ONLINE
PChome

2023

SUSTAINABILITY REPORT

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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 2023. 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 (GRI 2-5)

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 (GRI 2-2)

This Report presents PChome Online's sustainability-related achievements and performance for the year 2023 (from January 1, 2023, to December 31, 2023) 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.

Publication Overview (GRI 2-3)

- First edition: July, 2021
- Previous edition: July, 2023
- Current edition: August, 2024
- Upcoming edition: July, 2025

Internal Audits (GRI 2-14)

- 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

Contact (GRI 2-3)

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

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PChome Sustainability Section
https://corp.pchome.tw/corporate-social-responsibility/

Message from the Management (GRI 2-22)

A Word from the Chairman

2023 was an extremely challenging year for PChome. As the dividends of the pandemic dissipated, the overall e-commerce industry gradually returned to its mid-to-long-term development track. At the same time, we also accelerated the pace of reform and transformation. Facing the changes in the overall environment, PChome still adheres to the core philosophy of "committed to innovation and value creation," emphasizes the core value of "customers first," and focuses on actively and fundamentally strengthening its operating structure, reshaping its brand image, optimizing the shopping experience, and improving operational efficiency. Despite the challenges of transformation, PChome remains committed to ESG and continues to carefully review and propose improvement plans in three major aspects: corporate governance, environmental protection, and social responsibility. We have also incorporated the concept of sustainability into our business strategies. We will continue to respond positively to all stakeholders' concerns.

The ESG Sustainable Development Committee Continues to Operate and Strengthen Corporate Governance for Sustainability

PChome established the "ESG Sustainable Development Committee" in 2022, in which the CEO serves as the chairman of the committee. We also established the ESG Task Force and built a cross-departmental "Governance and Responsibility Team," "Environmental Protection and Energy Conservation Team," and "Employee and Social Care Team," which are responsible for the planning and implementation of various sustainable development projects. Team members also incorporate ESG work goals into the performance evaluation of each department, review progress on a monthly basis to timely monitor the progress of the Company's ESG strategy, and strengthen employees' recognition of the Company's sustainability strategy.

Establishing the "PChome Love Charity" Platform to Support Disadvantaged Groups with Action

We have dedicated long-term efforts to social welfare and continue to pay attention to issues related to disadvantaged groups. We created the new "PChome Love Charity" platform. Currently, we have invited 8 charity groups to join the platform, covering physical and mental disabilities, seniors, teenagers, disadvantaged women and children, people with burns and facial injuries, environmental protection, and animal protection. Through bridging love and compassion, we align the public's goodwill with the needs of social welfare groups, leveraging our brand reputation and portal website traffic, gathering information on the donations of funds, supplies, and charity products from public welfare groups on the platform, and encouraging the public to jointly respond to and care for disadvantaged groups. The initiative aims to integrate charitable deeds into our daily lives and make real changes in society.

Improving Sustainable Operations and Corporate Governance to Realize Mutual Benefit with Stakeholders

PChome implemented the Taiwan Intellectual Property Management System (TIPS) in 2020. In addition to being awarded a certificate for passing Level A certification from the Industrial Development Bureau, Ministry of Economic Affairs in 2022, the Company passed the re-inspection at the end of the year. At the end of 2023, the Company also passed the sampling inspection, maintaining TIPS A-level certification. We maintained our performance in the second bracket of the Corporate Governance Evaluation in 2023, which shows that we attach great importance to intellectual property management and corporate governance. Our sustainability actions were also recognized with the Sustainability Report Gold Award at the 16th TCSA. Moving forward, we hope to utilize company resources more effectively, improve operational efficiency, and improve social welfare, while enhancing our competitiveness.

Strengthening Stakeholder Engagement to Jointly Engage in Sustainable Development

To protect the rights and interests of stakeholders, PChome established an effective corporate governance framework with regulations in place to protect the rights and interests of shareholders. We strengthen the functions of the Board of Directors, give full play to the functions of the Audit Committee, respect the rights and interests of stakeholders, and improve information transparency. We also established smooth communication channels and properly handled matters based on the principle of good faith. We also prepared ESG speaking notes on topics of concern to all stakeholders, in order to better understand the Company's ESG practices and encourage stakeholders to support PChome's philosophy and jointly engage in sustainable development.

Looking forward, PChome will prioritize returning revenue and profitability on track to growth, and also step up existing sustainable development strategies and scale of actions, in hopes of using ESG to build corporate resilience, implement sustainable development, and deepen relationships with stakeholders. We will gather positive forces to jointly contribute to environmental sustainability, social welfare, and economic prosperity, and create value for society. At the same time, PChome remains strongly committed to becoming a trustworthy and reliable partner in customers' daily lives.

PChome Online Inc.

Chairman

A Word from the CEO

After the pandemic restrictions were lifted in 2023, there were noticeable changes in the lifestyle and consumption behavior of the people. Consumers began to spend more time outdoors, shop in physical stores, and increase their spending on leisure and travel activities. This had a great impact on the e-commerce industry. In addition, the demand for consumer electronics became saturated after the pandemic, and suppressed the growth momentum of the overall e-commerce industry. PChome adheres to the core philosophy of "customers first, becoming a part of daily life." Besides actively launching innovative and differentiated services through strategic cooperation and alliances, PChome also continues to expand the application scenarios of its FinTech services, enhancing the diversity of cross-border e-commerce products and breadth of services to expand the synergistic integration of subsidiary resources. Additionally, we launched the "Linkou A7 Intelligent Logistics Park," the industry-first smart logistics park in Taiwan that introduces AI technology and fully automated warehousing equipment at the highest density. Meanwhile, we are expanding third-party warehousing services to provide the e-commerce industry with high-quality warehousing enablement solutions.

Continuously Launching Innovative Services to Reshape Customers' Brand Awareness

PChome actively optimizes the user experience and continues to launch innovative and differentiated services through strategic alliances, in hopes of bringing perceivable changes to consumers. In 2023, we partnered with SHIFU to jointly launch the offline "PChome 24 Shopping Installation Service Center," allied with Chunghwa Telecom to launch the "Hami Point redemption plan," and cooperated with its subsidiary e-Insure Inc. to launch the "Home Appliance Safety Insurance," the first such service provided by a large-scale comprehensive e-commerce company, which allows consumers to extend their warranty by up to three years. We also cooperated with 7-ELEVEN to provide consumers with the "large packaging material pickup service" with more flexible and convenient delivery options. PChome Express has expanded its scope of delivery services to cover 68 administrative districts in 9 counties and cities in Northern, Central, and Southern Taiwan, and continues to optimize the logistics service experience. We revised the brand image of BOXMAN to reshape consumers' brand awareness, and launched BOXMAN toilet paper, implanting the brand image into consumers' daily lives. At the same time, we are accelerating continuous reforms, such as optimizing mobile app user experience and redesigning the user interface, focusing on elevating the consumers' journey from browsing, searching, shopping, to checkout, making "perceivable changes" in the user experience.

Insisting on Responsible and Sustainable Product Selection to Deliver Sustainability and Circular Value

As Taiwan's first large-scale comprehensive e-commerce platform to implement the concept of "green shopping," PChome continues to optimize product selection strategies and the scale of green products. We partnered with the Small and Medium Enterprise Administration and the Ministry of Economic Affairs to promote Buying Power Store, which has supported more than 50 local high-quality social innovation brands in Taiwan. We opened a green product hall in 2023, and the two halls currently have gathered more than 10,000 sustainable products with organic certification, natural, plastic reduction, and energy-saving/water-saving labels. We hope to jointly create economies of scale for green products together with consumers and suppliers, and embrace a new lifestyle of green and sustainable consumption.

Creating a Green Shopping Living Circle and Realizing a Green Circular Economy

As Taiwan's leading online shopping brand, PChome adheres to the United Nations Sustainable Development Goals (SDGs) and adopts the "Green Shopping Living Circle" as the sustainable development strategy. We use the consumer shopping journey as the core concept. From the "Green Packaging" and "Green Payment" during consumption, to "Green Warehousing" and "Green Logistics" for delivering products to consumers, we are committed to providing consumers with high-quality services while also aiming to maintain environmental sustainability. We thus launched the following four major action policies to realize our commitment to sustainability. First, we continue optimizing packaging material strategies actively in coordination with the "Online Shopping Packaging Reduction Program" launched by the Ministry of Environment. Since paper boxes were redesigned in August 2023, paper boxes are all made of more than 90% recycled pulp. The printed area was reduced from 50% to 40% of the total box surface area. The tape is also made of eco-friendly materials instead of PVC, and includes a 25% blend of recycled plastic materials. It has been awarded the Ministry of Environment Online Shopping Packaging Reduction Label 2.0. At the same time, the most suitable paper box for shipping is recommended by the box number recommendation system. We began combining products from different warehouses into the same box, and established the optimal shipping warehouse distribution system and the multi-warehouse consolidation system. We increased the proportion of shipments using the original box to gradually reach the goal of "changing large boxes into small boxes, and combining two boxes into one box." Second, all floors of the "Linkou A7 Intelligent Logistics Park" began operation in October 2023. It reduces energy consumption and manpower and achieves a lights-off warehouse with the help of AGVs through automation and AI, order picking optimization, inventory pre-positioning, storage location allocation optimization, smart picking, and packaging optimization. Third, through the energy management strategy, PChome Express shares fleets with peers, in order to effectively utilize the remaining transportation capacity of peers without increasing the number of electric vehicles, leading the formation of a green distribution network. Fourth, we continue to promote paperless operations and actively introduce electronic contracts with suppliers. At present, nearly 60% of current suppliers have signed new contracts online, successfully reducing paper consumption and environmental impacts.

As the world becomes growingly concerned about sustainability, PChome, as the leading e-commerce brand in Taiwan, will continue to actively support ESG initiatives. Adhering to the core concept of "customers first, becoming a part of daily life," we are actively seeking groundbreaking cooperation opportunities, and are committed to making consumers, suppliers, partners, and the general public feel a "perceivable change" toward sustainability.

PChome Online Inc.

CEO

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

- 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)

2021

- 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

2023

- Awarded the ''EPA - E-Commerce Packaging Reduction Label 2.0''
- Won the ''2023 16th TCSA Taiwan Corporate Sustainability Awards – Sustainability Report Category – Trade and Department Stores – Class 1 Gold Level''
- Received the ''Ministry of Transportation 2023 Investment Contribution Award'' at the Annual Investment Conference

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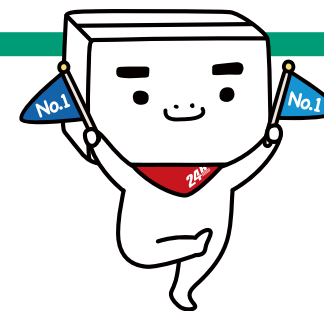
Sustainable Partnerships

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

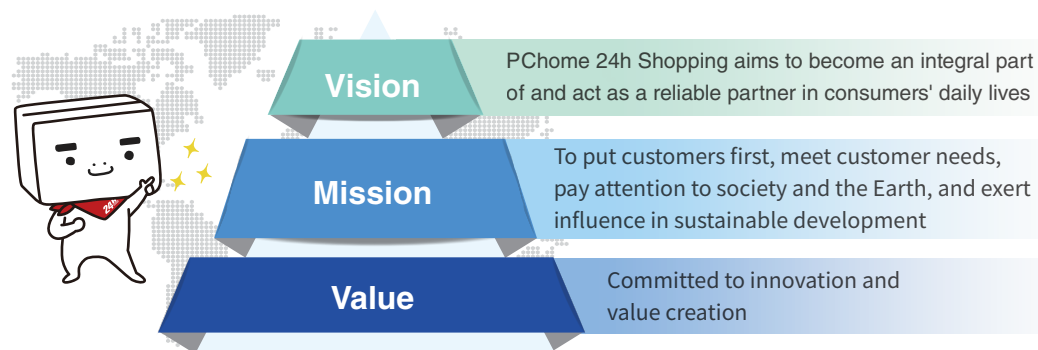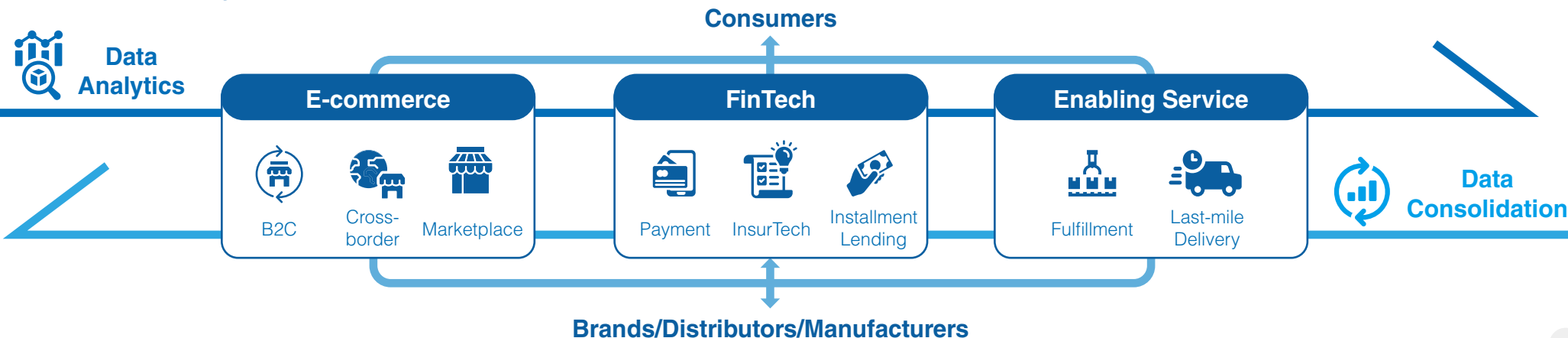PChome firmly believes that every entity in the greater community is a stakeholder. Our operations are dependent on the well-being of every person. In line with the United Nations Sustainable Development Goals (SDGs), PChome actively leverages the influence of e-commerce platforms to not only meet customer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

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.

