ONLINE PChome

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2022
SUSTAINABILITY
REPORT

PChome ONLINE 24h 購物

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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 in 2022. PChome publishes an annual sustainability report for the reference of stakeholders.

Reference

Issuer	Compliance
The Global Reporting Initiative (GRI)	GRI Standards (2021)
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)

External Verification

Item	Independent Third-party report	Verification/ Assurance Institution
Sustainability data	Independent Limited Assurance Report in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" of the Republic of China	PwC Taiwan
Financial data	Independent Auditors' Report	KPMG Taiwan

Period and Extent of the Report

This Report presents PChome's sustainability-related achievements and performance for the year 2022 (from January 1, 2022, to December 31, 2022) and covers economic, environmental, and social aspects of PChome's business locations across Taiwan. Specific sections are dedicated to the operations of our subsidiary 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.

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 ESG Sustainable Development Committee Report Writing Task Force of PChome consolidated the information with the assistance of external consultants and completed the sustainability report, which was then verified by the Sustainable Development Committee and each department.
- Stage 3: The CEO approved the report for release to the public.

Publication Overview

- First edition: July, 2021
- Previous edition: July, 2022
- Current edition: July, 2023
- Upcoming edition: July, 2024

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PChome Sustainability Section

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Message from the Management A Word from the Chairman

Global economic growth slowed in 2022, war broke out between Russia and Ukraine, and due to domestic epidemic control measures being gradually relaxed, consumers returned to shop at brick-and-mortar stores. These are all challenges to a company's response ability, but challenges are opportunities, and PChome utilized the opportunity to review its business model and flexibly adapt. We uphold the business philosophy of "committed to innovation and value creation" and core value of "customers first", and launched various innovative services, such as the industry's first "iPhone subscription service", Taiwan's first three-party co-branded card "CTBC All Me Card" offered together with CTBC Bank and Chunghwa Telecom, which links together consumer application scenarios of e-commerce, telecommunications, and finance ecosystems and establishing a new reward point structure, and "PChome Loan Helper" jointly launched with Standard Chartered Bank, which helps resolve suppliers' pain point of obtaining working capital. We developed the PChome Sustainability Value Chain, which links together consumers, e-commerce, FinTech, enabling services, constantly improve consumers' shopping experience, accelerated modifications to the user interface and enhanced the Green Shopping Program, and accelerated the development of AI automated logistics and short-chain logistics systems, developing a more comprehensive One PChome ecosystem.

Enhancing the Green Shopping Program to Realize the Philosophy of Sustainable Development

With the flourishing development of e-commerce, the widespread adoption of online shopping has significantly transformed consumer behavior in the market, and the online shopping services have become deeply integrated into consumers' daily lives. As the first large green e-commerce platform in Taiwan, PChome is aligned with the UN SDGs and began implementing the Green Shopping Program in 2019, raising awareness of green consumption in "packaging, logistics, warehousing, and payment" in order to reduce the negative impact of online shopping services on the environment. Firstly, PChome has invested efforts into implementing green packaging; paper boxes are made from 100% recycled pulp, reducing carbon emissions by over 60,000 metric tons as of the end of 2022, equal to 155x the carbon absorption of Da'an Forest Park in a year. Secondly, we have strengthened the shipping capacity and the coverage rate of the PChome Express, to enhance our delivery services. We also procured electric scooters to be deployed in our logistics fleet, which can reduce total carbon emissions by a total of 17.29 metric tons through green vehicles. Thirdly, we optimized the automated equipment of our smart warehouses, and adjusted warehouse consolidation according to products' categories. Also, the Linkou A7 Smart Logistics Center, the first and most advanced among Taiwan's e-commerce companies to implement high-density artificial intelligence and fully automated warehousing equipment, was activated in 2023, which will effectively strengthen the warehouse and logistics capacity. Lastly, we continued to promote the use of electronic invoices and e-tickets. PChome is the first e-commerce company to issue electronic and reduced the use of paper invoices by over 13.5 million invoices in 2022. This is equal to saving 16.2 million trees from being cut down. We sold nearly 750 thousand e-tickets, reducing the equivalent of over 146 thousand A4 paper sheets. We also encourage consumers, employees, and suppliers to jointly respond to sustainability-related topics, and join forces with different parties to apply the concept of sustainable development in each aspect of e-commerce and online shopping services.

Receiving Public Recognition for Sustainable Development Performance

Upholding the spirit of integrity and transparent governance, and under the continued efforts of the management team and all employees, PChome was recognized for its sustainable development in 2022 with the "Bronze Award, Best Technological Innovation, Future Commerce Awards", "Bronze Award, 2nd TCSA", "Service Innovation Division, 4th Golden Ship Award", "Business Model Innovation Award, FinTech Taipei Awards", "5th Chinese Green Sustainability Golden Awards", and "Sustainability Report Platinum Award, 15th TCSA".

Going forward, PChome will continue to create a win-win situation and deliver sustainability value to stakeholders. PChome is committed to becoming the most trustworthy partner in consumers' daily life, and aims to develop green e-commerce.

Chairman of PChome Online Inc.

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Message from the Management A Word from the CEO

2022 was a volatile year for Taiwan and the world alike, as we face challenges in the post-pandemic era and markets, PChome is paying greater attention to ESG, examining corporate governance, environmental protection, and social responsibility related strategies, and increasing the scale of existing actions, while taking new sustainability action. We established a Corporate Sustainability Committee to strictly control the Company's sustainability policy from the highest level management, and expanded the availability of green products so that even more consumers and suppliers can take part. We continue to implement the paperless plan and direct our efforts in three aspects internally and externally, comprehensively taking carbon reduction actions. We have closely followed social issues for a long period of time, and utilize our capabilities to raise concern in society, so that more people will take part in sustainability actions.

Establishing a Corporate Sustainability Committee to Effectively Manage Sustainability Strategies

PChome established a Corporate Sustainability Committee in 2022, and formed a cross-departmental ESG Task Force for "governance and responsibility", "environmental protection and energy conservation", and "employee and social care". The task force reports to the board of directors on an annual basis, and keeps the board up-to-date on progress in the Company's ESG strategy. This shows the determination of every PChome employee to participate in the Company's sustainable development.

Increasing the Scale of Sustainable Products with the Support of Consumers and Suppliers

PChome continues to optimize its product selection strategy and online shopping services, and continues to provide consumers with a wider range of products in response to sustainability-related topics through the green product purchase and sales cycle. PChome began working with the Small and Medium Enterprise Administration, Ministry of Economic Affairs in 2021 to promote "Buying Power Store". As the only e-commerce collaboration channel in Taiwan, we have supported 50 brands and provided over 1,300 natural food products, organic food, and low plastic supplies, working together with consumers and suppliers in creating green economies of scale towards new green and sustainable lifestyles.

Simultaneous Efforts in Three Major Aspects and Implementing the Paperless Carbon Reduction Project

PChome is making internal approval procedures, consumption channels paperless, and suppliers are making their processes paperless, in order to improve operational efficiency and reduce resource consumption. PChome began digitizing approval procedures in 2021, and nearly 70% of approvals are now electronic. PChome continues to dedicate its efforts to the sale of e-ticket products, and uses e-books and e-tickets to replace conventional paper books and paper tickets. This reduces paper use, provides greater convenience for consumers, and also makes consumers an important link in environmental protection and energy conservation. We began signing electronic contracts with suppliers in 2022, and have signed electronic contracts with over 2,400 companies through the back-end system.

Continuous Efforts in Social Welfare, Leading by Example for Mutual Prosperity with Society

Upholding the spirit to use what is taken from society for the good of society, PChome properly utilizes local resources in operations as a domestic e-commerce company, and continued to integrate resources for social welfare in 2022, including supporting domestic sports events, engaging in local cultural development, and assisting in the communication of environmental protection issues. Our next step is to establish a charity platform and invite charity organizations to move in, using PChome's share of voice to speak out for more underprivileged groups. We will continue to monitor social issues and provide assistance, in hopes of using the Company's capabilities to work with all stakeholders towards the common good of society.

Continuing to Strengthen Corporate Governance and Attaching Importance to Stakeholders' Interests

Continuing to Strengthen Corporate Governance and Attaching Importance to Stakeholders' Interests
PChome upholds the spirit of integrity and transparent governance, and puts the interests of all stakeholders first. We attach importance to corporate governance-related topics, and not only comply with laws and regulations and implement internal controls, but also improve internal governance through Board and functional committee performance evaluations. In the 2022 Corporate Governance Evaluation, we maintained our performance in the second bracket. Furthermore, PChome became the first e-commerce company in Taiwan to obtain TIPS Level A certification in January 2022. Going forward, we hope to better utilize company resources, improve operational efficiency, and improve society welfare, while creating greater competitiveness.

Going forward, PChome will continue to integrate the group's resources, combine the existing strength and resources of the open ecosystem platform to launch innovative services, and leverage the impact of the Company to actively participate in environmental protection. We echoed the policy of the Environmental Protection Administration, we started to reduce the use of online shopping packages since 2019. In the future, regarding the "Online Shopping Packaging Reduction Guidelines 2.0", PChome will voluntarily continue to implement a higher standard of packaging reduction, not only providing convenient online shopping services but also achieving carbon emissions and waste reduction. Upholding the value of "customers first", we will also move forward to the goal of "Make Changes in Everyday Life", carry out sustainable development PChome's DNA, and jointly achieve sustainability and prosperity with the industry.

CEO of PChome Online Inc.

張瑜珊

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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

2022

- Bronze Award, Best Technological Innovation, 2022 Future Commerce Award (Smart Warehousing) ★
- Energy Conservation Community Marketing Award, 2022 Energy Conservation Product Promotion Event, Taipei City Government ★
- Bronze Award, 2nd Taiwan Sustainability Action Award (TSAA) (Green Shopping Program) ★
- Service Innovation Division, 4th Golden Ship Award ★

- Business Model Innovation Award, 2022 FinTech Taipei Awards (PChome Loan Helper) ★
- Gold Award, 5th Chinese Green Sustainability Golden Awards ★
- Awarded the Sustainability Report Platinum Award at the 15th TCSA Awards ★
- Awarded Second Prize at the 2022 Buying Power Awards organized by the MOEA
- Taiwan Best Customer Center Award-Digital Media Shopping-Bronze Award

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
- 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
- Awarded the Inspirational Brand Award and Fast Enterprise 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)

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Sustainable Partnerships

(ONE PChome Blueprint for Sustainability) (PChome Sustainability Value Chain) (Sustainable Promotion Framework) (Stakeholder Engagement) (Material Topics and Development Goals)

Important stakeholders: Customers, employees, suppliers, shareholders/investors, government organizations, media, and communities/ NPOs
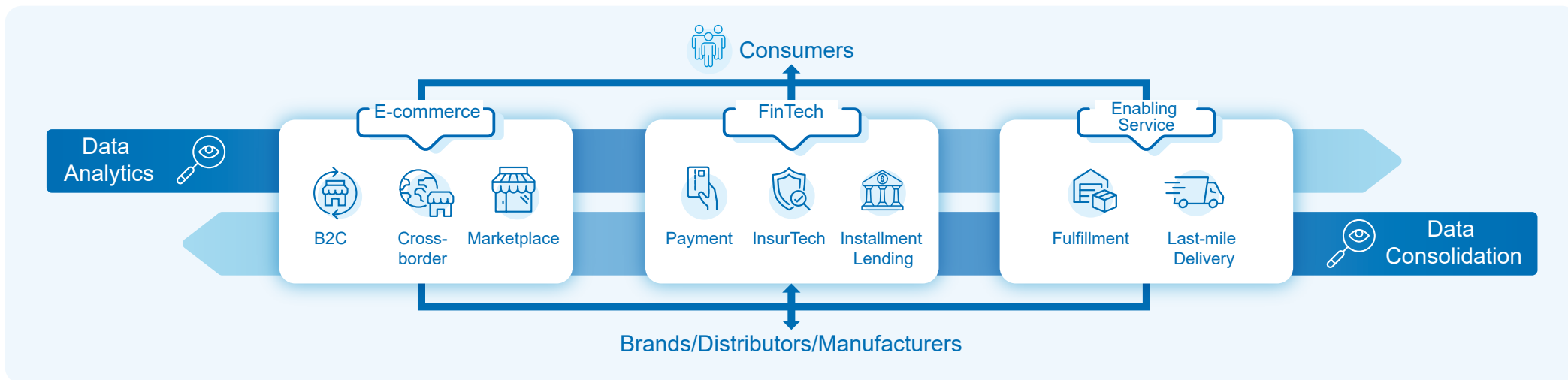
PChome firmly believes that every entity in the greater community is a stakeholder. Our operations are dependent on the well-being of every person. In line with the United Nations Sustainable Development Goals (SDGs), PChome actively leverages the influence of e-commerce platforms to not only meet customer 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" and "customers first", 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 and corporate governance. We dedicate ourselves to fulfilling our corporate citizenship roles and becoming a reliable partner in everyday life.

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Vision — PChome 24h Shopping aims to become an integral part of consumers' daily lives, and act as a reliable partner in consumers' daily life

Mission — To put customers first, meet consumers' needs, pay attention to society and the Earth, and exert influence in sustainable development

Value — Committed to innovation and value creation

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PChome Sustainability Value Chain

Sustainable Promotion Framework

To effectively manage sustainability information in the organization and engage in cross-departmental communication for planning related affairs, PChome established the Sustainability Committee in 2022 with the CEO as the chairperson of the committee, which brings together senior managers in different fields to jointly examine the Company sustainable development direction and implementation results based on the UN SDGs. PChome also established the ESG teams: Governance and Responsibility Team, Environmental Protection and Energy Conservation Team, and Employee and Social Care Team. Members of each team are responsible for sustainable development strategies and action plans, taking action to achieve the SDGs. The board of directors periodically listens to reports from the Sustainable Development Committee to stay up-to-date on the progress of the Company's ESG strategies, and urges the team to make strategy adjustments and provides resources when necessary.

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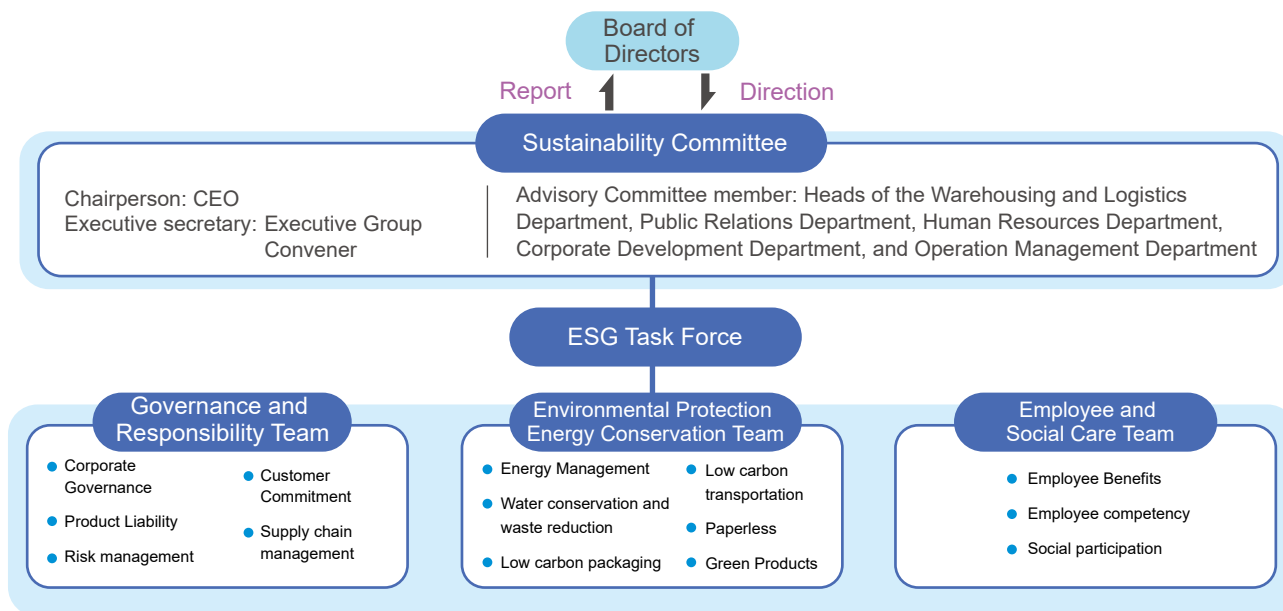
Stakeholder Engagement

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 (Dependency, Responsibility, Influence, Diverse Perspectives, and Tension) of the AA1000 SES-2011 Stakeholder Engagement Standard (SES). The seven main stakeholder groups of PChome are: Suppliers, government organizations, customers, employees, shareholders/ investors, media, and communities/ NPOs.

Dependency — Stakeholders who directly or indirectly depend on operating activities, products or service performance of PChome

Responsibility — Stakeholders that PChome has a legal, commercial, operational, or ethical responsibility towards

Tension — Stakeholders who are concerned about PChome's financial, economic, social, and environmental issues

Influence — Stakeholders who have influence over PChome's strategies for business decisions

Diverse Perspective — Stakeholders who have different perspectives and are able to inspire PChome to obtain new knowledge and opportunities

Stakeholder	Importance to PChome	Material Issues of Concern	Means of Communication	Frequency of Communication	Number of Communications and Outcomes in 2022	Responses and Actions
Suppliers	Strong cooperation with value chain partners is critical for providing products and services of the highest standards	• Corporate Governance and Compliance • Supplier Management • Responsible Marketing • Tax Commitment Policy • Business Performance and Operational Risks • Information Security and Customer Privacy • Eco-friendly Packaging	Supplier hotline/Real-time communication	Immediate	Occasionally	• Sustainable Partnerships • Ch1 A Sincere Partner in Governance • Ch2 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	• Corporate Governance and Compliance • Supplier Management • Responsible Marketing • Tax Governance • Information Security and Customer Privacy • Sustainable Procurement • Climate and Sustainability Action • Eco-friendly Packaging • Green Warehousing and Logistics	Participating in policy making seminars, forums, and public hearings	Occasionally	Occasionally	• Sustainable Partnerships • Ch1 A Sincere Partner in Governance • Ch2 An Innovative Partner in Retailing • Ch3 A Green Partner for the Environment
			Visiting or inviting competent authorities to establish opportunities for direct exchange	Occasionally	Occasionally	
			Communicating through official documents, e-mail, phone, and in-person visits	Occasionally	Occasionally	
			Creating links to contact officer and email for government units in the stakeholder section of our website	Occasionally	Occasionally	

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Stakeholder	Importance to PChome	Material Issues of Concern	Means of Communication	Frequency of Communication	Number of Communications and Outcomes in 2022	Responses and Actions
Customers	Corporate sustainability depends on customers' trust. An enterprise flourishes by maintaining continuous and trustworthy interactions with other parties.	• Intellectual Property Management • Information Security and Customer Privacy • Information Security and Customer Privacy • Sustainable Procurement • Climate and Sustainability Action • Eco-friendly Packaging • Green Warehousing and Logistics • Waste and Recycling	Customer hotline	Immediate	Occasionally	• Sustainable Partnerships • Ch2 An Innovative Partner in Retailing • Ch3 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	At least monthly	
Employees	Employees are a company's most important asset and are fundamental to its growth	• Attracting and Retaining Talent • Diversity and Equal Opportunity • Information Security and Customer Privacy • Occupational Safety and Health • Business Performance and Operational Risks	Employer-employee meetings	Seasonally	4 sessions	• Sustainable Partnerships • Ch1 A Sincere Partner in Governance • Ch2 An Innovative Partner in Retailing • Ch4 A Reliable Partner in the Workplace
			Performance evaluation briefings	Semi-annually	2 activities	
			Staff meeting	Seasonally	5 activities	
			Announcements of exclusive employee benefits	Occasionally	24 announcements	
			Chairperson Chat Room	Occasionally	2 activities	
			CEO Chat Room	Occasionally	12 sessions	
			Letter to employees	Monthly	24 announcements	
			Double 11 encouragement meeting	Annually	1 activity	
			Management meetings	Occasionally	Occasionally	
			Employee email	Immediate	Immediate	
Shareholders/ Investors	Long-term support from our shareholders and investors is crucial for PChome's robust growth	• Corporate Governance and Compliance • Intellectual Property Management • Business Performance and Operational Risks • Climate and Sustainability Action • Eco-friendly Packaging • Green Warehousing and Logistics	Meetings with legal persons	Occasionally	More than 100 sessions	• Sustainable Partnerships • Ch1 A Sincere Partner in Governance • Ch2 An Innovative Partner in Retailing • Ch3 A Green Partner for the Environment
			Mandarin and English language briefings with legal persons	Seasonally	8 sessions	
			Establishing an investors' section and designating a person-of-contact for shareholders on our website	Immediate	Occasionally	
			Major announcement	Occasionally	104 announcements	

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Stakeholder	Importance to PChome	Material Issues of Concern	Means of Communication	Frequency of Communication	Number of Communications and Outcomes in 2022	Responses and Actions
Media	The media is an important means of conveying a company's brand image.	• Corporate Governance and Compliance • Community Engagement • Intellectual Property Management • Business Performance and Operational Risks • Information Security and Customer Privacy • Customer Safety and Health/Product and Service Quality Management • Sustainable Procurement • Climate and Sustainability Action • Eco-friendly Packaging • Green Warehousing and Logistics	Maintaining media relations and communications	Occasionally	Daily	• Sustainable Partnerships • Ch1 A Sincere Partner in Governance • Ch2 An Innovative Partner in Retailing • Ch3 A Green Partner for the Environment • Ch5 A Caring Partner in Society
			Media release	Occasionally	Approximately 119 announcements	
			Media inquiry response	Occasionally	More than 91 responses	
			Media communication/Press conferences (online and offline)	Occasionally	16 sessions	
			Media interviews (Exclusive interviews and group interviews)	Occasionally	11 activities	
Communities/ NPOs	The welfare of local community residents is an important indicator of a company's sustainability influence	• Community Engagement • Responsible Marketing • Sustainable Procurement • Climate and Sustainability Action • Eco-friendly Packaging	Sponsoring local sports events	Occasionally	Regular season games	• Sustainable Partnerships • Ch2 An Innovative Partner in Retailing • Ch3 A Green Partner for the Environment • Ch5 A Caring Partner in Society
			Supporting the development of artistic and cultural activities	Occasionally	Occasionally	

PChome set up a stakeholders section on the official website for stakeholders to fill out contact information. After units receive a response from stakeholders, they will immediately look into the situation and respond to the stakeholder.

Management not only periodically convene meetings, but also provide important reports and information of the Company to directors:

▪ Accounting Department: Monthly financial information and quarterly financial statements
▪ Internal Audit Department: Quarterly internal audit report
▪ Public Relations Department: News

Furthermore, board members and senior managers maintain close contact and immediately communicate when a material incident occurs. Please refer to the Company's 2022 Annual Report for details: For attendance in board meetings and committee meetings/operations of the Audit Committee; communication of material incidents, the nature and total number of material incidents, please refer to material information announcements of the Company on the Market Observation Post System. Please refer to the Company's 2022 annual report for details of the Enterprise Risk Management Framework, which integrates and manages potential strategic, operational, financial, and hazard risks that may impact operations and profits of the Company and its subsidiaries. The Company established an information security

risk management unit to assess risk level and adopt corresponding risk management strategies. If a material incident occurs, the Company will respond according to the original mechanisms.

Material news events and responses of PChome in 2022 are as follows.

Description of News Event	Stakeholders that are Affected	Response and Handling Method	Was the Case Closed
July 2022, many media outlets reported on changes in senior management with negative and sensational headlines "Major personnel changes of PChome", "Senior managers of PChome jump ship", and "3 senior managers leave in 1 month".	Employees, suppliers, shareholders/ investors, media	• Material information announcement • Issue press release/ response to provide an explanation to the media • Clarify fake news reports	Yes

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Material Topic

PChome follows the four-stage process for materiality identification in the latest version GRI Standards (2021), and redefines materiality identification methods. Unlike the previous approach of using a questionnaire to understand stakeholders' "level of concern" for a topic, we comprehensively considered the relevance of topics to operations and major business policies in 2022, and used "impact" as the principle for determining whether a topic is material.

Process of Determining Material Topics

Step 1. Collect Industry Sustainability-related Topics

Sustainability-related topics Source of topics: We summarized 18 topics from sustainability standards and regulations (GRI, SASB, TCFD, etc.) and the UN SDGs for the impact assessment.

Step 2.Identify Actual and Potential Impacts

We discussed the direct and indirect actual and potential impacts of economic activities with third party experts.

Step 3. Determine Material Topics

We determined 10 high impact topics after summarizing evaluations of the Sustainable Development Committee and management and perspectives of stakeholders.

Step 4. Periodic Review

We established management policies and goals of material topics, and reviewed and managed them each month.

Collect industry sustainability-related topics

To find potential material topics of PChome, we focused on 18 topics from international sustainability standards and regulations, SDGs, responsible investment, industry trends, and interactions with stakeholders. We then further investigated the impact of to
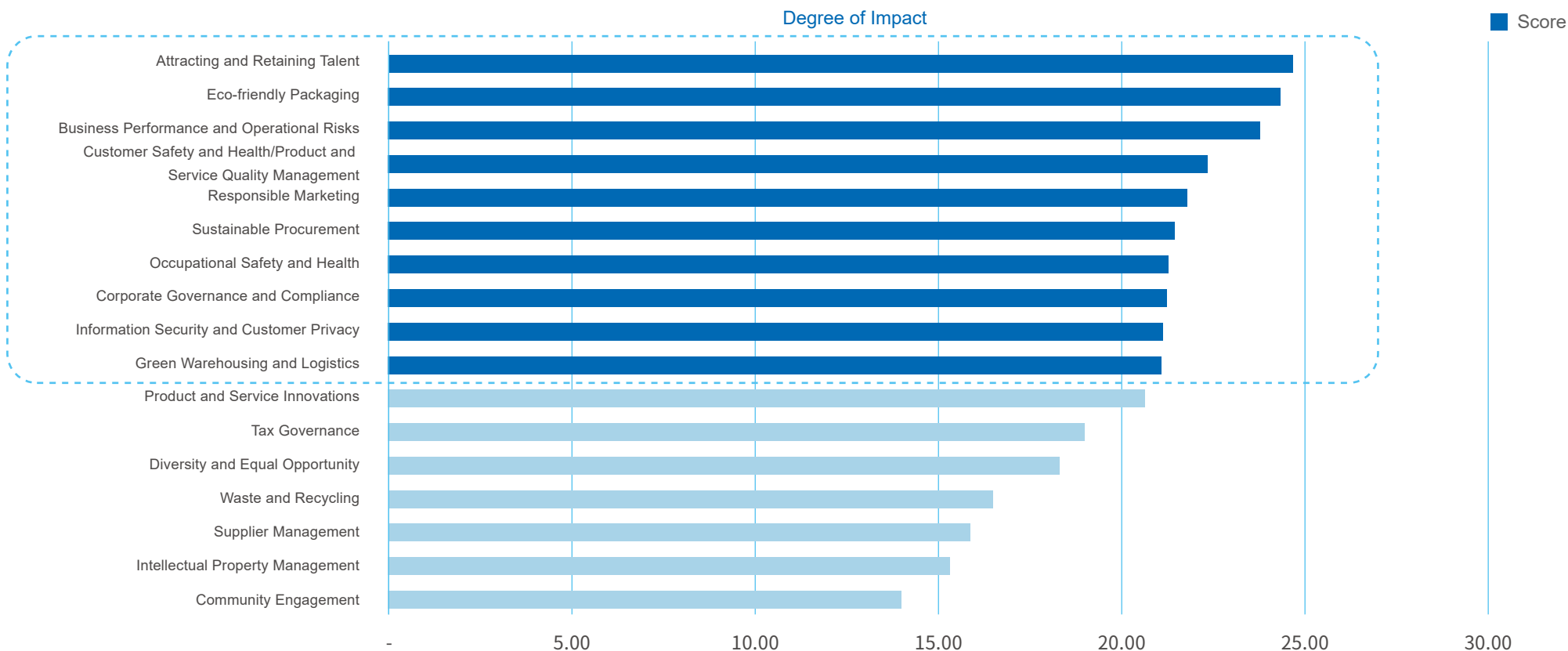
Sustainable Development		SDGs	Sustainability Topic	
E	Accelerate climate action and implement green operations	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 13 CLIMATE ACTION	1. Waste and Recycling 2. Sustainable Procurement	3. Eco-friendly Packaging 4. Green Warehousing and Logistics
S	Diverse compensation and benefits, promoting education reform, protecting human rights, jointly creating a friendly environment participating in charity and welfare, driving local culture	3 GOOD HEALTH AND WELL-BEING / 4 QUALITY EDUCATION / 5 GENDER EQUALITY / 11 SUSTAINABLE CITIES AND COMMUNITIES / 13 CLIMATE ACTION	1. Green Warehousing and Logistics 2. Employees Diversity and Equal Opportunity	3. Community Engagement 4. Attracting and Retaining Talent
G	Strengthening corporate governance, deepening ethical corporate management, implementing information security, providing safe shopping	8 DECENT WORK AND ECONOMIC GROWTH / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 17 PARTNERSHIPS FOR THE GOALS	1. Corporate Governance and Compliance 2. Business Performance and Operational Risks 3. Tax Governance 4. Intellectual Property Management 5. Information Security and Customer Privacy	6. Supplier Management 7. Customer Health and Safety 8. Product and Service Quality Management 9. Product and Service Innovations 10. Responsible Marketing

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Identify Actual and Potential Impacts

Based on the definition of materiality in the GRI Standards (2021), PChome comprehensively evaluates the degree and probability of impact that sustainability-related topics have on PChome through a questionnaire. The scale, scope, reversibility, and involvement of human rights of impacts are considered when determining severity. PChome not only references information obtained through regular stakeholder engagement, but also considers internal business strategy with the business philosophy to realize green e-commerce. Environmental issues are weighted to identify their potential impact.

Determine Material Topics

PChome has ranked sustainability-related topics based on their degree of impact as follows, the Sustainable Development Committee submitted the topics to the CEO and the 10 topics with the highest impact were approved as material topics.

Degree of Impact

Topic	Score
Attracting and Retaining Talent	
Eco-friendly Packaging	
Business Performance and Operational Risks	
Customer Safety and Health/Product and Service Quality Management	
Responsible Marketing	
Sustainable Procurement	
Occupational Safety and Health	
Corporate Governance and Compliance	
Information Security and Customer Privacy	
Green Warehousing and Logistics	
Product and Service Innovations	
Tax Governance	
Diversity and Equal Opportunity	
Waste and Recycling	
Supplier Management	
Intellectual Property Management	
Community Engagement	

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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. Eco-friendly Packaging	●		▲	●	▲	●	○	○
2. Sustainable Procurement	●		▲	○	▲	●	○	○
3. Green Warehousing and Logistics	●		▲	●	▲			
4. Attracting and Retaining Talent	●	●				●		
5. Occupational Safety and Health	●	●						
6. Business Performance and Operational Risks	●	●			▲	●	●	
7. Customer Safety and Health/ Product and Service Quality Management	●		▲		▲			
8. Responsible Marketing	●		▲		▲			●
9. Corporate Governance and Compliance	●	●		●	▲	●	●	
10. Information Security and Customer Privacy	●		▲	●	▲			

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.

