliers at significant risk for incidents of child labor	No operations and suppliers at significant risk for incidents of child labor	-
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 2021	-
GRI 416: Marketing and labeling (2016)			
416-2	Incidents of non-compliance concerning product and service on health and safety	1.3 Robust risk management	p.23
GRI 417 : Marketing and labeling (2016)			
417-2	Incidents of non-compliance concerning product and service on information and labeling	1.3 Robust risk management	p.23
417-3	Incidents of non-compliance concerning marketing communications	1.3 Robust risk management	p.23
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	1.3 Robust risk management	p.23

Comparison table of the Sustainability Accounting Standards Board (SASB) indicators

Topic of disclosure	Metric	Type	Disclosure metric(s)	Description	Page(s)
Infrastructure energy and water management	CG-EC-130a.1	Quantitative	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable energy	In 2021, (1) the total energy consumption was 51,036 GJ, (2) the percentage of grid electricity used was 62.9%, and (3) the percentage of renewable energy used was 0%	p.62
	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 2021 was 22,774 m ³ , (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 3.3 Green operations management	p.63
	CG-EC-130a.3	Qualitative	Description 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	-
Information privacy and advertising standards	CG-EC-220a.1	Quantitative	Number of users whose information was used for secondary purposes	None	-
	CG-EC-220a.2	Qualitative	Description of the relevant policies and measures on behavioral-oriented advertising and user privacy	Details are available in 2.3 Reliable information security and protection	p.46
Information security	CG-EC-230a.1	Qualitative	Description of the approaches to identifying and addressing data security risks	Details about information security are available in 2.3 Reliable information security and protection	p.43-44
	CG-EC-230a.2	Quantitative	(1) Number of data breaches, (2) percentage involving breaches of personally identifiable information (PII), (3) number of users affected	(1) 0 cases, (2) 0%, (3) 0 cases	-
Employee recruitment, diversity, and performance	CG-EC-330a.1	Quantitative	Percentage of employee engagement	Under development. Not yet implemented in 2021	-
	CG-EC-330a.2	Quantitative	(1) Voluntary and (2) Involuntary separation rate of all employees	(1) Voluntary separation rate: 22.0%, (2) involuntary separation rate: 0.6%. Details about separation rate are available in 4.1 Professional team organization	p.65-66
	CG-EC-330a.3	Quantitative	Gender and race/ethnic diversity in (1) Management, (2) technicians, (3) all employees	Details are available in 4.1 Professional team organization	p.65
	CG-EC-330a.4	Quantitative	Percentage of technicians with the H-1B visa	Not applicable	-
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 3.3 Green operations management	p.49 ~ 62
	CG-EC-410a.2	Qualitative	Description 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	p.48-57
Activity metrics	CG-EC-000.A	Quantitative	Enterprise-defined metrics and measures of user activity	PChome 24h has amassed 1.3 million members	-
	CG-EC-000.B	Quantitative	Data processing capacity and percentage outsourced	No information currently disclosed	-
	CG-EC-000.C	Quantitative	Number of product deliveries	Over 40 million products have been and delivered	-

About This Report

Message from the Management

Awards and Recognitions

Sustainable Partnerships

Ch.1 A Sincere Partner in Governance

Ch.2 An Innovative Partner in Retailing

Ch.3 A Green Partner for the Environment

Ch.4 A Reliable Partner in the Workplace

Ch.5 A Caring Partner in Society

Appendix

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 Sustainability Report ("the Report") of PCHome Online Inc. ("the Company") for the year ended December 31, 2021.

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 Sustainability Reports by TPEX Listed Companies and GRI Standards and Sector Guidance 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.

- 1 -

Inherent Limitations

The subject 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 this report.

The engagement partner on the limited assurance report is Han-Ni Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 29, 2022

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.

- 2 -

APPENDIX

SUMMARY OF SELECTED SUBJECT MATTER INFORMATION

#	Assurance Subject Matter	Descriptions of Indicators	Corresponding Section	Applicable Criteria
1.	GRI 302-1:2016	Energy consumption within the organization	3.3 Green Operations Management	Energy consumption is calculated by lighting and air-conditioning at the warehouses, as well as fuel consumption in logistics vehicles
2.	GRI 305-1:2016	Direct (scope 1) greenhouse gas emissions	3.3 Green Operations Management	Direct (scope 1) greenhouse gas emission is calculated by the warehouses and logistics vehicles' fuel consumption.
3.	GRI 305-2:2016	Energy indirect (scope 2) greenhouse gas emissions	3.3 Green Operations Management	Energy indirect (scope 2) greenhouse gas emission is calculated by the warehouses and logistics vehicles' use of electricity.
4.	GRI 401-1:2016	New employee hires and employee turnover	4.1 Professional team organization	The number of new employee hires and employee turnovers are unified according to the total number of employees system and the remuneration application forms.
5.	GRI 419-1:2016	Non-compliance with laws and regulations in the social and economic area	1.3 Robust risk management	The amount of Non-compliance with laws and regulations in the social and economic area is verified by the table of cases of violations and fines, and the records of fines and expenses.

- 3 -