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

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

Value — Committed to innovation and value creation

PChome Sustainability Value Chain

Consumers

Data Analytics

E-commerce
- B2C
- Cross-border
- Marketplace

FinTech
- Payment
- InsurTech
- Installment Lending

Enabling Service
- Fulfillment
- Last-mile Delivery

Data Consolidation

Brands/Distributors/Manufacturers

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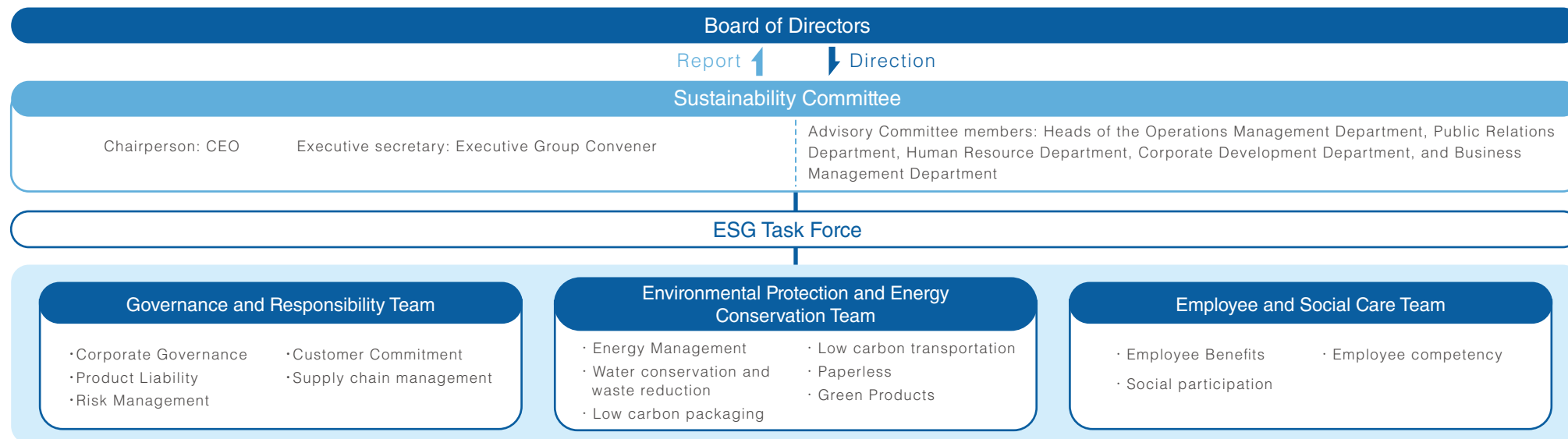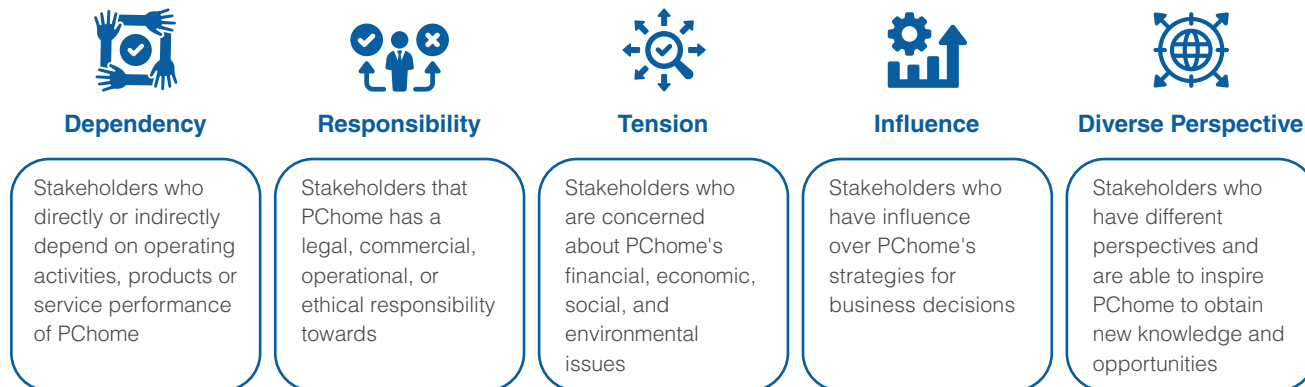
Sustainable Promotion Framework (GRI 2-12, GRI 2-13)

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 once a year, and urges the team to make strategy adjustments and provides resources when necessary.

Board of Directors

Report ↑ | Direction ↓

Sustainability Committee

Chairperson: CEO | Executive secretary: Executive Group Convener | Advisory Committee members: Heads of the Operations Management Department, Public Relations Department, Human Resource Department, Corporate Development Department, and Business Management Department

ESG Task Force

Governance and Responsibility Team
- Corporate Governance
- Product Liability
- Risk Management
- Customer Commitment
- Supply chain management

Environmental Protection and Energy Conservation Team
- Energy Management
- Water conservation and waste reduction
- Low carbon packaging
- Low carbon transportation
- Paperless
- Green Products

Employee and Social Care Team
- Employee Benefits
- Social participation
- Employee competency

Stakeholder Engagement

(GRI 2-29, GRI 3-3)

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

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Stakeholder	Importance to PChome	Material Issues of Concern		Means of Communication	Frequency of Communication	Number of Communications and Outcomes in 2023	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 • Ch3 A Green Partner for the Environment
				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 a contact officer and email for government units in the stakeholder section of our website	Occasionally	Occasionally	
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 • Customer Safety and health/Product and service quality management	• Sustainable Procurement • Climate and Sustainability Action • Eco-friendly Packaging • Green Warehousing and Logistics • Waste and Recycling	Customer hotline	Immediate	Occasionally	• Sustainable Partnerships • Ch1 A Sincere Partner in Governance • 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	Immediate	Occasionally	
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 activities	• 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	3 activities	
				Announcements of exclusive employee benefits	Occasionally	14 announcements	
				Double 11 encouragement meeting	Annually	1 activity	
				Management meetings	Occasionally	Occasionally	
				Employee email	Immediate	Immediate	

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Stakeholder	Importance to PChome	Material Issues of Concern		Means of Communication	Frequency of Communication	Number of Communications and Outcomes in 2023	Responses and Actions
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	130 announcements	
Media	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	• Stainable 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 80 announcements	
				Media response	Occasionally	More than 64 responses	
				Media communication/Press conferences (online and in-person)	Occasionally	10 sessions	
				Media interviews (including but not limited to media interviews, special reports, and public forums)	Occasionally	26 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		Donate supplies, establish the, "PChome Love Charity Platform" and hold Taichung Central Bookstore's Wednesday Reading Club (online or off-line)	Occasionally	Occasionally	• Sustainable Partnerships • Ch2 An Innovative Partner in Retailing • Ch3 A Green Partner for the Environment • Ch5 A Caring Partner in Society

(GRI 2-16, GRI 2-25)

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 2023 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 2023 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.
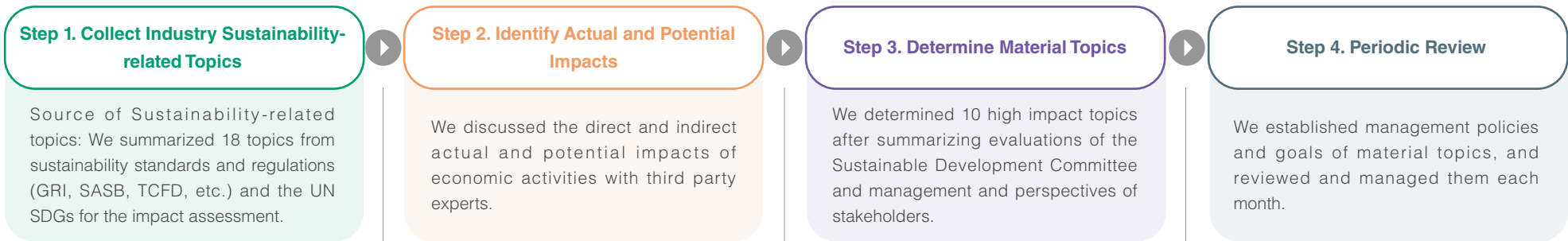
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Material news events and responses of PChome in 2023 are as follows.

Description of News Event	Case Description	Stakeholders That Are Affected	Response and Handling Method	Was the Case Closed
At the end of June 2023, amid the "#metoo" movement, the Company's PChome 24h Shopping had inappropriate posts citing current events as creative content on social media, which triggered discussions among netizens and resulted in negative reports in many media. Complaints related to illegal workplace violations were even linked to the resignation of the human resources director at the time, during which news reports appeared that were completely inconsistent with the facts.	• In response to the inappropriate post on social media on June 30, the responsible social media marketing director issued an apology on behalf of the Company on the social media. • In response to complaints about workplace misconduct, the Company first made an internal announcement to solemnly reiterate the Company's zero-tolerance for workplace misconduct. At the same time, the Company held an extraordinary internal staff meeting to explain the Company's position and regulations to all employees. • In response to some media reports linking the resignation of the human resources manager to incidents of workplace misconduct, the Company clarified the matters one by one.	Employees, customers, shareholders and investors, media	【To Employees】 Made an internal announcement and held a staff meeting to explain the incident to employees 【To customers/media/shareholders and investors】 • Apologized publicly on social media platforms • Forwarded the apology to the official social media account of media • Proactively issued a statement to explain the incident to the media • Clarified fake news reports and requested that they make corrections • Continued to follow up on news reports.	Yes
In the evening of August 1, 2023, a fire broke out in a small external warehouse rented by the Company's subsidiary PChome Express on Huzi Rd., Linkou District, New Taipei City. As soon as the incident occurred, many news media reported that "A fire broke out in a warehouse of PChome Express in Linkou" without contacting the Company for verification. There were even rumors that the fire was at "PChome Express Linkou A7 Logistics Center," a major investment of PChome Express in recent years.	• In the evening of August 1st, we immediately contacted all news media to solemnly clarify that the location of the fire was not the PChome Linkou A7 warehouse, and we sincerely requested the media to correct it and refrain from erroneous reporting. We also explained that the location of the fire was a small 1,000 ping external warehouse rented by subsidiary PChome Express. There were no staff on site and everyone was safe. • We made a material information announcement in the morning of August 2nd, stating that the amount of goods shipped from the external warehouse accounted for approximately 0.6% of the Company's revenue. Most of the goods were toilet paper and did not have a significant impact on operations. The Company has relevant property insurance and other warehouses were activated in response, so the purchase orders of customers will not be affected. The origin of the fire and the real cause of the fire are yet to be investigated and identified by the fire-fighting unit. The Losses will be investigated and insurance claims will be filed in the future.	Employees, suppliers, shareholders and investors, media, communities	【To Employees】 Made an internal announcement to explain the incident to employees 【To Suppliers】 Issued a statement on the incident to suppliers 【To Communities】 Visited and expressed condolences 【To customers/media/shareholders and investors】 • Clarified fake news reports and requested that they make corrections • Proactively issued a statement to explain the incident to the media • Made a material information announcement and forwarded it to the media • Continued to follow up on news reports.	Yes

Material Topic (GRI 3-1)

PChome followed the four stages of the materiality identification process set out in the latest GRI Standards (2021). We comprehensively considered the relevance of topics to operations and major business policies, 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	Step 2. Identify Actual and Potential Impacts	Step 3. Determine Material Topics	Step 4. Periodic Review
Source of Sustainability-related topics: We summarized 18 topics from sustainability standards and regulations (GRI, SASB, TCFD, etc.) and the UN SDGs for the impact assessment.	We discussed the direct and indirect actual and potential impacts of economic activities with third party experts.	We determined 10 high impact topics after summarizing evaluations of the Sustainable Development Committee and management and perspectives of stakeholders.	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 topics.

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	• Waste and Recycling • Eco-friendly Packaging • 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	• Occupational Safety and health • Employees Diversity and Equal Opportunity • Community Engagement • 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	• Corporate Governance and Compliance • Business Performance and Operational Risks • Tax Governance • Intellectual Property Management • Information Security and Customer Privacy • Supplier Management	• Customer Health and Safety • Product and Service Quality Management • Responsible Marketing • Sustainable Procurement • Responsible Marketing • Sustainable Procurement

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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 (GRI 3-2)

PChome has ranked sustainability-related topics based on their degree of impact as follows. In 2023, the Sustainable Development Committee submitted the topics to the CEO for review. The 10 topics with the most significant impact approved in 2022 continued to be listed as material topics. "Product and Service Innovation" was merged into the material topic "Customer Health and Safety/Product and Service Quality management."