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Material Topic

Aspect	Topics	Description of Impact	Corresponding Chapter
Environment	Eco-friendly Packaging	Using packaging materials to protect product safety creates an excellent consumer experience and increases trust in the brand, but over-packaging will cause resource waste and increase the environmental and social cost of waste disposal. PChome shoulders the corporate social responsibility of online shopping. Reducing resource waste in the consumption process is our mission. Hence, PChome is promoting eco-friendly green packaging, and designed packaging that uses 100% recycled waste. We select the optimal paper box based on big data technology, in order to create circular economy benefits and reduce the impact on the environment.	3.1.1 Green Packaging
	Sustainable Procurement	PChome continues to optimize its product selection strategy and online shopping services in response to the rising awareness of environmental protection, provides the best shopping experience, and guides consumers to purchase eco-friendly and socially responsible products to drive the sustainable development of society.	2.1.2 Responsible and Sustainable Shopping
	Green Warehousing and Logistics	To ensure that consumers enjoy the full array of products and fast and precise delivery services, PChome has developed a smart warehousing system and its own logistics fleet. We are actively optimizing the overall automation of warehousing and improving picking and packaging efficiency. We are using low carbon green transportation tools and use big data technology to calculate the optimal delivery route, reducing energy consumption from transportation, and lowering the overall environmental footprint of warehousing and logistics services.	3.1.2 Green Logistics 3.1.3 Green Warehousing
Society and human rights	Attracting and Retaining Talent	PChome upholds the philosophy of "commitment to innovation and value creation" and considers talent to be its most important asset. We believe that attracting and cultivating outstanding talent is the only way to enhance our overall competitiveness. Hence, 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.	4.1 Professional Team Organization 4.2 Employee Benefits Policy 4.3 Human Resource Recruitment and Training
	Occupational Safety and Health	PChome strives to fulfill its commitment to ideal work conditions, health, benefits, and equality, and has strengthened the ESG organization to effectively lower the hazards and risks in the workplace, accelerate the reduction of frequency of occupational accidents, and become the benchmark for safety and health of e-commerce companies. PChome aims to reduce occupational injuries and illness, including promoting and protecting physical and mental health, and making the conventional occupational safety and health management system "systematic" and "internationalized". It is also an important tool for internalizing safety and health management into a part of PChome's business management, in order to implement and continuously improve the occupational safety and health management system and management performance, effectively control the risk of occupational accidents, and achieve the protection of labor safety and health, while enhancing industrial competitiveness.	4.4 Healthy and Friendly Workplace

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Aspect	Topics	Description of Impact	Corresponding Chapter
Governance	Business Performance and Operational Risks	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, in order to develop an appropriate risk management-oriented business model that keeps risks within an acceptable range. Facing the rapidly changing retail market, if PChome does not attach importance to its business performance or implement operational risk management, it might not be able to flexibly adjust its business strategy and will suffer considerable losses.	1.3 Business Performance and Risk Management
	Customer Safety and Health/Product and Service Quality Management	As a large e-commerce platform, it is our unshrinkable mission to provide consumers with good and safe products and an excellent shopping experience. Good products and services steadily increase consumer confidence, which is the foundation for the Company's business growth. Disputes may damage the Company's business reputation, affect social perception, and eventually lead to the loss of consumers. PChome ensures that suppliers are all legally registered with the government, and that their products comply with national standards; ensures that products are not damaged or deteriorated through regular and irregular inspections, in order to increase consumers' confidence and trust in the Company's services.	2.1 Comprehensive High Quality Products Purchase 2.2 Thoughtful Shopping Experience
	Responsible Marketing	PChome insists on providing customers with high quality products and services, and labels and discloses the contents of products in accordance with the law, preventing exaggerations by suppliers. This gives consumers a greater sense of safety when purchasing products, and builds trust with consumers to lower the Company's operational risks.	2.1 Comprehensive High Quality Products Purchase
	Corporate Governance and Compliance	PChome creates a good image through good corporate governance, and maximizes the interests of all shareholders. We make good use of corporate resources to improve operational efficiency, enhance our competitiveness, and thereby achieve sustainable operation. Ethical corporate governance is the foundation of business. We require ourselves to meet the highest standards based on the principle of integrity and transparent governance, in order to become a company that is friendly to the environment, beneficial to society, and respects human rights.	1.2 Corporate Governance and Ethical Corporate Management 1.3.4 Legal Compliance
	Information Security and Customer Privacy	Information security is a topic that cannot be overlooked by an e-commerce platform. We provide a stable and reliable system environment and strengthen information security measures to protect the rights and interests of consumers and companies. If an information security incident occurs, it will have a negative impact on consumers, companies, and society. Consumers may lose confidence and stop using the platform, and the Company may lose customers and its reputation.	2.3 Reliable Information Security and Protection

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Aspect	Topics	Policy	Short-term Goals (2023)	Mid-term Goals (2024-2025)	Long-term Goals (2026-2027)
Environment	Eco-friendly Packaging	• Introducing eco-friendly boxes and easy-tear tape, implementing a total packaging recycling policy • Offering multiple types of boxes and introducing an optimal package specification mechanism	• Replacing 100% of existing delivery boxes with those made of recycled pulp • Combining products from different warehouses into the same box, implementing box number recommender system 2.0 in our warehouses and achieving a match rate of 50% • The amount of packaging used is classified by product weight to meet the weight ratio specification of 15-40% • Lowering the printed area of paper boxes to 40% of the total surface area • Adopting eco-friendly packaging materials that contain recycled materials greater than 25% • Deliveries using original boxes account for 5% of overall deliveries	• Expanding the scope of the warehouse-wide box number recommendation system, optimizing recommendations for purchase orders with multiple items, and achieving a match rate of 55% • The amount of packaging used is classified by product weight to meet the weight ratio specification of 15-40% • Lowering the printed area of paper boxes to 30% of the total surface area • Adopting eco-friendly packaging materials that contain recycled materials greater than 30% • Deliveries using original boxes account for 8% of overall deliveries • Weight reduction ratio of packaging materials decreases 25% compared with the baseline year	• Implementing a box number recommender system in our warehouses and achieving a match rate of 65% • The amount of packaging used is classified by product weight to meet the weight ratio specification of 15-40% • Lowering the printed area of paper boxes to 25% of the total surface area • Adopting eco-friendly packaging materials that contain recycled materials, maintaining the percentage of recycled materials at 30% • Deliveries using original boxes account for 12% of overall deliveries • Weight reduction ratio of packaging materials decreases 30-35% compared with the baseline year
	Sustainable Procurement	• Encouraging the purchase of green products and recruitment of green suppliers	**Implementing a green product circular economy**		
			• Creating green product stores • Placing eco-friendly and sustainable products on our homepage to increase their visibility	• Continuously procuring eco-friendly and green products	• Continuously co-creating green economies of scale through procuring green products and a green circular economy, paving the way for green and sustainable consumption
			Developing an internal sustainability mechanism for manufacturers		
			• Implementing a supplier sustainability self-report questionnaire	• 1000 partner suppliers have completed their sustainability self-report questionnaires	• 4,000 suppliers have completed their sustainability self-report questionnaires

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Aspect	Topics	Policy	Short-term Goals (2023)	Mid-term Goals (2024-2025)	Long-term Goals (2026-2027)
Environment	Green Warehousing and Logistics	• Planning the introduction of low-carbon vehicles, such as electric scooters • Introducing big data technology for delivery route optimization and product storage optimization • Optimizing the box number recommendation system to reduce waste of unnecessary packaging space and improve transportation efficiency	• Purchasing trucks and scooters with higher energy efficiency, and increasing electric scooter use by 5% in 2023, which will reduce carbon emissions by 6.65 metric tons per year • Inspecting and managing the fleet's energy efficiency (fuel consumption) and eliminating defective vehicles • Effectively integrating shipments through automated warehousing to reduce the number of packages delivered • Increasing shipments from automated warehousing to 65%	• Increasing the use of electric scooters to 20% in 2025 and drive cooperating logistics services providers to use electric scooters, reducing carbon emissions by 20 metric tons per year • Improving truck utilization based on delivery loads, enhancing each load's efficiency to more than 90%, thus reducing the number of deliveries • Properly utilize storage space resources to serve other medium and small e-commerce companies, sharing resources to reduce waste • Expanding cooperation with logistics service providers that actively support the green energy and environmental protection policy through supplier engagement • Average energy consumption per ping of warehouse decreases 10% compared with the previous year • Increasing shipments from automated warehousing to 70%	• Continuously replacing fossil fuel vehicles with electric vehicles and achieving an all-electric vehicle fleet by 2030 • 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 • Continue to plan warehousing locations in central and southern Taiwan, so that products can be delivered locally and reduce vehicles traveling north and south • Greenhouse gas emissions decreases 5% compared with the previous year • Increasing shipments from automated warehousing to 80%
Society and human rights	Attracting and Retaining Talent	• Providing different job openings, recruitment channels, and internship projects • Excellent salaries and benefits, performance evaluation policy, and labor-management channels • Talent cultivation policy	• Implementing a talent management platform to systematically manage personnel performance and training resources.	• Promoting a knowledge sharing culture, establishing an internal lecturer system, and enriching online learning resources.	• Making self-learning a habit of employees and providing a personalized learning map and resources.
	Occupational Safety and Health	• Irregularly organizing training and seminars on occupational safety regulations • Labor-Management Meeting Implementation Regulations, quarterly staff meetings	• Planning a project to implement ISO 45001 Occupational Safety and Health Management System • Implementing employee health management every year in accordance with laws and regulations to prevent the occurrence of occupational illness. • Managing security risks to create a safe work environment. • Irregularly organizing health promotion activities.	• Establishing an occupational safety and health management system and ensuring safety in the work environment in accordance with the law and policies. • Making revisions and improvements based on reviews of annual safety and health policies, goals, and plans by the Occupational Safety and Health Committee each quarter. • Organizing a series of occupational safety and health promotion activities in coordination with the Ministry of Labor each year. Contents include communication and promotion of occupational injury (illness) prevention and occupational safety and health training, in order to raise the disaster prevention awareness and skills of employees in the workplace, ensuring personnel safety and health.	• Establishing the Employee Health Management Project, finding the top five hazard factors of work items that may cause occupational illness using the risk identification method, and including the hazard factors into the scope of employee health management. • Creating a happy workplace that meets employees' needs at work, in life, and treatment, and achieves work-life balance.

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| Aspect	Topics	Policy	Short-term Goals (2023)	Mid-term Goals (2024-2025)	Long-term Goals (2026-2027)
Governance	Business Performance and Operational Risks	• Upholding the core value of "putting users first", and actively making changes for consumers and partners, in order to attract old consumers to return and new customers to join.	• Examining the competitiveness of product prices, attaching importance to feedback from consumers, and increasing revenue and profits • 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, improving internal operational efficiency	• PChome seeks to make marketing and management expenses more reasonable, more effectively link expenses to business performance, and become a competitive e-commerce platform • PChome has reformed structural issues over the years in response to the criticism and expectations of consumers, and continues step up efforts in sustainable development to become a competitive company in the long-term • Actively strengthen the planning and implementation of ESG sustainability strategies, and continue to improve the Green Shopping Program	
	Customer Safety and Health/ Product and Service Quality Management	• Ensuring all suppliers are legally registered with the government and products meet national standards • Regular and irregular inspections of inventory to ensure that products are not damaged or deteriorated	**Inspecting warehoused goods** • 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	• Reducing product returns caused by poor quality • Reducing customer complaints	• Guaranteeing the quality of goods sold and offering consumers safe and healthy services and products
			Upgrading the quality of warehoused goods • 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	• Continuously increasing inspection and testing of high-risk products	• Guaranteeing the quality of goods sold and offering consumers safe and healthy services and products
			Enforcing supplier quality management • Implementing new supplier review and evaluation procedures • Complying with the responsibilities and obligations stated in contracts and agreements • Identifying a list of manufacturers with a high rate of abnormal product delivery and mitigating these occurrences through guidance and management	• Identifying high-risk suppliers for rectification • Implementing a supplier classified management system	• Building partnerships with outstanding and stable suppliers to ensure stable product quality • Continuous rectification of defective manufacturers

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Aspect	Topics	Policy	Short-term Goals (2023)	Mid-term Goals (2024-2025)	Long-term Goals (2026-2027)
Governance	Responsible Marketing	• Monitoring warehoused goods • Returning abnormal or non-conforming products to the vendor for examination. • Ensuring the accuracy and transparency of printed information • 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	**Monitoring warehoused goods** • 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 • Prohibiting the entry of illegal products into warehouses	• 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	• Continuously strengthening the quality of goods sold and offering consumers safe and healthy services and products
			Ensuring the transparency of printed information • 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	• 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	• 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 • Continuously updating the DXBV store page • In line with Earth Hour, the Portal and PChome 24h Shopping home pages were "darkened"	• Implementing charity programs at the beginning or end of the year.	• Guided by our extensive brand experience, we continuously give back to entities in need and nurture the growth of SMEs

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Aspect	Topics	Policy	Short-term Goals (2023)	Mid-term Goals (2024-2025)	Long-term Goals (2026-2027)
Governance	Corporate Governance and Compliance	• Regularly and irregularly examining and announcing changes to the law and government policy. • Continuing education and training in accordance with the law. • Complying with laws and regulations and implementing internal control.	**Improving and maintaining our corporate governance evaluation ranking** • Improving governance results and maintaining ranking	• Maintaining in the top 20% of TPEx-listed companies in the Corporate Governance Evaluation	Continuously raising employees' awareness of legal compliance and internalizing this awareness into PChome's legal compliance culture, thereby reducing its risk of illegal operations. Using the FSC's Corporate Governance 3.0 - Sustainable Development Roadmap as a blueprint while reviewing PChome'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 • Maintaining the "Excellent" rating of board performance	• Maintaining the "Excellent" rating of board performance in evaluations	
			Maintaining the attendance rate of directors • Maintaining attendance of 2/3 and above	• Maintaining annual average attendance at 80% and above	
			Enhancing information disclosure • Continue to improve the quality of financial and non-financial information disclosures, while increasing the transparency of material information and the information posted on the Company's Chinese and English website	• Continue to improve the quality of financial and non-financial information disclosures, while increasing the transparency of material information and the information posted on the Company's Chinese and English website	
			Regulatory Education • Consolidating existing resources and continuously assessing and promoting legal compliance	• 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	
	Information Security and Customer Privacy	• Continuously strengthening our defense measures to reduce the likelihood of business interruptions caused by hacker attacks • Continuing to optimize malicious activity detection mechanisms, increase the efficiency and response speed, effectively contain, and minimize the scope impacted by such activities • Continuously increasing the implementation of in-service information security education, training sessions, and social engineering drills • Periodically checking the information system according to the Company's information security policy and implementation regulations	**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 • Shorten response time to within 48 hours	• Shorten response time to within 24 hours	• Shorten response time to within 12 hours
			Continuously increasing the implementation of in-service information security education, training sessions, and social engineering drills • Penetration rate reaches 70%	• Penetration rate reaches 85%	• Penetration rate reaches 100%

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PChome made appropriate adjustments to material topics after reexamining organizational activities and future business goals and identifying potential impacts on stakeholders. Changes are described below:

2021 Sustainability-related Topics	Listed as a Material Topics in 2021	Changes Made	Description of Adjustments in 2022
Brand Image	Yes	Merged	"Eco-friendly packaging" and "Sustainable procurement" are part of PChome's differentiation strategy, and were thus included in each chapter.
Sustainability Strategies and Goals	Yes	Merged	"Eco-friendly packaging", "Sustainable procurement", and "Climate action/ Green warehousing and logistics" are PChome's sustainability strategies and were thus included in each chapter.
Talent Recruitment and Cultivation, Employee Remuneration and Benefits, Workplace Safety and Health, and Equality	No	Added topic	PChome has always paid attention to talent recruitment and retention, the occupational safety and health of employees, and equality, and has continued to enhance its competitiveness and created social value in recent years, paying even more attention to employee-related topics. Hence, we added "Talent recruitment and retention" as a material topic in 2022.
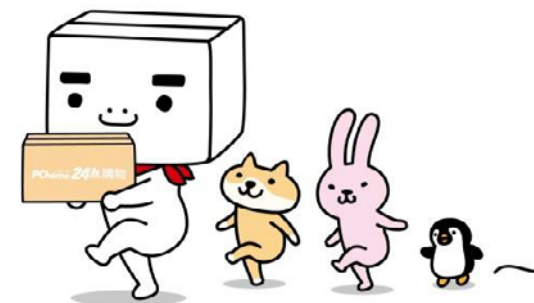
Ch.1 A Sincere Partner in Governance

1.1 PChome Business Overview

1.2 Corporate Governance and Ethical Corporate Management

1.3 Business Performance and Risk Management

1.4 Business Partnership

Important Stakeholders

▶ Employees, Suppliers, Shareholders, Government Organizations, Media

Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH

PChome is engaging in the digital finance ecosystem, establishing a smart logistics center, and actively applying for intellectual property and patent rights to protect its advanced technological achievements, developing high value services to achieve sustainable economic growth.

17 PARTNERSHIPS FOR THE GOALS

PChome is strengthening sustainability governance to create a corporate culture and business relationships based on integrity, jointly creating a sustainable shopping environment.

Sustainability Highlights

The overall evaluation score for board performance was **4.89 points (Excellent)**

Established a Sustainability Committee

Obtained **8 patents** and **2 trademarks**

Maintaining Top **6%–20%** in the Corporate Governance Evaluation

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

PChome has made a commitment to ethical corporate management and complies with laws and regulations. We have integrated e-commerce, logistics and warehousing, and FinTech services, and continue to develop innovative technologies to provide consumers with reliable high-quality services. This will allow us to further establish long-term and trusting relationships with stakeholders, create a sustainable value chain, and create value through a sustainable win-win situation.

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Management Solutions

Corporate Governance and Compliance

Commitment

- To create a corporate culture and business relationships based on integrity
- To protect human rights in the workplace environment
- To engage in business activities in accordance with laws and regulations

Action Plans

- Establishing an anti-corruption and anti-bribery policy, knowing stakeholders and helping them prevent corruption and bribery
- Establishing the PChome Online Inc. Human Rights Policy
- Tracking trends in laws and international ratings and adjusting the corporate governance strategy
- Strengthening corporate governance and increasing director participation
  - ➡ Improving and maintaining our corporate governance evaluation ranking
  - ➡ Executing board performance evaluations
  - ➡ Maintaining the attendance rate of directors
- Enhancing information disclosure

Input Resources

- Continuing to communicate ethical corporate management, anti-corruption, and anti-competition laws and regulations with the board of directors, employees, and value chain partners
- The Legal Office periodically communicates and provides training for compliance
- The Legal Office prepared an "Integrity Clause" and included it in purchase and supplier contracts to ensure that the transaction process complies with PChome's ethical corporate management policy
- Establishing SOP for handling disputes over illegal infringement of rights

Assessment Mechanism

- Board of Directors self-evaluated performance
- Maintaining the attendance rate of directors
- Corporate Governance Evaluation
- Legal training for new employees of the E-Commerce Department
- Communicating laws and the Company's internal regulations

Actual Results in 2022

- The overall evaluation score for board performance was 4.89 points (Excellent) in 2022
- The current term Board of Directors' attendance rate was maintained at 94.45%
- After our rating in the Corporate Governance Evaluation took a leap forward in 2021, we have remained in the top 6%-20% ever since
- New employees of the E-Commerce Department took 6 legal training courses (including 2 online courses), including the Copyright Act, Trademark Act, and Fair Trade Act
- The Personal Data Protection Act and Whistleblowing and Whistleblower Protection System Implementation Regulations were communicated in PChome's Investor Conference Vol. 1 issued in the first quarter
- For all PChome employees to become aware of and comply with the principle of ethical corporate management, concepts of the Code of Integrity Management Principles are communicated on the bulletin board of the human resources system and screensaver, in order to improve employees' concepts of integrity and self-discipline

Grievance Mechanism

- Stakeholder Engagement section on the official website
- Contact unit for violations of the integrity clause: Audit Office

Report via e-mail: audit@staff.pchome.com.tw
Report in writing: To the "Whistleblowing Mailbox of the Audit Office, PChome Online Inc". at 12F, No. 105, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan
Report via phone call: (02) 2700-0898

Responsible Unit

Audit Office: The unit for accepting and investigating anti-corruption issues
Board of Directors Secretariat: The unit for handling anti-competitive behavior issues

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Management Solutions

Business Performance and Operational Risks

Commitment

To focus on integrating the group's resources, improving business performance, combining advantages and resources of the existing open ecosystem platform, creating group synergies, continuing to launch innovative services, and develop PChome Online into an online business closely related to the daily life of consumers around Taiwan, becoming a competitive e-commerce company in the long-term.

Action Plans

- Examining the competitiveness of product prices and attaching importance to feedback from consumers
- PChome seeks to make marketing and management expenses more reasonable, and more effectively link expenses to business performance
- 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
- PChome has reformed structural issues over the years in response to the criticism and expectations of consumers
- Actively strengthen the planning and implementation of ESG sustainability strategies, and continue to improve the Green Shopping Program

Input Resources

PChome invests a wide range of resources into the following five major items:

1. Linking together e-commerce, cash flow, and various online services to create a digital cash flow ecosystem (Please see "2.1 Comprehensive High Quality Products Purchase" of this Report for details)
2. Optimizing automated warehousing and establishing a smart logistics center (Please see "3.1.3 Green Warehousing" of this Report for details)
3. Actively developing a cross-border e-commerce platform, developing diverse products, and establishing a green products section (Please see "2.1 Comprehensive High Quality Products Purchase" of this Report for details)
4. Implementing TIPS, protecting intellectual property, and encouraging innovation and patent management (Please see "1.3.5 Intellectual Property Management" of this Report for details)
5. Established a Corporate Sustainability Committee for sustainable development (Please see "Introduction" of this Report for details)

Assessment Mechanism

- Tracking business performance through financial data
- The Legal Office evaluates compliance and legitimacy; the Audit Office manages the Company's potential risks

Actual Results in 2022

The group's FinTech business benefited from the synergies of integration in 2022, and both revenue and profits significantly increased, contributing approximately NT$231 million to pre-tax profit

Grievance Mechanism

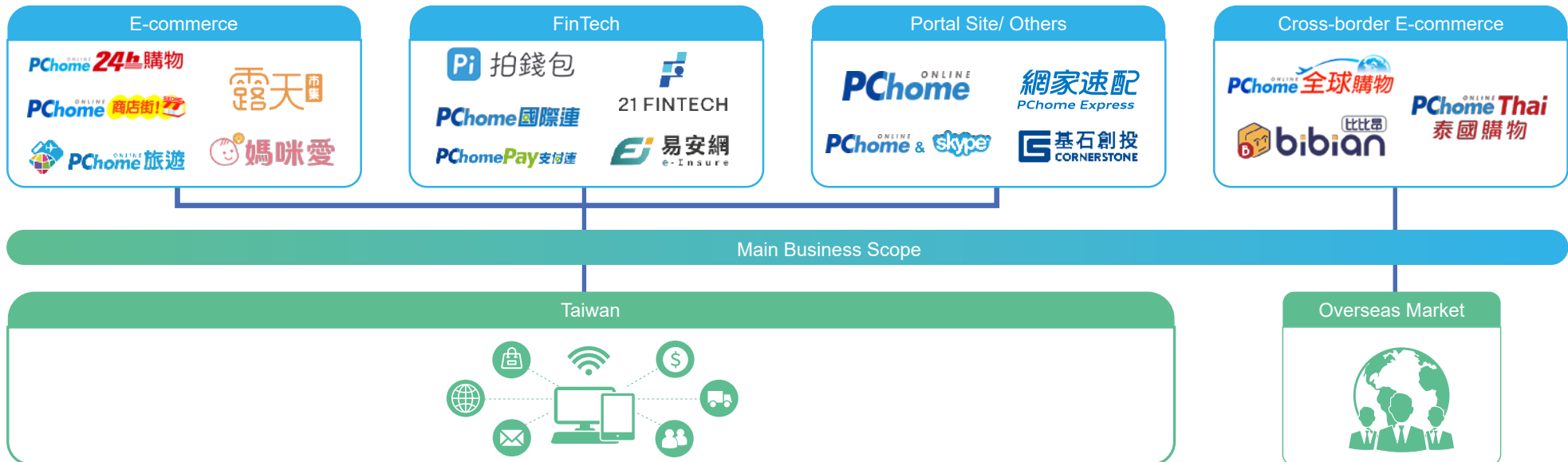Stakeholder Engagement Section on the official website

Responsible Unit

Board of Directors and CEO's Office

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1.1 PChome Business Overview

Company Name	PChome Online Inc.		
Date of Establishment	July 14, 1998	Listing date	January 24, 2005
Chairman	Hung-Tze Jan	CEO/President	Yu-Shan Chang
Location of Headquarters	12F, No. 105, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan		
Main Business Locations	Taiwan		
Capital	NT$ 1,281,629,450		
Number of Employees	1,886 people (as of December 31, 2022, and including full-time and part-time employees)		

PChome is an integrated e-commerce service group engaged in a broad range of business activities, such as e-commerce, FinTech, and web portals. PChome's services include PChome 24h Shopping, a B2C online shopping platform; Ruten, a C2C auction site; PChome Store, a B2B2C online business startup platform; Bibian, PChome Thai, and PChome Global, which are cross-border e-commerce platforms; in the field of FinTech, PChome provides mobile payment solutions, such as Pi Wallet and card-free installment GoGoPay and BNPL; PChomePay, a third-party payment system; PChome InterPay, an electronic payment solution; and online insurance e-Insure Inc. Please refer to the Annual Report for information on investee companies.

PChome is highly popular and an extremely influential e-commerce brand in Taiwan. The Company continues to step up service innovation and increase product variety, along with supplier development and management, product information management, cash flow and logistics, and customer services, as well as the application of big data technology to optimize automated warehousing equipment, our goal is to provide consumers with a better online shopping experience. Furthermore, PChome supports the SDGs, and implements the concept of sustainable development in all aspects of shopping. We formally launched the Green Shopping Program in 2019 to reduce the potential environmental impact of our operations. Going forward, we will continue to promote eco-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.

E-commerce

FinTech

Portal Site/ Others

Cross-border E-commerce

Main Business Scope

Taiwan

Overseas Market

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Year	PChome Milestones	
1996	PChome Online was created, and our web portal business began in the same year	
1998	PChome Online Inc. was established	
2000	The E-Commerce Department was established, and Taiwan's first B2C integrated online shopping platform, PChome Online, was created	
2004	PChome entered a strategic partnership with Skype, the first such partnership worldwide, and proceeded to launch the PChome & Skype VoIP service in Taiwan	
2005	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 TPEx	
2006	PChome Online and eBay formed a joint venture and launched a new online auction site, Ruten	
2007	PChome Online unveiled the world's first 24-hour online shopping service	
2008	Entered the real estate e-commerce sector with the launch of Rakuya International	
2010	PChome Global officially began online operations	
2012	PChome US was launched to cater to ethnic Chinese shoppers in the US	
2015	Released Pi Wallet, the first payment service provider using smartphone-based transactions	
2016	PChome's subsidiary InterPay officially commenced operations	

Year	PChome Milestones	
2018	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	PChome Online Inc. signed an agreement and announced a strategic alliance with Rakuten, a Japanese Internet services provider PChome launched Bibian cross-border e-commerce services to bid for and purchase Japanese products that are directly delivered to Taiwan, meeting the cross-border online shopping needs of consumers. PChome Online Inc. initiated the Green Shopping Program and unveiled 31 new types of eco-friendly packaging boxes	
2020	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	
2021	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 Creating a joint financing plan through a partnership between our subsidiary Pi Wallet and Rakuten Bank	
2022	Collaborating with Standard Chartered Bank in launching "PChome Loan Helper" Formally launching PChome Thai, a Thai online shopping platform Formally launching "Pi Wallet｜Pay Later", an innovative financial service that combines third party payment, cardless installment, and mobile payment PChome formed an alliance with CTBC and Chunghwa Telecom in offering the "CTBC ALL ME Card" "Mamilove" formally joined the group and strives to become the most trustworthy social media for families Offering the industry's first "iPhone subscription plan"	

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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.

Name of Organization	Title
Taiwan Internet Association	Member
Taiwan Digital Media and Marketing Associ-ation (DMA)	Member
Taiwan Digital Publishing Forum	Director
Taipei Computer Association (TCA)	Member
Taiwan Coalition of Service Industries (CSI)	Member
Cross-Strait CEO Summit	Member
Taiwan Internet and E-Commerce Association (TiEA)	Member
Taiwan Institute of Directors	Member
Monte Jade Science and Technology Associ-ation of Taiwan	Member
Information Service Industry Association of R.O.C.	Member
Taiwan Agriculture and Food E-Commerce Association	Member
Taiwan AI Federated Learning Alliance	Member
Taiwan CERT/CSIRT Alliance	Member
Global Logistics & Commerce Council of Taiwan	Member
Taiwan Association of Logistics Management	Member
Chinese National Association of Industry and Commerce	Member
Taiwan Chief Information Security Officer Alliance	Member
Taiwan Contact Center Development Associ-ation	Member

1.2 Corporate Governance and Ethical Corporate 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.
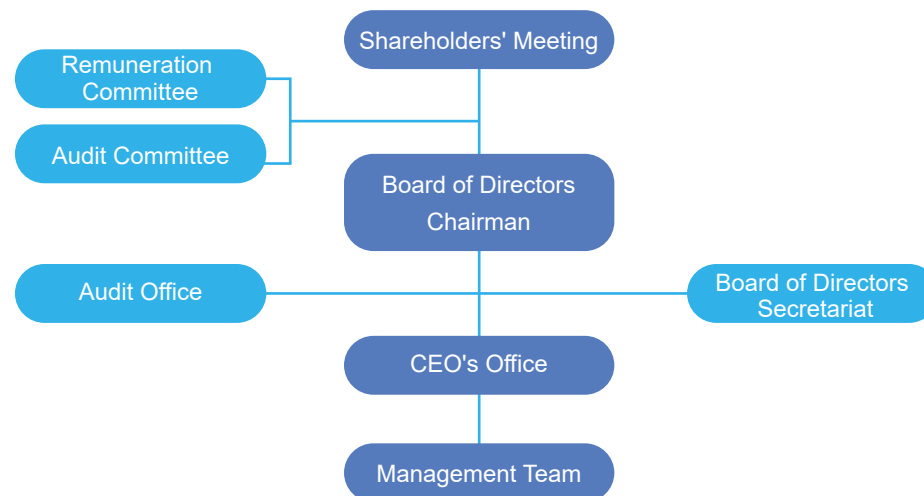
Board of Directors

As the highest level in PChome's organizational structure, the Board consists of 7 directors (including 1 female director, and all 9 director seats will be filled in the annual general meeting in June 2023, in which 2 directors will be female), and 2 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 and election regulations.

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Introduction of Board Members

Shareholders' Meeting
Remuneration Committee
Audit Committee
Board of Directors Chairman
Board of Directors Secretariat
Audit Office
CEO's Office
Management Team

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The Board convenes at least four meetings annually (9 meetings were held in 2022). The Board was reelected in 2021, and the average attendance rate of new members was 94.4%. In addition, the board of directors adopted the resolution to appoint a corporate governance officer on May 15, 2023, and corporate governance officer is 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.

Evaluating the Performance of the Board

Beginning in 2022, 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 Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and were passed by the Board on May 13, 2020. According to these rules, performance evaluation is carried out at least once annually 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. We used a questionnaire to conduct the 2022 Board Performance Self-Evaluation according to the rules above, in which evaluation results are presented in 5 levels, 1 is extremely poor (strongly disagree), 2 is poor (disagree), 3 is average (neither agree nor disagree, 4 is good (agree), and 5 is excellent (strongly agree). A questionnaire was distributed at the board meeting on March 20, 2023 to compile statistics of self-evaluation results, and will serve as a blueprint for future developments. The self-evaluation results this year are as follows:

PChome's board of directors established two functional committees, namely the "Audit Committee" and "Remuneration Committee" to strengthen board functions. The committees exercise their powers with authorization from the board of directors, and report proposals for the board of directors to consider when making decisions.
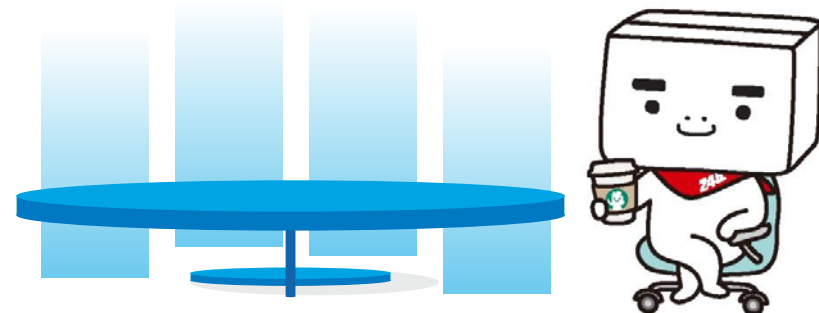
Audit Committee

PChome's Audit Committee comprises three independent directors (two were independent directors as of December 31, 2022), in which Independent Director Tan Hochen was nominated as the convener. 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. Seven audit committee meetings were held in 2022, with a 77.78% attendance rate among committee members. Please refer to the Company's annual report for details on selection regulations and powers of the Audit Committee.

Remuneration Committee

PChome's Remuneration Committee is responsible for the following tasks, and submits recommendations to the Board of Directors for discussion:

(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 two independent directors and one external expert who convene at least 2 meetings annually. Two remuneration committee meetings were held in 2022, with an attendance rate of 66.7% among committee members. Please refer to the Company's annual report for details on selection regulations and powers of the Remuneration Committee.

Evaluation Criteria	Overall Board of Directors	Functional Committees	Individual Board Members
	• Participation in company operations • Improving the quality of Board decisions • Board composition and structure • Election and continuing education of directors • Internal control	• Participation in company operations • Functional committees' understanding of their duties • Improving the quality of committee decisions • Functional committee composition and election of members • Internal control	• Understanding of the Company's goals and mission • Understanding of directors' duties • Participation in company operations • Internal relationship management and communication • The professional and continuing education of directors • Internal control
Results	**4.89** points/ Excellent	**5** points/ Excellent	**4.63** points/ Excellent

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Conflict of Interest Management

PChome's Rules of Procedure for Board of Directors Meetings and Audit Committee Charter contain provisions on avoiding conflict of interest, in order to ensure independence. Parties that have a conflict of interestNote with an agenda item recuse themselves when discussing and voting on the agenda item during board meetings. Directors are required to explain the interest they or the entity they represent have in any agenda items during the board meeting. If there is a potential conflict of interest, they may not participate in the discussion or voting, and should also recuse themselves. Nor may they vote on other directors' behalf. The names of the directors, description of important contents, and recusal are specified in the meeting minutes.

PChome's Code of Integrity Management, Management Regulations for Related Party Transactions, Code of Ethical Conduct for Directors and Managers, and Code of Ethics for Employees contain provisions on avoiding conflict of interest, and the implementation status of the Code of Ethics for Employees is reported to the Audit Committee.

The Stakeholders section on PChome's company website discloses regulations and information in detail and serves as a channel for communicating with stakeholders. The Company also has a spokesperson and e-mail with dedicated personnel responsible for questions and recommendations from stakeholders.

(Note: The definition of a "conflict of interest" is according to Article 206 of the Company Act.)

Stakeholders Section

Conflicts of Interest of the Board of Directors:

Payeasy Digital Integration Co., Ltd. planned a capital increase in May 2022 in response to its capital market plans, in order to optimize its shareholding structure and strengthen business development. Director Hung-Tze Jan recused himself due to a conflict of interest and did not participate in the discussion and resolution of the agenda item.

Remuneration Policy for Directors/Senior Managers

Performance evaluations and remuneration of directors and managers are set by the Remuneration Committee, and should take into consideration industry standards, the time input by the individual, duties, achievement of individual goals, performance in other positions, and remuneration provided by the Company to others at the same job level. The Company's achievement of short-term and long-term business goals and financial position are used to evaluate the reasonableness of the connection between individual performance and the Company's business performance and future risks. The highest pay as a percentage of the total pay of other employees in the past three years is shown in the table below, showing that senior management is responsible for business performance.

The highest pay as a percentage of the total pay of other employees:

	2020	2021	2022
Ratio of the annual remuneration of the highest paid employee to the median annual remuneration of other employees (excluding the highest paid employee)	55.04	66.02	26.47
Ratio of the increase in annual remuneration of the highest paid employee to the increase in median annual remuneration of other employees (excluding the highest paid employee)	1.71	-6.65	-18.08

Note: Total pay includes: Fixed salary (including base salary and allowances), bonuses (including work bonus and cash gifts for the three holidays), and severance pay (separation pay)

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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, which covers ESG aspects, 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. The number of continuing education hours received by directors in 2022 complies with the ratio of continuing education hours for directors of public companies.

List of Courses Undertaken by Board Members in 2022

Title	Name of Director	Organizer	Course	Continuing Education Hours	ESG Aspect		
					Economy	Environment	Society
Director	Hung-Tze Jan	Taiwan Securities and Futures Market Development Foundation	Applicability of the Cyber Security Management Act under the Threat of Extortionware	3	V		
		Taiwan Securities and Futures Market Development Foundation	Emerging FinTech Crimes and AML from the Perspective of Companies	3			V
Director	Bruce Chou	Taiwan Securities and Futures Market Development Foundation	Applicability of the Cyber Security Management Act under the Threat of Extortionware	3	V		
		Taiwan Securities and Futures Market Development Foundation	Emerging FinTech Crimes and AML from the Perspective of Companies	3			V
Director	Vicky Tseng	Taiwan Securities and Futures Market Development Foundation	Applicability of the Cyber Security Management Act under the Threat of Extortionware	3	V		
		Taiwan Securities and Futures Market Development Foundation	Emerging FinTech Crimes and AML from the Perspective of Companies	3			V
Director	Johnson Fong	Taiwan Securities and Futures Market Development Foundation	Applicability of the Cyber Security Management Act under the Threat of Extortionware	3	V		
		Taiwan Securities and Futures Market Development Foundation	Emerging FinTech Crimes and AML from the Perspective of Companies	3			V
Director	Ryan Kuo	Taiwan Securities and Futures Market Development Foundation	Applicability of the Cyber Security Management Act under the Threat of Extortionware	3	V		
		Taiwan Securities and Futures Market Development Foundation	Emerging FinTech Crimes and AML from the Perspective of Companies	3			V
Director	Tan Hochen	Taiwan Securities and Futures Market Development Foundation	Applicability of the Cyber Security Management Act under the Threat of Extortionware	3	V		
		Taiwan Securities and Futures Market Development Foundation	Emerging FinTech Crimes and AML from the Perspective of Companies	3			V
Director	Tzu-Hsien Tung	Taiwan Corporate Governance Association	Net Zero Emissions, Carbon Neutrality, and Compliance	3		V	
		Taiwan Corporate Governance Association	How Directors Avoid Breach of Trust and Irregular Transactions when Making Decisions	3			V
		Taiwan Corporate Governance Association	How Companies Effectively Maintain Brand Value from the Perspective of Trademark Cases	3	V		
		Taiwan Corporate Governance Association	Trade Secret Protection and Insider Trading Pre-vention	3			V

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1.2.2 Ethical Corporate Management

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 Code of Integrity Management, Code of Ethical Conduct, and Code of Practice on PChome Corporate Governance are disclosed on our website, 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, stock affairs, 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.

PChome's "Procedures for Ethical Management and Guidelines for Conduct'' and "Code of Integrity Management" prohibits conduct that engages in unfair competition, so as to ensure the policy of business integrity and implementation of fairness and justice. PChome was not involved in any lawsuits related to anti-competitive behavior and violation of antitrust and monopoly regulations in 2022.

Commitment of Directors and Senior Managers

PChome's Code of Integrity Management requires directors and senior managers to sign a statement of compliance with the ethical corporate management policy. Contents of the statement include the commitment to not directly or indirectly offer, accept, or promise to offer any improper benefits or commit other unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining interests in the course of performing duties.

Code of Integrity Management

Code of Ethical Conduct

Code of Practice on PChome Corporate Governance

Stakeholders Section

Whistleblowing Mechanism

PChome established the Implementation Measures for Whistleblower Reporting and Protection System to create a corporate culture of integrity and transparency, fulfill its commitment to integrity and ethical values set forth in the Code of Ethical Conduct and Code of Integrity Management, and encourage the reporting of any fraudulent conduct or violations of the law by the Company. The regulations were discussed and passed in the board meeting on February 25, 2022, and set forth requirements on maintaining the confidentiality of the investigation process and whistleblower protection mechanisms. The Company established independent whistleblowing channels to ensure that whistleblowers are not subjected to severance, dismissal, pay cut, or other improper treatment due to whistleblowing. The Company may also take emergency protective measures when whistleblowers are at risk of retaliation. Anyone (including employees, suppliers, shareholders, investors, and stakeholders) who discovers that the director, manager, employee, or substantial controller of the Company and affiliated enterprises may have committed a crime, fraud, or violation of the law at the Company, may report it via whistleblowing channels.

Implementation Measures for Whistleblower Reporting and Protection System

Channel for Filing Complaints

Whistleblowers may file a report with the Company's responsible personnel via e-mail or in writing:

- E-mail: audit@staff.pchome.com.tw
- Mailing address: To the "Whistleblowing Mailbox of the Audit Office, PChome Online Inc". at 12F, No. 105, Sec. 2, Dunhua S. Rd., Taipei City 106, Taiwan

Integrity Clause

PChome fulfills its commitment to integrity and ethical values according to the Whistleblowing and Whistleblower Protection System Implementation Regulations. Besides including a business integrity clause in the purchase and supplier contracts of PChome, we also established an effective internal control system for business activities with relatively high risk of unethical conduct. The internal control system is reviewed at any time to ensure that its design and implementation continues to remain effective. PChome did not have any substantiated incidents of corruption in 2022.

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1.2.3 Human Rights Policy

PChome supports the Universal Declaration of Human Rights, United Nations Global Compact , Guiding Principles on Business and Human Rights, and ILO Convention, and established the PChome Online Inc. Human Rights Policy to fulfill its corporate social responsibility, protect human rights, and create a work environment with dignity. We prohibit the business activities of our suppliers from involving any violations of human rights.

Human Rights Issues

- Respecting Human Rights in the Workplace

  PChome does not treat employees differently due to gender, race, social class, age, marital status, and family situation, in order to achieve equal and fair employment, recruitment, salaries, benefits, training, evaluation, and promotion opportunities. (Please refer to "CH4. A Reliable Partner in the Workplace" of this Report)

- Providing a Safe and Healthy Work Environment

  PChome compiles with laws and regulations related to occupational safety and health, ensures employee safety and physical health, provides a safe workplace, prohibits forced labor and child labor, and set up a nursing room with professional nurses to periodically examine employees' health and safety risks. We carry out improvement plans based on identification results, improve the safety and health conditions of the work environment, and lower the risk of occupational accidents, thereby providing employees with a safe and healthy workplace. (Please refer to "4.4 Healthy and Friendly Workplace" of this Report)

- Protecting freedom of association and collective bargaining right

  Respecting employees' basic human rights and protecting their right to unionize and collective bargaining

- Information Security and Rersonal Data Protection

  To protect the personal data and business information of all customers, employees, and stakeholders, PChome has comprehensive and strict personal data protection and information security mechanisms and measures to ensure the safety of data, and prevent theft, tampering, damage, destruction, or leakage. (Please refer to "2.3 Reliable information security and protection" of this Report)

Implementation Methods

- Human Rights Policy Communication

  PChome periodically provides training in illegal infringement and human rights to raise awareness of human rights protection. Human rights training in 2022 include "Advocating for an inclusive workplace environment with diversity and providing a safe and healthy work environment" and "Information security and personal data protection" with a total of 2,058.5 training hours. We irregularly communicate the human rights policy to draw employees' attention to human rights issues, so that they may be more capable of identifying and managing potential risks, and lowering the possibility of human rights violations.

- Periodically Examining and Evaluating the Human Rights Policy and Related Measures

  In 2022, PChome conducted a VOE survey, workplace health survey, "Illegal Infringement in the Workplace Self-Evaluation Form" for department heads, and the Occupational Safety Office established the "Program on Preventing Employee Workplace Violations". PChome periodically reviews the results of the human rights management policy, including whether the responsible units periodically organize training on illegal infringement and human rights, make improvements to the system, and continue to follow up, in order to effectively control and lower human rights risks and achieve goals of the human rights management policy.

Grievance Mechanism

- Establishing Smooth Communication Channels between Labor and Management

  PChome provides effective and appropriate grievance mechanisms for matters that damage employees' rights and interests. Employees can file a complaint with their unit supervisor or the Human Resources Department when they encounter issues in the Company, ensuring that employees' situations are fully expressed to their superiors.

- Other Stakeholders

  Pursuant to the Whistleblowing and Whistleblower Protection System Implementation Regulations, whistleblowers may file a report with PChome's responsible personnel via e-mail or in writing.

PChome Human Rights Policy

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1.3 Business Performance and Risk Management

1.3.1 Business Performance

Taiwan has been impacted by COVID-19 for over two years, and PChome began facing a new challenge after entering the post-pandemic era in 2022. Compared with the high base of 3C and epidemic prevention supplies during the pandemic, consumption trends are returning back to normal. Consumers are paying more attention to physical health in the post pandemic era, they are beginning to travel and choose trusted brands. As a result, healthy food products, e-tickets, and travel products have shown significant growth. We are working even closer with major brands and growing our brand together with supply chain partners. All employees are on the same page as the Company and focus on the core value of "putting users first", while exerting every effort. We are also strengthening the foundation of our business by improving operational efficiency and examining the reasonableness and efficiency of expenses. Aside from our e-commerce business, PChome is also actively adjusting the structure of subsidiaries and combining resources to create greater synergies, in which FinTech and cross-border e-commerce services have both contributed to the group's profits. PChome's consolidated revenue was NT$46.1 billion and consolidated net income after tax was NT$43.59 million in 2022. Details on the financial data can be found in our Annual Report (please see the Investor section of PChome's official website for details).

Direct Economic Value Generated

(Unit: NT$1 million)

Item	2020	2021	2022
Revenue	43,870	48,579	46,100
Operating cost	38,875	43,024	40,660
Gross profit	4,995	5,555	5,440
Operating expenses	4,678	5,314	5,500
Profit	221	62	44
Total assets	16,462	24,430	26,592
Total liabilities	12,378	16,776	18,152
Total equity	4,084	7,654	8,440

1.3.2 Tax Governance

Tax Commitment Policy

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. We 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

Tax Governance

PChome's Finance & Accounting Department has a tax unit responsible for tax management and related affairs, such as tax operations and tax risk management. If there are any legal concerns when handling taxes, the unit actively contacts tax authorities and appoints an external professional tax consultant for assistance when necessary. The tax unit cooperates with requests from tax authorities to provide information, and submits documents and provides explanations within the time limit. The tax unit also regularly reports practices and results of tax management at each business location to management, so that the Company's management team is up-to-date on the implementation status of the Company's tax policy.

Country-by-Country Report

PChome submits required business information in its audited consolidated financial statements to the Country-by-Country Report System according to the agreement signed between the R.O.C. government and OECD. The information is only preserved by the tax authorities.

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1.3.3 Robust Operational 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 CEO 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 related laws 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	1. The Finance & Accounting Department must devise relevant strategies and procedures for compliance with laws and regulations and in response to market changes. 2. Risks shall be analyzed and monitored regularly, and appropriate responses adopted as required, such as hedging and pricing adjustments.
Economy	Strategic and Operational Risks	In response to the rapid changes in the e-commerce market in the post-pandemic era, 1. The Technology Department focuses on the first-party marketing results tracking system, automated marketing system, third party logistics system, and implementing a cloud structure for digital transformation, closely observing consumption trends and market demand for rapid response, while improving the stability of services and operational efficiency. 2. We lowered the risks of information security and volumetric attacks through the crisis response ability and expandability of SaaS, and also reduced unnecessary marketing and server expenses for the Company to develop stably.
Economy	Information Security Risks	1. To effectively implement information security management, the Company's Information Security Team periodically reviews the applicability of the information security policy, as well as information security measures, and periodically reports risk management and implementation results to the CEO. 2. PChome strives to become an online shopping platform where consumers can shop without any worries about information security or their privacy being invaded, and ensures its business capabilities and online service performance by establishing a complete information security management policy. 3. PChome actively supervises its information security management results, and carries out information security risk assessment, analysis, and improvement measures based on internal information security inspection results. We conduct a variety of information security drills to ensure our ability to defend against attacks. 4. PChome regularly holds information security conferences and training and also irregularly arranges for employees to receive external information security training, so that employees are more aware of information security and stay up-to-date on the latest information security trends and knowledge.
Corporate Governance	Market Risks	1. The Legal Office evaluates the Company's regulatory compliance and the legitimacy of its decision-making processes. The Legal Office responds to business development and changes in supervisory regulations. 2. The Audit Office regularly manages the Company's potential risks through the implementation of audit plans and related operations. The two units above take necessary response measures to reduce governance risks based on the situation.
Environment	Climate Risks	1. Incorporating climate risks into the overall risk management framework and the agenda for meetings of the Board of Directors. 2. 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

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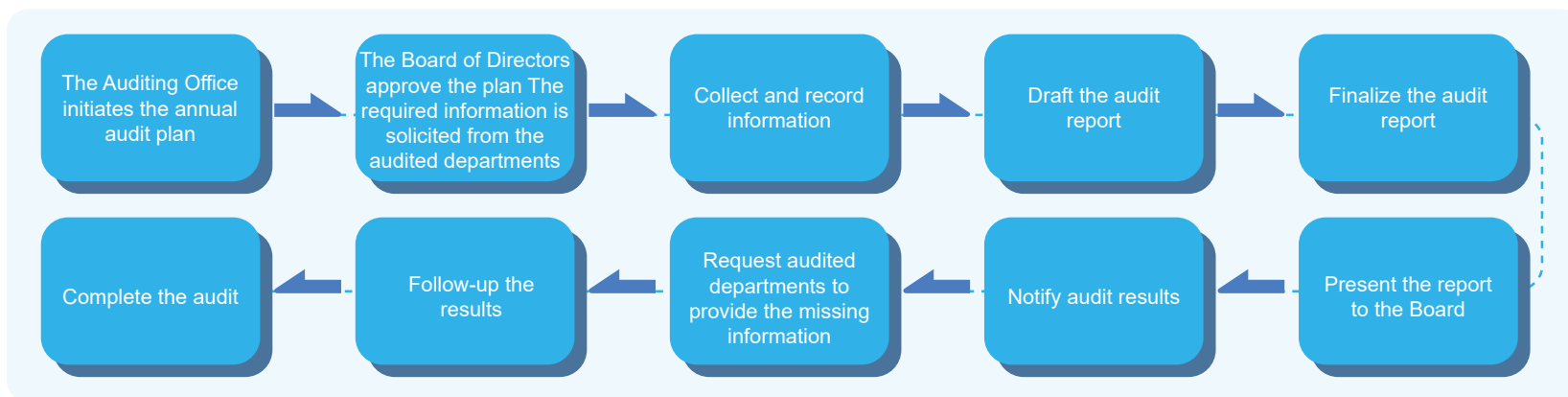
Internal Audits

The Audit Office is responsible for PChome's internal audits and internal control tasks, and is an independent unit subordinate to the board of directors. It carries out supervision and review 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 internal risk assessment is conducted by the certified public accountant, 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

With regard to the implementation of internal audits in 2022, 55 internal audit plans were submitted to the board of directors and approved. Audit results are periodically reported to the board of directors and management, and improvements to deficiencies and abnormalities in the internal control system are reported to the competent authority in accordance with regulations.

Internal Audit Process

The Auditing Office initiates the annual audit plan → The Board of Directors approve the plan The required information is solicited from the audited departments → Collect and record information → Draft the audit report → Finalize the audit report → Present the report to the Board → Notify audit results → Request audited departments to provide the missing information → Follow-up the results → Complete the audit

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1.3.4 Legal Compliance

Legal Compliance

The Legal Office 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. PChome added announcements and graphics to the back-end to ensure that vendors comply with regulations. The BSMI label is also directly adjusted through the system. PChome immediately takes necessary improvement measures when it is notified of any violations. If it is related to suppliers, we immediately forward the notice and recall products or make corrections to contents that were found in violation.

The following is an overview of the aforementioned social and economic violations in 2022:

Type of Violation	Number of Cases	Type of Penalty	Subsequent Corrective Actions
Violation of regulations regarding marketing communications (including advertisements, promotions, and sponsorships)	21	• 20 warnings • 1 Fine (NT$100,000)	Remove products
Violation of regulations regarding the information labeling of products and services	24	All warnings	Remove products
Violation of regulations regarding the health and safety of products and services	109	All warnings	Remove products
Violation of the Labor Standards Act	0	No	No
Violation of the Occupational Safety and Health Act	0	No	No
Violation of the Personal Data Protection Act	0	No	No

*A major violation of labor laws is an incident that resulted in a fine of over NT$1 million.

In Service Training Programs on Legal Affairs

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. New employees of the E-Commerce Business Department are all required to receive a certain number of hours of compliance training, which covers the Copyright Act, Trademark Act, and Fair Trade Act. Fines that the Company received are immediately communicated to remind employees of the regulations involved.

There were 6 two-hour courses held in 2022 for new employees in each department of the Company, and covered the Copyright Act, the Trademark Act, and the Commodity Labeling Act. The employees took a test and participated in review after the courses, which give employees basic legal concepts when performing routine tasks, preventing infringement on the rights and interests of others and lowering the Company's operational risks.

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1.3.5 Intellectual Property Management

PChome Online is the leading brand of general online services in Taiwan, and provides excellent e-commerce, online financing, and logistics services. PChome officially introduced the Taiwan Intellectual Property Management System (TIPS) in 2020 and received the Level A certificate from the Industrial Development Bureau in the Ministry of Economic Affairs on January 24, 2022. PChome once again passed the certification at the end of the year and received a TIPS Level A certificate. This reflects the high level of importance we attach to the quality of our intellectual property management and corporate governance. PChome strengthens its Business Performance and Risk Management through big data, and combines AI and automated warehousing with an incentives policy for patents, in order to link intellectual property goals to its business strategies.

"Strengthen intellectual property management! PChome becomes the first and only e-commerce company to receive the Level A TIPS certificate"

Intellectual Property Management and Protection Measures

To strengthen its industry leadership and protect advanced technology results, which were not easy to produce, PChome's intellectual property strategy combines its business goals with R&D resources to develop a model that creates value through intellectual property rights. It not only protects the Company's freedom of to operate, reduces operational risks, and maintains innovation capabilities, but also enhances competitive advantages and helps the Company profit and achieve business goals.

Patent Management and Protection Measures

PChome utilized many technologies to upgrade the customer journey and experience, including e-payment services, warehousing and logistics management system, e-commerce model prediction, and online service optimization. Combined with a clear internal incentives policy for patents, PChome effectively encourages employees to engage in technology R&D and actively applies for patents, utilizing operations and technologies to perfectly link intellectual property goals to the Company's business strategies.

Trade Secret Management and Protection measures

Among intangible intellectual property, the management of trade secrets is not only closely related to the Company's products, technologies, and core competitiveness, but also the Company's business wisdom of utmost importance. PChome strengthens the protection of confidential information, and prevents the leakage of important data of the Company and customers to properly manage trade secrets. We make timely adjustments to regulations on the management of confidential information based on improvement recommendations from internal and external audits, and adjust employee education and training materials to raise awareness of confidentiality. We also procured information control equipment to enhance our information security capabilities.

Intellectual Property risks and Responsive Measures

Internally, PChome established confidential information protection mechanisms to improve employees' understanding of intellectual property management, in order to systematically manage intellectual property, and create a corporate culture that emphasizes innovation. PChome responds through the strategies below:

☆ Reinforcing employees' in-service education on intellectual property protection and patenting
☆ Revising relevant regulations on the management of confidential information
☆ Procuring the required software and equipment to improve our information security protection
☆ Organizing employee in-service education on the duty of confidentiality
☆ Arranging in-service education on patenting for R&D employees

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Intellectual Property Management Outcomes

PChome is focusing on service innovation and continues to increase its intellectual property capabilities and output. As of the end of 2022, PChome has obtained a total of 43 patents, including 15 invention patents, 27 utility model patents, and 1 design patent, and 574 trademarks. Main efforts in recent years include:

2020

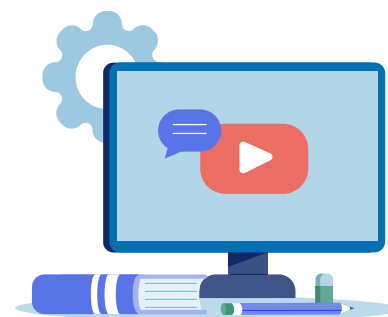Consolidating the Company's intellectual property management system program.

2021

- Constructing the intellectual property management system and other relevant systems
- Planning in-service education and training programs for R&D employees.
- New employees 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.

2022

- Passing the TIPS patent inspection, maintaining TIPS Level A certification, and continuing to obtain TIPS Level A certification after passing the inspection at the end of the year.
- Announcing regulations for trademark licensing application and use to strengthen the intellectual property management system.
- Training new employees, R&D personnel, and units to raise the team's intellectual property protection awareness.
- Establishing regulations for patent incentives to increase an atmosphere of innovation at work

In-service Training Programs on Intellectual Property and Patents

Course	Recipients	Frequency
Introductory Program on Intellectual Property Management	Newcomers	3 times/month
TIPS Personnel Training	Introduction to departments and technicians	2 times/year
Intellectual Property Training (including subsidiaries)	Requesting department	1 times/year
Monthly Report on Intellectual Property	All employees	1 times/month

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1.4 Business Partnership

PChome is a well-known e-commerce platform in Taiwan, and serves as an important bridge between companies, products, and consumers. We are actively strengthening relationships with business partners and continue to strengthen supplier management to ensure product quality, in hopes of stably providing safe and reliable products to consumers.
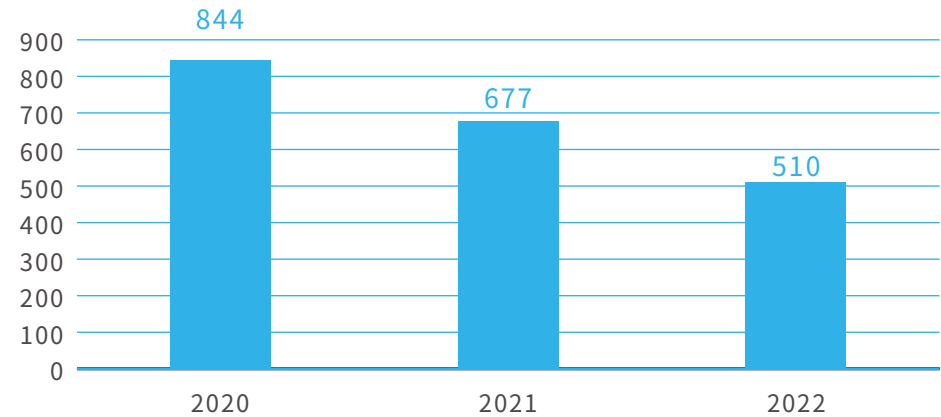
Supplier Management

PChome emphasizes the development of long-term cooperative relationships with every supplier. Our internal rules and regulations clearly state that every member of our sales force 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.

Irregular Factory Visits	Inspections are irregularly 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.
Protecting Intellectual Property Rights	Suppliers must comply with intellectual property regulations and ensure that their information and documentation are legally compliant
Product Inspection License	For a product with online trade restrictions, a supplier must first send the product for examination on their own, obtain a license, and submit it for our review before the product can be listed on PChome. The supplier's license shall be listed alongside the product
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
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
Duty of Condentiality	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
Product Liability Insurance	All products should have product liability coverage based on their properties to guarantee the rights of consumers

Supplier Evaluation and Appraisal Mechanisms

To ensure it meets its own quality standards, PChome conducts documentary reviews of suppliers and performs onsite evaluations as necessary. We irregularly check suppliers' operations by various methods (e.g. phone and email). We consider suppliers to be important stakeholders and maintain close contact with suppliers. Supplier reviews were difficult due the COVID-19 pandemic in 2020 to 2022, and the number of new suppliers reviewed decreased as a result. However, PChome still insisted on reviewing 100% of new suppliers.

Number of New Suppliers Added for Evaluation

Bar chart showing: 2020: 844, 2021: 677, 2022: 510

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In addition, PChome aspires to achieve corporate sustainability through supplier collaboration. We plan to include sustainability performance into the supplier self-evaluation form, which evaluates suppliers' sustainability in terms of 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.

Self-reported Supplier Sustainability Questionnaire

Environment	Society	Corporate Governance
✓ Energy efficiency ✓ Carbon reduction ✓ Environmentally friendly	✓ Human rights ✓ Labor rights ✓ Occupational safety and health	✓ Stakeholder communication methods ✓ Code of conduct ✓ Information security ✓ Corporate sustainability disclosure

Plans for Enhancing Supplier Management

To enhance long-term cooperation and trustworthy relations with suppliers, 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 supplier risks and publicly recognize top-performing suppliers. In addition, PChome publicly awards 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.
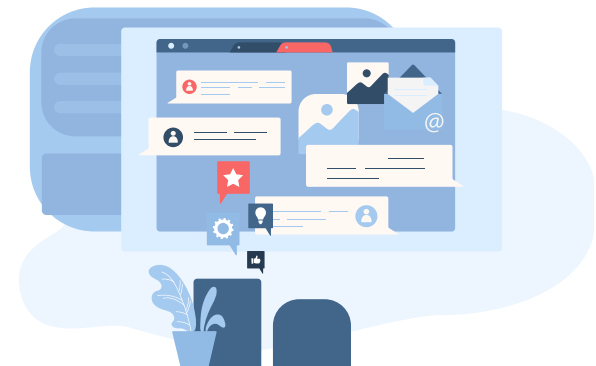
Proportion of Spending on Local Suppliers

PChome values local brands of Taiwan and actively develops local suppliers, in hopes of using the platform's capabilities to increase the visibility of local enterprises, indirectly increase employment opportunities, and drive socioeconomic development, delivering high quality local products and services to consumers. PChome's local procurement ratio has surpassed 99% for three consecutive years, and shows our efforts to support local companies.

Unit: NT$1 million

Category	Quantity Procured in 2020	Percentage of Procurement in 2020	Quantity Procured in 2021	Percentage of Procurement in 2021	Quantity Procuredin 2022	Percentage of Procurement in 2022
Local Procurement	12,646	99.98%	14,728	99.95%	15,961	99.95%
Non-local Procurement	3	0.02%	8	0.05%	8	0.05%

*Definition of local: The vendor is registered as a supplier in Taiwan

Quintuple Stimulus Voucher

PChome provided an MIT section in coordination with the quintuple stimulus vouchers to drive local economic development, and provided medium and small companies with a platform for offering deals for quintuple stimulus vouchers. For companies that have worked with PChome for six months and above, meet the definition of SMEs, and have the MIT Smile Logo, platform fees are waived for locally produced products, farmers, and cultural creative products. The stimulus package provided NT$5.4 million and waived 1,533 fees of vendors, in hopes of stabilizing local industries, increasing employment opportunities, and also providing consumers with more diverse options.

Ch.2 An Innovative Partner in Retailing

2.1 Comprehensive High Quality Products Purchase

2.2 Thoughtful Shopping Experience

2.3 Reliable Information Security and Protection

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Important Stakeholders

▶ Customers, Employees, Suppliers, Shareholders/Investors, Government Organizations, Media, and Communities/ NPOs

Sustainable Development Goals

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

PChome integrates bank resources to provide SMEs with convenient loan services, in order to meet their funding needs in response to rapid market changes.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

PChome established a platform for communicating with vendors and consumers, facilitating social innovation and responsible production by suppliers, driving consumers to engage in responsible consumption, and jointly creating a friendly environment.

Sustainability Highlights

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

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

Actively managing inventory for consumers to **feel more at ease** when making purchases

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

Actively developing **FinTech** operations and providing consumers with a friendly consumption environment

Expanding the scale of the green products section and jointly creating a **green living environment** together with consumers

Won the **Bronze Award** for Digital Media Shopping in the Taiwan Customer Service Center Evaluation

Awarded **Second Prize** at the 2022 Buying Power Awards organized by the MOEA

Promoting the Buying Power Store in collaboration with the Small and Medium Enterprise Administration, Ministry of Economic Affairs, and significantly increasing the number of products by **59%**

"Providing trustworthy products and services" is a value that PChome has insisted on for over two decades. PChome has expanded from e-commerce to digital finance services to become aligned with new trends, and continues to be guided by "sustainability values" to meet the needs of suppliers and customers. We strive to give suppliers a development platform and provide every customer with a worry-free and comfortable consumption experience.

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Management Solutions

Sustainable Procurement

Commitment

Continue to engage in eco-friendly procurement, jointly create a green economy and industries, eliminate products and services with environmental concerns, and jointly transit to new lifestyles with sustainable consumption.

Action Plans

- Developing green eco-friendly products and providing consumers with a wider range of products to choose from
- Reducing the purchase of chemicals and suppliers with high carbon emissions

Resources Input

- Providing a quota for purchasing green products, and providing business development resources for developing green products

Evaluation Mechanism

- Examining the use of the green product purchase quota each quarter, and examining the development progress of green products each quarter, and the increase in products available in Buying Power store each year

Grievance Mechanism

- Vendor services (02) 2326-1497
- E-mail: supplier@response.pchome.com.tw

Responsible Unit

Product Liability, Green Products Team

Actual Results in 2022

- The number of products available in Buying Power store increased 59% compared to the previous year

Responsible Marketing

Commitment

Products purchased by PChome all comply with food safety and government regulations. Our primary responsibility is to provide healthy and safe products.

Action Plans

- Improving the Company's quality control, maintaining a good business reputation, reducing goods that are returned due to defects, and gaining consumers' trust
- Training suppliers to attach importance to the circular economy of product supply
- Employees and system teaching suppliers the right way for entering the warehouse
- Returning goods that do not meet specifications to suppliers and providing suitable guidance

Resources Input

- A dedicated department is responsible for inspecting goods that enter the warehouse
- Auditors regularly inspect products to ensure that the quality and external appearance meet the required standards.
- Implementing system monitoring mechanisms to accurately monitor product expiration date

Evaluation Mechanism

- Irregularly inspecting the condition and labeling of products in the warehouse, and returning products that do not meet specifications to the supplier
- Products are immediately removed and products in inventory are inspected whenever a customer complaint is received or the Legal Office or warehouse reports abnormal products. The products are returned to the supplier if the complaints are verified to be true

Grievance Mechanism

- Supplier service hotline, supplier compliant mailbox, and creating an online bulletin board for suppliers

Responsible Unit

E-commerce Business Department, Operation Management Department, Warehousing and Logistics Department

Actual Results in 2022

- In 2022, abnormal products returned by PChome accounted for approximately 7.49% of inbound products

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Management Solutions

Customer Safety and Health/ Product and Service Quality Management

Commitment

Providing consumers with safe and healthy services and products.

Action Plans

- Verifying that all products purchased comply with current laws and regulations
- Eliminating high risk products through product review
- Lowering days in inventory and returning products that have been in inventory for many days to ensure product quality and reduce risks
- Sampling products in storage when a customer complaint is received to determine the current condition of products and evaluate how to handle the situation

Resources Input

- Establishing a dedicated Warehouse Audit Team, customer hotline

Evaluation Mechanism

- Semi-annual employee information security training
- Weekly reviews of major customer complaints
- Monthly review and return of products that have been in storage for a high number of days, and periodically take in-ventory to ensure product quality

Grievance Mechanism

- Customer hotline: 02-2704-0999

Responsible Unit

Product Liability Team, Customer Commitment Team

Actual Results in 2022

- The total amount of products returned to suppliers after inspection in 2022 was double the amount in 2021, showing that PChome attaches importance to quality management and the consumer experience.

Information Security and Customer Privacy

Commitment

- Creating a safe information system and operating environment
- Protecting consumers' privacy according to the privacy statement on the official website.

Action Plans

- Information security management: Establishing an information security framework and policy, setting checkpoints in the process, and periodically conducting inspections and making improvements to prevent activities that do not comply with policy and processes.
- Vulnerability identification and management: PChome commissions an impartial third party to conduct attack and penetration drills, in order to discover and patch vulnerabilities that may be exploited by hackers, preventing larger impacts.
- Information security: PChome utilizes a variety of risk management tools for information security detection and pro-tection, preventing hacking and malware from causing losses and data leakage.
- Course tests: Internalizing information security concepts through irregular training, preventing loopholes from con-stantly appearing, and preventing employees from becoming a target of social engineering.

Resources Input

- Regularly organizing red team assessments, penetration tests, DDOS attack drills, social engineering drills, and adjusting the weight of resources, optimizing systems, and lowering risks based on the results of drills or tests.
- Attaching importance to information security audits, information security risk assessments, and supplier risk management
- Establishing a vulnerability management system, web isolation system, and remote work security
- Organizing information security general education courses, OWASP Top10, developing security courses, and information security incident case studies.

Evaluation Mechanism

- Implementing an internal audit and internal control inspection of the information systems every quarter
- Using automated tools and procedures to identify potential risks in information systems every quarter, as well as inspecting the status of internal audit and internal control management risks through information security audits.
- Organizing hacker attack and defense drills to identify information security risks, and make timely corrections.
- Reviewing the risks and confidentiality of contractual agreements, enforcing the signing of non-disclosure agreements and breach of contract clauses, so as to ensure that the vendors fulfill their information security non-disclosure obligations, and complete supplier contract information security assessments.
- Employees completed a training program on information security awareness
- IT personnel passed an advanced development security course and examination.
- New employees completed a training program on information security and personal data protection.

Grievance Mechanism

- Stakeholders can fill out contact information in "Stakeholder Communication" on the official website.https://corp.pchome.tw/corporate-social-responsibility/stakeholder-communication

Responsible Unit

Cyber Security Office

Actual Results in 2022

- Completed 1955 information audit cycles.
- Completed 160 vulnerability assessments and patched 4,628 vulnerabilities.
- Performed 457 days of hacker defense exercises.
- Completed 399 supplier contract information security assessments.
- 1,564 employees completed an in-service training program on information security awareness.
- 111 IT personnel passed an advanced development security course and examination.
- 336 new employees completed a training program on information security and personal data protection.

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2.1 Comprehensive High Quality Products Purchase

2.1.1 One PChome Ecosystem

PChome has integrated services in the group based on its current brand, and is actively developing FinTech services to create the One PChome ecosystem that can meet different customer needs. Over ten-million members have benefited from having direct access, and can easily log into all ten of our affiliated service platforms to enjoy the full range of products available. Furthermore, we are utilizing FinTech to provide a safe and convenient FinTech collection and payment method across all channels. We provide PPoints to reward members for their loyalty. The coins can be used to deduct daily life expenses and build closer connections to consumers, creating a new consumer experience for a wonderful future.

E-commerce

Domestic E-commerce

Combines supplier development and management, product information management, cash flow, and customer services, a breakthrough in the conventional retail industry's business model. PChome 24h shopping provides over 5 million products for food, clothing, housing, transportation, education, and entertainment. Products are delivered anywhere in Taiwan within 24 hours. PChome 24h shopping has the highest stock among all shopping websites in Taiwan. When the website receives a purchase order from a customer, the warehouse will directly deliver the products, significantly reducing the number of layers between consumers and suppliers, lowering operating cost and sales prices, and allowing consumers to enjoy an efficient online shopping experience with high quality products at an affordable price. We hope to meet consumer demand on products ranging from 3C home appliances to daily necessities, from physical products to services, from online to offline, and 360 degree daily shopping needs, actively extending one-stop shopping service scenarios. Furthermore, under PChome Online Inc., we have Ruten, a C2C auction site, and PChome Store, a B2B2C online business startup platform, to provide consumers with a variety of shopping choices.

Cross-border E-commerce

Overseas cross-border shopping has become an integral part of Taiwanese people's daily life due to the pandemic in recent years, and the frequency and scale of cross-border shipping are both rapidly growing. To meet the growingly diverse cross-border shopping demand, PChome's only subsidiary to provide cross-border bidding and purchase of Japanese products – Bibian launched the new "Bibian Drug Store", which has a Chinese interface and over 10,000 of must-have products in Japan's drug stores at local prices, rapidly attracting the attention of consumers. Bibian further announced that the drug store will be upgraded to "Bibian Japanese Products Store" to provide Taiwanese consumers who favor Japanese products with a convenient cross-border shopping experience with no time difference.

PChome Thai has been developing Thailand's e-commerce market for years, and expanded its two-way cross-border e-commerce in 2022, selling popular brands and products of Thailand back to Taiwan. In March, PChome Thai formally announced its new service of directly delivering products purchased in Thailand to Taiwan, and provides the industry's lowest shipping fee, zero exchange rate loss with all products priced in NTD, and customs duties included in the prices, striving to make PChome Thai the number one choice for Taiwanese users to purchase products in Thailand.

Portal Site

PChome Online provides an integrated service portal of the group in response to the dependence of modern people on the Internet in daily life, including stock, news, personal news, Youtuber unboxing, travel, food and life, car information, prize winning invoice numbers, horoscopes, and public opinion. It also provides employee welfare committees on the business end with corporate services, including procurements, buying URLs, sending large numbers of SMS messages, buying virtual servers, and digital certificates. The portal website not only provides the above mentioned information services, but also provides online advertisement purchase services to vendors of PChome 24 shopping. PChome Online will continue to optimize channels to provide an online service experience aligned with the latest trends.

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FinTech

PChome Online introduced a business team that consists of strategic investors, such as China Development Financial, Chunghwa Telecom, and 21st Century Digital Technology, through private placements in 2021, and utilized the strategic investors' development experience and resources in financial services, big data, and AI technologies for data-driven FinTech development. In 2022, PChome's subsidiary 21st Century announced a strategic merger with Cherri Tech, Inc. Its TapPay is a payment gateway product, and it launched the first cross-site technology without redirecting, striving to develop a safe and fast payment experience for online stores and consumers. It also develops cutting-edge AI equipment using fingerprints for identification and monitoring to prevent fraudulent credit card transactions. 21st Century will utilize the technology leadership of Cherri Tech in the cash flow services market and actively expand FinTech services, such as third party payment, mobile payment, and cardless installment, in order to provide more convenient and safer omni-channel FinTech products for vendors and consumers, jointly expanding the FinTech market.