Results of the Material Topic Assessment

Degree of Impact

Score
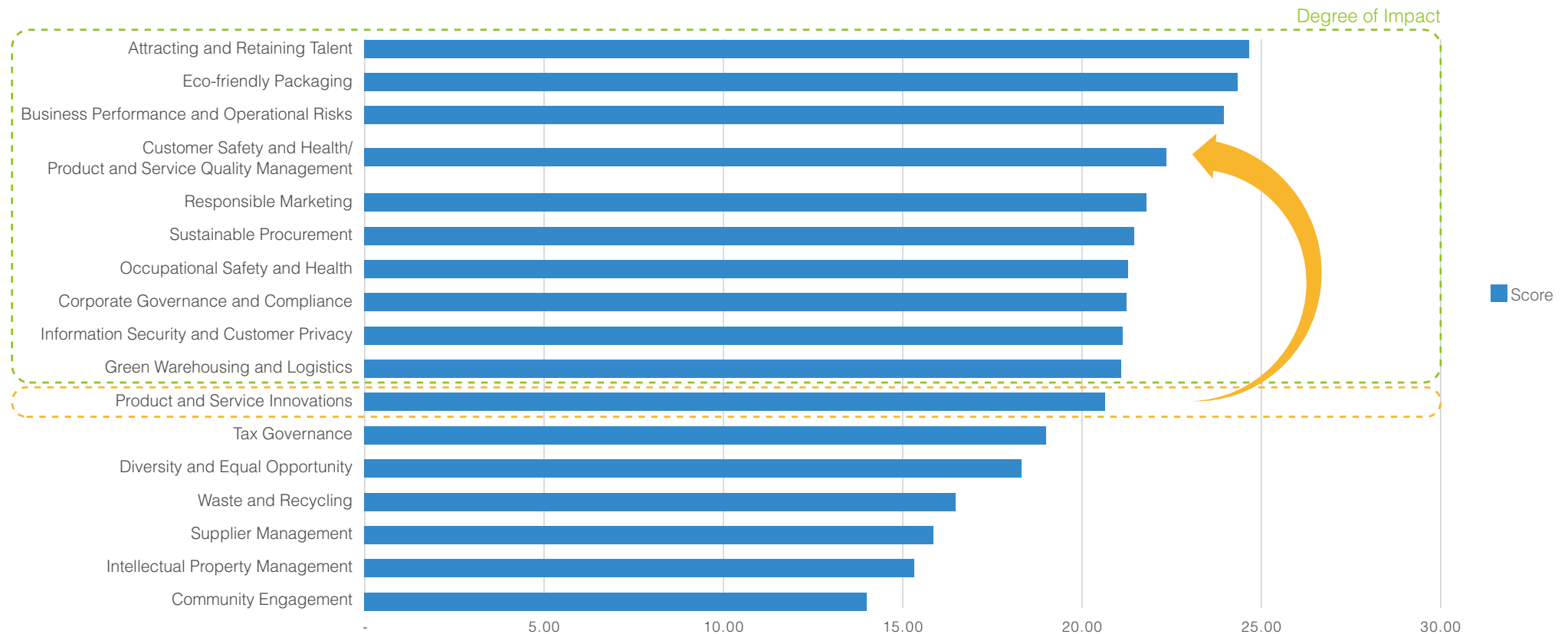
Impact and Boundaries of Material Topics

Material Topic	Scope of Impact and Degree of Involvement							
	Internal		External					
	PChome	Employees	Customers	Government organizations	Suppliers	Shareholders/ Investors	Media	Communities/ NPOs
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/Product and Service Innovations	●		▲		▲	●	○	
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 (GRI 3-3)

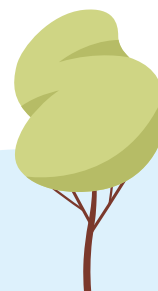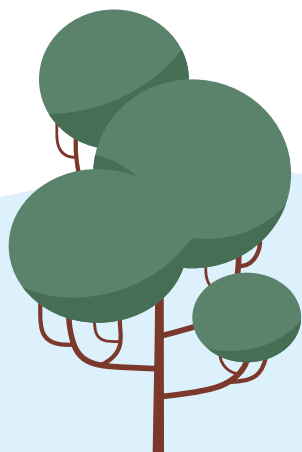| Aspect	Topics	Description of Impact	Corresponding Chapter
Environment	Eco-friendly Packaging	The use of suitable packaging materials not only ensures product safety, but also saves space and resources. In addition to creating a high-quality consumer experience, we can also improve the brand's reputation. Excessive packaging often leads to a waste of resources and increases the environmental and social costs of waste disposal. As an online shopping e-commerce company, PChome shoulders its corporate social responsibility. Our mission is to reduce resource waste in the consumption process. Therefore, we actively promote eco-friendly green packaging solutions. More than 90% of packaging materials are made from recycled waste paper, and we use big data technology to select the optimal box, in order to create circular economy benefits and reduce the negative impact on the environment.	3.1.1 Green Packaging
	Green Warehousing and Logistics	Traditional warehousing has low work efficiency and energy efficiency, which not only increases operating costs, but also increases carbon emissions, and has a negative impact on the environment. Traditional logistics uses traditional transportation tools with numerous routes and involves many details, resulting in considerable carbon emissions. PChome has developed a smart warehousing system and its own logistics fleet to provide immediate and reliable services. 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 System 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
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/ Product and Service Innovations	PChome as a large e-commerce platform, it is our unshirkable 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. In addition to establishing internal control processes, we are also committed to monitoring external rating mechanisms (Google Map reviews, App Store reviews, Google Play reviews). We established a product rating mechanism on our website to diversify customer communication channels and allow excellent products to be more easily seen by consumers. As a large-scale comprehensive e-commerce platform, PChome is responsible for providing consumers with a new, convenient, and trustworthy browsing process and digital experience, and has thus improved the search experience on its website. A good shopping experience can improve marketing efficiency, increase website benefits, and achieve more precise marketing strategies. Failure to continuously optimize related services and pay attention to user experience may lead to the loss of customers, a decrease in customer satisfaction, or even a reduction in overall sales, resulting in significant losses.	2.1 Comprehensive High Quality Products Purchase 2.2 Thoughtful Shopping Experience

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Aspect	Topics	Description of Impact	Corresponding Chapter
Governance	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, enhance long-term competitiveness, and meet investors and consumers' expectations for corporate responsibility.	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	As a major e-commerce and online shopping platform, our ability to manage information is the core of our business. Information security is a topic that cannot be overlooked by an e-commerce platform. PChome has invested vast efforts and resources to build a stable and reliable system environment, and is committed to providing consumers with a reliable and safe shopping experience. 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
	Sustainable Procurement	In line with the topic of carbon footprint reduction, PChome actively develops its own products and converts procurements of daily consumables to its own products. In addition to achieving the goal of reducing carbon footprint, it also provides consumers with higher quality and eco-friendly products.	2.1.2 Responsible and Sustainable Shopping

Aspect	Topics	Policy	2023 Goal Attainment	Short-term Goals (2024)	Mid-term Goals (2025-2026)	Long-term Goals (2027-2028)
Environment	Eco-friendly Packaging	• Offer multiple types of boxes and introduce an optimal package specification mechanism, and reduce the weight of boxes for heaving products that do not require boxing to comply with government regulations	• Replace 90% and above of existing delivery boxes with those made of recycled pulp **(Achieved)** • 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% **(Achieved)** • The amount of packaging used is classified by product weight to meet the weight ratio specification of 15-40% **(Achieved)** • Lowering the printed area of paper boxes to 40% of the total surface area **(Achieved)** • Used eco-friendly packaging materials that contain recycled materials equal to 25% **(Achieved)** • Deliveries using original boxes account for 5% of overall deliveries **(Achieved)**	• 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 equal to 30% • Deliveries using original boxes account for 8% of overall deliveries. Weight reduction ratio of packaging materials decreases 25% compared with the baseline year	• 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% 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 15% of overall deliveries • Weight reduction ratio of packaging materials decreases 35% compared with the baseline year

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Aspect	Topics	Policy	2023 Goal Attainment	Short-term Goals (2024)	Mid-term Goals (2025-2026)	Long-term Goal (2027-2028)
Environment	Green Warehousing and Logistics	• The construction of a shipping weighing system complies with ESG regulations of the Ministry of Environment, reducing unnecessary waste of packaging and cushioning materials, thereby improving the efficiency of cargo transportation	• 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 tons per year **(not achieved, electric scooters were not purchased in 2023 due to strategy adjustments)** • Inspecting and managing the fleet's energy efficiency (fuel consumption) and eliminating defective vehicles **(Achieved)** • Effectively integrating shipments through automated warehousing to reduce the number of packages delivered **(Achieved)** • Increasing shipments from automated warehousing to 65% **(not achieved, shipments from automated warehousing accounted for 30% in 2023)**	• Effectively integrating shipments through automated warehousing to reduce the number of packages delivered • Increasing shipments from automated warehousing to 65% • Inspecting and managing the fleet's energy efficiency (fuel consumption), eliminating defective vehicles, and regular maintenance at the original manufacturer at fixed locations	• Properly utilize storage space resources to serve other e-commerce companies, sharing resources to reduce waste • Average energy consumption per ping of warehouse decreases 10% compared with the previous year • Increasing shipments from automated warehousing to 70% • Improving truck utilization based on delivery loads, enhancing each load's efficiency, and reducing the number of deliveries and mileage	• 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 decrease 5% compared with the previous year • Increasing shipments from automated warehousing to 80% • Expanding cooperation with logistics service providers that actively support the green energy and environmental protection policy through supplier engagement
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. **(Achieved)**	• Optimizing 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 in the Dun Nan office • Warehouses hold monthly safety meetings for supervisors and cadre members, and supervisors and cadre members are invited to communicate matters with their subordinates	• Planning a project to implement ISO 45001 Occupational Safety and Health Management System **(Achieved)** • Implementing employee health management every year in accordance with laws and regulations to prevent the occurrence of occupational illness. **(Achieved)** • Managing security risks to create a safe work environment. **(Achieved)** • Irregularly organizing health promotion activities. **(Achieved)**	• Hiring a consulting company to assist in the establishment of an ISO45001 occupational health and safety management system • Continuing to maintain management system operations • 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	• Maintaining effective operation of the 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	• 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

Aspect	Topics	Policy	2023 Goal Attainment	Short-term Goals (2024)	Mid-term Goals (2025-2026)	Long-term Goal (2027-2028)
Governance	Business Performance and Operational Risks	• Focus on fundamentally adjusting the operational structure, reshaping the brand image, optimizing the shopping experience, and improving operational efficiency; uphold the core value of "users first" and strive to make consumers and partners feel a "perceivable change" • Actively integrating the group's resources, combining advantages and resources of the existing open ecosystem platform, creating group synergies, continuing to launch innovative services, developing into an online business closely related to the daily life of consumers around Taiwan, and becoming a competitive e-commerce company	• 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 **(Achieved)** • PChome has reformed structural issues over the years in response to the criticism and expectations of consumers • Consolidate leadership in the 3C home appliances market and strengthen daily necessities **(Achieved)** • Actively launch innovative functions and differentiated services that meet consumer needs through strategic alliances and cross-border cooperation. **(Achieved)** • Continue to accelerate the optimization of the user interface and actively upgrade the user experience on mobile terminals **(Achieved)** • Focus on membership management and increase the percentage of active users, reshape the brand image to increase the share of mind among consumers, and strengthen supplier relationships **(Achieved)** • Focus on the continuous optimization of product sales composition, gross profit structure, and marketing and management expenses **(Achieved)**	• 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 has reformed structural issues over the years in response to the criticism and expectations of consumers • Consolidate leadership in the 3C home appliances market and strengthen daily necessities • Actively launch innovative functions and differentiated services that meet consumer needs through strategic alliances and cross-border cooperation. • Continue to accelerate the optimization of the user interface and actively upgrade the user experience on mobile terminals • Focus on membership management and increase the percentage of active users, reshape the brand image to increase the share of mind among consumers, and strengthen supplier relationships • Focus on the continuous optimization of product sales composition, gross profit structure, and marketing and management expenses	• Continue to strengthen operational capabilities and strive to put revenue and profits back on track for growth • Actively strengthen the planning and implementation of ESG sustainability strategies, and continue to improve the Green Shopping Program • Continue 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 • Continue step up efforts in sustainable development to become a competitive company in the long-term

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Aspect	Topics	Policy	2023 Goal Attainment	Short-term Goals (2024)	Mid-term Goals (2025-2026)	Long-term Goal (2027-2028)
Governance	Customer Safety and Health/ Product and Service Quality Management/ Product and Service Innovations	• 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; Irregularly conduct random inspections of items rated lower than three stars to ensure that problems reported by customers are properly handled and defective products are immediately removed from the shelves • Ensure that reviews related to the Company and products are truly presented, and also provide customer service and product consultations based on the content of the reviews • Establish a vendor complaint mechanism. When there is a malicious review, the vendor can file a complaint internally If verified to be true, the review will be removed • Pay attention to the voice of consumers and proactively review and improve existing website functions and service deficiencies	**Inspecting warehoused goods**			
			• Calculating product validity systematically, designating product acceptance periods, and keeping tabs on product validity **(Achieved)** • Recalling defective goods **(Achieved)**	• 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 **(Achieved)** • Enhancing the inspection of products from these manufacturers **(Achieved)** • Reinforcing the dust protection of warehoused goods **(Achieved)**	• 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 **(Achieved)** • Complying with the responsibilities and obligations stated in contracts and agreements **(Achieved)** • Identifying a list of manufacturers with a high rate of abnormal product delivery and mitigating these occurrences through guidance and management **(Achieved)**	• 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
			Monitor external rating mechanisms			
			• This is the first year that the target was set, so it is not applicable	• Strive to improve the system and provide friendly reminders for consumers to utilize the comments section	• Encourage reviews and provide incentives for consumer reviews	• Increase the exposure of high-quality products based on ratings
			Product and service innovations			
			• This is the first year it was listed as a material topic, so it is not applicable	• Pay attention to the voice of consumers and proactively review and improve existing website functions and service deficiencies	• Utilize the latest technology to provide consumers with the highest quality and most convenient innovative services	• Improve customer satisfaction, increase the overall value of the website, and improve brand image

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Aspect	Topics	Policy	2023 Goal Attainment	Short-term Goals (2024)	Mid-term Goals (2025-2026)	Long-term Goal (2027-2028)
Governance	Responsible marketing	• Educate employees about the purchase of goods and monitor warehoused goods • Return abnormal or non-conforming products via return goods/ return purchase to the vendor for examination.	**Monitoring warehoused goods**			
			• Suppliers are requested to possess complete identification information for inspection by warehouse staff **(Achieved)** • Warehoused goods must be fully labeled and their contents disclosed in accordance with relevant regulations **(Achieved)** • Keeping abreast of regulations and making immediate revisions to in-service training manuals on goods warehousing **(Achieved)** • Prohibiting the sale of illegal goods **(Achieved)** • 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 **(Achieved)** • Calculating product validity systematically, designating product acceptance periods, and keeping tabs on product validity **(Achieved)** • Prohibiting the entry of illegal products into warehouses **(Achieved)**	• 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 and prohibiting the entry of illegal products into warehouses • 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 • Establish a green/eco-friendly products section • Add a product review function to increase interaction between suppliers and consumers	• 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 • Regularly return goods that are slow-selling/about to expire/abnormal to maintain a healthy inventory • Add a product review function to the product webpage to provide consumers with the ability to evaluate and select the right product and reduce returned goods.	• Guaranteeing 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 **(Achieved)** • Creating a keyword retrieval system to sustain the accuracy of documents **(Achieved)** • Assigning employees to manage the keyword retrieval system **(Achieved)**	• 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 **(Achieved)** • In line with Earth Hour, the Portal and PChome 24h home pages were "darkened" **(Achieved)**	• Continuously updating the DXBV store page • In line with Earth Hour, the Portal and PChome 24h 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	2023 Goal Attainment	Short-term Goals (2024)	Mid-term Goals (2025-2026)	Long-term Goal (2027-2028)
Governance	Corporate Governance and Compliance	• Regularly provide employees with training and testing them after class • Regularly update the Legal Office's "Latest Laws and Regulations" and "Legal News" webpages, and disseminate the latest regulatory changes by various competent authorities to employees via e-mail • In response to changes in regulations or adjustments to the Company's policies, the standard contract will be revised accordingly • Assist in reviewing the compliance of newly launched businesses • Continue to pay attention to laws and regulations enacted and changed by the government and competent authorities	**Improving and maintaining our corporate governance evaluation ranking** • Improving governance results and maintaining ranking **(Achieved)**	• 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 **(Achieved)**	• Maintaining the "Excellent" rating of board performance in evaluations		
			Maintaining the attendance rate of directors • Maintaining attendance of 2/3 and above **(Achieved)**	• 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 **(Achieved)**	• 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 **(Achieved)**	• 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	• Strengthening our employees' awareness of legal compliance and internalizing this awareness into the Company's legal compliance culture, thereby reducing its risk of illegal operations

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Aspect	Topics	Policy	2023 Goal Attainment	Short-term Goals (2024)	Mid-term Goals (2025-2026)	Long-term Goal (2027-2028)
Governance	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 **(Achieved)**	• 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 **(Achieved)**	• Maintaining 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% **(Achieved)**	• Maintaining penetration rate reaches 70%	• Penetration rate reaches 85%	• Penetration rate reaches 100%
	Sustainable Procurement	• Encouraging the purchase of green products and recruitment of green suppliers • Actively develop own products • Directly pave the way from the factory to the consumer, reducing the carbon footprint of the sales process.	Implementing a green product circular economy			
			• Creating green product stores **(Achieved)**	• Creating green product stores • Placing eco-friendly and sustainable products on our homepage to increase their visibility • Actively develop a series of own products	• Increase the percentage of own products • Continuously procuring eco-friendly and green products	• Obtain green labels for 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 **(Achieved)**	• Implementing a supplier sustainability self-report questionnaire	• 1000 suppliers have completed their sustainability self-report questionnaires	• 4,000 suppliers have completed their sustainability self-report questionnaires

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:

2023 Sustainability-related Topics	Listed as a Material Topic in 2022	Changes Made	Description of Adjustments in 2023
Product and Service Innovations	No	Merged	PChome focuses on providing consumers with a high-quality shopping experience, so it has merged "product and service innovation" into "customer health and safety/product and service quality management/product and service innovation" and listed it as a material topic in 2023.

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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/Investors, 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 4.6 points (Excellent)

Obtained 8 patents and 2 trademarks in 2023

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, and maintained the rating for two consecutive years.

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.

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
- In response to changes in regulations or adjustments to the Company's policies, the standard contract will be revised accordingly
- Assist in reviewing the compliance of newly launched businesses
- Continue to pay attention to laws and regulations enacted and changed by the government and competent authorities, and notify relevant business units via e-mail after receiving the notices from competent authorities
- Establishing the PChome Online Inc. Human Rights Policy
- Tracking trends in laws and international ratings and adjusting the corporate governance strategy
- Irregularly update the Legal Department's "Latest Laws and Regulations" and "Legal News" webpages on the Company's internal website for all employees, and disseminate the latest regulatory changes by various competent authorities to employees via e-mail
- Organize regulatory training and administer tests afterwards in coordination with the needs of business units
- Strengthening corporate governance and increasing director participation
1. Improving and maintaining our corporate governance evaluation ranking
2. Executing board performance evaluations
3. Maintaining the attendance rate of directors

Resources Input

- Continuing to communicate ethical corporate management, anti-corruption, and anti-competition laws and regulations with the board of directors, employees, and value chain partners
- Organize compliance promotion and training in coordination with the needs of business units to reduce legal risks in operations
- 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
- Establish a SOP for handling disputes over illegal infringement of rights to reduce the negative impact on operations

Evaluation Mechanism

- Board of Directors self-evaluated performance
- Maintaining the attendance rate of directors
- Corporate Governance Evaluation
- The Audit Office conducts internal audits every year
- Legal training for new employees of the E-Commerce Department and testing after class

Actual Results in 2023

- The overall evaluation score for board performance was 4.6 points (Excellent) in 2023
- The current term Board of Directors' attendance rate increased to 96%
- 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 8 legal training courses
- A total of four issues of "PChome Investor Conference" were published in 2023, and the content of "articles added and revised in the Personal Data Protection Act" was announced in Investor Conference Vol. 6 published in July
- The law promotion courses: "Legal Office [Is this advertisement acceptable? Introduction to false advertising under the Fair Trade Act]" and "Whistleblower Reporting and Protection System" are held for all employees through the Company's talent management system

Grievance Mechanism

- Stakeholder Engagement section on the official website
- Contact unit for violations of the integrity clause: Audit Office
- Report via E-mail: audit@pchome.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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Business Performance and Operational Risks

Commitment

- Focus on fundamentally adjusting the operational structure, reshaping the brand image, optimizing the shopping experience, and improving operational efficiency; uphold the core value of "users first" and strive to make consumers and partners feel a "perceivable change" in PChome. At the same time, we will actively integrate the group's resources, combine advantages and resources of the existing open ecosystem platform, create group synergies, continue to launch innovative services, develop PChome Online into an online business closely related to the daily life of consumers around Taiwan, and become a competitive e-commerce company

Action Plans

- Consolidate leadership in the 3C home appliances market and strengthen daily necessities
- Actively launch innovative functions and differentiated services that meet consumer needs through strategic alliances and cross-border cooperation.
- Continue to accelerate the optimization of the user interface and actively upgrade the user experience on mobile terminals
- Focus on membership management and increase the percentage of active users, reshape the brand image to increase the share of mind among consumers, and strengthen supplier relationships
- Focus on the continuous optimization of product sales composition, gross profit structure, and marketing and management expenses

Resources Input

- Actively expand cooperation with directly-operated brands and enrich product development to provide a more complete selection of products and enhance the price competitiveness of products on the website
- Strategic alliances to launch innovative and differentiated services: Launched the offline "PChome 24h Shopping Installation Service Center": The pioneering "Home Appliance Assurance."; Formed an alliance with Chunghwa Telecom to initiate the "Hami Point Redemption Scheme"; Partnered with 7-ELEVEN in "Large Item Pickup Service" (Please see "2.1 Comprehensive High Quality Products Purchase" and "3.1.2 Green Logistics" of this Report for details)
- Invest in technological innovation to optimize shopping routes and improve the mobile shopping experience: Revamped the mobile shopping process, optimized site search accuracy, and online user product review (Please see "2.1 Comprehensive High Quality Products Purchase" of this Report for details)
- Building a product data labeling database for structural adjustments and supply
- chain enhancement. (Please see "CH2. Material topic" of this Report for details)
- Actively enhancing warehouse operational efficiency and optimize operating costs: In response to the opening of Linkou A7 Intelligent Logistics Park, we merged existing warehousing areas, continued to optimize automated warehousing efficiency, and simultaneously expanded third-party warehousing services. (Please see "3.1.3 Green Warehousing" of this Report for details)
- Leverage the comprehensiveness resources of our subsidiaries and contribute to the profits of the group: Launching the group's organizational restructuring plan and completing the organizational and business model restructuring of PChome Store and Ruten will facilitate the implementation and improvement of business plans, in order to maximize synergies from vertical integration and strengthen the group's trading market business

Evaluation 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 2023

- In 2023, PChome Online's consolidated revenue was NT$41.1 billion, down 10.91%. This year, with the opening of the "Linkou A7 Intelligent Logistics Park," annual operating expenses were still effectively controlled despite the adjustment period of old and new warehouses. In the future, we will continue to focus on optimizing our product sales composition, gross profit structure, and expenses, and cautiously look forward to getting back on track to grow in 2024.
- Aside from our e-commerce business, our subsidiaries continue to combine resources to create greater synergies that have contributed to the group's profits. The FinTech business continues to launch innovative services and generated a revenue of NT$1.661 billion in 2023, an annual growth rate of 24.7%, contributing approximately NT$390 million to the group's pre-tax profit, an annual growth rate of 69.2%, with steady growth in revenue and profits.

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 (GRI 2-1)

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$ 1,439,529,450
Number of Employees	1665 (as of December 31, 2023, and including full-time and part-time employees)

（GRI 2-6）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; online insurance e-Insure Inc.; and Cherri Tech's TapPay that provides general services for payment solutions, such as payment gateway.

PChome is an extremely influential major 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.
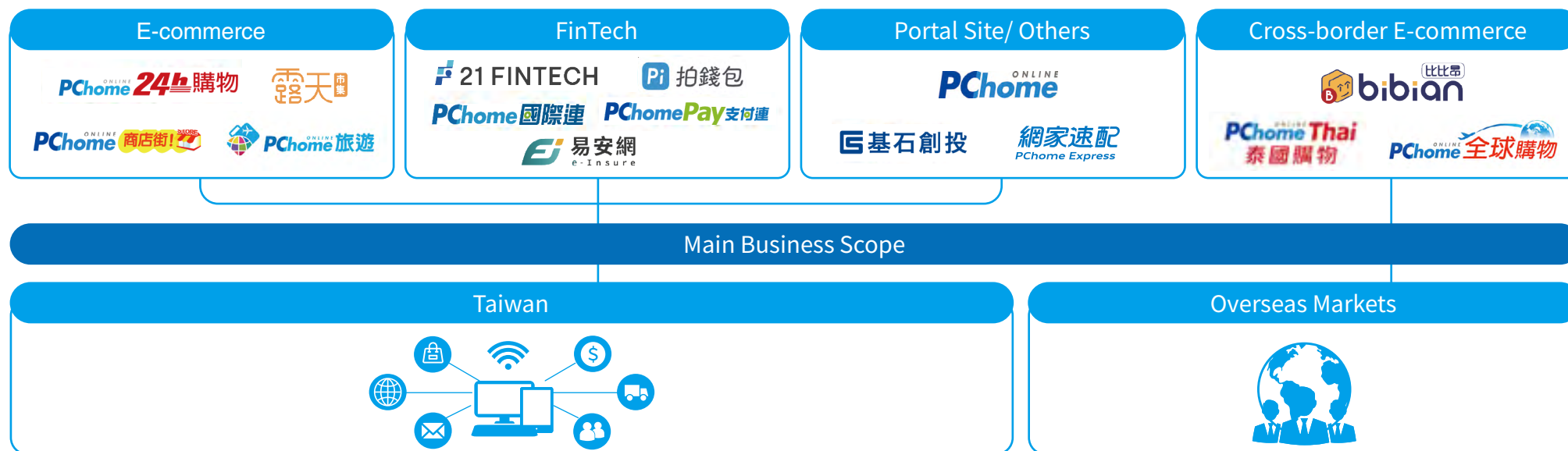
（GRI 2-1）

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.
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.

Year	PChome Milestones
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 Financial 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".
2023	PChome Linkou A7 Smart Logistics Park was formally opened Partnered with SHIFU to launch the physical "PChome 24 Shopping Installation Service Center". 21st Financial Technology in collaboration with ASUS, has launched the "Laptop Subscription Plan". 21st Financial Technology has teamed up with Chunghwa Telecom to introduce the "iPhone for Life" new device plan. Bibian has commenced a collaboration with Japanese second-hand trading platform Rakuten Rakuma. PChome 24h Shopping has launched the pioneering "Home Appliance Assurance."

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External Engagement (GRI 2-28)

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 Association (DMA)	Member
Taipei Computer Association (TCA)	Member
Taiwan Internet and E-Commerce Association (TiEA)	Honorary Chairperson
Taiwan Institute of Directors	Alternate Director
Monte Jade Science and Technology Association of R.O.C.	Member
Information Service Industry Association of R.O.C.	Member
Global Logistics & Commerce Council of Taiwan	Member
Taiwan Association of Logistics Management	Member
Chinese National Association of Industry and Commerce	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 (GRI 2-9,2-11,GRI 405-1)

As the highest level in PChome's organizational structure, the Board consists of 9 directors (including 2 women) and 3 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 operation 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.