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Upgrade 1, PPoint Daily Life Ecosystem

PChome integrates services across fields and deeply embeds mobile payment into consumers' daily life, 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. Pi Wallet currently has over 1.5 million members and can be used in over 380 thousand stores, including parking fee payment services, convenience stores and supermarkets, department stores, general lifestyle, cuisine, leisure and entertainment, daily payments, transportation, drug stores, and online shopping with over 99% coverage around Taiwan. Members earn PPoints when they make purchases and continue to expand the PPoint ecosystem.
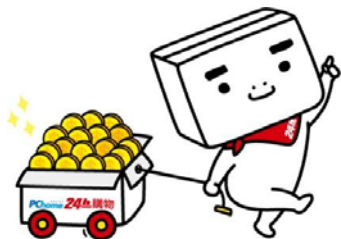
To reassure users of the safety of the Pi Wallet, we continuously focus on developing more convenient and secure payment services that allow consumers to complete various transactions through mobile apps. We currently provide individual and company transactions. Consumers can begin transaction after 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).

Seamless Payment

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

Parking Fees

Pay parking fees linked to a license plate number through a single tap
Pay parking fees by scanning a barcode, which also links to the vehicle's license plate number. Users enjoy discounts and credit card rewards when paying roadside parking fees in every county and city via the app.

Swift Checkout

Accepted in 380,000 locations across Taiwan, check out just by flashing a barcode
Present the barcode to the store attendant to complete the payment within 3 seconds. Mobile payments can be completed online and offline effortlessly in all convenience stores and supermarkets such as 7-ELEVEN, Family Mart, Hi-Life, OK Mart, and Simple Mart locations in Taiwan. Mobile payments can be completed offline and digital invoices can be stored inside the user's account.

Secure Transaction

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

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Upgrade 2, CTBC All Me Card

PChome formed an alliance with CTBC and Chunghwa Telecom in offering the first three-party co-branded card "CTBC All Me Card" in Taiwan in July 2022, making a breakthrough in the difficulty of converting reward points across industries. The card establishes a new reward point framework in the industry, and allows reward points to be accumulated and redeemed in Pi Wallet and Hami Pay, while providing rebates of up to 12% in different consumption applications across e-commerce, telecommunications, the four major convenience store chains, and payments in daily life. The card enjoys discounts on PChome 24h shopping, Ruten, PChome Store, and PChome Travel, and PPoints are also Hami Points and can be used at over 380 thousand stores around Taiwan through Pi Wallet. Comprehensively upgrading the service experience of the PPoint ecosystem.

Upgrade 3, PChome Loan Helper

PChome and Standard Chartered Bank jointly launched the service "PChome Loan Helper" in February 2022, which uses innovative technology along with a big data processing module and AI preliminary review mechanism to meet the immediate financing needs of PChome 24h shopping suppliers. The service realizes inclusive finance and accelerates business development while creating employment opportunities.

Upgrade 4, Cardless Installment

PChome launched the industry's first "Buy Now Pay Later" (BNPL) service in Pi Wallet in April 2022, providing Taiwan's first innovative financial service that links third party payment, cardless installment, and mobile payment services. The differentiated payment service, extensive online and offline application scenarios, and circular applications that combine PPoint rebate and ecosystem not only upgrade the scope of cardless installment product applications and service experience in Taiwan, but also provide Pi Wallet members with a wider range of digital financial services.

Upgrade 5, iPhone Subscription Plan

As the only e-commerce company in Taiwan that is an authorized distributor of Apple products, PChome and the cardless installment payment service – GoGoPay and online insurance service – e-Insure Inc. jointly launched the exclusive "iPhone subscription plan" in September 2022, featuring "0 interest rate and low monthly payment, no prepayment and deposit required, exclusive insurance, greater freedom when the plan expires, and replace a new phone every year".


Upgrade 6, E-ticket

PChome 24h shopping joined forces with FunNow to provide "eat, drink, and be merry" reservation services in October this year, combining e-tickets with immediate booking functions, and offering over 5,000 products and services to meet consumer needs in all aspects of daily life from online to offline.

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2.1.2 Responsible and Sustainable Shopping

To ensure that consumers can purchase the highest quality products, we have consolidated products from major global brands into our brand flagship store on PChome 24h Shopping, or provide consumers with the most reliable products directly supplied from the manufacturer. Following the rising environmental protection awareness of consumers, PChome supports many environmental protection initiatives, actively develops eco-friendly and energy-efficient products, and provides a wider range of eco-friendly options to our consumers. Furthermore, we co-organized a series of activities with partners to advocate for eco-friendly actions during Earth Day and Earth Hour, in order to expand the influence of sustainability products and create a force for the common good of humanity and the environment.

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 products sold online. PChome 24h shopping created an exclusive "brand flagship store" authorized by major brands, and sells products that have obtained many quality certifications, enjoy a warranty period, and come with complete after-sale services to eliminate any concerns that consumers may have about online shopping. PChome irregularly provides discounts and guarantees delivery within 24 hours anywhere in Taiwan, and delivery within 6 hours (trial operations) in Taipei City, creating a convenient shopping environment where consumers do not have any worries.
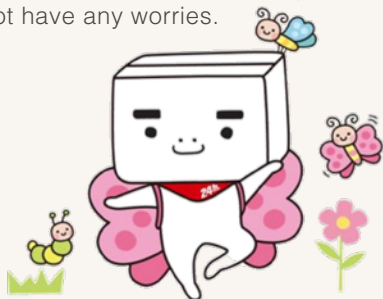
Buying Power Store

To expand promotion of social innovation and "SDG 12 Responsible Consumption and Production", PChome supports the concept of "Buying Power" of the Small and Medium Enterprise Administration, Ministry of Economic Affairs, and jointly promotes "Buying Power Store" to communicate social innovation and responsible consumption issues with society. We encourage people to change their living environment and influence the consumption system through actual purchases, in order to actively make a change.

PChome's "Buying Power store" shares platform marketing, cash flow, and logistics resources to aid the digital transformation of SMEs, and selects high quality products that are friendly to the environment and society. The Buying Power store was certified as a "Social Impact Platform" by Taiwan Institute of Economic Research; the certification was organized by the Small and Medium Enterprise Administration, Ministry of Economic Affairs. To date, there are 884 items across 50 brands sold in the Buying Power store in 2022, significantly increasing by 59% compared with the 530 items in 2021. This figure is constantly increasing so that merchants can continue with responsible production and consumers can continue with responsible consumption.

Sustainable Procurement

In light of the rising trend of sustainability, consumers make decisions that are friendly to the environment and society with their money, and vendors make a profit while protecting the Earth through sustainable production. As an e-commerce leader, PChome upholds the idea of standing together with suppliers and consumers in protecting the Earth by purchasing more eco-friendly products and purchasing less products that are harmful to the environment, have high carbon emissions, and have high energy energy consumption, so that shopping in daily life can also benefit the Earth.

Consumers can find a wide range of internationally-renowned green products at a discount on PChome shopping websites, sustainability features of each brand include: a full range of eco-friendly appliances, only using recycled packaging, and designing products 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. PChome strives to provide a wide variety of eco-friendly products to contribute to the future of the Earth.

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Get to Know About Eco-friendly Labels

Leaping Bunny 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.

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 Use and Carbon Management, Water Stewardship, and Corporate Social Responsibility. The goal is to encourage manufacturers to incorporate eco-friendly and sustainability concepts into their products, beginning in the design stage.

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 only need 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 attracts 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 convenience brought by electronics equipment in daily life, we tend to overlook the recycling problems with recycling a large amount of electronic waste resulting from products' short life cycle. PChome sets out with its own platform resources and provides 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's recycling process is in line with the iMT Online Trade-in Standards (iTS). In addition to mobile phones, PChome is gradually increasing the recycling of electronics products, including tablet PCs, notebooks, and wearable devices. We hope that every step we take will benefit the Earth.

Amount of Old Smartphones Recycled

Quantity of old smartphones recycled ■ Quantity

Year	Quantity
2018	6
2019	429
2020	751
2021	1,032
2022	802
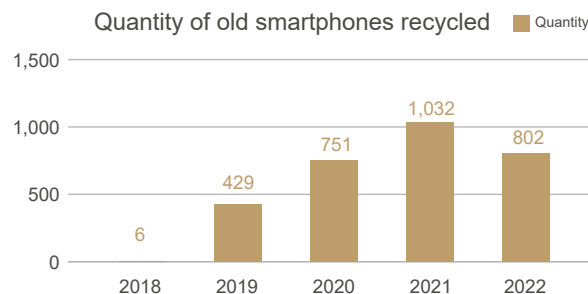
Process of Recycling Old Smartphones

- Online price estimation: The user enters the Recycling portal from the homepage or on the app
- Collection upon arrival: The user schedules a collection time after completing the recycling application
- Manual inspection: Personnel assesses the functionality and value of the smartphone
- Price quotation: Personnel sends the final quotation via SMS or email, and the user makes a decision
- Identification: The user completes the transaction after uploading their personal information
- 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)

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Smartphone Recycling Logo

Smartphone Recycling

對地球有意，
幫助資源永續發展

回收您的舊手機

Smartphone Subscription Plan

Step 1 PChome 24h購物
Select subscription plan

Step 2 分期趣 寶物
Online review

Step 3 PChome 24h購物
Delivery within 24h

Step 4 分期趣 寶物
Enjoy the latest iPhone

Step 5 分期趣 寶物
Insurance and repair services

Step 6 分期趣 寶物
Old phone recycling
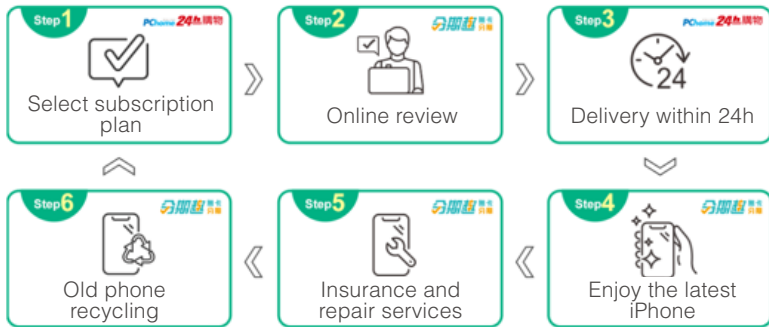
Promoting E-books

PChome 24h shopping book store collaborated with the world's second largest e-book platform Kobo in April 2022, and is the only officially licensed e-commerce company in Taiwan, introducing nearly 4 million e-books. We also collaborated with Readmoo and introduced over 100 thousand e-books, making it the largest online book store in Taiwan. We hope to reduce deforestation and ink consumption through the pro-motion of e-books, and thereby contribute to environmental sustainability.

Supporting Earth Day Lights Off for 1 hour

PChome utilizes the power of an online shopping platform to call on consumers to support Earth Day in 2022. We organized the event "Invest in our planet by supporting Earth Day" and developed five green shopping sections, including "Invest in your dining table", "Invest in your beauty", "Invest in your life", "Invest in your health", and "Invest in your knowledge", to provide discounts for green products relating to goods, clothing, housing, and transportation. This allows consumers to lead eco-friendly low-carbon lifestyles 24 hours a day, jointly protecting the living environment for the Earth and the next generation.

Furthermore, PChome also participates in Earth Hour organized by the WWF, and PChome 24h shopping, Pi Wallet, Ruten, PChome Travel, PChome Store, PChome Thai, and Japan cross-border e-commerce – Bibian all supported the event by turning off lights in the PChome office building for one hour from 8:30 to 9:30 P.M., jointly saving electricity and reducing carbon emissions for the Earth. To draw public attention to global warming, users that visit PChome 24h shopping and the PChome portal site can play a game of turning off lights for 1 hour, encouraging people to turn off lights and electrical appliances that are not being used and contribute to improving Earth's environment.

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2.1.3 Product Review Mechanisms and Quality Assurance Standards

PChome has established a product review mechanism and quality specifications, and reviews the safety and compliance of every product. We require suppliers to strictly fill out required information according to internal regulations; products must be reviewed before launch to comply with laws and regulations. After products enter the warehouse, auditors regularly inspect products to ensure that the quality and external appearance of products meet specifications. We established a mechanism for removing products that do not comply with specifications. We strictly supervise every aspect from contacting suppliers to delivering products into the hands of consumers, providing consumers with a reliable and trustworthy consumption environment.

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 cooperation agreements with suppliers, which contain clauses on delivery and payment, acceptance requirements, and warranties against defects, we maintain product quality through product inspection procedures and product recall as a precautionary measure.

Product Review Items

PChome's product review mechanism covers five aspects: essential vendor information, product management, liability for product delivery, legal liability, and product acceptance information transfer. PChome has reviewed regulations for different products and monitors regulations, which are included in the training of sales personnel, and strictly requires that they comply with regulations to maintain quality for consumers.

Product Inspection Items

- Basic Information of Supplier
- Product Information Management
- Send Information On Product Acceptance Testing
- Legal Liabilities
- Product Delivery Responsibility

	1. Prohibited Products	Tobacco, firecrackers, products with pornographic and violent content, recreational drugs, pharmaceutical drugs (excluding Class B OTC drugs), weapons, bullets, and other legally prohibited products
	2. Restricted Products	Typical foods, health foods, environmental agents, cosmetics, supplements, OTC drugs, and medical devices, which must be compliant with government and PChome regulations, such as fully disclosing the product information, obtaining the seller's permit, and product approval number
	3. Product Certification	Restricted products, such as typical foods, health foods, organic agricultural products, food cleansers, cos-metics, Class B OTC drugs, medical devices, and controlled telecommunications radio-frequency devices, must be subjected to product testing. Suppliers must comply with laws, regulations, and administrative orders, and vendors must obtain the relevant licenses or selling permits before selling these products on PChome
	4. Product Labeling	The name, main raw material, country/region of origin, manufacturing information, and expiry date of local and imported products must be displayed clearly to ensure complete product information and enhance con-sumers' trust
	5. Intellectual Property Rights	Suppliers are requested to guarantee the accuracy and transparency of product descriptions and information, so as to ensure compliance with intellectual property rights
	6. Eco-Friendly Labels	All energy consuming products must have the Energy-Efficient Label; washing machines and toilet systems must acquire the Water Efficiency Label before they can be sold.

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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 are in good condition when they enter storage. In terms of warehouse control, we have established three lines of defense for quality monitoring, including post-storage validity period management, quality spot checks, and audits, so as to ensure that the stored products have not expired or spoiled.

Product arrives at port → Inspect shipment label (completed by port workers and the logistics company/vendor) — Accept → Record shipment quantity → Acceptance — Accept → Conduct system acceptance recording → Triple lines of defense in warehousing

Reject → Handle irregularity

Reject → Handle irregularity

Triple lines of defense in warehousing: Expiry date management | Product inspection | Product audit

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 inspect the quality and expiration date 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. PChome cooperates with Intertek and the FDA 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, in order to guarantee the quality and safety of products for consumers.

- **Microbiological Testing**
- **Food Additive Testing**
- **Toxin Testing**
- **Pesticide Residue Testing**
- **Food/Cosmetics Labeling and Composition Inspection**

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.

▲ Figure: Acceptance and label printing through the system improve the audit team's inspection efficiency
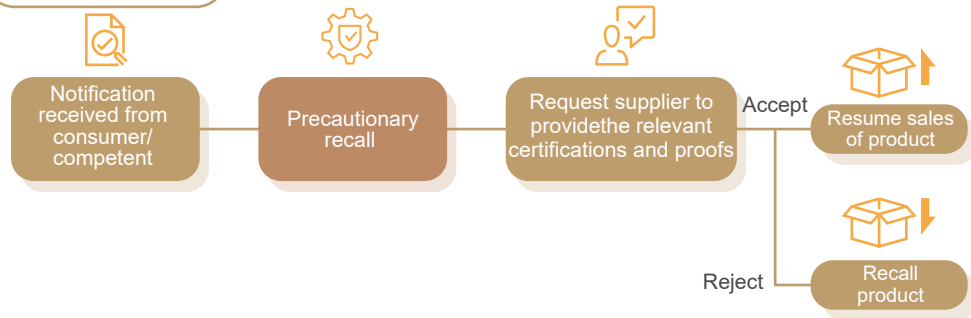

▲ Figure: Products are inspected twice and container product information is scanned to ensure that the contents are correct

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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 of agent will be recalled.

- 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.

Recall Process

Notification received from consumer/ competent → Precautionary recall → Request supplier to provide the relevant certifications and proofs → Accept → Resume sales of product

Reject → Recall product

PChome improves the consumption experience of consumers through product review mechanisms and quality assurance standards. By returning high risk products, we not only prevent potential customer complaints and the cost of subsequent lawsuits, but also effectively reduce warehousing cost. When a customer complaint occurs, warehousing personnel of PChome will conduct sampling inspections of products in storage. If it is not an isolated case, we return the entire batch and stop selling the product to protect consumer rights and interests.

PChome periodically reviews products that have been in storage for a long period of time, which puts the products at risk of deterioration, yellowing, and becoming brittle. Such products may put customers at risk during use and affect their confidence in PChome. To provide consumers with higher quality products, we raised the standards for products that have been in storage for a long period of time, and the total amount of products that were returned to suppliers in 2022 was twice the amount in 2021, showing that we attach importance to consumers' consumption experience.

Products Returned due to Being in Storage for a Long Period of Time

2021: Quantity 384,978 | Amount 189,370,139
2022: Quantity 897,200 | Amount 564,738,226

Legend: Quantity, Amount

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2.2 Thoughtful Shopping Experience

2.2.1 Thoughtful Customer Services

Customer service is the most important aspect of the e-commerce industry, so PChome established the Voice of Customer (VOC) Advisory Committee in 2021, and collected 1,749 improvement recommendations in 2022. After a rigorous review process and internal discussions, we completed 77 optimizations at the end of the year, and continue to carry out 130 items. Optimizations include printing out prize winning invoices at a convenience store, which was launched in 2023 and allow consumers to print out and redeem their prize through front-end functions, providing them with a more convenient service experience. PChome has maintained the original intention of serving consumers, and focuses on providing high quality customer services. The internal goal for customer services is 3 VOC proposals per employee each month, and the goal is adjusted according to the Company's business needs. Overall goal achievement was 100% in 2022. PChome won the Bronze Award for Digital Media Shopping in the Taiwan Customer Service Center Evaluation this year, showing that external professional institutions have recognized our customer services.
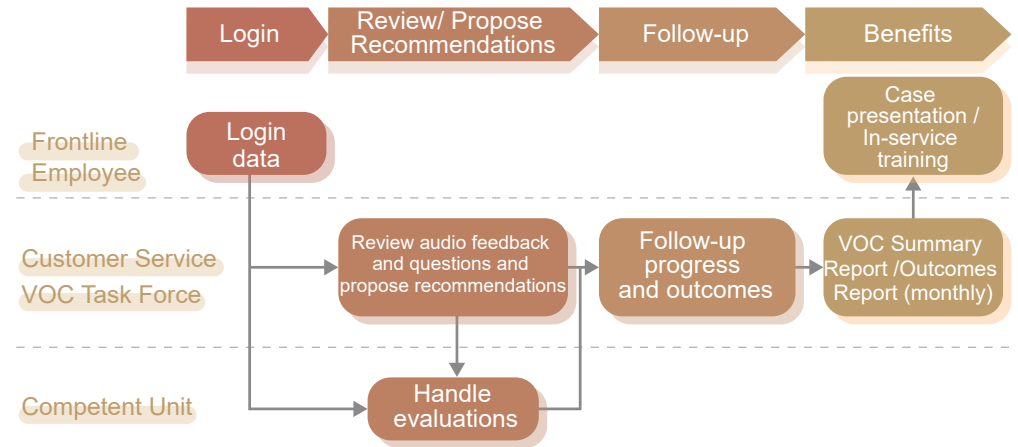
VOC Committee Structure

Project Manager — VOC Task Force — Department Contact Person

Role	Competent Unit / Person	Scope of Duties
Product Manager	Supervisor of the PChome Customer Service Department	Project planning and advocacy
VOC Task Force	Project Section	• Follow-up project implementation and outcomes • Cross-department communication, coordination, and problem solving
Department Contact Person	Role assigned by the department supervisor	• Project department proposals for management • Propose project review • Contact for cross-assessment

PChome provides thoughtful services and hopes to become a thoughtful helper when customers are purchasing products. Customers can contact the Customer Service Center through the customer service hotline or by leaving a message on the website's customer center when they have any questions regarding product information, purchase order tracking, and after-sale matters. Per company regulations, any written customer feedback received by the Customer Service Center must be addressed within two working days via phone call or e-mail, and all customer feedback is handled by a customer service representative until the entire case is fully rectified. The customer center also has a "Q&A record" for customers to view replies from customer service representatives at any time.

To continue optimizing the customer service experience, we plan to conduct customer service satisfaction surveys, and items such as the following are included: Response efficiency, problem solving ability, and service attitude. The survey is expected to help us listen to customers' suggestions for the Customer Service Center, give us a more precise understanding of customer needs, so that we can continue to upgrade services.

Voc Proposal Review Process

Login → Review/ Propose Recommendations → Follow-up → Benefits

Frontline Employee: Login data

Customer Service VOC Task Force: Review audio feedback and questions and propose recommendations → Follow-up progress and outcomes → VOC Summary Report /Outcomes Report (monthly) → Case presentation / In-service training

Competent Unit: Handle evaluations

PChome Customer Service Process

User Enters the Homepage → Order Completed → Product Delivery → Delivery Completed → Waiting Period Ends

- Check order status
- Cancel order
- Other inquiries

- Product inquiries
- Delivery inquiries
- Price difference refund
- Product return and exchange
- Report handling
- Other inquiries

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2.2.2 Professional Customer Service Representative Training Programs

Every customer service representative of PChome must comply with regulations on the internal quality audit process, and periodic eva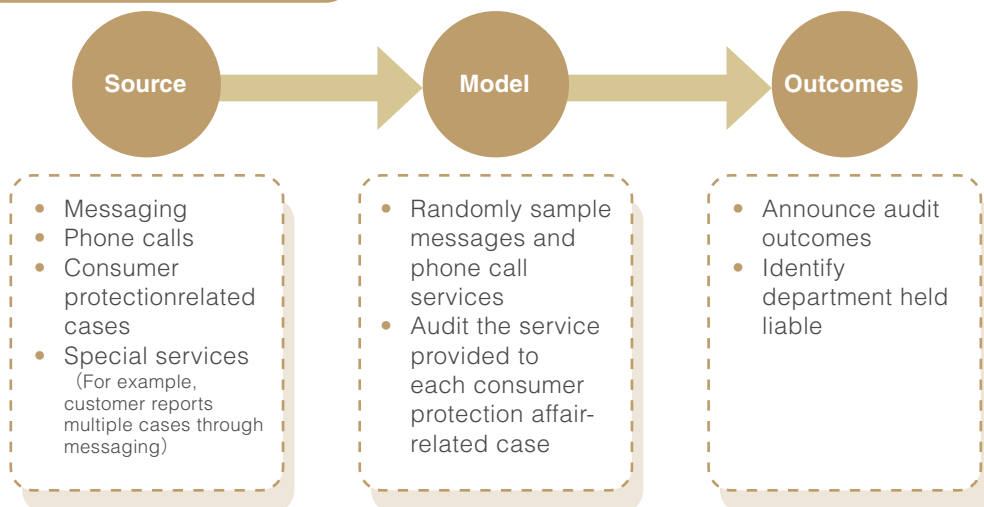luations are conducted to ensure that service quality reaches Company standards. Furthermore, we optimized the new employee training course and improved the quality of teaching to aid customer service representatives with professional knowledge. In 2022, satisfaction with new employee training reached 4.8 points (5-point scale), and we implemented the digital course program with 89 hours of courses planned. We hope that providing complete training courses will effectively improve the service skills and professional knowledge of customer service representatives, so that they will be able to provide customers with better services.

Customer Service Training

2022	Employee Type	Management		Non-management	
		Female	Male	Female	Male
	Total Training Hours	390	309	2,914	1,268

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

Quality Auditing Process

Source → **Model** → **Outcomes**

- Messaging
- Phone calls
- Consumer protectionrelated cases
- Special services
  (For example, customer reports multiple cases through messaging)

- Randomly sample messages and phone call services
- Audit the service provided to each consumer protection affair-related case

- Announce audit outcomes
- Identify department held liable

Furthermore, to encourage customer service representatives to continue providing excellent services, the Customer Service Center also organizes a regular awards ceremony in recognition of exceptional employees. 10 excellent customer service representatives were recognized in 2022.

Handing Out the Excellent Customer Service Award

Heartwarming Feedback

I returned defective products that I purchased and asked for a refund. I was originally worried that it would take a long period of time, but I wasn't expecting PChome's customer services to call me about the situation and progress. The customer service representative had a good attitude and provided clear explanations, which reassured me. I would like to give PChome a big thumbs up!

I am grateful for the detailed explanations and good services provided by the customer service representative, who looked out for my interests and made me feel PChome's professionalism. This made me more confident in PChome and I will continue to support PChome with my family and friends in the future.

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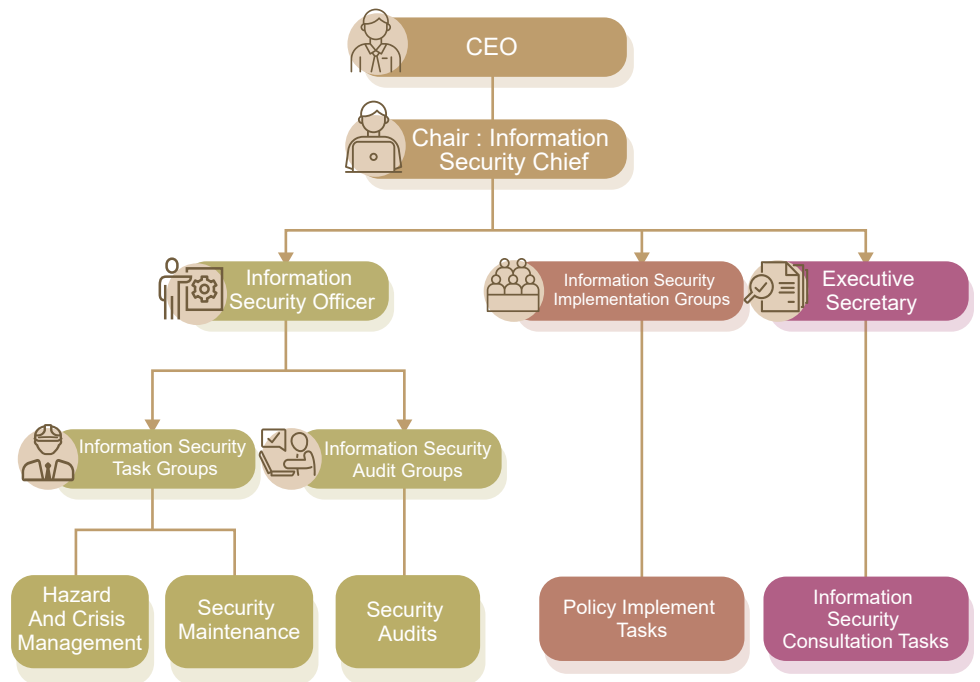
2.3 Reliable Information Security and Protection

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. The number of cyberattacks has increased along with growing demand on online shopping, and PChome prevents any potential information security risks through its internal structure, risk assessment, and system upgrade. We continue to strengthen defense-in-depth to prevent the likelihood of business interruptions caused by hacker attacks; continue optimize malicious activity detection mechanisms, increase the efficiency and response speed, effectively contain, and minimize the scope impacted by such activities; continue to increase information security training sessions and social engineering drills, and periodically check the information system according to the Company's information security policy and implementation regulations. PChome will maintain the strictest standards to face even more severe information security challenges in the future, and create a safe information system and operating environment to protect consumers' rights and interests.

2.3.1 Information Security Governance Structure

The Company established a dedicated cyber security office in 2018 to strengthen information security management and establish a trustworthy information application system and environment. A central management unit is established under the office to oversee the group's establishment of information security and protection related policies, implementation, risk assessment, control, and compliance audits, in order to improve information security and service quality for online services, making PChome an online shopping platform that consumers can feel at ease using. Consumers do not need to worry about information security or their personal privacy being invaded. This ensures our operating ability and information service performance. The highest level supervisor of the Cyber Security Office periodically reports information security management results, related issues, and directions to the CEO and Audit Committee.

To implement the information security strategies devised by the Cyber Security Office and to ensure internal compliance with information security-related practices, processes, and regulations, we established an Information Security Task Force to take charge of the prevention, audit, governance, and crisis management of information security-related affairs. The CEO assigns an information security officer to serve as the convener. Members are responsible for the protection, audit, governance, and crisis management of information security-related affairs. Additionally, senior-level managers from all business units form an information security implementation task force to carry out policy implementation tasks. The executive secretary is responsible for organizing meetings, coordinating safety affairs, and carrying out information security training. Meetings are convened on a quarterly basis to review and decide the relevant solutions and policies on information security and personal data protection, and to ensure the effectiveness of our management measures.

Information Security Task Force

CEO

Chair : Information Security Chief

Information Security Officer

Information Security Implementation Groups

Executive Secretary

Information Security Task Groups

Information Security Audit Groups

Hazard And Crisis Management

Security Maintenance

Security Audits

Policy Implement Tasks

Information Security Consultation Tasks

Vision
Creating a safe information system and operating environment

Goals
1. Implement the information security policy
2. Ensure the confidentiality, integrity, and availability of information provided
3. Protect customer privacy and information asset security

Strategy
1. Ensure management mechanisms are effective
2. Utilize appropriate methods and tools to increase the completeness and efficiency of information security management
3. Compliance with information security laws and regulations

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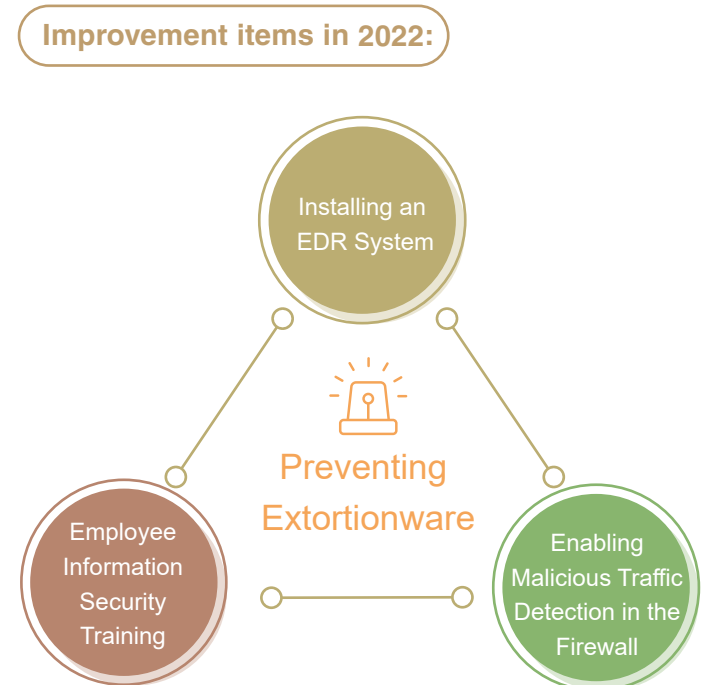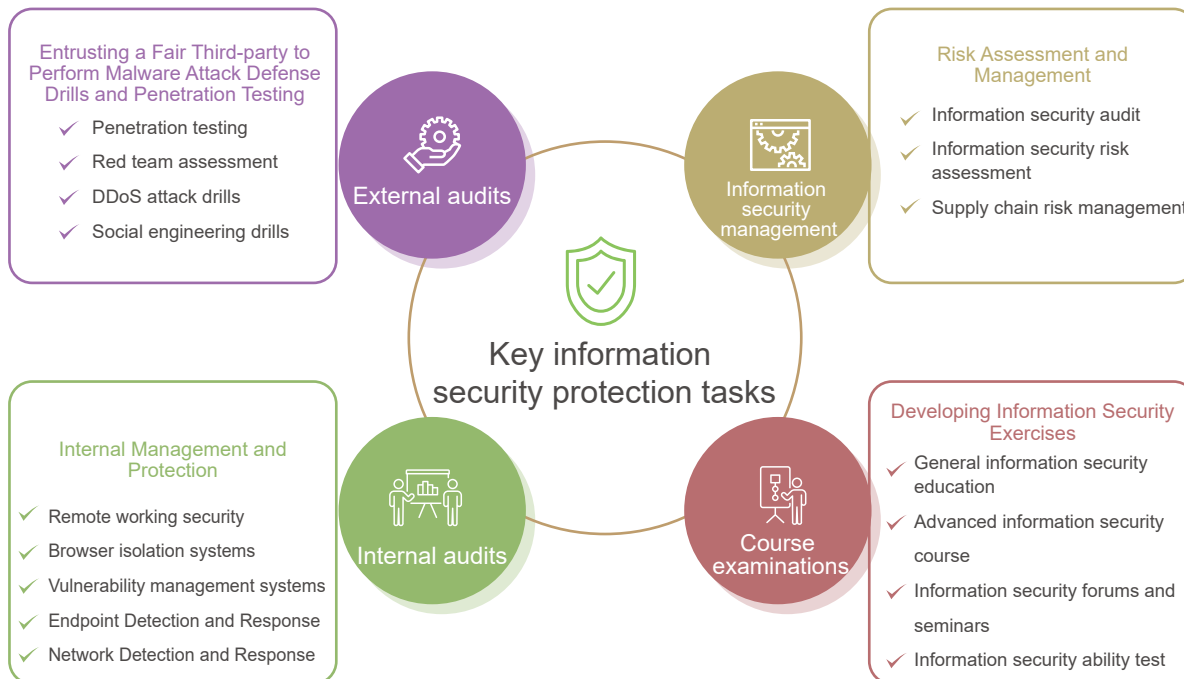
2.3.2 Information Security Measures

PChome established a comprehensive information security management policy to enhance information security precautions and implement concrete measures. We assess information security risks from the perspective of system, technology, and procedure, and set the priority of risks based on the risk level, probability of occurrence, impact, and cost required to avoid the risk. We clearly identify major risks that will impact our business and information security, and utilize the PDCA (Plan-Do-Check-Act) management approach to ensure that risks are effectively lowered, thereby establishing the highest level confidential information protection services that meet customer needs.

We have also established multiple layers of information security measures, and continue to adopt information security defense technologies, establishing information security monitoring and maintenance mechanisms that include identify, protect, detect, respond, and recover. We established a supplier risk management process to control risks in various aspects and protect the Company's important assets, such as the confidentiality, completeness, and availability of personal data, trade secrets, and online services.

PChome also actively monitors information security management results, and carries out information security risk assessment, analysis, and improvement measures based on internal information security inspection results. We conduct a variety of information security drills to ensure our ability to defend against attacks, and systematically raise the information security awareness and alertness of every employee, preventing information security risks before they occur. Furthermore, PChome continues to organize an information security general meeting and information security training to raise the informational security awareness and knowledge of all employees, providing information on information security and collecting information security incidents to remind units of matters requiring attention and protection methods. We also irregularly arrange information security training for employees, in order to help employees stay up-to-date on the latest information security trends and knowledge and strengthen their information security ability.