Annual Report
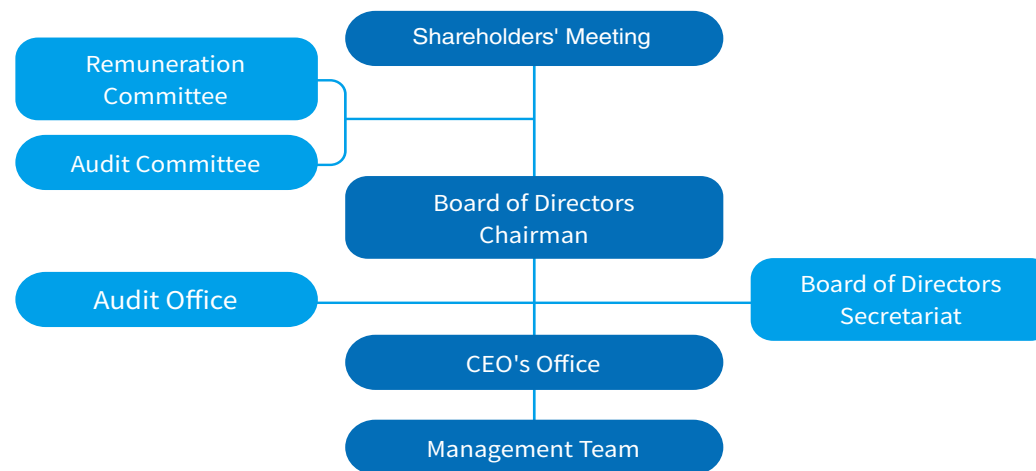
The Board convenes at least four meetings annually (8 meetings were held in 2023). The Board was reelected in 2021, and the average attendance rate of the current members was 96.0%. In addition, the board of directors adopted the resolution to appoint a corporate governance officer on May 15, 2023, and 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 (GRI2-18)

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 an online questionnaire to conduct the 2023 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 in the Board's chat group in March 2024 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:

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	• 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	4.6 points/Excellent	5 points/Excellent	4.63 points/Excellent

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 (GRI2-9)

PChome's Audit Committee comprises three independent directors, and Independent Director Hochen Tan 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. Five audit committee meetings were held in 2023, with a 92% 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 (GRI2-9,2-20,2-21)

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 three independent directors who convene at least 2 meetings annually. Two remuneration committee meetings were held in 2023, with an attendance rate of 100% among committee members. Please refer to the Company's annual report for details on selection regulations and powers of the Remuneration Committee.

Conflict of Interest Management (GRI2-15)

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

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Conflicts of Interest of the Board of Directors:

The "2023 Regulations for Employee Subscription" and list of managers eligible for subscription were formulated on May 15, 2023. Chairman Hung-Tze Jan, Director Bruce Chou, and Director Vicky Tseng recused themselves due to holding managerial positions, and the proposal was approved as proposed.

For the appointment of Remuneration Committee members, Director I-Chin Tu recused himself during voting due to being an interested party, and the proposal was approved as proposed by the remaining directors on August 14, 2023.

Remuneration Policy for Directors/Senior Managers (GRI2-19)

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:

	2021	2022	2023
Ratio of the annual remuneration of the highest paid employee to the median annual remuneration of other employees (excluding the highest paid employee)	66.02	26.47	15.15
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)	-6.65	-18.08	-9.19

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)

Status of Continuing Education among Board Members (GRI2-17)

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 2023 complies with the ratio of continuing education hours for directors of public companies.

List of Courses Undertaken by Board Members in 2023

Title	Name of Director	Organizer	Course	Continuing Education Hours	ESG Aspect		
					Economy	Environment	Society
Chairman	Hung-Tze Jan	Taiwan Academy of Banking and Finance	The importance of sustainability reports and TCFD	3		V	V
		Taiwan Academy of Banking and Finance	Discussion on the principle of friendly services and financial exploitation based on the Fair Customer Treatment Principles	3	V		V
Director	Yu-Shan Chang	Taiwan Academy of Banking and Finance	The importance of sustainability reports and TCFD	3		V	V
		Taiwan Academy of Banking and Finance	Discussion on the principle of friendly services and financial exploitation based on the Fair Customer Treatment Principles	3	V		V
Director	Bruce Chou	Taiwan Academy of Banking and Finance	The importance of sustainability reports and TCFD	3		V	V
		Taiwan Academy of Banking and Finance	Discussion on the principle of friendly services and financial exploitation based on the Fair Customer Treatment Principles	3	V		V
Director	Ryan Kuo	Taiwan Academy of Banking and Finance	The importance of sustainability reports and TCFD	3		V	V
		Taiwan Academy of Banking and Finance	Discussion on the principle of friendly services and financial exploitation based on the Fair Customer Treatment Principles	3	V		V
Director	Hou-Yu Chou	Taiwan Academy of Banking and Finance	The importance of sustainability reports and TCFD	3		V	V
		Taiwan Academy of Banking and Finance	Discussion on the principle of friendly services and financial exploitation based on the Fair Customer Treatment Principles	3	V		V
Director	Vicky Tseng	Taiwan Academy of Banking and Finance	The importance of sustainability reports and TCFD	3		V	V
		Taiwan Academy of Banking and Finance	Discussion on the principle of friendly services and financial exploitation based on the Fair Customer Treatment Principles	3	V		V

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Title	Name of Director	Organizer	Course	Continuing Education Hours	ESG Aspect		
					Economy	Environment	Society
Independent Director	Hochen Tan	Taiwan Academy of Banking and Finance	The importance of sustainability reports and TCFD	3		V	V
		Taiwan Academy of Banking and Finance	Discussion on the principle of friendly services and financial exploitation based on the Fair Customer Treatment Principles	3	V		V
Independent Director	I-Chin Tu	Taiwan Corporate Governance Association	The new look of corporate governance under the trend of ESG	3		V	
		Taiwan Corporate Governance Association	Strengthening board functions and increasing the sustainable value of enterprises	3			V
Independent Director	Tzu-Hsien Tung	Taiwan Corporate Governance Association	Discussion on cross-Strait and climate care from the perspective of risk management thinking	3		V	V
		Taiwan Corporate Governance Association	International carbon management development trends	3	V	V	
		Taiwan Corporate Governance Association	Current status of global carbon credits development and carbon trading	3	V	V	
		Taiwan Corporate Governance Association	Moving towards ASEAN - Issues related to investing in Thailand, Malaysia, India, and Vietnam	3	V		

1.2.2 Ethical Corporate Management

Strengthening Ethical Corporate Management (GRI 2-23, GRI 206-1)

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.

Code of Integrity Management

Code of Ethical Conduct

Code of Practice on PChome Corporate Governance

Stakeholders Section

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 2023.

Commitment of Directors and Senior Managers

PChome's Ethical Corporate Management Best Practice Principles 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.

Whistleblowing Mechanism (GRI2-26 ,GRI 205-1 ,GRI 205-2)

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@pchome.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

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Integrity Clause

PChome fulfills its commitment to integrity and ethical values according to the Whistleblowing and Whistleblower Protection System Implementation Regulations. Besides including an 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 2023.

1.2.3 Human Rights Policy （GRI 2-23 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.

PChome Human Rights Policy

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 the Freedom of Association and Collective Bargaining Right

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

• Information Security and Personal 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 2023 includes "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 3,104.12 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 thereby lowering the possibility of human rights violations.

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

In 2023, 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.

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1.3 Business Performance and Risk Management (GRI 201-1)

1.3.1 Business Performance

In 2023, PChome focused on fundamentally adjusting its operating structure, reshaping its brand image, optimizing the shopping experience, improving operational efficiency, and opening the PChome Linkou A7 Intelligent Logistics Park, becoming the first e-commerce company in Taiwan to introduce AI technology and fully automated warehousing equipment at the highest density to improve shipping efficiency. Adhering to the core concept of "customers first, becoming a part of daily life", we are committed to letting consumers feel a "perceivable change" in PChome. After epidemic prevention measures were lifted in the first half of 2023, consumers returned to normal consumption in physical channels and increased spending on leisure and travel activities. In addition, the demand for consumer electronics products such as 3C home appliances were saturated after the pandemic, which affected the growth momentum of the overall e-commerce industry and caused PChome's revenue to show a relatively steep decline in the first half of the year. Overall consumer demand gradually recovered in the second half of the year. As new models and products of major 3C home appliance brands were launched one after another, it slightly increased sales during the traditional peak season. In addition, the demand for travel-related products, such as e-tickets, outdoor travel, and beauty products grew significantly, and gradually made up for the decline in revenue, which is expected to get back on track to grow in 2024. Aside from our e-commerce business, PChome is also actively integrating resources of subsidiaries to utilize the group's synergies. The FinTech business, trading market department, and cross-border e-commerce services in Japan all continue to stably contribute to the group's profits. PChome's consolidated revenue was NT$41.286 billion, and consolidated net loss after tax was NT$0.528 billion in 2023. 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	2021	2022	2023
Revenue	48,612	46,265	41,286
Operating cost	43,024	40,660	36,309
Gross profit	5,588	5,605	4,977
Operating expenses	5,314	5,500	5,491
Profit (loss)	62	44	（528）
Total assets	24,430	26,592	27,455
Total liabilities	16,776	18,152	18,902
Total equity	7,654	8,440	8,553

1.3.2 Tax Governance

Tax Commitment Policy （GRI207-1）

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 （GRI207-2, GRI207-3）

The Company has a tax management unit. Routine tax administration and management are carried out by the accounting supervisor. Professional and experienced tax specialists assist the accounting supervisor in fulfilling the Company's tax obligations. The CFO is the person with the ultimate responsibility for tax management. At the end of each year, the Company submits the country-by-country report for the previous year in accordance with regulations, and at the same time makes a sub-filing of the country-by-country report in Hong Kong for use by tax collection authorities in countries other than Taiwan.

Country-by-Country Report （GRI207-4）

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 Company has analyzed and responded to high probability and high impact risk events related to business goals, the accuracy of financial reporting, and fraud prevention, in order to strengthen corporate governance and establish sound risk management. While maintaining normal business development and maximizing shareholders' interests, the Company also set up a Customer Service Department and regularly reviews customer opinions to pay attention to consumer rights. At the same time, in order to protect the rights and interests of consumers, the Company obtained "HiTRUST certification as a Global Trust website," "Excellent Electronic Store," and "Network Consumer Association Shopping Compensation" to make consumers feel more at ease when shopping.

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	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. Taking into account the changes in work patterns and labor shortage, we reconstructed the underlying data structure of the service to reduce the chance of manual layout work, and replaced with curatorial content automatically generated by the system, reducing the risk to services due to personnel change
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 (GRI 2-24)

The Audit Office is responsible for PChome's internal audits, and is an independent unit subordinate to the board of directors. It carries out supervision and review and identifies the risk of potential deficiencies, recommends improvements, and communicates with management based on inspection results, in order 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 the implementation status of audits to the Audit Committee and Board of Directors based on the annual audit plan.

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

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

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 2023, 56 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 → Notification of audit results → Present the report to the Board → 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 （GRI 2-27, GRI 418-1, GRI 416-2, GRI 417-2, GRI 417-3）

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 2023：

Type of Violation	Number of Cases	Type of Penalty	Subsequent Corrective Actions
Violation of regulations regarding the health and safety of products and services	53	All warnings	Remove products
Violations of regulations regarding the information labeling of products and services	18	All warnings	Remove products
Violations of regulations regarding marketing communication	38	30 warnings 8 fines (All amounts are less than NT$100,000)	Remove products
Violation of the Labor Standards Act	0	No	No
Violation of the Occupational Safety and Health Act	1	Administrative penalty (NT$30,000)	Supplement information
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

InService Training Programs on Legal Affairs （GRI 2-24, GRI 205-2）

To improve our employees' general knowledge about law and implement ethical and transparent governance mechanisms, PChome irregularly 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 take legal training courses, which cover 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 8 two-hour courses held in 2023 for new employees of the Company's E-Commerce Department, 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 has been deeply involved in the e-commerce industry for a long time, providing excellent e-commerce, FinTech, and warehousing 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 passed the certification at the end of the year and received a TIPS Level A certificate, also once again passed the inspection at the end of 2023. This reflects the high level of importance we attach great importance to 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 Grade A TIPS certificate"

Intellectual Property Management and Protection Measures

PChome continues to strengthen its market position and consolidate hard-won emerging R&D achievements through the Company's business goals and an intellectual property strategy that combines R&D resources, and builds a set of intellectual property rights utilization mechanisms that build company value to maintain company operations and management, protect intellectual property, and control operational risks. It can also enhance the Company's competitiveness, help enterprises create profits, and achieve business strategies.

Patent Management and Protection Measures	Trade Secret Management and Protection Measures
PChome has implemented various R&D projects and used many emerging technologies to develop programs, services, and technologies in response to market trends, develop various services and functions suitable for consumers, and improve the customer experience. This includes improving the website search experience and accuracy, optimizing shopping routes, enhancing the mobile shopping experience, FinTech mobile payment services, smart warehousing, and logistics management. It combines business goals and internal incentives policy for patents to encourage employees to innovate and develop ideas, and file patent applications to protect R&D results, perfectly linking intellectual property goals with the Company's business goals.	Among intangible intellectual property, the management of trade secrets is not only closely related to the Company's technologies, products, and core competitiveness, but also the Company's business development of utmost importance. To properly manage trade secrets, PChome improves the protection of sensitive data to prevent the leakage of important customer or company information, and makes timely adjustments to confidential information management regulations based on the recommendations of intellectual property audits. The Company raises awareness of confidentiality through training, and procures software and hardware to enhance our information security capabilities.

Intellectual Property Risks and Responsive Measures

PChome uses the following strategies to strengthen its intellectual property management system, increase employees' intellectual property knowledge, improve confidential information management, and build positive and innovative business goals and culture:

★ Reinforcing employees' intellectual property knowledge and confidentiality awareness
★ Revising confidentiality management measures based on recommendations of intellectual property audit
★ Continuing to evaluate the possibility of filing patent applications for technologies that are used in services
★ Organizing training on the intellectual property and information security
★ Procuring software and equipment to improve information security capabilities

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Intellectual Property Management Outcomes

PChome is focusing on service innovation and continues to increase its intellectual property capabilities and output. PChome obtained 2 invention patents, 6 utility model patents, and 2 trademarks in 2023. As of the end of 2023, PChome has obtained a total of 15 patents, including 8 invention patents, 7 utility model patents , and 550 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

2023
- Directly passing the TIPS patent sampling inspection without an on-site inspection, and maintaining TIPS Level A certification
- Conducting annual intellectual property audit and convening management review meeting
- Revising the PChome Brand Guidelines and perfect the trademark usage regulations
- Training new employees, R&D, product, and marketing personnel and departments to raise the employees' intellectual property protection awareness and basic knowledge
- Arranging a public patent certification award ceremony at the all-staff meeting to commend employees for their contributions

In line with the Company's business plans and future business goals, we continue to evaluate the necessity of maintaining patent rights that have been obtained, resulting in changes in the number of patents.

In-service Training Programs on Intellectual Property and Patents

Course	Recipients	Frequency
Introductory Program on Intellectual Property Management	New employees, 286 people in total	3 times/month
TIPS Personnel Training	Introduction to departments, 17 people in total	1 time/year
Intellectual Property Training (including subsidiaries)	Requesting department, 76 people in total	1 time/year
Monthly Report on Intellectual Property	All employees	1 time/month

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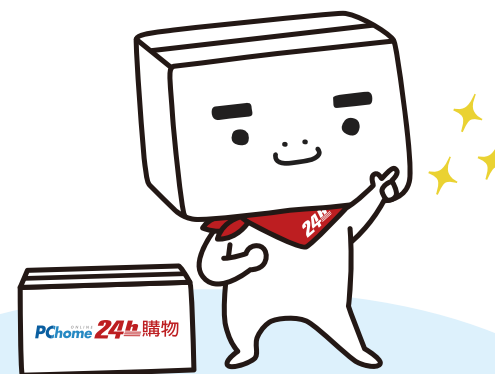
1.4 Business Partnership

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 by the responsible unit 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 Confidentiality	Suppliers must comply with the Personal Data Protection Act by implementing strict customer data privacy measures and are prohibited from collecting, processing, and using customer data without permission and from siphoning data to third parties
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, message 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 2021 to 2023, 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

Year	Number
2021	677
2022	510
2023	504

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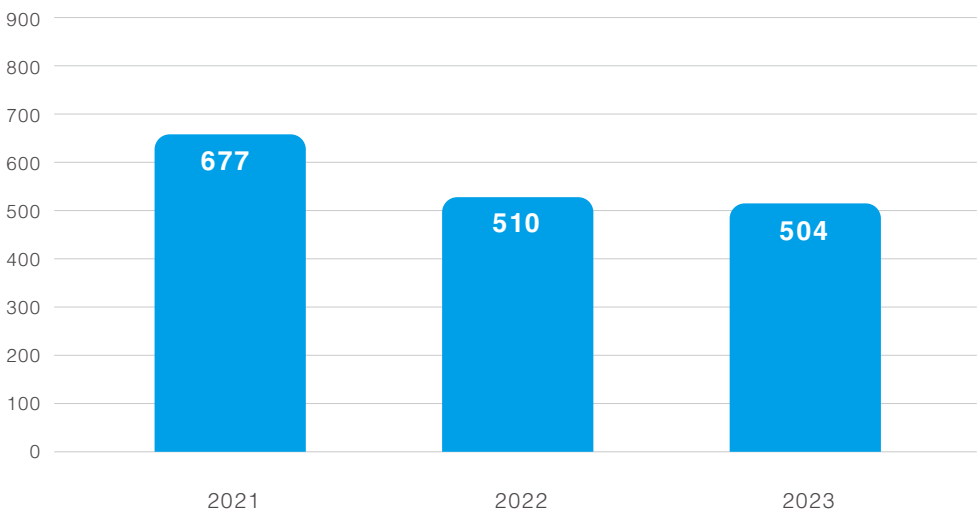
In addition, PChome hopes that the suppliers we cooperate with can jointly move toward corporate sustainability. Starting from 2023, PChome integrates the assessment of environmental, social, and governance aspects into the supplier sustainability self-evaluation form; produced information security teaching videos, invited manufacturers to watch the videos and fill out self-evaluation forms, in hopes of working with suppliers to build a sustainable supply chain and jointly protect the rights and interests of consumers. A total of 81 self-evaluation forms were collected in 2023, with an average score of 72 points; 54 information security test sheets were collected, with an average score reaching 96 points. In order to effectively improve the effectiveness of supplier self-evaluation, PChome plans to gradually adjust the implementation regulations in 2024, change the supplier sustainability self-evaluation form to the Supplier Code of Conduct, and set the Supplier Code of Conduct in the supplier back-end for suppliers to sign.

Supplier Code of Conduct

Environment
- ✔ Energy efficiency
- ✔ Carbon reduction
- ✔ Environmentally friendly

Society
- ✔ Human rights
- ✔ Labor rights
- ✔ Occupational safety and health

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

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 (GRI 204-1)

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 four consecutive years, and shows our efforts to support local companies.

Unit: NT$1 million

Category	Quantity Procured in 2021	Percentage of Procurement in 2021	Quantity Procured in 2022	Percentage of Procurement in 2022	Quantity Procured in 2023	Percentage of Procurement in 2023
Local Procurement	14,728	99.95%	15,961	99.95%	12,559	99.95%
Non-local Procurement	8	0.05%	8	0.05%	6	0.05%

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

Ch2 An Innovative Partner in Retailing

2.1 Comprehensive Service Platform and High Quality Products Purchase

2.2 Thoughtful Shopping Experience

2.3 Reliable Information Security and Protection

Important Stakeholders

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

Sustainable Development Goals

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

PChome is committed to leveraging internet technology and innovative applications to continuously create sustainable value for its users and partners.

11 SUSTAINABLE CITIES AND COMMUNITIES

PChome continues to promote sustainable products and actively purchases from local merchants to foster positive connections between urban, suburban, and rural areas.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

PChome has established a platform for communication with vendors and consumers, facilitating social innovation and encouraging responsible production by suppliers. This platform also drives consumers to engage in responsible consumption, thereby creating a mutually beneficial and environmentally friendly ecosystem.

Sustainability Highlights

The group integrates its resources and continues to introduce innovative and differentiated services through cross-sector strategic alliances, including the offline installation service center and home appliance safety insurance

The newly launched product review function enables consumers to fully express their opinions, allowing them to purchase products with confidence

The consumer shopping experience has been actively optimized, resulting in the app receiving a 4.8-star rating on both the Apple App Store and Google Play

The Information Security Team implements a range of security measures and is committed to maintaining a record of zero information security incidents

In collaboration with the Small and Medium Enterprise Administration, the group promoted the Buying Power Store and launched a new green product hall, continuing to refine product selection strategies and expand the range of green products

"Providing trustworthy products and services" is a value that PChome has insisted on for over two decades. PChome has expanded from e-commerce to FinTech 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.

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 transition to new lifestyles with sustainable consumption. Strictly control everything from raw materials to production of own products, and bring high-quality products with reduced carbon footprints into consumers' daily lives

Action Plans

- Develop products with reduced carbon footprints, which will help fulfill corporate social responsibility and make the products a part of consumers' daily lives
- Reducing external procurement can reduce uncontrollable product risks and environmental pollution caused by consumables with carbon emissions

Resources Input

- Providing a quota for purchasing green products, and providing business development resources for developing green products
- The project team for own products is responsible for project product development and procurement, and also has marketing resources on a case-by-case basis

Evaluation Mechanism

- Examining the use of the green product purchase quota each quarter
- Examining the development progress of green products each week
- Annual increase in products available in Buying Power store

Actual Results in 2023

- The usage rate of green product purchase quota was 89%
- The number of products available in the Buying Power Store increased tenfold compared to the previous year, surpassing 10,000 items
- The total purchase amount for proprietary products reached NT$12,559 million

Grievance Mechanism

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

Responsible Unit

- Product Liability, Green Products Team

Responsible Marketing

Commitment

- We commit ourselves to provide healthy, safe, secure, and high-quality products to our consumers while implementing stringent quality control measures for raw materials, supply chain management, production processes, and product inspections. Our primary duties are to comply with food safety and government regulations
- Continue to engage in eco-friendly procurement, jointly create a green economy and industries, eliminate products and services with environmental concerns, and jointly transition to new lifestyles with sustainable consumption
- Reduce unnecessary packaging materials and use recyclable or biodegradable materials

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
- System monitoring mechanisms are implemented to accurately track and manage product expiration dates

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

Action Plans

- Increase green cooperative suppliers to provide consumers with products for sustainable consumption
- Train suppliers to attach importance to product supply
- Employees and system teaching suppliers the right way for entering the warehouse
- Reduce the number of returns due to defects to build consumer trust
- Enhance the company's quality control processes to maintain a strong business reputation
- Establish a supplier complaint handling mechanism to promptly address and resolve supplier complaints
- The system automatically processes returns for goods that do not meet specifications, and sends special reminders to suppliers repeatedly found in violation

Actual Results in 2023

- In 2023, abnormal products returned by PChome accounted for approximately 7.02% of inbound products, down 0.47% compared to 2022
- Violations related to the information and labeling of products and services decreased from 24 violations in 2022 to 18 violations

Responsible Unit

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

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Customer Safety and Health/Product and Service Quality Management/Product and Service Innovations
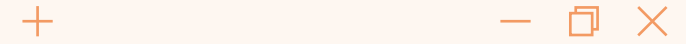
Commitment

- Providing consumers with safe and healthy services and products
- Product reviews provide genuine consumer feedback, enabling customers to make purchases with confidence
- Continue to optimize and innovate consumer-friendly website functions
- Improve user satisfaction and conversion rates, and provide consumers with a good shopping experience to respond to market changes and the rapid evolution of consumer needs
- Deliver noticeable improvements through innovative and differentiated services, such as the Linkou A7 Smart Logistics Park, which features AI technology and fully automated warehousing equipment at the highest density, setting a benchmark among e-commerce companies in Taiwan

Action Plans

- Products must be reviewed before launch to comply with laws and regulations. If there are any defective products or high-risk products, the responsible unit will carry out the abnormal removal mechanism
- Product review to eliminate high-risk products
- Monitor external rating mechanisms (Google Map reviews, App Store reviews, Google Play reviews). We established a product rating mechanism on our website to diversify customer communication channels and allow excellent products be more easily seen by consumers
- A vendor service review management team was established to respond to product reviews and irregularly inspect if the reviews of vendors are appropriate
- Listen to positive and negative comments from consumers and develop more technologies and services that meet consumer needs and expectations
- Continuously review the shortcomings of existing website functions and formulate improvement plans for immediate improvements
- Increase positive reviews of the company, reduce comments related to poor browsing and shopping experiences, and improve overall customer satisfaction

Resources Input

- Established a dedicated purchase and inventory team for warehouses and customer hotline
- The technical department focuses on understanding consumer needs, leveraging innovation and a positive attitude to proactively plan and develop new technologies, and continuously provides innovative products and services to ensure the highest quality
- Millions of products have been labeled and classified according to their uses, attributes, and categories. A comprehensive database has been built for business analysis, utilizing data-driven insights to analyze consumer behavior and order patterns. Actions taken include: first-party data tracking, member segmentation, re-engagement of inactive users, personalized precision marketing, and future AI application models. Additionally, supplier empowerment services have been developed with a focus on data capabilities, and ongoing collaboration with major manufacturers is aimed at achieving mutual benefits

Evaluation Mechanism

- Weekly external review management meetings, and quarterly product review system performance tracking
- Conduct monthly assessments of high-risk, poor-quality products
- The technical department collaborates with the customer service unit on a weekly basis to gather consumer feedback from the customer complaint portal on the website and the iOS and Android app markets. This feedback is supplemented with metrics such as click-through rate, conversion rate, dwell time, and the number of comments and ratings. This approach helps in understanding consumer opinions on PChome 24h Shopping service and provides information on ongoing improvements in service performance

Actual Results in 2023

- The scores on the three major platforms have improved from Google Maps 2.9 points, Google Play 3.8 points, and App Store 4.7 points in 2022 to Google Maps 3.6 points, Google Play 4.8 points, and App Store 4.8 points in 2023
- Violations of regulations concerning the health and safety of products and services decreased from 109 cases in 2022 to 53 cases

Grievance Mechanism

- Customer hotline: 02-2704-0999
- Google Map reviews, App Store reviews, Google Play reviews, and product review mechanism of our website

Responsible Unit

- E-Commerce Business Department, Technology Department, Customer Service Department, Operation Management Department

Information Security and Customer Privacy

Commitment

- Creating a safe information system and operating environment
- Privacy statement provided on the official website: "PChome Online Family Customer Privacy Terms" and "Internet Safety for Children" protect consumers' privacy

Action Plans

- 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 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
- Information security: PChome utilizes a variety of risk management tools for information security detection and protection, preventing hacking and malware from causing losses and data leakage
- Course examinations: Internalizing information security concepts through irregular training, preventing loopholes from constantly appearing, and preventing employees from becoming a target of social engineering

Resources Input

- Conducting penetration testing
- Attaching importance to information security audits, information security risk assessments, and supply chain risk management
- Establish a vulnerability management system, web isolation system, and remote work security protocols
- Organize information security general education courses and conduct case studies on information security incidents. Identify risks through drills or test results, adjust resource allocation accordingly, optimize systems, and reduce risks

Evaluation Mechanism

- Implement internal audits and internal control inspections of information systems on a quarterly basis
- Utilize automated tools and procedures to identify potential risks in information systems each quarter, and assess the status of internal audit and control management risks through information security audits
- Organize hacker attack and defense drills to identify and address information security risks, ensuring timely corrections
- Review the risks and confidentiality aspects of contractual agreements, enforce the signing of non-disclosure agreements and breach of contract clauses to ensure vendors adhere to information security non-disclosure obligations, and complete supply chain 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

Actual Results in 2023

- Completed 1,687 information audit cycles
- Completed 96 vulnerability assessments and patched 3,595 vulnerabilities
- Performed 150 days of hacker defense exercises
- Completed 443 supply chain contract information security assessments
- 1,334 employees completed an in-service training program on information security awareness
- 36 IT personnel passed an advanced development security course and examination
- 258 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

Responsible Unit

- Cyber Security Office

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2.1 Comprehensive High Quality Products Purchase

2.1.1 PChome Ecosystem

The B2C e-commerce business - PChome 24h Shopping is an important cornerstone of PChome, and connects the group's e-commerce, FinTech, and warehousing and logistics services, actively develops an open PChome ecosystem, and creates an Internet business closely connected with users' daily life. Over 13 million members in Taiwan have benefited from having direct access, and can easily log into all ten of our affiliated service platforms to enjoy the full range of e-commerce services and products available. In addition, we also combine FinTech to provide safe and convenient all-access digital banking payment methods, and establish member loyalty rewards with PPoints, using the PChome ecosystem to offset purchases in daily life, creating a high-quality consumption experience, and creating a better future together.