Entrusting a Fair Third-party to Perform Malware Attack Defense Drills and Penetration Testing
- ✓ Penetration testing
- ✓ Red team assessment
- ✓ DDoS attack drills
- ✓ Social engineering drills

External audits

Risk Assessment and Management
- ✓ Information security audit
- ✓ Information security risk assessment
- ✓ Supply chain risk management

Information security management

Key information security protection tasks

Internal Management and Protection
- ✓ Remote working security
- ✓ Browser isolation systems
- ✓ Vulnerability management systems
- ✓ Endpoint Detection and Response
- ✓ Network Detection and Response

Internal audits

Course examinations

Developing Information Security Exercises
- ✓ General information security education
- ✓ Advanced information security course
- ✓ Information security forums and seminars
- ✓ Information security ability test

Improvement items in 2022:

Installing an EDR System

Preventing Extortionware

Employee Information Security Training

Enabling Malicious Traffic Detection in the Firewall

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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 advanced persistent threats generated by any third-party. 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:

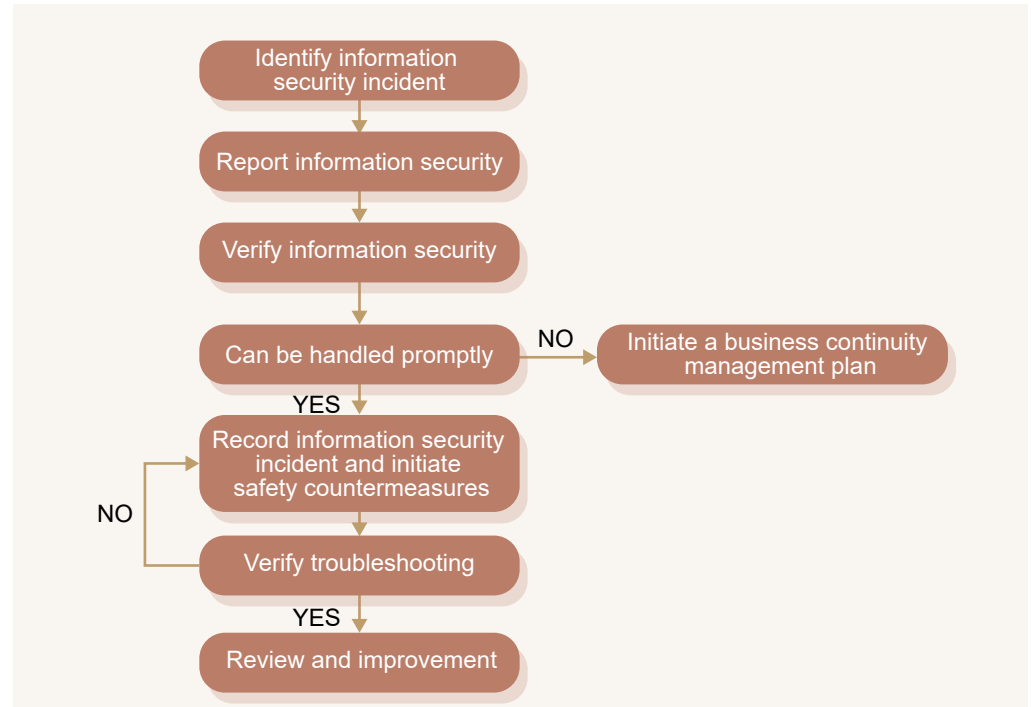| Methods for Identifying Potential Information Security Risks	Methods for Resolving the Identied Potential Information Security Risks
1. Implementing an internal audit and internal control inspection of the information systems on a quarterly basis 2. Using automated tools and procedures to identify 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	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 2022. 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

Identify information security incident → Report information security → Verify information security → Can be handled promptly — NO → Initiate a business continuity management plan

Can be handled promptly — YES → Record information security incident and initiate safety countermeasures → Verify troubleshooting — NO → Record information security incident and initiate safety countermeasures

Verify troubleshooting — YES → Review and improvement

Four Major Information Security Protection Outcomes in 2022

Completed 1,955 information audit cycles	Completed 160 vulnerability assessments and patched 4,628 vulnerabilities	Performed 457 man-days of hacker defense exercises	Completed 399 supplier contract information security assessments
Implementing an internal audit and internal control inspection of the information systems on a quarterly basis and in accordance with the relevant information security policies, so as to ensure the effectiveness of information security policy implementation.	Using automated tools and pro-cedures to identify potential risks in information systems every quarter, as well as inspecting the status of internal audit and internal control management risks through information security au-dits.	Performing cyber defense exercises on our business information systems from time to time and identifying unknown vulnerabilities and inappropriate settings in a timely manner, so as to prevent hacker attacks and unlawful use.	Reviewing the risks and confi-dentiality of contractual agree-ments, enforcing the signing of non-disclosure agreements and breach of contract clauses, so as to ensure that the vendors fulfill their information security non-disclosure obligations.

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2.3.3 Information Security Training Program

To improve our employees' awareness and understanding of information security, PChome continues to organize 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 2022, we also organized external training programs for employees to ensure they are updated with the latest information security-related trends and knowledge.

Common Suspicious Signs of Social Engineering

- A friend you have not been in touch with suddenly sends an abnormal message
- The contents of the image make you feel fear, nervous, or anxious
- The data needed in the message is abnormally urgent and is needed immediately
- Suddenly being notified that you have won a large sum or prize
- A technical request that you did not make at work was suddenly met
- The real identity of the sender cannot be identified

Common Suspicious Signs of Social Engineering

Employee Type	Total Number of People Trained	Total Training Hours
New Employees	336	168
Current Employees	1,564	782
IT Personnel	111	378

Three Major Outcomes of Information Security Training in 2022

111 IT personnel passed an advanced development security course and examination	1,564 employees completed an in-service training program on information security awareness	336 newcomers completed a training program on information security and personal data protection
IT employees underwent an information se-curity training program that covered hacker attacks, secure development and program-ming, and network system security rein-forcement and protection. They immediately underwent an evaluation after completing the course. 111 employees participated in the program, for a total length of 378 hours.	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. 1,564 employees participated in the program, for a total length of 782 hours.	All newcomers were required to complete a training program on information security and personal data protection. 336 newcomers participated in the program, for a total length of 168 hours.

2.3.4 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 2022: 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.

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Information Stage	Description
Data Collection	PChome collects the personal data of customers through the following methods: 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
Data Use	PChome shall use the collected personally identifiable information (PII) for the following purposes: 1. Advertising and marketing 2. Product delivery 3. Financial transaction authorization 4. Prize notification and delivery 5. Other business-related affairs 6. Market analysis
Data Storage	The personal data of customers is 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
Data Processing	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
Information Disclosure	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: 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. 7Where it is permitted to be used for different purposes other than those specified in Article 20 of the Personal Data Protection Act
Data Erasure	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

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.

PChome Online Inc. Terms of Service

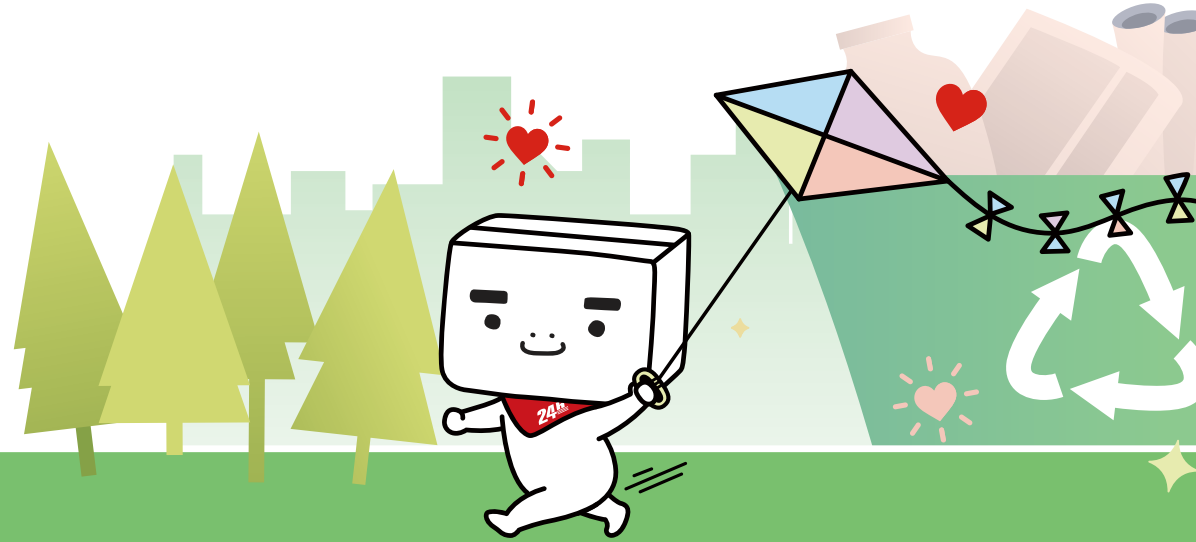Privacy Policy

Internet Safety for Children

Ch.3 A Green Partner for the Environment

3.1 Green Shopping Program

3.2 Climate and Sustainability Action

3.3 Green Operations Management

Important Stakeholders

▶ Customers, Shareholders/Investors, Government Organizations, Media, and Communities/NPOs

Sustainable Development Goals

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

PChome links together suppliers and consumers to create a low carbon green online shopping value chain

13 CLIMATE ACTION

PChome identifies climate-related risks and opportunities to lower the impact of its operations on the environment.

Sustainability Highlights

All delivery boxes are made with **100%** recycled pulp, which has reduced carbon emissions by over 60,000 metric tons as of the end of 2022, equal to 155x the carbon absorption of Da'an Forest Park in a year

Establishing an e-ticket and e-book store will reduce annual A4 paper use from ticket sales by **146,000** sheets

Implementing a box number recommender system in our warehouses and achieving a match accuracy of **54.7%**

Achieving a **99.35%** e-invoice coverage among company and individual accounts; the paper saved can be stacked to 2.7x the height of Taipei 101

Identifying **6 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)

PChome implemented the Green Shopping Program in response to the UN SDGs and examined every aspect of its operations to reduce the negative impact on the environment. PChome established an Environmental Protection and Energy Conservation Team to take corresponding actions. The team is responsible for planning and implementing environment related strategies, optimizing resource use efficiency in the service process, and reducing the negative impact on the environment. We implement green operations management at all business locations, whether it may be offices or warehouses, and invite departments to jointly identify climate-related risks and opportunities, formulate response measures and management plans, and incorporate the concept of sustainable operation into e-commerce and online shopping services.

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Management Solutions

Eco-friendly Packaging

Commitment

- The ink used to print boxes pass RoHS inspection and do not contain hazardous substances
- Replacing 100% of existing delivery boxes with those made of recycled pulp
- The printed area of paper boxes only accounts for 50% of the total surface area, reducing the amount of ink used for printing

Input Resources

- Establishing a Low Carbon Packaging Team to oversee and formulate related action plans

Grievance Mechanism

- Customer hotline: 02-2704-0999
- Service hours: Monday-Friday 09:30-21:00, Saturday-Sunday 09:30-18:00

Action Plans

- Replacing the original delivery boxes with eco-friendly boxes, and adjusting the material and amount of cushioning used
- Reducing shipments in separate boxes through big data analytics to reduce the quantity of paper boxes used by online shopping
- When a customer complaint about packaging occurs, it is properly handled according customer service procedures, and the customer's expectations are referenced when optimizing product packaging in the future
- Planning rules for using consumables and adjusting the shipment process of warehouses to significantly reduce consumable usage, including paper boxes, cushioning, and tape
- The percentage of recycled plastic materials is higher than 25% and expected to be launched in 2023
- Planning to design a new appearance of paper boxes, in which the printed area of paper boxes only accounts for 40% of the total surface area, expected to be launched in 2023

Evaluation Mechanism

- Planning four strategies: "promote circular packaging materials, comprehensively use recycled pulp used in delivery boxes, reduce the use of non-reusable packaging, and use eco-friendly recyclable materials for cushioning", set short-term, mid-term, and long-term quantitative goals, and periodically conduct follow-up.

Responsible Unit

- Low Carbon Packaging Team

Actual Results in 2022

- Advocating the use of eco-friendly recyclable delivery boxes with a new start-up, PackAge+
- Implementing a box number recommender system in our warehouses and achieving a match rate of 54.7%
- Made from 100% recycled paper, thus effectively reducing the need to log trees
- 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
- Increase density of paper, increase the reuse rate, and lower carbon emissions
- Combining products from different warehouses into the same box to reduce single-box shipments for orders, reducing carbon emissions and deforestation

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Management Solutions

Green Warehousing and Logistics

Commitment

- Continue to increase electric vehicle use and increase the loading rate of transportation tools, avoiding waste of space to reduce the carbon emissions per package
- Implement short-chain logistics to reduce manual operations and increase delivery efficiency, in order to ensure sustainable development and mitigate environmental impacts
- Continue to optimize product allocation through big data and lower the ratio of single-box shipments from different warehouses
- Utilize the advantages of automated warehousing, increase the efficiency of storage space use, and increase shipment efficiency
- Utilize automated storage space to achieve a storage environment without any lighting

Action Plans

- Using smart technology to help optimize delivery route, effectively reducing the distance of goods shipment, and reducing energy consumption and carbon emission
- Developing AI automated warehousing, improving shipment efficiency, and reducing packaging time
- Purchasing electric scooters for delivery services to reduce the environmental impact of the delivery process
- Choosing to partner with logistics services providers with green transportation
- Properly utilizing storage space resources, and continuing to recruit vendors to aid medium and small e-commerce companies, sharing resources to reduce waste

Input Resources

- Establishing a Low Carbon Transportation Team to oversee and formulate related action plans
- Investing in automated warehousing, planning "Linkou A7 Smart Logistics Park into an AI warehouse

Evaluation Mechanism

- Continuing to strengthen warehousing and delivery service capabilities, set short-term, mid-term, and long-term quantitative goals, and periodically conduct follow-up.

Actual Results in 2022

- Introduced green transportation tools that reduced annual carbon emissions by 6.65 metric tons
- Promoted PCSC pick-up service and packstation to reduce the distance traveled by vehicles
- Began using shuttle racks and AGV, automated shipments accounted for 10% in the year, up 52% compared to 2021

Grievance Mechanism

- Customer hotline: 02-2704-0999
- Service hours: Monday-Friday 09:30-21:00, Saturday-Sunday 09:30-18:00

Responsible Unit

- Low Carbon Transportation Team and Warehousing and Logistics Department

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3.1 Green Shopping Program

Following the development of e-commerce technology, the popularization of online shopping has significantly changed consumption patterns in the market and changed they way consumers go shopping. Impacted by the COVID-19 pandemic in 2022, people nowadays rely more on online shopping, which as contributed to the robust development of e-commerce. In 2022, PChome delivered more than 13 million products. To reduce the environmental impacts of e-commerce, PChome launched the Green Shopping Program in 2019, which covers four initiatives for standard improvement – green packaging, green transportation, green warehousing, and green payment. We continue to link together suppliers and consumers through cooperation and innovation, and jointly create a sustainable value chain for online shopping.

PChome Green Shopping Program

Green Packaging	• All delivery boxes are 100% made of recycled pulp and only 50% of the area is printed • Developing a box number recommendation system based on AI and big data to use the optimal size box for shipment • Using circular packaging for shipments on a trial basis to reduce the use of non-reusable packaging
Green Logistics	• Forming a green fleet and introducing low-carbon vehicles, such as electric scooters • Implementing short-chain logistics to shorten the distance of transportation and improve shipment efficiency • Using big data to analyze delivery locations and arrange the optimal delivery route
Green Warehousing	• Developing AI automated warehousing to increase picking and packaging efficiency • Fully switching to LED lighting to effectively reduce energy consumption • Planning shuttle racks and AGVs to reduce lighting needs
Green Payment	• Promoting e-invoices and achieving 99.35% e-invoice coverage among company and individual accounts

PChome 24h Online Retailing(Carbon Label)

To transparently disclose the carbon emissions from using online shopping services, PChome 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. PChome was the first major integrated online shopping platform in Taiwan to receive the Executive Yuan-approved Taiwan Carbon Footprint Label. 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 energy conservation and carbon reduction 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.

1.4 kg CO2 Carbon Footprint Taiwan EPA
碳標字第2014879001號
每件零售服務(實體)
不含內容物之碳足跡

Information on PChome Products and Carbon Footprint

Product Name	PChome 24h online retailing (tangible services)	
Product Type	Service	
Carbon Footprint Label	Serial number: 2014879001	Effective date: 2020/07/11 Expiry date: 2025/07/12 Status: Effective
Calculation of a Products 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	As part of our commitment to reducing carbon emissions, we expect to implement the following measures: 1. The introduction of a paperless warehousing system 2. Constructing green-building warehouses and completely modifying internal warehouse operations 3. Using low-carbon vehicles for logistics 4. Continuing to collaborate with the EPA in the eco-friendly consumption point redemption activity as a means for encouraging consumers to purchase green-labeled products.	

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3.1.1 Green Packaging

Stable packaging is a matter of utmost importance in online shopping services, and ensures that products are safely delivered into the hands of consumers without any damage. 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 and maintain the sustainability of forest resources, PChome has adopted four strategies for packaging improvement: implementing recyclable packaging, comprehensively using boxes made from recycled pulp for delivery, reducing the use of single-use packaging, and selectively switching to recyclable cushioning. We are working with manufacturers of packaging materials in designing and developing more sustainable green packaging materials. In 2019, we designed 31 new types of eco-friendly paper boxes to effectively reduce the environmental impacts of packaging used in online shopping. PChome's 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 uses uncolored eco-friendly boxes, which generates less carbon emissions compared to conventional paper boxes. All delivery boxes are made from 100% recycled pulp, which reduces emissions per kilogram of paper boxes by 5.29kg CO_2e (Note 1). This has reduced carbon emissions by over 60,000 metric tons as of the end of 2022, equal to 155x the carbon absorption of Da'an Forest Park in a year (Note 2). Besides comprehensively using eco-friendly boxes, PChome also continues to optimize the design of auxiliary materials, and introduced the easy-to-tear tape to use with eco-friendly boxes in 2020. 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. (Note 1: Referenced statistics of Longchen Paper & Packaging Co., Ltd. and Taiwan Paper Industry Association, Note 2: calculated based on the annual carbon absorption of Da'an Forest Park of approximately 389 metric tons)

Packaging Materials	Unit	2020	2021	2022
Renewable Materials				
Weight of Uncolored Eco-friendly Boxes Used **Made Entirely from Recycled Pulp**	Metric tons	4,285.56	4,094.01	3,627.25
Non-renewable Materials				
Eco-friendly Tape	Meters	684,236,376	21,569,670	19,058,355
Eco-friendly Tape	Metric tons	57.74	43.11	36.32
Weight of Plastic Packaging Used		13.76	10.31	8.29
Weight of Cushioning Used		151.32	163.16	129.28
Total Weight of Packaging Materials Used		4,508.4	4,310.6	3,801.1

▲ Eco-friendly boxes and easy tear tape

Note 1: Products purchased from PChome Online Shopping are shipped directly from the manufacturer to the customer without using the PChome eco-friendly box

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In 2019, PChome responded to the E-Shopping Packaging Reduction Program launched by the EPA and autonomously submitted a packaging reduction action plan aimed at the three main goals of reducing packaging, introducing eco-friendly materials and recycling packages. PChome was awarded the Online Shopping Packaging Reduction Seal by the EPA, recognizing the goal achievement progress of PChome.

In 2023, the EPA is about to implement restrictions on targets of usage and implementation methods for online shopping packaging and will require at least 90% of recycled materials for online shopping packaging boxes and 25% of recycled materials for plastic packaging, while prohibiting the use of PVC. PChome is among the first to launch corresponding measures and use paper boxes made of 100% recycled paper, which exceeds the requirements. In the future, PChome will continue optimizing the average weight reduction ratio for packaging materials and become a role model for online shopping companies in order to effectively reduce packaging from the source.

- Reduce Packaging
- Eco-friendly Materials
- Recycle Packages

In addition, PChome further introduced AI and implemented the two strategies of commingling products from different warehouses and developing a box number recommender system to improve the efficiency of overall packaging utilization. This means that when multiple products from different warehouses need to be shipped, 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.

Assisted with AI computing, consumers will receive size-appropriate packaging boxes for the products. 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 per year. Since its official launch in September 2021, the accuracy of the box number recommender system has reached 54.7% in 2022. In the future, we will continue optimizing the accuracy and combine the requirements of the EPA program to incorporate the weight reduction goals of packaging into the smart box number recommender system to reduce the usage of packaging materials and packaging waste from online shopping.

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 took one step further and 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. 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.

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3.1.2 Green Logistics

Using E-scooters

In response to the expansion of our logistics operations, PChome established a reliable solution for long- and short-distance transportation by founding 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 enhancing our warehousing and delivery services. The PChome logistics team uses vehicles such as trucks and scooters. In response to the Green Shopping Program launched in 2020, we have actively reformed our fleet and started the transformation towards green transportation. So far, we have procured 13 e-scooters which form the PChome Green e-Scooter Fleet. Districts of Taipei and New Taipei with high population and delivery densities are covered by our e-scooters in the initial phase to reduce the fuel consumption and indirect carbon emission generated from logistics. Each e-scooter is estimated to reduce 1.33 metric tons of carbon emission per year, while the Green e-Scooter Fleet is estimated to reduce emissions by a total of 17.29 metric tons CO_2e per year. Going forward, we shall mainly procure e-scooters and gradually phase out our gas-powered scooters based on their service life. We expect to obtain more e-scooters in 2023 and, in the future, reduce emissions by 6.65 metric tons CO_2e per year. The goal is to achieve a fully e-scooter fleet by the end of 2023.

In addition, 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. Other than our own logistics fleet, PChome also realizes the carbon management guidelines in our suppliers and prioritizes logistics companies with green transportation as our partners while encouraging the existing logistics companies to expand their green fleets. In 2023, our partner logistics companies are expected to add 18 e-scooters.

Green Logistics Fleet Statistics in 2022			
Type of Vehicle	Standard		Number
Trucks	Energy Efficiency Level	Level 1	5
	Emission Standard	Phase 6 Diesel Trucks	5
		Phase 5 Diesel Trucks	76
Gas-powered Scooters	Level 1		41
E-scooters			13

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3.1.3 Green Warehousing

PChome continually improves the efficiency in shipping operations to reduce environ-mental footprints in 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 trans-formed our A7 Smart Logistics Center into an advanced automated warehouse that in-cludes shuttle racking systems and automated guided vehicles (AGVs). In addition, we ventured into automated processes such as order picking optimization, inventory pre-positioning, storage location allocation optimization, smart picking, and packaging optimization.PChome

The benefits of warehouse automation that PChome expects 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.

Linkou A7 Smart Logistics Center

Increasing developments in e-commerce have propelled its steady growth in the retail market. The diversification of products as well as mass orders pose a great challenge to outbound logistics. To this end, in 2019, PChome has already started to transform the Linkou A7 Smart Logistics Center into a smart warehouse system that combines automation and AI technology. 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 in order to expand clientele. The centralized management, on the other hand, would effectively control the costs for logistics.

The Linkou A7 Smart Logistics Center is located in a designated industrial development zone near Station A7 on the Taoyuan Mass Rapid Transit System. The warehouse is developed by Chunghwa Post and has an area of around 45,000 ping and serves as an integrated logistics center comprising four main warehouse floors. In addition, it has been transformed into an advanced automated warehouse that includes shuttle racking systems and automated guided vehicles (AGVs). With the assistance of automated equipment, the previous worker-to-product work module has been changed to product-to-worker, along with the automated goods yard, logistics boxes for products from different sections are gathered and sent to the packaging yard for packaging. The system would recommend the best box number and materials for packaging. Increasing efficiency and reducing the usage of packaging materials helps achieve energy saving and carbon reduction. The current overall number of processed packages per day is expected to be more than doubled. Significant fluctuations in orders can also be effectively solved. Aided by Big Data analysis, orders can be optimized by geography and time with PChome's own fleet and other logistics companies to deliver products to consumers more effectively. The Linkou A7 Smart Logistics Center would be activated gradually by floor and by section starting from January 2023. It is the first logistics center that incorporates the highest density of AI smart technologies and fully automated warehouse equipment among the current e-commerce companies in Taiwan.

▲ 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

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3.1.4 Green Payment

Digitization of Uniform Invoices

Traditional physical invoices need to consume a massive amount of paper and ink, and become waste after only one use. PChome took it upon itself to apply sustainable practices in consumers' lives and developed a green e-commerce mode. In October 2005, PChome became the first e-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. This not only reduces the use of paper and ink and help preserve forests but also reduce the generation of waste. It also saves the time and costs for mailing physical invoices and energy consumption for transportation, thus effectively reducing unnecessary carbon emission. In 2022, electronic invoices accounted for 99.35% of all the invoices. All vendor invoices have been fully converted to PDF files for download, saving over 13.5 million physical invoices, which is equal to preventing 16.2 million trees from being cut down and would measure 2.7 times the height of Taipei 101 (at 509 meters) if piled up.

Number of Invoices in 2022 (Unit: sheet)			
	Company Account	Individual Account	Total
Number of Invoices Issued the Whole Year	2,128,983	11,559,772	13,688,755
Number of Digital Invoices(other carriers such as donation and member account)	2,121,776	11,477,433	13,599,209
Number of Physical Invoices	7,207	82,339	89,546
Ratio of Digital Invoices	99.66%	99.29%	99.35%
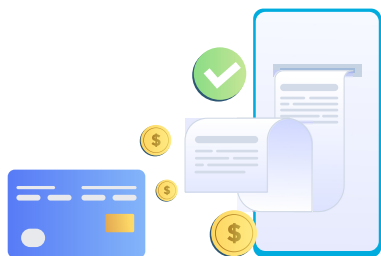
Paperless Electronic Tickets and the Establishment of the Electronic Book Section

As the popularization of cell phones significantly grows, the application of electronic tickets not only brings convenience to consumers but also helps with environmental protection. PChome is dedicated to promoting electronic tickets and has established an electronic ticket section, which shelved 4,954 products in 2022. After making purchases, consumers open electronic tickets in the electronic ticket folder and present the serial number, bar code, QRcode or certificate to designated vendors for redemption. In 2022, PChome sold a total of 746,746 electronic tickets, saving over 146,000 sheets of A4-sized papers, which is the equivalent of 1,055 kilograms of carbon dioxide emission.

In addition, PChome also established an electronic book section, and worked with the domestic platform Readmoo in the initial phase. In 2022, more than 110,000 electronic books were shelved. In 2023, PChome will work with KOBO, the biggest electronic book platform in the world, and expect to provide 1 million electronic books to meet user demands with a diverse selection. PChome provides diverse options of electronic products for consumers to download and use immediately after purchase. This not only reduces the usage of paper, logging of trees and usage of water resources but also saves packaging materials and reduces the environmental burden caused by logistics.

The PChome E-ticket Holder

Company Account: 77.94% (2021) → 21.72% growth → 99.66% (2022)

Individual Account: 98.92% (2021) → 99.29% (2022)

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The PChome E-ticket Holder

Step 1
Tap E-wallet in Customer Service Center

Step 2
Select the e-tickets to be redeemed for the list of e-tickets, and tap Next

Step 3
The tickets can be redeemed when the QR code appears

Paperless Administrative Process

PChome began actively promoting the internal use of electronic documents in 2021, and nearly 70% of approvals are now electronic. Besides reducing the usage of paper, this also expedites the approval process for invoices. As of 2022, 42,423 electronic approval forms have been used, a 5-fold increase compared with the previous year. On the other hand, PChome started to use electronic contracts with vendors in 2022. The original suppliers could directly receive their electronic contracts via the backstage system for signing, which not only reduces paper used for printing and usage of other resources but also allows suppliers to immediately grasp the progress through the transparent approval process. In 2022, 2,423 vendors had their electronic contracts approved in the vendor backstage system.

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3.2 Climate and Sustainability Action

In 2022, the world was constantly hit by extreme climate events. Climate change has become an essential factor in management for any organization. In 2022, the 27th UN Climate Change Conference, COP27, focused on "transforming the promise of carbon reduction into action" and expected all of the countries to bring forth more ambitious promises on carbon reduction. In Taiwan, at the beginning of 2023, the Climate Change Response Act was amended to include the goal of net-zero emission by 2050 and to strengthen the governance direction on climate change adaptation and GHG reduction in Taiwan. 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, to develop response measures and management goals based on the outcomes.
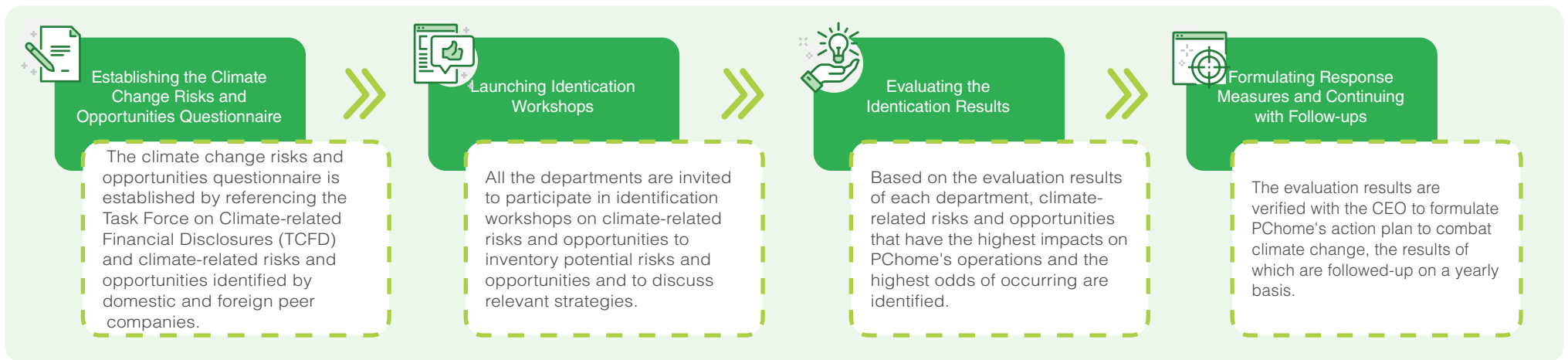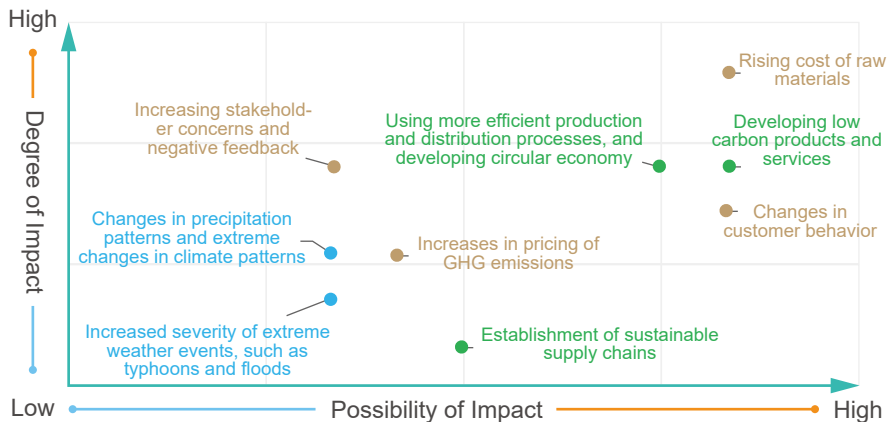
Governance	• In 2022, PChome established the Sustainability Committee, under which an Environmental Protection and Energy Saving task force was set up for the planning and implementation of environment-related strategies. The task force regularly reports to the Board of Directors for implementation results. • PChome has raised the awareness of the management level on climate topics and established a cross-department cooperation mechanism. • PChome has evaluated the incorporation of climate change factors in corporate sustainability or risk management policies.
Strategy	• PChome has analyzed the positive and negative impacts of climate change risks and opportunities on PChome operations based on the TCFD framework. • The possibility and level of impact was evaluated to determine the impacts on the finances, production and products, staff, reputation and brand image of PChome brought by such risks and opportunities. The periods of influence of 3 years or less are classified as short-term, periods longer than 3 years to 10 years are classified as mid-term, and periods longer than 10 years are classified as long-term.
Risk Management	• In order to be quicker to realize climate-related risks and opportunities, PChome will continue paying attention to the latest information and trends of the industry and the government, and incorporate such information in the analysis of climate risks and opportunities as well as in the overall corporate risk management system. • We have also established evaluation processes and follow-up mechanisms for climate-related risks and opportunities, and invited representatives from all the departments to participate in discussions on climate-related financial risks and opportunities to verify the potential climate-related risks and opportunities for PChome as well as to suggest response and management measures, in order to reduce risks and take full advantage of opportunities.
Indicators and Goals	• PChome has constantly reviewed and revised our energy use over the years and inventoried the actual "carbon" and "GHG" emission while promoting carbon management-related operations and devising concrete improvement measures. • We have aimed at increasing the percentage of e-scooters in order to reduce GMG emission from traditional diesel vehicles. • We have formulated management goals and indicators for climate-related risks and opportunities and regularly disclosed the implementation status in our Sustainability Report.

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With the support of our management team and participation from all departments, PChome has 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. In response to international and industry trends, the two transition risks of pricing of GHG emissions and changes in customer behavior have been added to the identification of topics along with explanations on relevant impacts and management and response for each risk and opportunity. The identification results showed that risks and opportunities that can cause short-term (0-3 years) impacts include: Increased severity of extreme weather events, such as typhoons and floods, changes in customer behavior, rising cost of raw materials, and developing low carbon products and services. Risks and opportunities that can cause mid-term (3-10 years) impacts include: Changes in precipitation patterns and extreme changes in climate patterns, increases in pricing of GHG emissions, using more efficient production and distribution processes, and developing circular economy. Risks and opportunities that can cause long-term (>10 years) impacts include: Increasing stakeholder concerns and negative feedback, and establishment 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 of seizing the opportunities for growth.

Establishing the Climate Change Risks and Opportunities Questionnaire

The climate change risks and opportunities questionnaire is established by referencing the Task Force on Climate-related Financial Disclosures (TCFD) and climate-related risks and opportunities identified by domestic and foreign peer companies.

Launching Identication Workshops

All the departments are invited to participate in identification workshops on climate-related risks and opportunities to inventory potential risks and opportunities and to discuss relevant strategies.

Evaluating the Identication Results

Based on the evaluation results of each department, climate-related risks and opportunities that have the highest impacts on PChome's operations and the highest odds of occurring are identified.

Formulating Response Measures and Continuing with Follow-ups

The evaluation results are verified with the CEO to formulate PChome's action plan to combat climate change, the results of which are followed-up on a yearly basis.