E-commerce

Domestic E-commerce Company

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, in which over 2 million products in our warehouses can be delivered anywhere in Taiwan within 24 hours. PChome 24h shopping has the highest stock among all shopping websites in Taiwan, in hopes of meeting consumer demand 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. Adhering to the business philosophy of becoming a reliable partner of users in daily life, PChome 24h Shopping not only consolidates its leadership in the 3C home appliances market, but also actively strengthens the assortment of daily necessities. PChome optimized the shopping experience and interfaces through strategic alliances, and let consumers feel a perceivable change in PChome through innovative and differentiated services, such as the Linkou A7 Smart Logistics Park with AI technology and fully automated warehousing equipment at the highest density, the first among e-commerce companies in Taiwan.

Furthermore, Ruten, a C2C auction site, and PChome Store, a B2B2C online business startup platform, have been established under PChome Online Inc. 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 in recent years, and the demand and scale of cross-border shopping have continued to grow. PChome Online's only subsidiary to provide cross-border bidding and purchase of Japanese products – Bibian has created many industry firsts since its official launch in October 2019, including the lowest shipping fee in the industry, no need to gather together products and is automatically shipped to Taiwan, no need to handle customs declaration, full compensation for damage or non-arrival of goods during transportation, and guaranteed transparency of all fees - "zero-risk and five major shopping guarantees."

Bibian partnered with Peach Aviation in 2023 and became the only cross-border sales platform in Taiwan to be authorized on "PEACH SHOP ONLINE," the online mall of Peach Aviation. In September, it announced a strategic alliance with "Rakuten Rakuma", an online second-hand trading platform under Japan's Rakuten Group, to jointly promote facilitate transactions of second-hand goods between Japan and Taiwan, and cooperated with Japan's largest cultural and creative design and handicraft e-commerce market - minne byGMO Pepabo, becoming a cross-border sales platform officially authorized by Japan's GMO Internet Group. Overall, this year's new cooperation all successfully expanded new customer groups and driven continued growth in membership. To continue improving consumers cross-border online shopping experience, two new services were further launched in October: "deliveries loaded on an airplane within 48 hours" and "FamilyMart Pickup Service" actively optimize the last-mile delivery experience for cross-border shopping.

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FinTech

PChome Online has been actively developing the FinTech business in recent years, and services currently include 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; online insurance e-Insure Inc.; and Cherri Tech's TapPay that provides general services for payment solutions, such as payment gateway.

Under the framework of strategic alliances, the FinTech business provides more diverse digital financial services by integrating core advantages, such as cross-industry resources and services, bringing more capabilities into Taiwan's FinTech ecosystem. The subsidiary Cherri Tech became a Tier 1 partner of Apple Tap to Pay in the Asia-Pacific region in the first half of 2023, expanding its services offline and assisting more small businesses with turning their mobile phones into a payment terminal. The subsidiary e-Insure Inc. partnered with FamilyMart to provide online insurance enrollment services in more than 4,200 stores across Taiwan.

The post-pandemic era accelerated the development of various subscription services. PChome Online is targeting the rise of subscription consumption. After FinTech subsidiary 21st FinTech combined the group's resources to launch the industry's first "iPhoneSubscriptionPlan" in 2022, which drew great attention from the market and consumers, it continued to expand subscription consumption application scenarios and partnered with ASUS to launch the "Laptop Subscription Plan" in 2023. In addition, it also partnered with Chunghwa Telecom to become the first telecom operator in Taiwan to provide the "iPhone for Life" subscription plan. All of these were industry firsts.

e-Insure	21 Fintech
E! 易安網 e-Insure	21 FINTECH

Credit: 21st Financial Technology	User: Pi Mobile Technology Inc.	Merchant: Cherri Tech, Inc.
Credit	Pi 拍錢包	TapPay

PChome Interpay
PChome 國際連

FinTech

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Upgrade 1, PChome 24h Shopping Installation Service Center

PChome 24h Shopping is currently the only e-commerce company in Taiwan that is an authorized distributor of Apple products, and the preferred platform of major mobile phone brands for launching new products. To further implement the brand alliance strategy, we partnered with the 3C repair brand - SHIFU in September 2023 and established "PChome 24h Shopping Installation Service Centers" in 14 physical stores around Taiwan, providing integrated 3C product value-added services. The centers provide laptop memory, hard disk, and system installation services, linking online purchase to offline installation. It is the first of its kind among large-scale comprehensive e-commerce platforms in Taiwan, and creates a new scenario of 3C shopping OMO (Online Merge Offline), actively extending the one-stop shopping service scenario of PChome 24h Shopping. The centers are expected to provide mobile phone and tablet PC repair services in the future, which we believe will significantly improve the consumer experience.

Upgrade 2, PChome 24 Shopping Safety Insurance for Home Appliances

PChome and its subsidiary e-Insure Inc. launched the "Home Appliance Safety Insurance" extended warranty service in October 2023, the first such service provided by a large-scale comprehensive e-commerce company. It will provide extended warranties for refrigerators, washing machines, and TVs for up to 3 years, allowing consumers to easily purchase online and then extend their warranty offline through the exclusive service. This new service is available to 250 designated models of five major brands: HITACHI, SAMSUNG, Whirlpool, Haier, and SONY. According to the original warranty conditions of each brand, the warranties for refrigerators and washing machines can be extended by 2 years, and warranties for TVs can be extended by up to 3 years. PChome 24h Shopping, as the leading sales channel for 3C home appliances among large-scale comprehensive e-commerce companies, is committed to providing more complete and unique service advantages. We believe it can significantly improve consumers' experience. PChome is where you want to go to buy 3C home appliances.

Upgrade 3, Actively Optimize Users Shopping Experience from Browsing, Searching, Shopping, to Checkout

PChome 24h Shopping accelerates changes, such as optimizing the mobile app's user experience and modifying the user interface, including improving the search accuracy on the site, adding product attribute filtering, allowing consumers to find products faster and more accurately.

The shopping pages were also redesigned to make the display of product feature information and promotions more obvious. In addition, we also partnered with Chunghwa Telecom to launch the "Hami Point redemption plan," which allows Chunghwa Telecom users to directly redeem the points when making purchases on PChome 24h Shopping. A user product review function was added before the end of the year, providing information for consumers to reference when shopping. Currently, the PChome 24h Shopping app has a rating of 4.8 stars on both Apple App Store and Google play, in which its rating on the App Store increased from 3.8 stars to 4.8 stars within one year, reflecting the "Perceivable Change" in user experience.

Upgrade 4, Fast and Stable Delivery Quality

In terms of logistics and distribution, the Company's self-owned fleet, PChome Express, continued to expand the scope of distribution services in 2023, which currently covers a total of 68 administrative districts in 9 counties and cities in northern, central and southern Taiwan. At the same time, we partnered with Uber Direct for delivery in Taipei City and New Taipei City in the fourth quarter, and continue to optimize the logistics service experience. In order to provide consumers with more flexible and convenient delivery options, PChome 24h Shopping launched a new large packaging material pickup service with 7-ELEVEN before the Double 11 Festival, adding two new forces to the last mile of logistics.

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Upgrade 5, Chunghwa Telecom｜iPhone for Life

In October 2023, FinTech subsidiary 21st FinTech partnered with Chunghwa Telecom to provide the first "iPhone for Life" plan. Together, we launched the only new phone subscription plan in Taiwan's telecommunications industry, which has profound meaning to the future of the industry, providing consumers with an easier and burden-free iPhone replacement option, creating a win-win situation and new value in services.

Upgrade 6, ASUS Laptop Subscription Plan

In September 2023, FinTech subsidiary 21st FinTech partnered with ASUS to launch the exclusive "ASUS Laptop Subscription Plan," which has five major features: "new phone every year," "low monthly payment," "no prepayment and no deposit," "exclusive guarantee," and "recycling commitment." The subscription period is 12 months, and consumers only need to pay a small amount every month to enjoy card-free installment payment, exclusive device protection, and a commitment to replace the old laptop with a new laptop the following year.

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, creating a convenient shopping environment where consumers do not have any worries.

Green Product Hall

In recent years, citizens have actively practiced green consumption and are willing to choose brands that are eco-friendly and carry out carbon reduction actions. PChome 24h Shopping also continues to optimize product selection strategies and service experience. The newly opened green product hall in 2023 provides a selection of sustainable products in response to issues through the green product procurement and sales cycle. It gathers more than 6,700 sustainable products with organic certification, natural, plastic-reduced, and energy-saving/water-saving labels. According to statistics, the current number of green products has increased by approximately 75% compared to when the section was established, hoping to work with consumers and suppliers to create economies of scale for green products and embrace a new life of green and sustainable consumption.

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 and established the "Buying Power Store" section. The number of products available in the section has grown to 10,315 items since it was established in 2023. At the same time, we actively develop our own products, strictly control everything from raw materials to production, and then put them directly on the shelves from the factory. We are committed to bringing high-quality products with reduced carbon footprints into consumers' daily lives, and encourage people to change their living environment through actual purchases, influence the consumption system, and make positive changes.

Furthermore, "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.

Buying Power Store

Buying Power Store — Products: 2021: 530, 2022: 884, 2023: 10315

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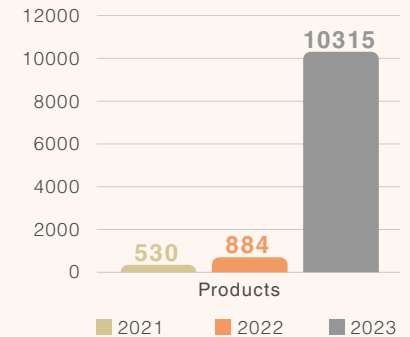
Sustainable Procurement

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 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 24h 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.

Get to Know About Eco-friendly Labels

Leaping Bunny Certification (Cruelty-Free Certification)

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

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 d Social Fairness Corporate Social Responsibility. The goal is to encourage manufacturers to incorporate eco-friendly and sustainability concepts into their products, beginning in the design stage.

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 contribute to the Earth.

Amount of Old Smartphones Recycled

Bar chart — Number:
- 2019: 429
- 2020: 751
- 2021: 1032
- 2022: 802
- 2023: 699
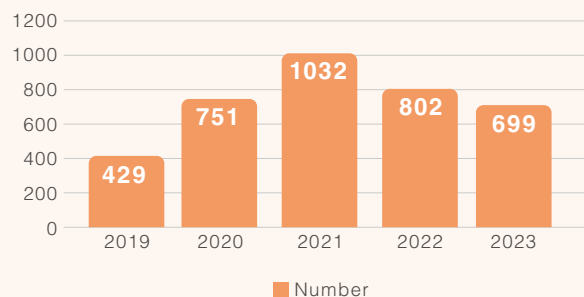
Process of Recycling Old Smartphones

- **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)

Smartphone Recycling Logo

對地球有意，
幫助資源永續發展

回收您的舊手機

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PChome iPhone Subscription Plan

The only e-commerce platform in Taiwan where you can buy and subscribe is PChome! As the only e-commerce company in Taiwan that is an authorized distributor of Apple products, PChome 24h Shopping integrated the group's card-free installment payment service - GoGoPay, and online insurance service - e-Insure Inc. in 2022, and launched the industry's first iPhone subscription plan in Taiwan, attracting great attention and discussion in the industry, and achieving outstanding results in the first year it was offered. PChome iPhone subscription plan features: 0 interest rate and low monthly payment, no prepayment or deposit, exclusive insurance, flexible plan expiration, and replacement with new phone every year.

step 1 PChome 24h購物	step 2 分期趣	step 3 PChome 24h購物
Select subscription plan	Online review	Delivery within 24h

step 6 分期趣	step 5 分期趣	step 4 分期趣
Old phone recycling	Insurance and repair services	Enjoy the latest iPhone

Promoting E-books

PChome 24h shopping book store collaborated with the world's second largest e-book platform Kobo in 2023, and is the only officially licensed e-commerce company in Taiwan. More than 4.8 million e-books will be added in 2023. In the future, Kobo's international general class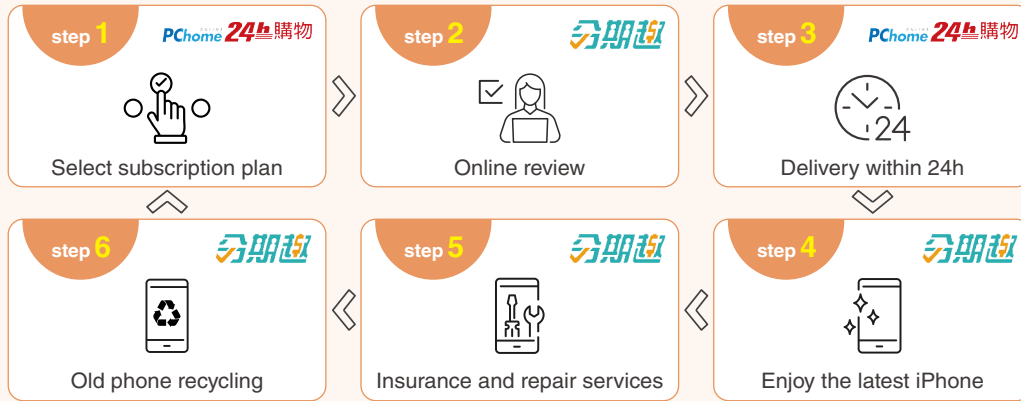ification will be introduced to make it more convenient for consumers to choose their favorite products. At the same time, suppliers are also encouraged to use e-tickets and e-books as the main event tie-ins. We hope to reduce the number of trees cut down and the amount of ink printed by promoting e-books, and contribute to a sustainable environment.