Climate Risk and Opportunity Matrices

Physical Risks
1. Increased severity of extreme weather events, such as typhoons and floods
2. Changes in precipitation patterns and extreme changes in climate patterns

Transition Risks
1. Increases in pricing of GHG emissions
2. Changes in customer behavior
3. Rising cost of raw materials
4. Increasing stakeholder concerns and negative feedback

Climate Opportunities
1. Developing low carbon products and services
2. Using more efficient production and distribution processes, and developing circular economy
3. Establishment of sustainable supply chains

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Physical Risks

Risks Category	Risk	Risk Scenario	Period of Influence	Potential Impacts	Key Management Measures
Immediate	Increased se-verity of extreme weather events, such as typhoons and floods	Increasing intensity of typhoon and plum rain events in Taiwan will hamper normal company operations. Impacts include warehouse flooding, power supply interruption, delivery delays, and up-stream/downstream supply chain interrup-tions.	Short-term 0 to 3 years	Operational Impacts • 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 • Revenue loss due to service interruptions or suspensions • Damage to warehoused goods due to flooding • Equipment damage or reduced product lifespan caused by flooding	• PChome shall establish natural disaster reporting and response mechanisms. 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 to ensure employee safety and stable business operations. • 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
Long-term	Changes in precipitation patterns and extreme changes in climate pat-terns	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 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.	Medium term 3 to 10 years	Operational Impacts • 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. • Water shortages may impact production in some suppliers, and the subsequent reduced supply may cause supply chain interruptions • Water shortages may cause air conditioning in machine rooms to fail, in turn causing interruptions in the network system, which would severely impact the Company's normal operations. Financial Impacts • 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 • Additional costs are required to obtain the products or raw materials for operation uses • Interruptions in the network system caused by water shortages will reduce production capacity and increase costs.	• Improving employees' awareness of environmental sustainability and corporate social responsibility. Continuously advocating energy conservation and waste reduction. • Improving the environment of business outlets and achieving air circula-tion improvement and heat reduction in activity areas. • Keeping tabs on the health status of on-site employees and reducing their heat hazard risk • Developing relevant re-sponse 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. Regularly inspecting the water level in the tanks of buildings to maintain the normal operation of water pumps to ensure a stable backup water resource. • Vitalizing the space of workplace, properly adjusting the A/C equipment and properly using water resources. • Negotiating a stable supply of products with suppliers to ensure stable prices and secure stock supplies

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Transition Risks

Risks Category	Risk	Risk Scenario	Impact Period	Potential Impacts	Key Management Measures
Policies and regulations	Increases in pricing of GHG emis-sions	If the pricing of GHG emissions becomes too high, it will increase operating costs and in turn affect the Company's business cooperation modes and profit.	Medium term 3 to 10 years	**Operational Impacts** • If GHG emission is not reduced in the development of new businesses and the implementation of existing businesses, restrictions will be imposed in consideration of GHG emission costs. **Financial Impacts** • The Company will allocate more operating costs to pay for the high GHG emission costs, causing the Company's operating costs to go up. • In order to reduce the impacts of pricing of GHG emission, companies actively seek methods to reduce GHG emission. PChome's emission mainly comes from the use of electricity and actively seeks to use green energy. However, currently the price of green energy is higher than normal electricity. Therefore, operating costs will go up with increases in the percentage of green energy.	• The Legal Department shall regularly review the updates in regulations of competent authorities and relay the information to relevant units to grasp the latest status of related regulations or ordinances to make policy adjustments accordingly. • Through the introduction of a fully paperless system, the establishment of green warehousing, adjusting the energy conservation operation mode in warehouses, using low-carbon vehicles for logistics and actively promote energy conservation and waste reduction to employees, we take comprehensive actions to reduce GHG emission and in turn the impacts of increases in pricing of GHG emissions.
Market	Changes in customer behavior	Climate changes have caused growing concern for the environment among consumers. They expect platforms to provide environmentally friendly products and value carbon reduction and amount reduction in the usage of packaging materials. Failing to actively develop relevant services will cause us to lose customers who are concerned with this topic.	Short-term 0 to 3 years	**Operational Impacts** • Failing to actively develop and shelf low carbon or green products may cause us to lose customers who are concerned with this topic and in turn cause the Company's market share to fall, impacting operations. • Not implementing reduction in packaging materials and green packaging will be in violation of governmental laws on e-shopping packaging management as well as cause customer complaints about over-packaging due to consumers' preferences for low carbon and green products. **Financial Impacts** • In recent years, consumers have increasingly preferred low carbon or green products. Not enhancing the reduction of packaging materials and the percentage of green packaging will cause consumers to switch to other e-commerce companies and reduce our revenue.	• Actively developing products with green labels. • Marketing and promoting green products to enhance consumer impression. • Putting green products together to facilitate purchase by consumers. • PChome has adopted four strategies for packaging improvement: implementing recyclable packaging, comprehensively using delivery boxes made from recyclable pulp, reducing the use of single-use packaging, and selectively switching to recyclable cushioning to meet consumer expectation on environmental protection and green consumption as well as realize environmentally friendly actions.
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.	Short-term 0 to 3 years	**Operational Impacts** • A shortage of products or raw materials interrupts supply stability such that a company is unable to properly supply stock **Financial Impacts** • Increased cost due to raw material shortage and higher cost of acquisition	• Developing diverse raw materials and increasing usage options to prevent stock supply interruption • Increasing the percentage of environmentally friendly packaging materials and the frequency of reutilization.

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Transition Risks

Risks Category	Risk	Risk Scenario	Impact Period	Potential Impacts	Key Management Measures
Reputation	Increasing stakeholder concerns and negative feedback	A lack of proactive greenhouse gas management and reduction reduces investors' trust in a company, which consequently reduces its reputation and overall operations.	Long-term >10 years	**Operational Impacts** • 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 for sustainable development, which leads to fewer customer sources. **Financial Impacts** • A lower willingness to invest among investors decreases a company's stock price. • Reduced company revenue when consumers switch to other e-commerce operators	• 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 • 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

Climate Opportunities

Opportunities Category	Opportunities	Opportunity Scenarios	Impact Period	Potential Impacts	Key Management Measures
Products and services	Developing low carbon products and services	Due to increasing con-sumer demand for low-carbon/green products and services, the availability of sus-tainable products be-comes a key determi-nant of consumers' willingness to purchase.	Short-term 0 to 3 years	**Operational Impacts** • 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 • Procuring green vehicles for our own logistics fleet to reduce last mile carbon emission. • Working with logistics companies that have green vehicles, while PChome leads the formation of green logistics network. **Financial Impacts** • 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 • The Buying Power store launched in 2021 had its number of products in-creased by 40% and the number of brands increased by 100% in 2022, thus providing consumers with more diverse products to respond to the call for environmental protection and sustainability. • In 2023, we plan to launch a green products section so that consumers can choose green products more conveniently. • We procured e-scooters for our own logistics fleet to gradually reduce the percentage of diesel vehicles and in turn, carbon emission from logistics. • We prioritize logistics companies that have green vehicles as our partners and gradually form an ecology of green logistics.

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Climate Opportunities

Opportunities Category	Opportunities	Opportunity Scenarios	Impact Period	Potential Impacts	Key Management Measures

Resource utilization efficiency	Use more efficient production and distribution processes, and develop circu-lar economy	Due to consumers' increasing awareness of sustainable consump-tion, designing a circular economybased 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	Medium term 3 to 10 years	**Operational Impacts**
				• 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
				• 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
					• Increasing the types of eco-friendly packaging and expanding the means and scope of application
					• Continuously advocating corporate circular economy solutions to con-sumers in order to expand good circular consumption patterns
					• The mobile phone recycling stays stable in terms of service standards. In September 2022, we launched a subscription plan for iPhones so that a new iPhone will be included in the future recycling service right after its sale.
					• Improving efficiency in processes:
					  1. Implementing a box number recommender system in our warehouses and achieving a match rate of 54.7%.
					  2. Combining products from different warehouses into the same box to reduce single-box shipments for orders, thus reducing carbon emission and logging of trees.
					• Environmentally friendly packaging:
					  1. Made from 100% recycled paper, thus effectively reducing the need to log trees
					  2. The boxes maintain the original color of the pulp and the printed area has been reduced by 40%, thus reducing ink use
					  3. The ink printed on small external areas of the boxes is made from RoHS compliant, eco-friendly, and watersoluble ink
					  4. The highdensity paper increases the reuse rate and lowers carbon emis-sions

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	Long-term >10 years	**Operational Impacts** • Implementing sustainable management on our suppliers to improve its climate resilience and stabilize good quality supply. • Expanding corporate influence through sustainable supply chain management, strengthening the collaboration with suppliers, constructing a corporate sustainability image, and opening up opportunities to work with sustainable suppliers. **Financial Impacts** • Enforcing supplier sustainable management to guarantee the sources of products for consumers and enhance their willingness to purchase • Reducing losses in the supply chain due to influences by the environment through sustainable supplier management and reducing the risks of increasing costs.	• 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 • In 2021, we launched the Buying Power store to show our concern for environmental protection and sustainability and to show suppliers our investment of resources in this topic to encourage actions on their part. In 2022, the number of products increased by 59% while the number of brands increased by 100%. • On important dates that celebrate sustainability such as Earth Hour and Earth Day, we established themed pages so that consumers can locate relevant green products more rapidly and our suppliers can gain consumer preference and strengthen their environmentally friendly brand image. • In 2023, we started to promote backstage education and training for our suppliers to raise their awareness on information security and sustainability.

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3.3 Green Operations Management

3.3.1 Environmental Management Policy and Framework

At PChome, we are fully aware that although e-commerce brings about more convenience and efficiency in our lives, it also brings about challenges and impacts for the natural environment. In addition to promoting environmental protection for external entities, PChome is dedicated to green operations management by adhering to eco-friendly principles. The Company has established a concrete environmental management structure. The ESG team is in charge of organizing and formulating relevant policies and leading all departments in the joint effort of energy and resource management. 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 to reduce the environmental footprint of the headquarter and the warehouses. We also regularly evaluate the performance of energy, water and waste management. At the same time, PChome constantly provides employees with awareness promotion and training on sustainability and encourages our suppliers and partners to join in the ranks of environmental friendliness to fulfill our responsibilities to protect the Earth.

3.3.2 Energy Management

At PChome, 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 incorporating a green logistics fleet, replacing traditional lighting with LED lights and automatic light sensors. In 2022, we replaced 80 units of T8 traditional lighting in our offices with LED lighting, which could save about 8,176 kWh of electricity in one year or the equivalent of 4.16 metric tons of CO_2e.

Our operations' main sources of electricity consumption are lighting and air-conditioning at our warehouses and offices, as well as fuel consumption in logistics vehicles. Among which, the fuel consumption of office vehicles and electricity usage at offices are included in the calculation since 2022. Our overall energy consumption and GHG emission 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.

Energy Use Status from 2020 to 2022					
Type of Energy	Unit		2020	2021	2022
Fuel Usage (warehouse)	Diesel	liter	3,236	4,713	3,362
	Gas	liter	30	12	13
Fuel Usage (fleet) [Note2]	Diesel	liter	243,653	509,765	483,328
	Gas	liter	17,974	25,727	35,138
Office Vehicles	Gas	liter	-	-	733
Purchased Electricity	Elec-tricity	kWh	8,149,054	8,917,928	11,028,216
Unit Conversion					
Fuel Consumption			9,269	18,931	18,285
Power Consumption		GJ	29,337	32,105	39,702
Total Consumption			38,606	51,035	57,986
Percentage of Grid Electricity [Note3]	%		76.0	62.9	68.5
Energy Intensity [Note4]	GJ per NT$1 million in revenue		0.9	1.1	1.3

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: In 2022, a part of the product flow was outsourced, causing a reduction in diesel consumption. On the other hand, increased delivery range and purchase of new vehicles caused fuel consumption to increase.

Note 3: PChome uses non-renewable energy, and electricity comes from the grid. Therefore, the percentage of grid electricity (%) = electricity consumption / total consumption * 100.

Note 4: Energy consumption and energy intensity have both increased as compared to the two previous years due to the opening of new centers in 2021 and the inclusion of energy use at offices in the calculation in 2022.

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GHG Emissions from Various Sources					
Type of Energy		CO_2 Equivalent (tons)	2020	2021	2022
Fuel Usage (Warehouse)	Diesel	Scope 1	8.58	12.49	8.91
	Gas		0.07	0.03	0.03
Fuel Usage (Fleet)[Note2]	Diesel		645.68	1,350.88	1280.82
	Gas		42.44	60.74	82.96
Office Vehicles	Gas		-	-	1.73
Subtotal (Scope 1)			696.77	1,424.14	1,374.45
Purchased Electricity	Electricity	Scope 2	4,090.83	4,476.80	5,613.45
Total (Scopes 1 and 2)[Note3]			4,787.60	5,900.94	6,987.81
GHG Emission Intensity (metric tons CO_2e/NT\$1 million in revenue)[Note4]			0.11	0.12	0.15

Note 1: Greenhouse gas emissions are calculated in accordance with the operational control approach, i.e., activity data x emission factor x GWP. Emission factors are taken from the EPA's Greenhouse Gas Emission Factor Management Table Version 6.0.4, and the Global Warming Potentials (GWPs) are taken from the IPCC Fourth Assessment Report. Greenhouse gases include CO_2, CH_4, and N_2O.

Note 2: In 2022, a part of the product flow was outsourced, causing a reduction in emission from diesel. On the other hand, increased delivery range and purchase of new vehicles caused emission from fuel to increase.

Note 3: The data in Scope 1 is calculated in accordance with the emission factors listed in the EPA's Greenhouse Gas Emission Factor Management Table Version 6.0.4, in which gas =2.361 kg CO_2e/L and diesel = 2.650 kg CO_2e/L. The data in Scope 2 is calculated in accordance with the Bureau of Energy's grid emission factor announced in the current or previous year.

Note 4: Total emissions and emission intensity have both increased as compared to the two previous years due to the opening of new centers in 2021 and the inclusion of energy use at offices in the calculation in 2022.

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3.3.3 Water Resources Management

The stable operation of a company depends on its water supply. Any interruption or price hike in water supply in a region will cause operating costs to go up. Although PChome is not a water-intensive company, water restriction may still cause shutdowns and affect operations. PChome's source of water is tap water, and is mainly used for everyday purposes. PChome warehouses are located in Taoyuan City and rely on water distributed from the Shimen Reservoir while our office in Taipei relies on the Feitsui Reservoir. Even though neither region is 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. PChome has also actively adopted water risk management and adjustment measures.

In response to the potential water shortage crisis caused by climate change risks, PChome has visualized the education on water conservation to establish the water conservation habits and awareness in employees while developing mechanisms to ensure a stable supply of water for operational use, such as recycling water used for daily activities, maintaining pipes to reduce leakage, and deploying emergency water trucks during water shortages. In addition, we regularly inspect the water level in the tanks of buildings to maintain the normal operation of water pumps to ensure a stable backup water resource.

Business Locations	Water Sources	River Basin	Unit	2020	2021	2022
Warehouses	Shimen Reservoir	Dahan River	Metric tons	18,602	22,774	19,100
Office	Feitsui Reservoir	Beishi River		-	-	16,800
Total Water Consumption				18,602	22,774	35,900
Water Usage Intensity Note3			Metric tons/NT$1 million in revenue	0.42	0.47	0.77

Note 1: The tap water used by PChome is provided by a third-party company.

Note 2: According to the open data of the World Water Institute, PChome's water sources in Taiwan are not located in water-stressed regions

Note 3: Total water consumption and intensity have both increased as compared to the two previous years due to the opening of new centers in 2021 and the inclusion of water consumption at offices in the calculation in 2022.

3.3.4 Waste Management

As an online shopping platform, PChome's resource utilization is fairly simple as we do not generate hazardous waste, according to EPA regulations on waste. PChome outsources its general waste transport and incineration operations. Recyclable resources are mainly paper (boxes), while other recyclable items include PE wraps, various iron items, and plastic bottles, which are all recycled by qualified companies. In order to reduce waste and create circular economy, PChome not only develops environmentally friendly packaging and encourages consumers to use recyclable boxes to improve resource usage but also works with upstream suppliers for the recycling and reuse of paper boxes, logistics boxes and pallets, thus integrating the upstream and downstream stakeholders and dedicating ourselves to the recycling and reuse of resources, turning waste into new recycled materials.

Provide Paper Box, Logistics Box and Pallet Recycling and Reuse

Circular Packaging

Upstream Suppliers → PChome Business Locations → Consumers

Recyling pf Paper Boxes

Recycled According to "Recyclable Resources" and "Other Recyclable Resources"

Recycling of general waste

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In 2022, the waste disposal amount of the headquarter was included in the calculation in addition to the warehouses. The total amount of general waste incinerated was estimated to be 301.2 metric tons while the recycled waste weighed 1,388.9 metric tons. Therefore, the total weight of waste in 2022 was 1,690.1 metric tons, and the recycling rate reached 82.2%. Among which, the total weight of waste from warehouses has decreased over the years as a result of education on waste reduction. PChome expects 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.

Item	Handling	Unit	2020	2021	2022	
			Warehouses	Warehouses	Warehouses	Office
General Waste	Transported and Incinerated by Qualied Companies	metric tons	102.4	108.2	100.8	200.4
Resource Recycling	Recycling and Reuse by Qualified Companies		1,362.0	1,341.0	1,157.0	231.9
Subtotal of Business Location			1,464.4	1,449.2	1,257.8	432.3
Total Weight of Waste			1,464.4	1,449.2	1,690.1	

Note 1: PChome does not produce hazardous waste and all waste is handled off site.

Note 2: The weight of office waste has been included in the calculation since 2022, causing the total weight of waste to increase for that year.

Total Weight of Waste of Business Location (metric tons)
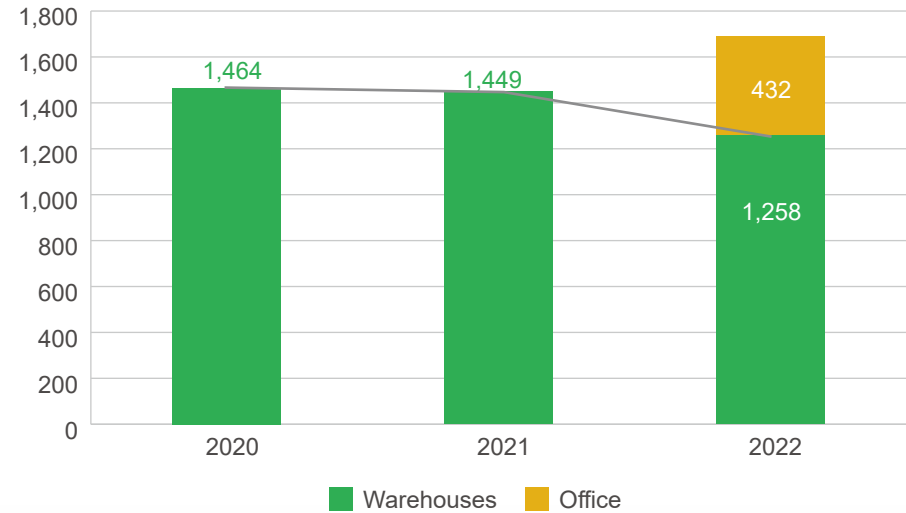
Legend: ■ Warehouses ■ Office

Ch.4 A Reliable Partner in the Workplace

Important Stakeholders

▶ Employees

Sustainable Development Goals

5 GENDER EQUALITY
PChome is dedicated to creating a diverse and inclusive workplace and provides diverse recruitment channels while treating members of each gender equally.

3 GOOD HEALTH AND WELL-BEING
PChome values employee health and employee benefits and seeks to establish a healthy and safe workplace.

4 QUALITY EDUCATION
PChome values employee education and provides diverse learning channels, including physical and online courses to cultivate talents.

Sustainability Highlights

Gender equality in the workplace. Female employees account for **56%** of the workforce while female managers account for **47%**

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

The average employee training hours have increased over the years and nearly increased **three-fold** as compared to 2021.

Implementing health promotion courses and achieving a mean course satisfaction score of **4.5 points** (out of a maximum of 5 points)

Talent is the most valuable asset for PChome. At PChome, we believe that cultivating excellent talents and creating an equal, healthy and happy workplace is the key to enhancing corporate competitiveness and achieving sustainable operation. PChome fulfills the responsibilities as a benchmark company in e-commerce in Taiwan and provides excellent financial and non-financial employee benefits, while promoting a respectful and equal workplace culture free from discrimination. In addition, we have invested a lot of resources in the cultivation of e-commerce talents as well as dedicated ourselves in creating a healthy and safe workplace environment, in hopes of revitalizing the economy of Taiwan in the post-pandemic era. We continue implementing our spirit of "committed to innovation and value creation" and provide customers with the highest-quality products and services.

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Management Solutions

Attracting and Retaining Talent

Commitment

- Creating a Workplace with Diversity and Inclusion
- Providing Employees with Comprehensive Career Development
- Creating Competitive Salary and Benefit

Action Plans

- Regularly implementing market survey on compensation and benefits as a basis for raising the competitiveness of salary and benefits
- Managing corporate image and brand to facilitate recruitment and increase retention
- Provide education and training for employees in different departments to cultivate talent and increase the Company's competitiveness

Assessment Mechanism

- We adjust our diverse recruitment strategies in a rolling manner through reviewing the retention rate of outstanding employees and the current market status. For example, we implement candidate recommendation by current employees, different types of industry-academia collaboration programs, management of employer brand through diverse social media, and Voice of Employee (VOE) to optimize the employee experience.

Resources Input

- PChome adopts a talent cultivation strategy that suits employees who have joined PChome in different stages.
- 【Internship plan】 In recent years, we have extended our reach into campuses to discover talents through diverse internship plans and industry-academia collaboration programs.
- 【Professional upskill】 In 2022, the LMS training platform was officially activated so that internal knowledge may be effectively transmitted and shared among employees in different locations. Professional trainings have been implemented for employees in different departments to enhance their respective professional skills.
- 【Reskill the ability in trends and management】 We have provided training on management and trends to expand employees' horizon and develop a second expertise other than their professional skills.
- 【Diverse seminars】 We have passed down the corporate culture and ignited employees' inner motivation through speeches by professionals in various fields.
- 【Learning incentives】 We encourage employees to receive in-service education and accumulate their abilities.

Actual Results in 2022

- As of the end of 2022, we have trained 390 interns, among which 152 became employees, representing a retention rate of 43%.
- In 2022, we implemented the first VOE survey, and 71% of employees participated and gave feedback. In the survey, 47% of employees expressed satisfaction towards their jobs while 41% expressed satisfaction towards the company.
- In 2022, employee training hours reached 18,394.3 hours. A total of NT$3,164,219 was invested for training.

Grievance Mechanism

- Employer-employee meetings
- Employee complaints email box (hrservice@staff.pchome.com.tw)
- Employee departure interview

Accountable Unit

- Human Resources Department

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Management Solutions

Occupational Safety and Health

Commitment

- We aim at becoming systematic and international in our development, promoting and protecting mental and physical health, refining work conditions and reducing occupational injuries and illnesses
- Zero tolerance towards physical or mental workplace violence. We aim to establish a workplace culture that is safe, dignified, free from discrimination, mutually respectful, inclusive and equal in opportunities

Action Plans

- The Occupational Safety and Health Office plans to establish an occupational health and safety management system that is compliant with ISO 45001 and TOSHMS to ensure comprehensive work conditions, health, welfare and or promise to fulfill equality. The Office also seeks to strengthen organization in the ESG (environment, society and governance) aspect, expecting the warehouses in Taoyuan to promote the occupational health and safety management system to meet the global trend as well as to effectively reduce workplace hazards and risks in order to accelerate the reduction of occupational hazard rate, so that we may become the benchmark in occupational safety and health among e-commerce giants.

Resources Input

- Establishment of the Occupational Safety and Health Committee
- Establishment of management rules against physical or mental workplace violence
- Non-periodic training for OSH
- Non-periodic health promotion classes

Assessment Mechanism

- The Occupational Safety and Health Committee is established in accordance with the Occupational Safety and Health Act, and convenes quarterly. The Committee consists of 9 members, among which worker representatives account for 1/3. In order to provide employees with a healthy and safe work environment, we have established an OSH management plan, which includes workplace safety maintenance, planning and monitoring of sampling strategies for operating environments, emergency response mechanisms, prevention of occupational diseases, and management guidelines for physical and mental workplace violence. We also regularly conduct training courses on OSH to raise employee awareness on health and safety and to minimize hazards.
- We established four main plans to protect employee health, including prevention of illegal infringement in the workplace, ergonomic hazard prevention, maternal health protection, and prevention of diseases caused by abnormal workload. We evaluate relevant hazards and high-risk groups and formulate improvement plans to protect employee safety and health as well as to prevent occupational hazards.

Grievance Mechanism

- Mailing to the Human Resources Department
- Mailing to high-level manager via employee opinion e-mail box

Accountable Unit

- Occupational Safety and Health Office, Human Resources Department

Actual Results in 2022

- No employee-employer disputes in 2022
- No major violations of occupational safety and health regulations in 2022
- In 2022, a total of 373 sessions of training on occupational safety and health were implemented, with 2,463 participants and 1,128 hours of training in total.

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4.1 Professional Team Organization

PChome offers a diverse array of positions. We welcome with an open mind all talented people from different realms to join us and provide employees with opportunities to utilize their expertise. We do not discriminate on the basis of gender, age, race, religion, marital status, or political belief. In 2022, there was no violation against the Labor Standards Act.

Regarding employee composition, as of 2022, we have 1,886 employees, 13 of whom are disabled (accounting for 0.5% of all employees) and 102 of whom are indigenous people (accounting for 5.4% of all employees). Among which, over 50% of the employees are female, and nearly 50% of the supervisors are female. We have suggested relevant welfare measures for female employees, including maternal leave and maternity protection program. We also maintain gender equality in terms of promotion channels, in hopes of depending on the professional abilities and characteristics of our female workers to realize more diverse advantages and expertise. In terms of age, employees aged 30 to 49 are the main force of the company, accounting for over 60% of all employees. What's worth mentioning is that managers under 30 years old have doubled as compared to 2021, and managers aged 30 to 49 have grown 15% as compared to 2021. This shows that PChome values the innovative thinking and ability to reform of younger generations. We allow employees to participate in all types of projects and grant them the authority for actual implementation, thus allowing new generations to accumulate more hands-on experience. We also allow them flexibility to exercise their skills in order to inspire their enthusiasm and developmental potential. Aided by equal opportunities for promotion, cross-generation thinking is instilled in our corporate culture, in hopes of vitalizing our services to be able to respond to the rapidly changing needs in the society and to continue enhancing our competitiveness.

PChome's Employee Diversity

Employee Diversity in 2022									
Employee Category		Employee Type							
		Management Positions*		Technicians		All Other Employees		Total Number of Employees	
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Gender	Female	102	47%	65	42%	881	58%	1,048	56%
	Male	113	53%	88	58%	637	42%	838	44%
	Not Disclosed	0		0		0		0	
Age	Below 30	7	3%	63	41%	471	31%	541	29%
	30-49	192	89%	85	56%	968	64%	1,245	66%
	Above 50	16	8%	5	3%	79	5%	100	5%
Race/ Ethnicity (Nationality)	Non-indigenous Taiwanese	214	99%	151	99%	1,410	93%	1,775	94%
	Indigenous Taiwanese	1	1%	2	1%	99	6%	102	5%
	Foreign Nationals	0		0		9	1%	9	1%
Total		215	12%	153	8%	1,518	80%	1,886	100%

* Management positions are defined as supervisors who are responsible for managing staff, but do not include governance units.

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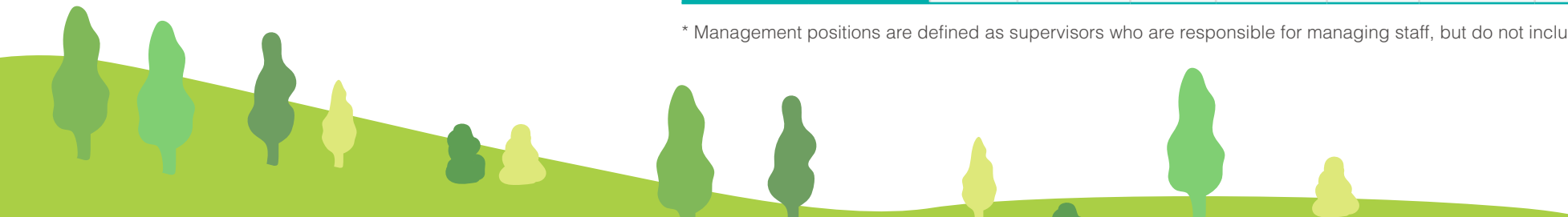
PChome's Employee Structure in the Past Three Years

PChome's manpower has grown over the years. In the employee structure, permanent employees and full-time employees both account for over 90% of all employees and are mainly from Taiwan, thus having an understanding of the local market and can perform steadily. As for age structure, employees aged 30 to 49 account for over 60%, and have not changed much over the years.

			2020				2021				2022			
			Female	Male	Total	Percentage	Female	Male	Total	Percentage	Female	Male	Total	Percentage
Contract Type	Permanent Employees	Taiwan	910	745	1,655	96.3%	1,031	824	1,855	97.4%	1,036	828	1,864	98.8%
		Other Regions	2	1	3	0.1%	4	1	5	0.3%	7	2	9	0.4%
	Temporary Employees	Taiwan	5	5	10	0.5%	4	2	6	0.3%	2	3	5	0.4%
		Other Regions	0	0	0	0%	0	0	0	0%	0	0	0	0%
	Interns	Taiwan	31	20	51	3.1%	19	18	37	2.0%	3	5	8	0.4%
		Other Regions	0	0	0	0%	0	0	0	0%	0	0	0	0%
Employment Type	Full-time	Taiwan	938	755	1,693	98.5%	1,051	833	1,884	99.0%	1,039	833	1,872	99.2%
		Other Regions	2	1	3	0.2%	4	1	5	0.3%	7	2	9	0.5%
	Part-time	Taiwan	8	15	23	1.3%	3	11	14	0.7%	2	3	5	0.3%
		Other Regions	0	0	0	0%	0	0	0	0%	0	0	0	0%
Age	Below 30		327	220	547	32%	352	235	587	30%	332	209	541	29%
	30-49		590	513	1,103	64%	665	565	1,230	65%	672	573	1,245	66%
	Above 50		31	38	69	4%	41	45	86	5%	44	56	100	5%

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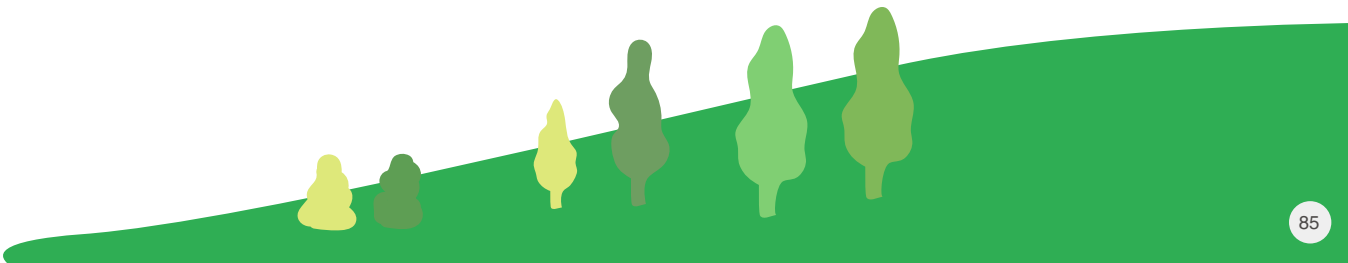
4.2 Employee Benefits Policy

PChome provides better-than-average salaries and benefits in the industry in hopes of recruiting promising e-commerce talents. These benefits include: More days of special leave than the requirements of the Labor Standards Act, flexible three-shift work hours, incentives for language learning, subsidies for in-service education, and bonuses for festivities. We also make constant improvements and have launched discounts for purchases by employees and Employee Welfare Committee activities in order to retain outstanding talents and create a healthy and happy workplace environment. We seek to grow with our co-workers and share the business results, in hopes of enhancing employee happiness in the workplace.

4.2.1 A Competitive Wage Policy

PPChome has always considered employees as the core for the company. In order to attract and retain outstanding talents, PChome is dedicated to providing a salary system that is better than the industry average. In order to protect employees' base salary, the HR Department regularly reviews on a yearly basis the salary standards against the minimum wage announced by the Ministry of Labor for the current year in order to provide a reasonable and competitive salary system. In the past three years, PChome's base salary has been better than the minimum salary in Taiwan.

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). In 2022, the ratio of the highest compensation for an individual as compared to the median of the other employees (excluding that individual) is 26.47. However, in the post-pandemic era, e-commerce is faced with challenges. The ratio of the percentage of salary raises for the highest-earning individual as compared to the median for the raise percentage of average annual salary is -18.08%. In order to realize the hiring principles of equality and fairness, PChome implements performance evaluation based on employees' education, experiences, professional knowledge and skills, seniority and personal performance in accordance with the performance evaluation guidelines of the Company and does not discriminate on the basis of gender, age, race, religion, marital status, or political belief. Over the past three years, the average female-male minimum wage and compensation ratios have stabilized.

Female-male Minimum Wage Ratio

Employee Type	2020		2021		2022	
	Management	Non-management	Management	Non-management	Management	Non-management
Female	0.95	1.23	1.06	1.22	0.91	1.34
Male	1	1	1	1	1	1

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

Female-male Wage Ratio

Employee Type	2020		2021		2022	
	Management	Non-management	Management	Non-management	Management	Non-management
Female	0.91	1.14	1.01	1.13	0.86	1.25
Male	1	1	1	1	1	1

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

Ratio of Minimum Wage against Local Minimum Wage

Employee Type	2020	2021	2022
Female	1.03	1.05	1.01
Male	1.03	1.05	1

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4.2.2 Employee Benefits Policy

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 encourage employees to bring up improvement suggestions and work with them to design welfare policies and activities, mainly divided into five categories - salary and benefits, physical and mental health, key life events benefits, group perks and incentives for continuing education. We create a 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.

Content of Fringe Benefits at PChome	
Salary and Benefits	• Group insurance upon reporting to duty, including: Accident insurance, medical insurance for injuries, hospitalization insurance, fixed-period life insurance and cancer insurance all at once • A leave system that surpasses the minimum requirements in the Labor Standards Act for employees who complete six months on the job • Labor pension • Guaranteed annual salary of 13 months • Bonuses for the Dragon Boat Festival, Mid-autumn Festival and birthdays • Flexible three-shift work hours • Free coffee and "back to work" lucky money
Festive Celebrations	• Birthday bonus • Labor Day bonus • Bonuses for the Mid-autumn Festival • Flash activities for the Dragon Boat Festival and Double 11 • Double 11 shopping bonuses • Afternoon tea for festivities
Physical and Mental Health	• Provision of employee health examinations • Organization of health promotion and psychiatrist consultation seminars
Key Life Events Benefits	• Baby bonuses, maternity protection programs such as maternity leaves. • Marriage cash bonus, bereavement allowance, exclusive discounts at cooperating merchants, car loan bonuses
Group Perks	• Annual dinner subsidies, group buying discounts • Social events
Incentives for Continuing Education	• Provision of incentives for learning a foreign language (English/Japanese) • Studying for a master's degree at a public or private graduate institute while in service with approval from the company and the faculty for the study is related to the current job.

Flexible Three-shift Work Hours

Continuing from 2021, PChome implements 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, 9: 00, 9: 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 takes into account employees' needs to take care of their families and work at the same time, and improves employees' work efficiency and flexibility.

Employee Remuneration Distribution and Issuance of Employee Stock Subscription

PChome's employee remuneration distribution and issuance of employee stock subscription 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. The aim is to retain outstanding talents. According to PChome's articles of corporation, 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.

Language Learning and In-service Training Incentives

Chome encourages our employees to learn foreign languages and take part in the TOEIC and JLPT language tests as well as take up in-service education based on personal interests and needs. PChome advocates lifelong learning and 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.

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Maternity Protection Plans

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. Our 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, eases employees' pressure on family care, and encourages employees to return to their posts after their maternity leave is up, so that their career development will not be affected.

Unpaid Parental Leave Statistics for the Past 3 Years

Item	2020 Male	2020 Female	2021 Male	2021 Female	2022 Male	2022 Female
Total Number of Employees Entitled for Parental Leaves for the Current Year (A)	14	38	38	82	54	110
Total Number of Employees who Actually Took Parental Leaves for the Current Year (B)	1	34	7	31	6	24
Application Rate (B/A)	7%	89%	18%	38%	11%	22%
Total Number of Employees Supposed to Be Reinstated After Parental Leaves for the Current Year (C)	4	31	4	21	4	18
Total Number of Employees Actually Reinstated After Parental Leaves for the Current Year (D)	4	26	3	18	1	8
Reinstatement Rate (D/C)	100%	84%	75%	86%	25%	44%
Total Number of Employees Reinstated After Parental Leaves for the Previous Year (E)	11	21	3	25	3	20
Total Number of Reinstated Employees who Continued to Work for a Year After Receiving Unpaid Parental Leave in the Previous Year (F)	7	16	3	21	3	15
Retention Rate (F/E)	64%	76%	100%	84%	100%	75%

In addition, PChome has a maternity protection policy that sets the standard for safeguarding maternity rights. This allows our female employees to maintain their health and work-life balance during their pregnancy, postpartum, and lactation periods. At PChome, 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 during pregnancy. At the same time, we inspect 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. We have also set up breastfeeding facilities in each office, and the facilities have been certified as excellent by the Taipei City Government Department of Health. We have attended to the maternity needs of and suggestions from our employees by inspecting and revising the relevant measures to improve our maternity health protection program. It is our hope to take better care of our employees so that employees can feel free to have children and be able to take care of their career and family.

Attending to Employees' Lives after Retirement

PChome seeks to be a strong support for its employees, and has established employee retirement guidelines in accordance with the Labor Standards Act and the Labor Pension Act. The guidelines include a pension program with defined benefits (old scheme) and a pension program with defined contributions (new scheme). For employees who qualify for the pension program under the new scheme, the company allocates 6% of the monthly insured amount to employees' personal labor pension accounts at the Bureau of Labor Insurance on a monthly basis. For employees who qualify for the pension program under the old scheme, the company allocates 2% of the monthly wage as a labor pension fund on a monthly basis. The fund will be managed by the Labor Pension Fund Supervision Committee and deposited in Bank of Taiwan under their name. At the end of each year, an actuary will be appointed to estimate the pension fund liability as of December 31 each year in accordance with IAS19 in order to protect employees' interests.

In the past three years, PChome always had net assets under pension funds at the end of each year. This shows that the Company has allocated surplus pension funds in the pension fund account at the Bank of Taiwan for protection of employees' pension welfare.

Item	2020	2021	2022
Name of the Pension Program	Old-scheme pension	Old-scheme pension	Old-scheme pension
Estimated Net Asset Under the Pension Fund	9,115	3,935	32,491

(Unit: NT$1,000)

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Social Events with Vitality

PChome encourages employees to establish and participate in social clubs and relevant gatherings in hopes of enriching employees' lives and creating a work environment full of vitality through participation in club activities so that employees may relax after work and develop diverse interests and expertise. Currently the Company has 11 social clubs encompassing dimensions such as sports, life, learning, entertainment and spiritual growth.

Social Club	Event Content
Knitting Club	The aim is to encourage employees to develop a second expertise and personal interest and allow them to learn and experience the fun of hand knitting. 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	In addition to supporting the sport of basketball, the Basketball Club aims to advocate exercise among 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 and convergence towards the Company.
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 and to reduce the possibility of occupational diseases from using 3C products.
Coffee Club	Coffee is the new-generation drink for the general public. The club aims at improving 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 not only to expand employees' horizons but also 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.
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 in scenarios full of suspense and fun.
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 while relieving stress and benefiting physical, mental, and spiritual health.
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, 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.
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).
Spiritual Detox Club	The social activities held here, such as meditation, getting close to nature, watching movies, and clearing the mind help members achieve physical and spiritual relaxation and detox.

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4.2.3 Performance Appraisal and Management

PChome has created an employee performance appraisal system in accordance with our human resources management standards. 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. The appraisal starts with self-evaluation by the employee, then initial evaluation by the direct supervisor, second evaluation by division supervisor, and finally determined by department supervisor. Additionally, an employee's performance appraisal ratings are linked to their remuneration and bonuses, so they can grow together with PChome.

In terms of appraisal of governance units, PChome has established the Remuneration Committee, which evaluates remuneration policies and systems for directors, supervisors and managers of the Company from a professional and objective angle and provides suggestions to the Board of Directors for reference. The Committee comprises of no less than 3 members, who are appointed by Board resolution. One of them serves as the convener. A Committee member may not participate in the discussion and voting process for the decision on his / her own remuneration and shall recuse himself / herself when a meeting agenda involves conflicts with his / her personal interests or those of the legal person that he / she represents in order to prevent damaging the Company's interests.

Year-end Performance Appraisal and Prioritization

Establishment of Annual Goal

Interim Performance Appraisal and Prioritization

Project Implementation and Review

Employee Ratio in the 2022 Performance Evaluation

Category	Male			Female		
	Number of Employees Evaluated for Performance	Total Number	Ratio of Employees Evaluated for Performance	Number of Employees Evaluated for Performance	Total Number	Ratio of Employees Evaluated for Performance
Headquarter - Managerial Role	57	57	100%	57	62	92%
Headquarter - Non-managerial Role	249	251	99%	516	546	95%
Warehouse - Managerial Role	107	107	100%	63	63	100%
Warehouse - Non-managerial Role	356	430	83%	307	377	81%
Total	769	845	91%	943	1,048	90%

Note 1: Employee changes occurred during the performance evaluation period, causing differences between the total number of employees evaluated and the total number of employees under section 4.1.1.

Note 2: Targets for PChome's performance evaluation in 2022 need to have completed three months on the job and include: full-time employees, employees who reported to duty before September 30, 2022, and employees who have taken unpaid leave for 6 months or less in 2022. Employees who do not meet the above requirements are paid according to the overall remuneration guidelines in 2022.

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4.3 Human Resource Recruitment and Training

4.3.1 Diverse Recruitment Programs

PChome's philosophy is "committed to innovation and value creation" and dedicates its efforts to promoting innovative services. PChome upholds the belief that talents are the core momentum that propels a company and the basis for enhancing corporate competitiveness. PChome has actively invested resources to recruit outstanding talents from all lines of walk and recruits individuals who are skilled in IT development, product marketing, video editing, marketing planning, big data analysis, operations management, and logistics management. In addition to recruiting young talents from campuses and grooming them to become part of the PChome team, we welcome π-shaped talents with enthusiasm for e-commerce and who are fast-adapting to an ever-changing commercial environment to join our quest of establishing a benchmark for new online services in Taiwan and leading Taiwan into an era of new commerce.

Statistics of Newcomers and Former Employees in the Past Three Years

Age	Gender	Newcomers 2020 Number	Newcomers 2020 Percentage	Newcomers 2021 Number	Newcomers 2021 Percentage	Newcomers 2022 Number	Newcomers 2022 Percentage	Former Employees 2020 Number	Former Employees 2020 Percentage	Former Employees 2021 Number	Former Employees 2021 Percentage	Former Employees 2022 Number	Former Employees 2022 Percentage
< 30 Years Old	Female	148	45%	194	55%	202	61%	135	41%	136	39%	170	51%
< 30 Years Old	Male	67	30%	143	61%	101	48%	83	38%	93	40%	89	43%
30– 49 Years Old	Female	57	10%	132	20%	110	16%	100	17%	106	16%	162	24%
30– 49 Years Old	Male	21	4%	112	20%	113	20%	56	11%	89	16%	129	23%
> 50 Years Old	Female	1	3%	6	15%	7	16%	6	19%	4	10%	11	25%
> 50 Years Old	Male	2	5%	7	16%	10	18%	7	18%	2	4%	14	25%
All Employees	Female	206	22%	332	31%	319	30%	241	25%	246	23%	343	33%
All Employees	Male	90	12%	262	31%	224	27%	146	19%	184	22%	232	28%
All Employees	Total	296	17%	594	31%	543	29%	387	23%	430	23%	575	30%

Note 1: The percentage of newcomers and former employees = numbers of new and former employees / total number of employees in the age and gender groups

Note 2: All employees are distributed in Taiwan

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Breakdown of New Employees by Age

- 2022: 56% / 41% / 3%
- 2021: 57% / 41% / 2%
- 2020: 73% / 26% / 1%

(axis: 0% 20% 40% 60% 80% 100%)

Legend: ■ < 30 years old ■ 30-49 ■ > 50 years old

Breakdown of New Employees by Gender

- 2022: 59% / 41%
- 2021: 56% / 44%
- 2020: 70% / 30%

(axis: 0% 20% 40% 60% 80% 100%)

Legend: ■ Female ■ Male

Category	2022	
	Number	Percentage of All Employees
Voluntary Seperation	558	29.60%
Involuntary Seperation	17	0.90%
Total	575	30.49%

Breakdown of Former Employees by Age

- 2022: 45% / 51% / 4%
- 2021: 53% / 45% / 2%
- 2020: 56% / 40% / 4%

(axis: 0% 20% 40% 60% 80% 100%)

Legend: ■ < 30 years old ■ 30-49 ■ > 50 years old

Breakdown of Former Employees by Gender

- 2022: 60% / 40%
- 2021: 57% / 43%
- 2020: 62% / 38%

(axis: 0% 20% 40% 60% 80% 100%)

Legend: ■ Female ■ Male

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Industry- academia Collaboration and Internships in 2022

	Summer Internship Program	Industry-academia Internship Program	Workplace Experience Internship Program
Name			
Program Details	In our two-month internship program, we recruit undergraduate and graduate students from all universities to join our team. The interns begin with minor projects and then report the outcomes to the CEO and executives	Interns are jointly recruited with schools for the one-year internship program, in which interns learn professional knowledge and skills for a field through daily task implementation in departments.	We offer undergraduate and graduate students from all universities the opportunity to enter the workforce and apply their learned expertise during their spare time. Through this program, interns can gain practical experience and understand the dynamics of the workplace. The schedule and location will be arranged between the interns and the supervisors, with a minimum of 20 hours per week dedicated to project-based work.
Job Content	Supervisors appoint project themes based on the nature of the department for interns to work on	Supervisors appoint job content based on the nature of the department for industry-academia interns to complete	Supervisors appoint competence-related projects based on the nature of the department for workplace experience interns to complete
Method of Participation	Interns submit their CV for the recruitment activities in March every year	Contracts are signed with schools and recruitment activities are launched in March through communication with the schools	Based on the project needs of the departments, we open vacancies irregularly and announce them on the recruitment platform. Interns submit their CV for the recruitment activities.
Results	• In 2022, a total of 12 summer interns were recruited • Survey results showed that over 90% of the interns were satisfied with the abundant summer training • Bringing in creative thinking of new generations	In 2022, a total of 31 interns were recruited	In 2022, a total of 3 interns were recruited

Unveil Infinite Possibilities

Creativity contests aim at inspiring creativity in the Z generation through diverse themes such as "PChome 24h shopping experience", "marketing activity brainstorming", "customized catalogs and search result recommendations" and "user interface suggestions" to inspire new ideas in outstanding talents of the Z generation as well as to allow PChome to better understand youngsters' angle and viewpoint in hopes of planning diverse services that are more abundant and more suited to the digital generations.

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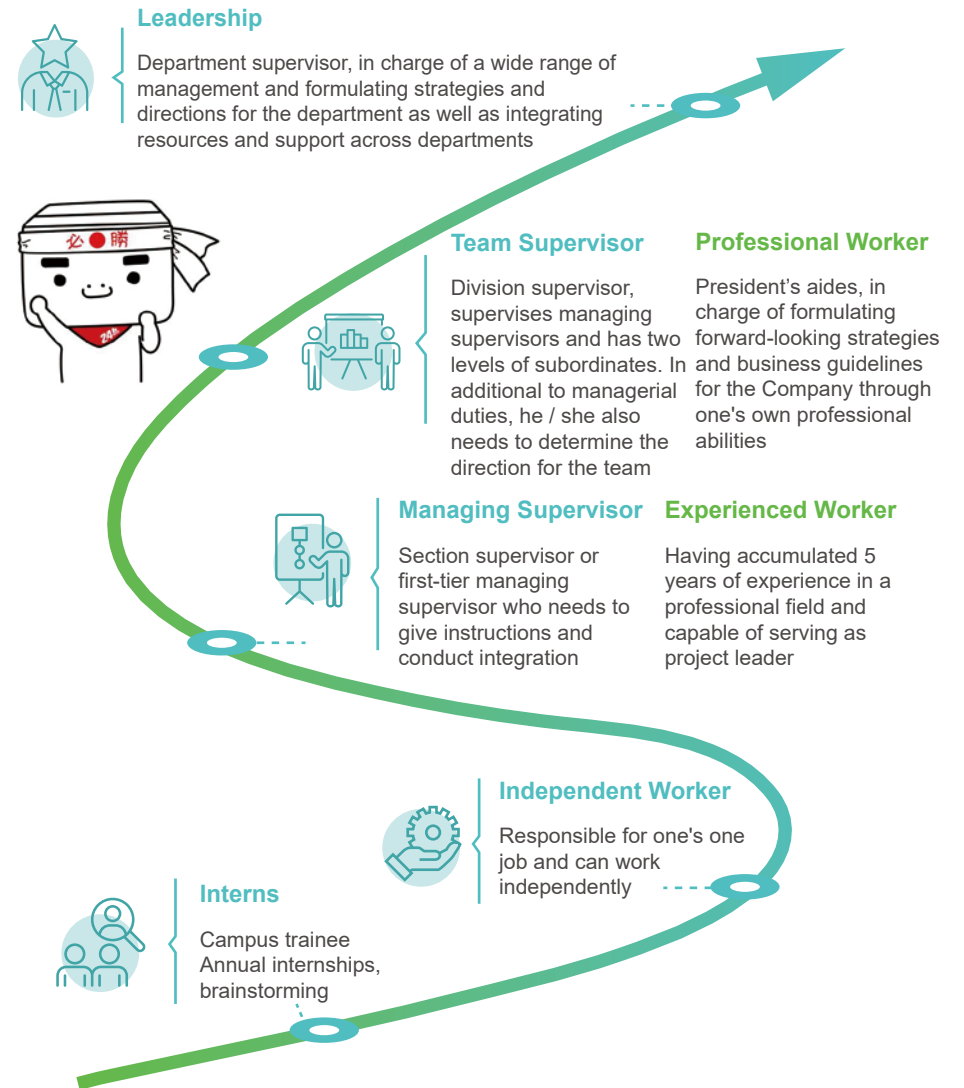
4.3.2 Professional Talent Cultivation Program

PChome has established a competency map for employee development and adopted a three-tier competency development scheme. The scheme is progressive and starts at developing PChomer competency so that employees are equipped with necessary professional knowledge as a member of the PChome family, followed by job and core competencies encompassing professional knowledge and soft skills in the workplace aimed at improving employee work efficiency and outcome, and then advancing to the ultimate goal of business and leadership competencies so that employees will gain business mindset and leadership in order to exert influence. Legal competency cultivation is also set up for staff required by legal compliance. Comprehensive cultivation plans are set up for the five main competencies while taking into account employee seniority, performance, personal will and skills to customize training courses for employees so that they may understand their own career development map in the Company and become e-commerce talents who are capable of implementation and leadership.

Five Main Competencies in Three Stages at PChome

PChome Competencies
The skills and knowledge required to become a PChomer

Legal Compliance
Compulsory courses for regulatory regulators

Business/ Trends
The ability to understand e-commerce trends and devise effective strategies

Leadership
The ability to become a leader comprehend management skills, and influence others

PChome Professional Talent

Effectiveness
The skills and knowledge required for the job and for increasing one's work efficiency

PChome Competency Development Map

Leadership
Department supervisor, in charge of a wide range of management and formulating strategies and directions for the department as well as integrating resources and support across departments

Team Supervisor
Division supervisor, supervises managing supervisors and has two levels of subordinates. In additional to managerial duties, he / she also needs to determine the direction for the team

Professional Worker
President's aides, in charge of formulating forward-looking strategies and business guidelines for the Company through one's own professional abilities

Managing Supervisor
Section supervisor or first-tier managing supervisor who needs to give instructions and conduct integration

Experienced Worker
Having accumulated 5 years of experience in a professional field and capable of serving as project leader

Independent Worker
Responsible for one's one job and can work independently

Interns
Campus trainee Annual internships, brainstorming

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Education and Training Program

PChome invests a lot of resources in education and training programs each year, including Newcomer orientation training, basic in-service training, specialized training, and external training. In response to market revolution in the post-pandemic era, the Company will review training materials and assess the necessity for adjustments to allow employees to obtain professional knowledge that is up-to-date and suited to Company direction and employees' needs. In addition, to allow more flexibility in learning professional knowledge, PChome has organized a vast amount of online training courses as well as bought videos and databases for online learning so that employees may freely schedule their learning without restrictions of time and space, and can achieve personal growth while dedicating themselves to their career.

Based on the five main competencies, PChome arranges for mandatory courses and electives so that employees may participate in electives based on their own interests and needs after completing the mandatory courses. In 2022, over 4,700 persons have received training, and the completion rate was an impressive 100%.

In 2022, the range of employee training was expanded to include system development courses and knowledge sharing seminars for technology departments, and internal lecturer training and knowledge extraction workshop for HR departments to pass down internal knowledge. In 2022, the total training hours are 18,394.3 hours, nearly tripled as compared to 2021. Especially, the training hours for non-managerial roles has grown 4-fold as compared to 2021. In terms of total training hours of all employees, the average was 9.75 per person in 2022, nearly tripled from the 3.31 hours in 2021. In addition, the satisfaction survey showed a 4.5 out of 5 for training courses. It is evident that PChome expanded the range of overall employee training in 2022 and flexibly used cloud technology and internet to make learning resources accessible to every employee in order to enhance professional abilities for the entire body of employees in a most effective way for the continual advancement of corporate competitiveness.

Competency	Training Courses	Trained Employee	Total Number of Employees who Completed Training	Percentage of Completion of Training
Work Competency	• Technology R&D seminar • Knowledge on logistics system • Information security awareness - blackmail software • Training programs for TIPS staff • Training for forklift operators	Training appointed by the department Selected by employees	1,819	100%
Business Competency	• Knowledge extraction workshop • One-day project management bootcamp • Innovative technology seminar	Elective	332	100%
PChomer Competency	• Employee performance communication training program • Newcomer orientation training	Mandatory course for all employees	2,016	100%
Leadership Competency	• Labor laws and management practices necessary for supervisors • Recruitment interview skill	Necessary for managing supervisors	300	100%
Legal Compliance Competency	• Newcomer legal education	Legal compliance staff	144	100%

Total Training Hours and Average Training Hours in the Past Three Years

		2020		2021		2022	
		Average	Total Hours	Average	Total Hours	Average	Total Hours
Gender	Female	1.10	1,047.5	3.11	3,292	9.76	10,230.8
	Male	2.08	1,604	3.56	3,007	9.74	8,163.5
Position	Supervisors	4.08	824.5	13.84	2,546	11.62	2,497.5
	Non-supervisors	1.20	1,827	2.18	3,753	9.51	15,896.8

Note 1: Average hours = total training hours in the category / total number of employees in the category

Note 2: For some online courses, one account is shared by all employees of the same department, and the training hour is calculated based on the playing time for those particular online courses.
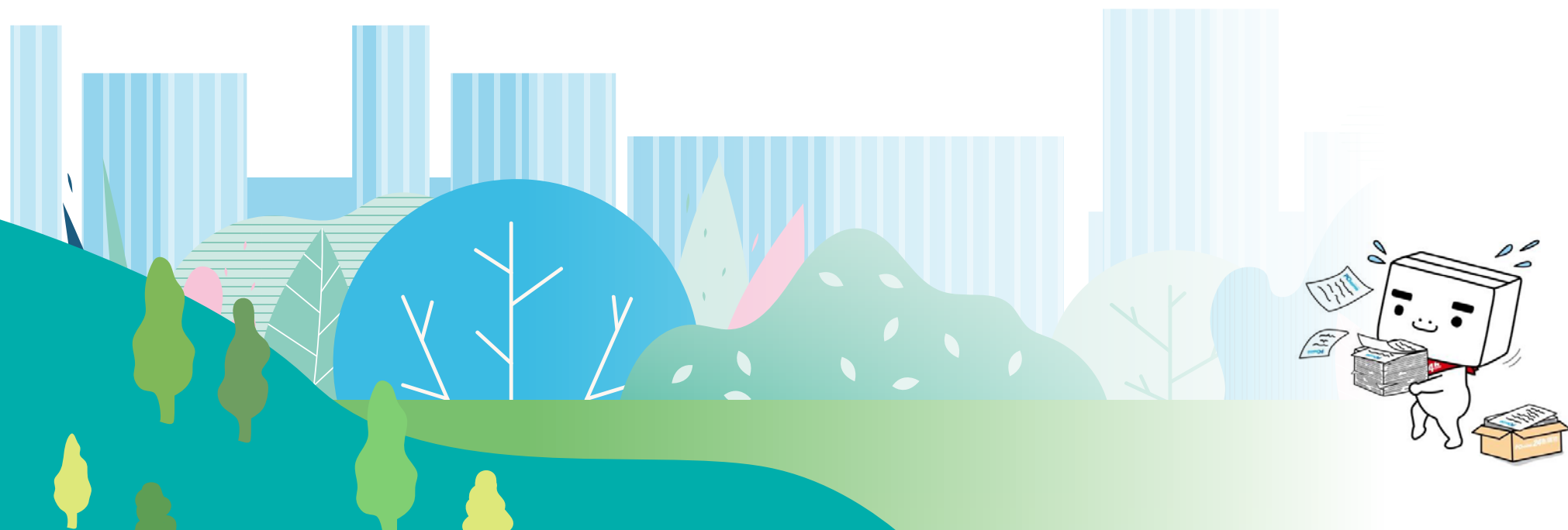
Note 3: PChome cultivates talents for the entire group and therefore transfers employees within the group from time to time so that employees may exercise their skills. The calculation of hours in the table above is based on the total training hours of PChome employees in the current year as of the end of the year.

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Newcomer Orientation Training

In the past three years, newcomers accounted for 20% to 30% of all employees. In order to allow newcomers to rapidly fit in, newcomer training is arranged on the first day of reporting to duty and introduces the organizational structure, operation of information network system, worker safety and health, familiarization of the company environment, as well as explains employee welfare policies, incentives and subsidies. In addition, PChome's corporate culture and core values are emphasized so that newcomers may instantly become a part of the team.

Basic In-service Training

After newcomers report to duty, the Company also arranges for basic in-service training depending on the job content, such as powered pallet truck training and hands-on warehouse training so that employees may rapidly grasp their job content. It is also our hope to emphasize the safety regulations and management systems in the work environment, including staff safety for on-site workers in warehousing and transport, enhance employees' work safety awareness for their own protection at work as well as protection for a healthy and safe work environment through these basic in-service training courses.

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4.4 Healthy and Friendly Workplace

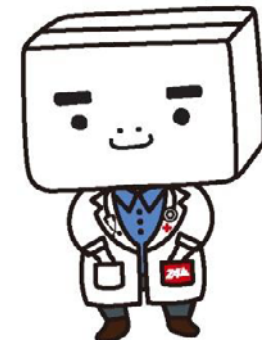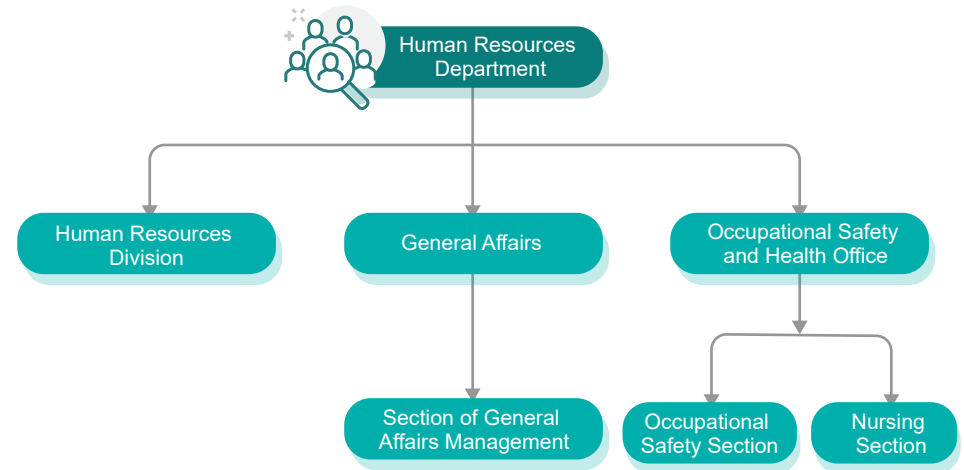## 4.4.1 Occupational Safety and Health Management

Occupational Safety and Health Committee

In order to protect the occupational safety and health for all employees, PChome complies with the Occupational Safety and Health Act and has established an Occupational Safety and Health Office. Worker representatives account for 1/3 or more of all the members. Worker representatives are served by the worker representatives of employer-employee meetings. In the event where the ratio is less than 1/3, workers will elect more representatives. The Committee convenes once in every three months, whereas extraordinary meetings may be called when necessary:

✓ For suggestions on occupational safety and health policies.

✓ For coordination and suggestion on the autonomous safety and health management plan

✓ For the study on implementation plans for health and safety training.

✓ For the study of response strategies for work environment monitor results.

✓ For the study of health management and health promotion issues.

✓ For the study of automatic inspection and safety and health audit in business units.

✓ For the study of prevention measures for hazards from machinery, equipment, raw materials or materials.

✓ For occupational safety and health management reports.

✓ For the study of occupational hazard survey.

At the same time, employees may participate in proposals related to occupational safety and health at least once quarterly. The performance indicators of each unit are reviewed regularly in occupational safety and health committee meetings, and the Occupational Safety and Health Committee will make modifications on the occupational safety and health management plan after collecting opinions from workers in order to design standards that surpass regulations to prevent occupational hazards and protect workers' safety and health.

PChome Occupational Safety and Health Management Organization

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Occupational Safety and Health Risk Management

PChome realizes occupational hazard prevention and automatic inspection through the automatic inspection program to reach the goal of zero hazard. PChome has six guidelines in place, i.e., Safety and health management, safety and health education and training, standard operating procedures and work safety analysis, safety and health inspection, emergency response, and health management and promotion. Management guidelines and regulations are established accordingly and the prevention of occupational hazard is prioritized in warehouses. The implementation guidelines are summarized as follows:

Six Implementation Guidelines	Content Description
Occupational Safety and Health Management	Regularly reports and verifies hazard statistics to the inspecting institution, hazard investigation and analysis, convening Occupational Safety and Health Committee meetings, hazard prevention management and patrol, and management of undertaking companies.
Safety and Health Eduaction and Training	Regularly implements courses related to environmental safety and health, including: Newcomers education and training, general worker in-service training, forklift, pallet truck, first aid staff, AED+CPR, occupational safety and health supervisor training, and fire prevention training.
Standard Operating Procedures and Work Safety Analysis	1. Establishing operation regulations 2. Maintaining the regulations and safe work processes 3. Formulating safety and health work rules
Safety and Health Inspection	Conducting regular inspections on all work environments, facilities and fire-fighting, also including the semi-annual carbon dioxide monitoring in operating environments, illumination and noise measurement for operating environments, and the 5S evaluation (management, organization, cleanliness, tidying, and discipline). Relevant faults will be notified to on-site supervisors and management for improvement.
Emergency Response	1. Arranging for annual response plan and implementing emergency response drills 2. The Dunnan workplace has AED equipment on every floor and appoints department representatives to participate in AED trainings, in order to facilitate timely response when accidents occur. 3. The Taoyuan warehouse has AED equipment set up on important entrances or exits or staff-intensive areas
Health Management and Promotion	1. Purchasing medical materials, body exam for newcomers, health exam for current employees and follow-up and management of anomalies 2. Annual health promotion plans and activities are planned based on the health analysis results of the previous year

At the same time, in order to effectively create a healthy and safe work environment, PChome has established a reporting mechanism of incidents or occupational hazards during operations in order to identify potential hazards and risks in the work environment. After receiving a report, inspections are conducted to clarify the course of events, verify damages to on-site staff, environment and equipment, and review possible faults or environmental issues during the operation for review and improvement. In addition, PChome regularly compiles statistics on incidents and occupational hazards to understand the types of incidents or hazards that occurred more frequently. It is discovered that most occupational hazards are machine collisions due to negligence and ergonomic muscle and bone injuries. PChome has launched safety and health education, on-site environment patrol and 5S evaluation (management, organization, cleanliness, tidying, and discipline) for the particular type of hazard. Relevant faults are notified to on-site supervisors and management for improvement. In addition, correct safety and health information and knowledge is provided to employees to prevent the recurrence of the same hazard.

In terms of employee health, PChome conducts risk evaluation through employee health questionnaires and arranges for doctor consultation. In addition, high-risk groups are identified via employee health examinations, including illnesses from overwork, and repeated muscle and bone diseases. For high-risk groups, doctor consultation, written notification of risks, health education guidance, work adjustment and other suitable work evaluation and recommendation are provided. Improvements on relevant hazards are conducted and health promotion activities for the next year are planned based on the employee evaluation results of the current year.

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Under the protection and inspection of multiple occupational safety and health plans, PChome did not have any major violations of occupational hazard regulations or sanctions or fines by competent authorities in 2022. 2022 occupational injury statistics:

	Employees	Non-employees
Main Types of Work-related Injuries	Muscle and bone injuries	Collision
Total Work Hours	1,971,221	423,606
Number of Persons Suffering from Regular Occupational Injuries (Recordable)	10	1
Work Days Lost	325	1
Ratio of Recordable Occupational Injuries	5.07	2.36
Work Days Lost Rate	164.87	2.36
Composite Injury Index	0.91	0.07
Number / Ratio of Severe Occupational Injuries	0	0
Number / Ratio of Occupational Fatalities	0	0
Subsequent Improvement Plan	• Enhancement of all health and safety trainings • Suitable work adjustments • Non-period wellness benefits are provided to employees.	

4.4.2 Occupational Health Promoting Activities

At PChome, we believe that only a healthy and safe workplace will allow PChomers to work at ease and maintain physical, mental and spiritual health. This way, the company will be able to advance towards sustainability and in turn provide customers with highest-quality services. Therefore, in order to safeguard employee health, PChome provides a comfortable and safe work environment, organizes occupational safety and health training courses, and launches health promoting activities in order to achieve employee happiness.

Comfortable and Safe Work Environment

☆ Establishing a comfortable work environment for employees to exercise creativity in an open work environment

☆ Establishing nursing rooms to take care of employee health

☆ Establishing breastfeeding facilities to refine the Maternity Protection Program

☆ Setting up AED equipment for emergencies

☆ Ensuring illumination and cleanliness in warehouses to reduce potential danger factors

▲ Comfortable work environment
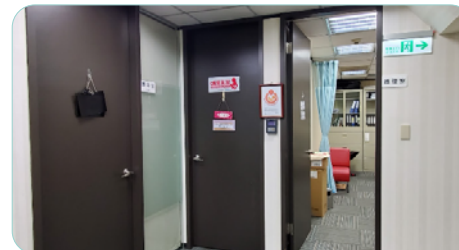
▲ Setting up breastfeeding facilities and AED

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2022 Occupational Safety and Health Training Program

Category	Training Program	Training Program Description	Frequency and Number of Participants
General Occupational Safety Training	Orientation training for new OSH staff	Introduction to relevant occupational safety and health regulations, epidemic prevention policies, and advocating precautionary measures	Number of sessions held: 1 session Number of participants: 53
	Fire escape drills	In the event of a simulated fire occurring before the arrival of firefighters, individuals inside the premises should quickly assess the situation while ensuring their own safety. They should provide emergency evacuation routes and respond efficiently.	The participation rate for the Dun Nan office is 78%
Warehouse and Engineer Occupational Safety Training	Orientation training for new OSH staff and typical employees	Introduction to relevant occupational safety and health regulations, epidemic prevention policies, and advocating precautionary measures and on-site safety and health for warehouse rearrangement employees	Number of sessions held: 105 Number of participants: 399
	Machine operation training	Forklift operations safety advocacy meetings, supervisors/officials safety and health advocacy meetings, training programs for seed officials, refresher training for forklift operators, charging steps for powered pallet truck lithium metal battery system, and description of precautionary measures	Number of sessions held: 94 activities Number of participants: 1589
	Site hazard notifications for contractors	Form for forklift rental and hazard notifications, replacement of inner sentinel automatic glass door, repair of elevator (freight elevator) automatic door, maintenance of firefighting equipment	Number of sessions held: 164 activities Number of participants: 356
	Safety and health advocacy	OSH advocacy meetings, electric machine safety advocacy	Number of sessions held: 7 activities Number of participants: 51
	Contractor safety meetings	OSH advocacy meetings, electric machine safety advocacy	Number of sessions held: 2 activities Number of participants: 15
Disaster and Emergency Drills	First aid skills	Through courses and practical training, employees will gain a basic understanding of first aid knowledge. In the event of an emergency, they will be able to perform cardiopulmonary resuscitation (CPR) and operate an automated external defibrillator (AED) promptly. The employees in the Dun Nan office are trained in stages. The first stage took place in 2022, with a total of 36 department representatives participating. The second stage was in 2023, with an expected training rate of 70% for all departments in the Dun Nan office.	Number of sessions held: 1 session Number of participants: 36

▲ Disaster and emergency drills

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2022 Health Promotion Activities

In addition to essential OSH training, we also understand that in today's work environment, employees spend long hours in offices. Due to work pressure and busy schedules, they may overlook the importance of healthy eating and proper stress relief, which can put them at risk of developing physical and mental health issues. PChome values not only the occupational safety standards required by regulations but also the well-being and happiness of every employee in their work and life. Therefore, a series of seminars and activities have been introduced to provide employees with methods and channels for relaxation. At the same time, satisfaction surveys are conducted after the courses to evaluate whether the arrangements of the seminars meet the needs of the employees.

Health Promoting Activities and Advocacy	Event Description	Frequency and Number of Participants
Protection from Human Factors	Seminars on prevention and treatment of lower back pain and health exam	Number of sessions held: 2 activities Number of participants: 45
Occupational Safety and Health Committee	"Be cautious of cardiovascular diseases in winter" health education advocacy "Adverse effects of poor postures" health education advocacy "PChome epidemic prevention center- epidemic prevention program" advocacy	Number of sessions held: 3 activities Number of participants: 29
Group Counseling	Psychiatrist counseling seminars	Number of sessions held: 2 activities Number of participants: 24
Medical Staff Handles Worker Health Services	Prevention of work-related injuries and illnesses, health consultation, and first aid and emergency measures.	Number of sessions held: 105 Number of participants: 1,621
On-site Medical Services Provided by Physicians	On-site occupational medical interviews conducted twice a month in Dun Nan and once a month at the warehouse.	Number of sessions held: 7 activities Number of participants: 131
Employee Health Examinations- Regular Health Examinations	Employee health examinations are conducted according to the regulations. Health medical check-ups are carried out annually to allow employees to understand and monitor their physical condition, seek medical assistance when necessary, and continue to perform at their best. In 2022, the headquarters in Dun Nan arranged employee health exams. However, due to the medical institutions with which PChome collaborates are fully booked, employees were allowed to choose their preferred medical institutions to complete their health exams. As for the employees working in the warehouses in Taoyuan, they participated in the tour health exams arranged by the company and completed them during working hours. No additional leave is required to complete the health check-up. These exams also combine with discounted value-added services agreed upon with medical institutions, giving employees the freedom to choose. These efforts aimed to increase employees' willingness to undergo regular health exams and monitor their personal health conditions.	A total of 1,352 people participated in the health exams, accounting for 72.4% of the total employees.

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4.4.3 Harmonious Labor Relations

PChome is actively committed to creating an equal and respectful workplace, fulfilling corporate social responsibility, implementing human rights protection, and fostering a dignified work environment. PChome recognizes and supports various international human rights declarations, including the Universal Declaration of Human Rights, the UN Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Organization. PChome established human rights management policies:

- Respect human rights in the workplace and implement equality and fairness in employment, hiring, compensation, benefits, training, performance evaluation, and promotion.
- Providing a Safe and Healthy Work Environment
- Protect the freedom of assembly and association and the right to collective agreement
- Establish smooth communication channels between labor and management and ensure reviews are passed between higher and lower levels
- Information security and personal information protection
- Human rights policy advocacy
- Conduct regular reviews of our human rights management policy and related actions

Seven major principles are established：

Freedom of Choice for Selecting an Occupation	PChome provides an open and transparent recruitment channel to recruit talented people to join. PChome strictly prohibits the use of coercion, guarantees, debt repayment, or inclusion of unreasonable clauses in contracts to restrict the employees' freedom of choice for selecting an occupation.
Humane Treatment	PChome protects its employees from inhumane treatment in the workplace, including situations such as sexual harassment, sexual assault, physical punishment, threats, bullying, mental or physical coercion. At the same time, we have established policies and channel for filing complaints regarding sexual harassment and violations to eliminate any inhumane treatments in the workplace.
Youth Labor	PChome strictly complies with the "Labor Standards Act" prohibition of child labor. For student workers, we closely cooperate with contracted schools to protect the rights of students according to the law. Through this collaboration, we ensure proper management of student workers and provide them with sufficient support and education and training.
Working Hours Management	In addition to strictly complying with the regulations of the Labor Standards Act on arranging employees' working hours and schedule, PChome also implements a three-shift schedule, allowing employees to start and get off work flexibly. Furthermore, PChome provides employees with leave packages that are more favorable than legal requirements, giving employees more flexibility in their working hours.
Non-discrimination	PChome is committed to ensuring that employees are free from discrimination and harassment in the workplace. We do not discriminate on the basis of race, skin color, age, gender, sexual orientation, gender identity, nationality, disability, pregnancy, religion, political affiliation, or marital status in recruitment, wage, promotion, rewards in the workplace.
Equal Pay for Equal Work	PChome complies with the regulations of equal pay for equal work in the Labor Standards Act to ensure employees who perform the same amount of work receive equal compensation regardless of age, gender, or identity.
Advance Notice of Changes in Operational Activities	To ensure the protection of employees' rights to work, in the event of significant operational changes or termination of labor relations, the termination of the labor contract with the employee shall comply with government regulations. In accordance with Article 11 or Article 13 of the Labor Standards Act, the advance notice period for terminating the labor contract shall be handled as follows: • Those who have been with the Company between 3 to 12 months will receive a 10-day advance notice. • Those between 1 to 3 years will receive a 20-day advance notice. • Those over 3 years will receive a 30-day advance notice.

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PChome department supervisors and the Occupational Safety and Health Office regularly use the "Self-Assessment Checklist for Workplace Violations" and the "Program on Preventing Employee Workplace Violations" to examine workplace safety and protect rights of the employees.

At the same time, PChome has established internal management mechanisms and conducts meetings with employees to facilitate communication. In accordance with the "Regulations for Implementing Labor-Management Meeting", PChome organizes regular employer-employee meetings on a quarterly basis. Employee representatives are invited to provide their opinions on different issues, and both parties thoroughly discuss concerns among employees. PChome develops future solutions to establish consensus between employers and employees and work together for mutual growth. If employees have any opinions, the company welcomes them to submit their opinions in writing and mail them to the Human Resources Department or send them directly to the human resources supervisor. At the same time, the company has an internal email where employees can express their opinions directly to higher-ranking supervisors. If employees feel that their rights have been violated, they can also use the channels mentioned above to file a complaint. In 2022, labor relations within the company were harmonious, and no disputes occurred.

In order to better understand the voice of the employees, the company established a rating standard for the VOE survey in 2022. A total of 1,823 employees from 15 departments were invited to participate in the survey, with a participation rate of over 70%. After obtaining the survey results, the human resources department organized a briefing to disclose the survey findings to the business team. They also initiated "Voice of Employee (VOE)" task forces in each department to devise items needed for improvement and solutions. For the items that received lower ratings in each department, cross-department improvement teams were established for implementing improvement plans

2022 VOE Survey

	2022
Satisfied	48%
Neutral	40%
Not Satisfied	12%
Number of People who Filled in the Questionnaires	1,303

Note: The VOE survey uses a 5-point scale. Among them, "satisfied" is defined as respondents who selected 5 or 4 points, "neutral" for those who selected 3 points, and "not satisfied" for those who selected 2 or 1 point(s).

In addition, starting from 2022, an average of one letter for internal communication is released every month to convey important information and beliefs of the company to its employees to reach a sense of unity for the whole company. Meetings for all employees are held once every quarter, where employees are given the opportunity to ask questions before the meeting, and supervisors from responsible units are invited to provide explanations. Through open communication and interaction, 76.6% of employees were satisfied with the employee meetings, 88.4% gained a deeper understanding of the company culture, and 85.2% gained clarity about the company's future direction of operations. PChome will continue to hold employee meetings every quarter in 2023 to optimize its work environment based on feedback from the employees.
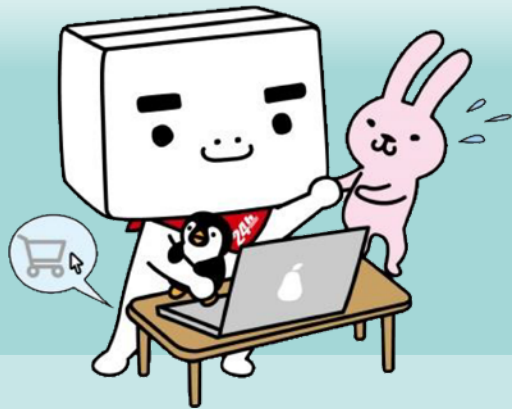
Ch.5 A Caring Partner in Society

5.1 Localized Operations and Cultural Heritage

5.2 Love Taiwan through Environmental Protection

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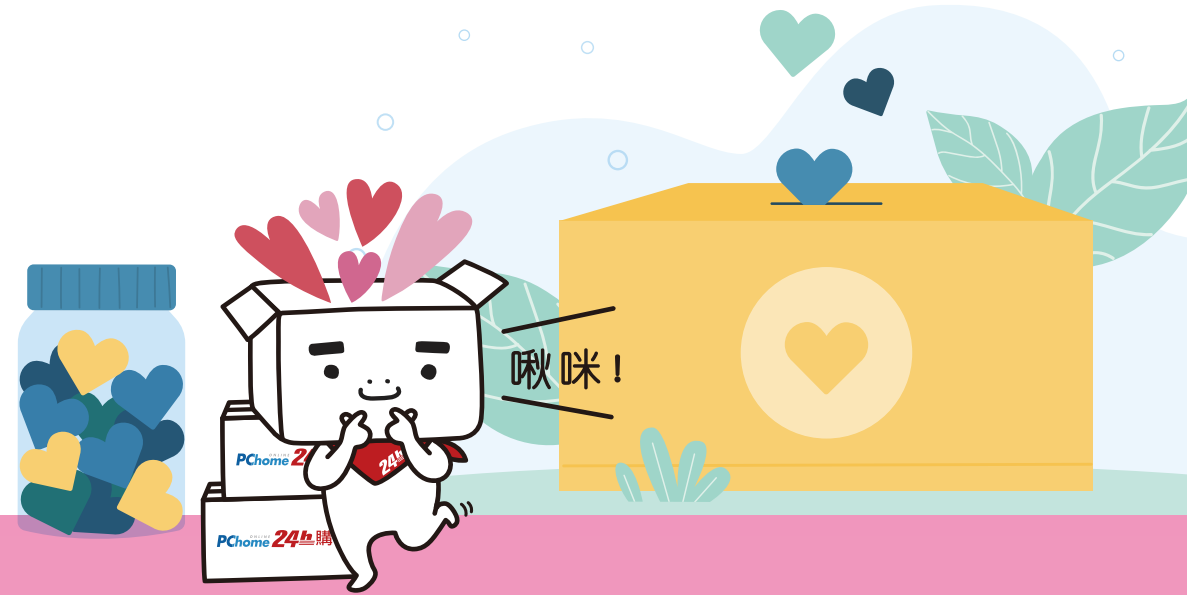
Important Stakeholders ▶ Employees, Media, Communities/ NPOs

Sustainable Development Goals

4 QUALITY EDUCATION

11 SUSTAINABLE CITIES AND COMMUNITIES

PChome supports sports events and encourages citizens to participate in the events. We support Taiwan's traditional culture by organizing online and offline book clubs, and continue to dedicate efforts to cultural development in local communities, building community cohesion to develop sustainable cities.

13 CLIMATE ACTION

PChome monitors climate change issues and draws public attention to environmental protection and climate change by supporting films that advocate sustainability. We also promote climate action, encourage carbon reduction, use renewable energy, and engage in ecological protection to contribute to sustainable development.

Sustainability Highlights

Support domestic sports events and has successfully made sports a hot topic through organizing activities.

The chairperson organized the Taichung Central Bookstore's Wednesday Reading Club for three consecutive terms to promote lifelong learning, with over 50,000 participants.

Support traditional Taiwanese culture by sponsoring the Dajia Mazu Pilgrimage event, continuing traditional Taiwanese culture.

Sponsored the "Extreme Forest" to promote environmental protection and coexistence with nature.

PChome has always paid attention to social and environmental sustainability. In the post-pandemic era, in addition to providing online shopping services and stimulating Taiwan's economy, PChome also pays attention to the humanistic education, traditional culture, and development of environmental sustainability of Taiwan. We strive to coexist and thrive with this land.

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5.1 Localized Operations and Cultural Heritage

PChome is deeply engaged in the e-commerce platform and strives to fulfill the commitment of meeting the daily needs of every household. Therefore, we delve into Taiwanese society and pay attention to the context of this land. We hope to bring positive energy to society through the power of e-commerce. Furthermore, we hope to promote cultural development in the society and heritage, improve the physical, mental, and spiritual health of the public, and build a sustainable society through the power of e-commerce.

5.1.1 Support Domestic Sports Events

In 2020, PChome received the Taiwan i sports certification from the Sports Administration, Ministry of Education. As a sports enterprise, PChome continues to leverage the power of the companies to promote domestic sports events and support the development of the domestic sports industry. We hope to cultivate domestic elite athletes to raise awareness of sports events among the public, and lead an enthusiasm for sports nationwide to create a healthy and energetic society. As baseball and basketball are two major benchmark sports events in Taiwan, PChome has concentrated its resources on these two sports events in 2022.

Sponsor the CTBC Brothers

In 2022, PChome sponsored the "CTBC Brothers" and organized lucky draw events through posting on Instagram. The event is closely aimed at the younger generation to increase the public's willingness to participate and attend the games in person. During the first half of 2022, from April 2 to July 22 of the professional baseball regular season, there were a total of 60 regular season games and 30 home games. The Instagram post for the lucky draw event received 842 likes and 447 comments

Sponsor the CTBC DEA

PChome supports Taiwanese basketball and has sponsored the "CTBC DEA". In March 2022, PChome conducted exclusive interviews with players on Instagram, letting the public understand the significance of the development of domestic basketball. The distance of the younger generation is reduced through the stories shared by the players, generating the interest of the public in domestic basketball events. Lucky draw events were held on social media to create a wave of enthusiasm for basketball. This has successfully motivated people in Taiwan to support basketball games.

By sponsoring the CTBC Brothers and the CTBC DEA, PChome demonstrates its value for the development of baseball and basketball in Taiwan. Through these sponsorships, we hope to encourage others to invest social resources in these sports and increase the public's level of attention and willingness to attend baseball and basketball games. This further promotes the development of baseball and basketball talents and allows continuous improvements in Taiwan's competitiveness in the international competitions in the future.

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5.1.2 Invest in the Development of Local Culture

PChome, dedicated to being a reliable partner in the public's lives, provides services to every township in Taiwan. We have discovered that due to changes in the society and culture, parts of the traditional culture are gradually fading away. Therefore, PChome continues to tap into local culture, hoping to support traditional Taiwanese culture and allow the younger generation to experience its beauty, the essence of culture to be passed down through generations and co-exist and mutually prosper with the local culture.

2022 Taichung Mazu International Festival

「The "Dajia Mazu Pilgrimage" was listed as a Taiwanese cultural asset in 2010. It has a long and prestigious history and is renowned internationally. This event showcases the typical characteristics of Taiwan's traditional culture and is the largest and most widely and voluntarily attended cultural event in Taiwan every year. For the third consecutive year, PChome has collaborated with the Dajia Mazu Pilgrimage and has launched exclusive co-branded products such as the "Blessing Flags" and "Blessed God's Robe". These designs of the products integrate traditional cultural elements with Mazu patterns perfectly. When customers purchase on the PChome 24h, they can add these items to their cart regardless of the purchase amount. Additionally, we have organized a lucky draw event on PChome's Instagram account to increase public engagement. This allows people who are unable to attend the event in person to participate and spread Taiwan's traditional culture without being limited by time and space. In 2022, approximately 600,000 people participated in the Dajia Mazu Pilgrimage. We hope to let more Taiwanese people get to know the traditional culture and the value of the history and culture through this kind of event to pass on the culture.

Taichung Central Bookstore's Wednesday Reading Club

Continuing from 2021, PChome hosts the E-Commerce University to assist young students or individuals interested in e-commerce and stores in establishing the knowledge in e-commerce. PChome gives back to society by sharing its extensive experience. Furthermore, PChome is investing in the society and culture to create an artistic and cultural atmosphere in Taiwan. The Chairman of PChome, Mr. Hung-Tze Jan, is particularly dedicated to this. Mr. Hung-Tze Jan initiated the "Wednesday Reading Club" with the Central Bookstore. To overcome the limitations of venue space and distance, the "Wednesday Reading Club" can also be assessed online, allowing more people to feel the charm of reading. Over the course of three terms, a total of 72 reading clubs have been held, with over 50,000 participants. Participants pick up books with the reader either in person or online to feel the charm of the words through the "Wednesday Reading Club". This allows many individuals who may have lost interest in reading to rediscover the joy of reading through picking up the books, thereby enhancing cultural literacy among the public and creating a lifelong learning environment.

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5.2 Love Taiwan through Environmental Protection

As the best green partner for the environment, PChome is dedicated to long-term commitment to environmentally friendly development and actively promotes green citizenship awareness. PChome hopes to leverage the influence of enterprises to invite the general public to join the ranks of loving Taiwan and the Earth through environmental protection.

Sponsored the Filming of the Program "Extreme Forest"

In 2022, PChome sponsored the filming of the program "Extreme Forest", which is a reality show that explores Taiwan's coastal scenery, beautiful scenery of mountains and forests, and ecological parks. This program lets more people get to know the beauty of Taiwan. Each episode of the program focuses on different themes, including: coastal ecosystem, respecting the mountains and forests and being environmentally friendly, knowledge of medicinal plants, and cultivating endangered plants. The aim is to spread the concept of environmental protection and coexistence with nature and to promote these concepts to the public

As a citizen of the earth and a local e-commerce company in Taiwan, PChome continues to respond to the trend of environmental sustainability. PChome understands that e-commerce is not just about online shopping but also being a caring partner in society. PChome hopes to be environmentally-friendly to this land through a series of initiatives starting from itself. In 2022, PChome delivered over 13 million products throughout the year, putting significant pressure on the environment in terms of packaging, transportation, warehousing, and payment. Therefore, since 2019, PChome has initiated the Green Shopping Program, which includes four major aspects: green packaging, green transportation, green warehousing, and green payment. While providing consumers with a convenient shopping experience, PChome also minimizes the impact of its operations, demonstrating its love for this land in a practical way and coexisting with the environment. (For the "Green Shopping Program", please refer to Ch3 A Green Partner for the Environment)

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)
GRI 2: General disclosure (2021)			
1. Organization and reporting practice			
2-1	Organizational details	1.1 PChome Business Overview	26
2-2	Entities included in the organization's sustainability reporting	About This Report	3
2-3	Reporting period, frequency and contact point	About This Report	3
2-4	Restatements of information	No restatements of information	-
2-5	External assurance	About This Report	3
2. Activities and Workers			
2-6	Activities, value chain and other business relationships	1.1 PChome Business Overview	26
2-7	Employees	4.1 Professional Team Organization	84
2-8	Workers who are not employees	There are no workers who are not employees this year.	-
3. Governance			
2-9	Governance structure and composition	1.2 Corporate Governance and Ethical Corporate Management	28
2-10	Nomination and selection of the highest governance body	1.2.1 Corporate Governance	28
2-11	Chair of the highest governance body	1.2 Corporate Governance and Ethical Corporate Management	28
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Partnerships	7

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General Disclosure		Corresponding ESG Report Chapter and/or Description	Page(s)
2-13	Delegation of responsibility for managing impacts	Sustainable Partnerships	7
2-14	Role of the highest governance body in sustainability reporting	About This Report	3
2-15	Conflicts of interest	1.2 Corporate Governance and Ethical Corporate Management	30
2-16	Communication of critical concerns	Sustainable Partnerships	11
2-17	Collective knowledge of highest governance body	1.2 Corporate Governance and Ethical Corporate Management	31
2-18	Evaluation of the performance of the highest governing body	1.2 Corporate Governance and Ethical Corporate Management	29
2-19	Remuneration policies	1.2 Corporate Governance and Ethical Corporate Management	30
2-20	Process to determine remuneration	1.2 Corporate Governance and Ethical Corporate Managemen	29
2-21	Annual total compensation ratio	1.2 Corporate Governance and Ethical Corporate Management	30
4. Strategies, Policies and Practices			
2-22	Statement on sustainable development strategy	About This Report	4
2-23	Policy commitments	1.2 Corporate Governance and Ethical Corporate Management	32, 33
2-24	Embedding policy commitments	1.3 Business Performance and Risk Management 1.3.4 Legal Compliance	32, 36, 37
2-25	Processes to remediate negative impacts	Sustainable Partnerships	11
2-26	Mechanisms for seeking advice and raising concerns	1.2 Corporate Governance and Ethical Corporate Management	32
2-27	Compliance with laws and regulations	1.3.4 Legal Compliance	37
2-28	Membership associations	1.1 PChome Business Overview	28
5. Stakeholder Engagement			
2-29	Approach to stakeholder engagement	Sustainable Partnerships	9

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General Disclosure		Corresponding ESG Report Chapter and/or Description	Page(s)
2-30	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	-
GRI 3: Material topic (2021)			
3-1	Process to determine material topics	Sustainable Partnerships	12
3-2	List of material topics	Sustainable Partnerships	13
3-3	Management of material topics	Sustainable Partnerships	15, 17

Economic Aspect		Corresponding ESG Report Chapter and Description	Page(s)
GRI 201: Economic performance (2016)			
201-1	Direct economic value generated and distributed	1.3 Business Performance and Risk Management	34
201-2	Financial implications and other risks and opportunities due to climate change	3.2 Climate and Sustainability Action	71
201-3	Defined benefit plan obligations and other retirement plans	4.2.2 Employee Benefits Policy	88
201-4	Financial assistance received from government	No financial assistance was received from government this year.	-
GRI 202: Market Presence (2016)			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.2.1 A Competitive Wage Policy	86
202-2	Proportion of senior management hired from the local community	4.1 Professional Team Organization	84
GRI 203: Indirect economic impact (2016)			
203-1	Infrastructure investments and services supported	3.1.2 Green Logistics	67
203-2	Significant indirect economic impacts	1.4. Business Partnership	41
GRI 204: Procurement practice (2016)			

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General Disclosure		Corresponding ESG Report Chapter and/or Description	Page(s)
204-1	Proportion of spending on local suppliers	1.4. Business Partnership	41
GRI 205: Anti-corruption (2016)			
205-1	Operations assessed for risks related to corruption	1.2 Corporate Governance and Ethical Corporate Management	32
205-2	Communication and training about anti-corruption policies and procedures	1.2 Corporate Governance and Ethical Corporate Management 1.3.4 Legal Compliance	32 37
205-3	Confirmed incidents of corruption and actions taken	There were no substantiated incidents of corruption this year.	-
GRI 206: Anti-competitive behavior (2016)			
206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	There were no legal actions for anti-competitive behavior, antitrust, and monopoly practices this year.	-
GRI 207: Tax (2019)			
207-1	Approach to tax	1.3 Business Performance and Risk Management	34
207-2	Tax governance, control, and risk management	1.3 Business Performance and Risk Management	34
207-3	Stakeholder engagement and management of concerns related to tax	1.3 Business Performance and Risk Management	34
207-4	Country-by-country reporting	1.3 Business Performance and Risk Management	34
Environmental Aspect		**Corresponding ESG Report Chapter and Description**	**Page(s)**
GRI 301: Materials (2016)			
301-1	Materials used by weight or volume	3.1.1 Green Packaging	65
301-2	Recycled input materials used	3.1.1 Green Packaging	65
301-3	Reclaimed products and their packaging materials	Recyclable packaging have been used this year, but the amount used has not been quantified	-

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General Disclosure		Corresponding ESG Report Chapter and/or Description	Page(s)
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	3.3.2 Energy Management	77
302-2	Energy consumption outside of the organization	Energy consumption outside of the organization is current unavailable	-
302-3	Energy intensity	3.3.2 Energy Management	77
302-4	Reduction of energy consumption	3.3.2 Energy Management	77
302-5	Reductions in the energy requirements of products and services	3.3.2 Energy Management	77
GRI 303: Water and discharged water (2018)			
303-1	Interactions with water as a shared resource	3.3.3 Water Resources Management	79
303-3	Water withdrawal	3.3.3 Water Resources Management	79
GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	3.3.2 Energy Management	78
305-2	Energy indirect (scope 2) GHG emissions	3.3.2 Energy Management	78
305-3	Other indirect (Scope 3) GHG emissions	Scope 3 greenhouse gas emissions that has not been examined	-
305-4	GHG emissions intensity	3.3.2 Energy Management	78
305-5	Reduction of GHG emissions	3.3.2 Energy Management	78
GRI 306: Waste (2020)			
306-1	Waste generation and significant waste-related impacts	3.3.4 Waste Management	79
306-2	Management of significant waste-related impacts	3.3.4 Waste Management	79
306-3	Waste generated	3.3.4 Waste Management	79
306-4	Waste diverted from disposal	3.3.4 Waste Management	79

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General Disclosure		Corresponding ESG Report Chapter and/or Description	Page(s)
306-5	Waste directed to disposal	3.3.4 Waste Management	79
GRI 308: Supplier environment assessment (2016)			
308-1	New suppliers that were screened using environmental criteria	Plan to incorporate suppliers environment evaluation criteria into self-report questionnaires in 2023.	-
308-2	Negative environmental impacts in the supply chain and actions taken		-

Social Aspect		Corresponding ESG Report Chapter and Description	Page(s)
GRI 401: Labor relations (2016)			
401-1	New employee hires and employee turnover	4.3.1 Diverse Recruitment Programs	91
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2.2 Employee Benefits Policy	87
401-3	Parental leave	4.2.2 Employee Benefits Policy	88
GRI 402: Labor Relations (2016)			
402-1	Minimum notice periods regarding operational changes	4.4.3 Harmonious Labor Relations	102
GRI 403: Occupational safety and health (2018)			
403-1	Occupational health and safety management system	4.4.1 Occupational Safety and Health Management	97
403-2	Hazard identification, risk assessment, and incident investigation	4.4.1 Occupational Safety and Health Management	97
403-3	Occupational health services	4.4.2 Occupational Health Promoting Activities	101
403-4	Worker participation, consultation, and communication on occupational health and safety	4.4.1 Occupational Safety and Health Management	97
403-5	Worker training on occupational health and safety	4.4.2 Occupational Health Promoting Activities	100
403-6	Promotion of worker health	4.4.2 Occupational Health Promoting Activities	101

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General Disclosure		Corresponding ESG Report Chapter and/or Description	Page(s)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.1 Occupational Safety and Health Management	98
403-8	Workers covered by an occupational health and safety management system	4.4.1 Occupational Safety and Health Management	97
403-9	Work-related injuries	4.4.1 Occupational Safety and Health Management	99
403-10	Work-related ill health	No employee passed away or were injured due to occupational diseases this year.	-
GRI 404: Training and education (2016)			
404-1	Average hours of training per year per employee	4.3.2 Professional Talent Cultivation Program	95
404-2	Programs for upgrading employee skills and transition assistance programs	4.3.2 Professional Talent Cultivation Program	94
404-3	Percentage of employees receiving regular performance and career development reviews	4.2.3 Performance Appraisal and Management	90
GRI 405: Employees diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	1.2 Corporate Governance and Ethical Corporate Management	28
405-2	Ratio of basic salary and remuneration of women to men	4.2.1 A Competitive Wage Policy	86
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 2022.	-
GRI 413: Local communities (2016)			
413-1	Operations with local community engagement, impact assessments, and development programs	Ch.5 A Caring Partner in Society	104

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General Disclosure		Corresponding ESG Report Chapter and/or Description	Page(s)
413-2	Operations with significant actual or potential negative impacts on local community	Ch.5 A Caring Partner in Society	104
GRI 414: Supplier social assessment (2016)			
414-1	New suppliers that were screened using social criteria	Plan to incorporate suppliers social evaluation criteria into self-report questionnaires in 2023.	-
414-2	Negative social impacts in the supply chain and actions taken		-
GRI 415: Public Policies (2016)			
415-1	Political contributions	There were no political donations in 2022.	-
GRI 416: Customer Health and Safety (2016)			
416-1	Assessment of the health and safetyimpacts of product and service categories	2.1.3 Product Review Mechanisms and Quality Assurance Standards	51
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.3.4 Legal Compliance	37
GRI 417: Marketing and labeling (2016)			
417-1	Requirements for product and service information and labeling	1.3.4 Legal Compliance 2.1.3 Product Review Mechanisms and Quality Assurance Standards	37 51
417-2	Incidents of non-compliance concerning product and service information and labeling	1.3.4 Legal Compliance	37
417-3	Incidents of non-compliance concerning marketing	1.3.4 Legal Compliance	37
GRI 418: Customer privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.3.4 Legal Compliance	37

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Comparison Table of the Sustainability Accounting Standards Board (SASB) Indicators

Topic	Code	Category	Accounting Metric(s)	Description	Page(s)
Hardware infrastructure energy and water management	CG-EC-130a.1	Quantitative	1. Total energy consumed, 2. percentage grid electricity, 3. percentage renewable energy	1. the total energy consumption was 57,986 GJ, 2. the percentage of grid electricity used was 68.5%, 3. the percentage of renewable energy used was 0%. Information on energy is available in 3.3 Green operations management.	77
	CG-EC-130a.2	Quantitative	1. Total water withdrawn, 2. total water consumed, percentage of each in regions with high or extremely high baseline water stress	1. The amount of water withdrawn at PChome in 2022 was 35.9 thousand cubic meters or 35,900 metric tons. 2. the total water consumption is currently unavailable, 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.	79
	CG-EC-130a.3	Discussion and Analysis	Discussion of the integration of environmental considerations into strategic planning for data center needs	To prevent the impacts of extreme weather events resulting in data corruption or loss, PChome data center adopts the following strategies to reduce environmental risks: 1. The power equipment of the IDC engine room manufacturers supply power using dual circuits. Power generators and UPS are installed, and they regularly conduct tests on power generators on a monthly basis. IDC service also acquire the international certification of "ISO/IEC 27001 Information Security Management" and NCC "ISO/IEC 27011 audit checklist for additional items" 2. Cloud service providers have enhanced business continuity and disaster recovery measures in place. In the event of any disruption, the system automatically transfers the data access rights smoothly to another data center. In the event of a power outage, the providers also have emergency backup power generators to support power supply.	-
Data privacy and advertising standards	CG-EC-220a.1	Quantitative	Number of users whose information was used for secondary purposes	0 households	-
	CG-EC-220a.2	Discussion and Analysis	Description of the policies and practices relating to behavioral advertising and user privacy	Details are available in 2.3 Reliable information security and protection	59

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Topic	Code	Category	Accounting Metric(s)	Description	Page(s)
Data security	CG-EC-230a.1	Discussion and Analysis	Description of the policies and practices relating to behavioral advertising and user privacy	Details are available in 2.3 Reliable information security and protection	56
	CG-EC-230a.2	Quantitative	1. Number of data breaches, 2. percentage involving personally identifiable information (PII), 3. number of users affected	(1) 0, (2) 0%, (3) 0 cases	-
Employee recruitment, inclusion, and performance	CG-EC-330a.1	Quantitative	Employee engagement as a percentage	4.4.3 Harmonious Labor Relations	103
	CG-EC-330a.2	Quantitative	(1) Voluntary and (2) Involuntary turnover rate for all employees	4.3.1 Diverse Recruitment Programs	92
	CG-EC-330a.3	Quantitative	Percentage of gender and race/ethnic group representation for (1) Management, (2) technical staff, and (3) all other employees	4.1 Professional Team Organization	84
	CG-EC-330a.4	Quantitative	Percentage of technicial employees who are H-1B visa holders	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	64
	CG-EC-410a.2	Discussion and Analysis	Discussion of strategies to reduce the environmental impact of product delivery	PChome launched the Green Shopping Program in 2019. PChome established green logistics fleets and introduced big data to determine the delivery route optimization, which further reduces fuel consumption and carbon emissions. The relevant strategies and performance are available in 3.1 Green Shopping Program.	64
Activity metrics	CG-EC-000.A	Quantitative	Enterprise-defined measures of user activity	PChome 24h has amassed 1.3 million members.	42
	CG-EC-000.B	Quantitative	Enterprise-defined measures of user activity	100,000 consumers are browsing online at the same time, and 4,000 orders are placed and paid every minute. Programming outsourcing: 0% Servers outsourcing: 50% of the services are set up using Google Cloud Platform (GCP)	-
	CG-EC-000.C	Quantitative	Number of product shipments	34,535,119 products have been delivered in 2022.	-

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External Verification

(Left column — PwC 資誠)

會計師有限確信報告

網路家庭國際資訊股份有限公司　公鑒：

本事務所受網路家庭國際資訊股份有限公司（以下稱「貴公司」）之委任，對　貴公司選定民國 111 年度永續報告書所報導之關鍵績效指標（以下稱「所選定之關鍵績效指標」）執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

標的資訊與適用基準

本確信案件之標的資訊係 貴公司上開所選定之關鍵績效指標，有關所選定之關鍵績效指標及其適用基準詳列於 貴公司民國 111 年度永續報告書第 118 頁之「確信項目彙總表」。 前述所選定之關鍵績效指標之報導範圍載於永續報告書第 3 頁之「報告書期間與範疇」段落說明。

管理階層之責任

貴公司管理階層之責任係依照適當基準編製永續報告書所選定之關鍵績效指標，且維持與所選定之關鍵績效指標編製有關之必要內部控制，以確保所選定之關鍵績效指標未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

本會計師係依循確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」，對所選定之關鍵績效指標執行確信工作，以發現前述資訊在所有重大方面是否有未依適用基準編製所須作修正之情事，並出具具有限確信報告。

本會計師依據上述準則所執行之有限確信工作，包括辨認所選定之關鍵績效指標可能發生重大不實表達之領域，以及對前述領域設計及執行程序。因有限確信案件取得之確信程度明顯低於合理確信案件所得者，就有限確信案件所執行程序之性質與時間與適用於合理確信案件者不同，其範圍亦較小。

本會計師係依據所辨認之風險領域及重大性以決定實際執行確信工作之範圍，並依據本委任案件之特定情況設計及執行下列確信程序：

- 對參與編製所選定之關鍵績效指標之相關人員訪談，以瞭解編製前述資訊之流程，以及依賴之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，對所選定之關鍵績效指標選取樣本進行包括查詢、觀察、檢查等測試，以取得有限確信之證據。

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
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(Second column — PwC 資誠)

此報告不對民國 111 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信。另外，民國 111 年度永續報告書中屬民國 110 年 12 月 31 日及更早期間之資訊未經本會計師確信。

會計師之獨立性及品質管理規範

本會計師及本事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，因此維持完備之品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

有限確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現所選定之關鍵績效指標在所有重大方面有未依適用基準編製而須作修正之情事。

其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何所選定之關鍵績效指標或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資誠聯合會計師事務所
會計師　梁華玲
中　華　民　國 112 年 7 月 14 日

(Third column — table)

No.	Item	Subject Matter Information	Applicable Criteria	Page
1	Consumption of energy	\<Table> Consumption of each type of energy in 2022 PChome's Consumption of energy in 2022 • Fuel usage (warehouse): Diesel 3,362 liters, Gas 13 liters • Fuel usage (fleet): Diesel 483,328 liters, Gas 35,138 liters • Office vehicles: Gas 733 liters • Purchased electricity: 11,028,216 kWh	Summary of the total usage of each energy (fuel usage (warehouse), fuel usage (fleet), office vehicles and purchased electricity) in 2022	p. 77
2	Weight of packaging materials of e-commerce	\<Table> Packaging materials PChome's weight of packaging materials of e-commerce in 2022 • Total weight of uncolored eco-friendly boxes: 3,627.25 metric tons • Total weight of eco-friendly tape: 36.32 metric tons • Total weight of plastic packaging used: 8.29 metric tons • Total weight of cushioning materials: 129.28 metric tons	Summary of the total usage of packaging materials in 2022	p. 65
3	Violation of social and economic regulations	\<Table> Violation of social and economic regulations in 2022 • Violation of regulations regarding marketing communications (including advertisements, promotions, and sponsorships): 21 cases • Violation of regulations regarding the information labeling of products and services: 24 cases • Violation of regulations regarding the health and safety of products and services: 109 cases	Significant monetary penalties and non-monetary sanctions result from non-compliance with social and economic regulations in 2022: Labor Standards Act, Personal Data Protection Act, Cosmetic Hygiene and Safety Act, Act Governing Food Safety and Sanitation, Health Food Control Act, Medical Devices Act, Commodity Labeling Act, Labeling Criteria for Apparel and Garments, Labeling Criteria for Toy Goods, Pharmaceutical Affairs Act, Fair Trade Act and Labeling Criteria for Electrical Appliances and Electronic Goods	p. 37

(Fourth column — table)

No.	Item	Subject Matter Information	Applicable Criteria	Page
		• Violation of the Labor Standards Act: 0 case • Violation of the Personal Data Protection Act: 0 case		
4	Total training hours of employees	\<Table> Total training hours and average training hours • PChome's total training hours in 2022: 18,394.3 hours	Summary of total training hours of employees in 2022	p. 95
5	Violation of Labor Occupational Accident Insurance and Protection Act	\< Table > Violation of labor related regulation in 2022 • Violation of the Labor Occupational Accident Insurance and Protection Act: 0 case	Significant monetary penalties and non-monetary sanctions result from non-compliance with the Labor Occupational Accident Insurance and Protection Act in 2022	p. 37