Supporting Earth Day Lights off for 1 hour

PChome supported Earth Day in 2023 and launched the "Green Life, Invest in Our Planet" campaign, creating five green areas: "Reduce carbon together and love the Earth," "Environmental sustainability starts with you and me," "We are all responsible for saving energy," "Your persistence will make the world better," and "Friendly protection of our homeland," which provide green product discounts in food, clothing, accommodations, and transportation. These products help consumers to be eco-friendly and reduce energy and carbon in their daily lives, protecting the Earth together.

PChome Online family strives for ESG sustainable development! For the fourth consecutive year, we supported the world's largest voluntary public welfare carbon reduction event "Earth Hour," and turned off the lights at the PChome office buildings for one hour from 20:30 to 21:30 on March 23, implementing the goal of environmental sustainability through actual action. PChome 24h Shopping also specially launched three product recommendation areas: "Earth Hour," "Buying Power store," and "Green Products." The selected products include social innovation products carefully selected by "Buying Power store" and popular products designated by O'right, the leading brand of zero carbon cosmetics products, inviting consumers to join the ranks of green living.

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 attract consumers to participate in point redemption activities in a fun way and incorporate green lifestyles and consumption into their daily life.

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2.1.3 Product Review Mechanisms and Quality Assurance Standards (GRI 416-1)

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

#	Category	Description
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, cosmetics, 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 consumers' 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, 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 → **Accept** → Record shipment quantity → Acceptance → **Accept** → Conduct system acceptance recording

(completed by port workers and the logistics company/vendor)

Reject → Handle irregularities

Reject → Handle irregularities

Three lines of defense in warehousing

Expiry date management	Product inspection	Product audit
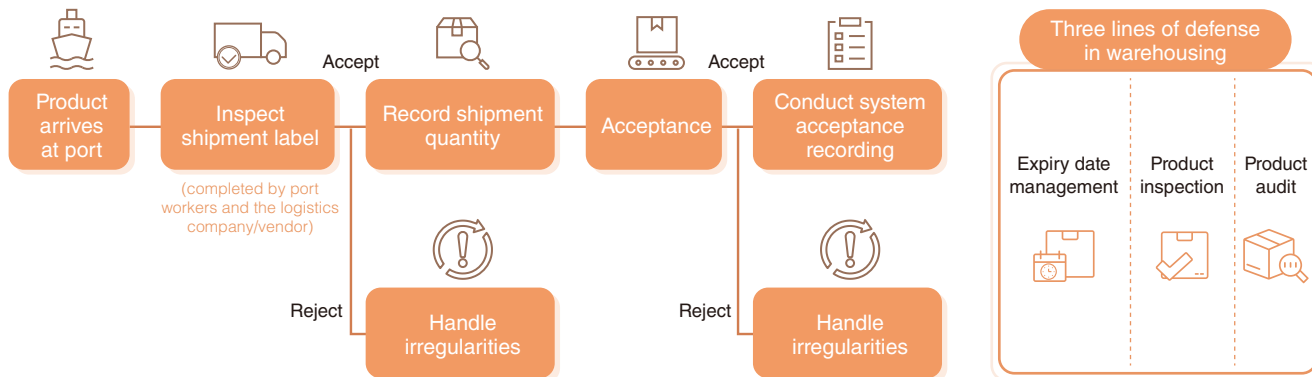
Validity Period Management

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.

Microbial Testing   **Food Additive Testing**   **Toxin Testing**

Pesticide Residue Testing   **Food/cosmetic Labeling and Formula Review**

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.

Inventory Audit

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

▲ 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: When the company receives letters from customers, news media, or competent authorities and other legal entities, in order to ensure that consumers' shopping rights are not damaged, PChome will first ask sales personnel to actively contact the supplier for confirmation and make corrections and provide relevant documentation within the time limit. If the vendor cannot provide a reasonable explanation or relevant documentation and causes the product to not meet requirements, PChome will immediately remove and cease sales of products with concerns as a precautionary measure. If the vendor subsequently claims that it has adjusted the matters in violation and obtained relevant certification documents, the products are put back on the shelves after review by relevant units.

Recall Process

Notification received from consumer / competent authority → Precautionary recall → Request supplier to provide relevant certifications and proofs

Accept → Resume sales of the product

Reject → Recall the product
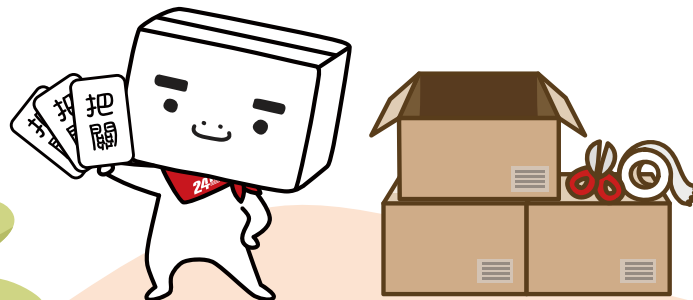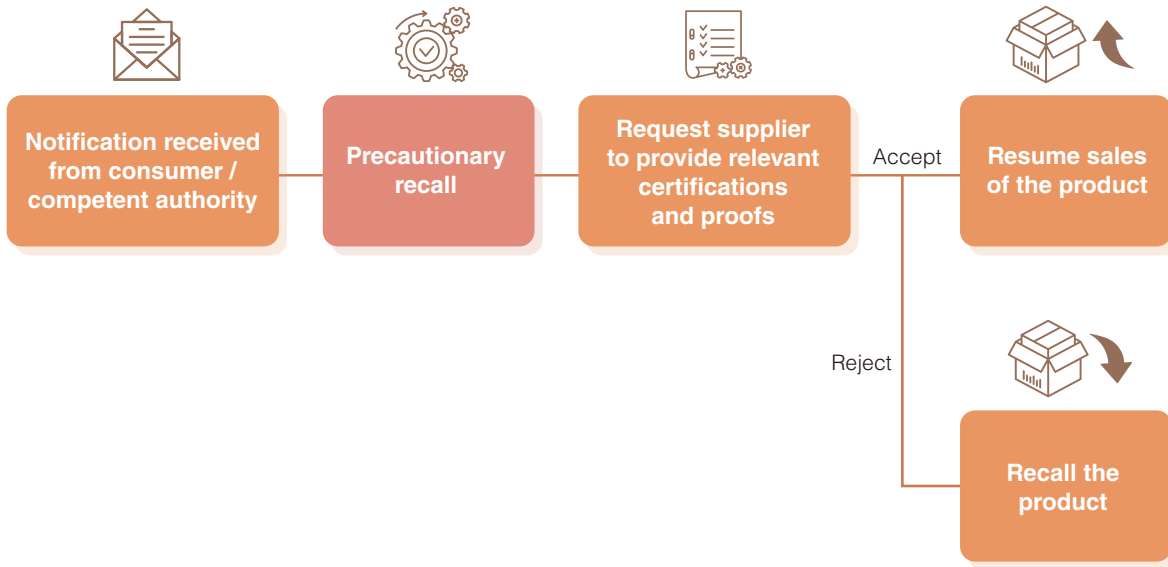
PChome improves the consumption experience of consumers through product review mechanisms and quality assurance standards. By returning high risk products, we not only prevent potential customer complaints and the cost of subsequent lawsuits, but also effectively reduce warehousing cost. When a customer 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 conducts sampling inspections of products that have been in storage for a long period of time (products that are at risk of deterioration, yellowing, and becoming brittle when stored for a long time). 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 returning products that have been in storage for a long period of time, and the total amount of products that were returned to suppliers for inspection in 2023 significantly increased, showing that we attach importance to consumers and their consumption experience.

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

	2021	2022	2023
Number	384,978	897,200	1,767,065
Quantity	189,370,139	564,738,226	814,654,212

■ Number ■ Quantity

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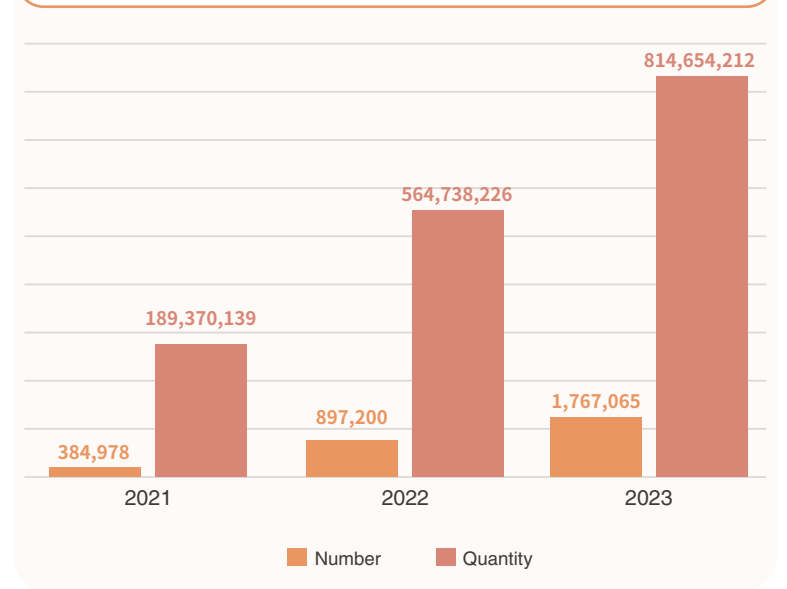
2.2 Thoughtful Shopping Experience

2.2.1 Thoughtful Customer Services

To ensure that customers receive worry-free services, PChome focuses on customer service and satisfaction. Since the establishment of the Voice of Customer (VOC) Advisory Committee, a total of 3,387 improvement suggestions have been collected and 118 optimization projects have been successfully implemented. Among them, the "Smart Service Project" was implemented in the fourth quarter of 2023 and will be launched in 2024, allowing consumers to solve problems by themselves through a chatbot that provides more convenient and immediate services. At the same time, PChome also focuses on improving customers' experience using its app, and actively responds to every customer feedback in the app's reviews, exerting every effort to solve users' pain points and improve the app experience. In 2023, PChome 24h Shopping received user ratings of 4.8 on Google Play and the APP Store, which shows the results of continuous efforts to improve the user experience. PChome will continue to work hard to improve its service quality, in order to ensure that customers continue to enjoy the best experience.

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 Committee Structure

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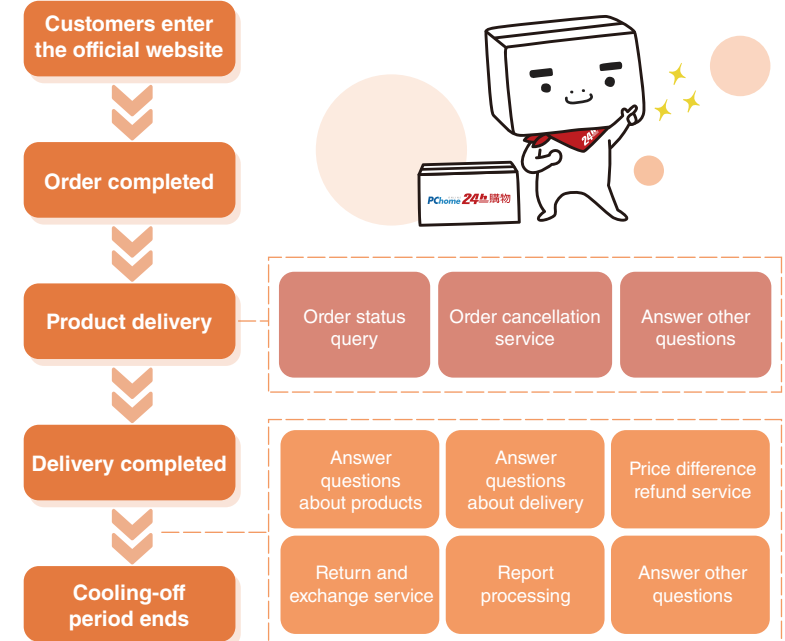
VOC Proposal Review Process

	Register	Review / Make recommendations	Tracking	Benefits
Front-line personnel	Registration information			Case promotion/Training
Customer Service Department VOC Project Team		Examine issues in feedback and make suggestions	Progress and results tracking	VOC report / Results report (monthly)
Accountable unit		Assessment and handling		

PChome Customer Service Process

Customers enter the official website → Order completed → Product delivery → Delivery completed → Cooling-off period ends

Product delivery:
- Order status query
- Order cancellation service
- Answer other questions

Delivery completed:
- Answer questions about products
- Answer questions about delivery
- Price difference refund service
- Return and exchange service
- Report processing
- Answer other questions

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 receive periodic evaluations to ensure that service quality reaches Company standards. In addition, to provide customers service personnel with professional knowledge, we continue to optimize the training courses and teaching quality for new employees.

In 2023, the satisfaction with new employee training reached 4.8 points (5-point scale). At the same time, we will continue to implement digital course projects in 2023, completing planning for a total of 100.5 hours of courses. In addition, we plan to establish a customer service work information station in 2024 to compile service-related knowledge and tools. We hope to effectively improve the service skills and professional knowledge of customer service personnel through comprehensive training courses and service tools, in order to provide customers with more complete services.

	Customer Service Training				
2023	Employee Type	Management		Non-management	
		Female	Male	Female	Male
	Total Training Hours	196	155	5,392	1,479

Note: Management is defined as employees who hold the position of deputy manager and above

Quality Auditing Process

Sources → **Model** → **Results**

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

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

Results
- Announce audit outcomes
- Identify department held liable
- The supervisor provides guidance and tracks improvements

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.

Heartwarming Customer Feedback

Heartwarming Feedback

I purchased the product a while back and it broke while I was using it, but the period for returning goods had already expired. After reporting it to PChome's customer service, the customer service representative was very patient and helpful and actively communicated with the vendor for me. They even contacted me about the return during the holidays. The after-sale service deserves a five-star rating!

I am grateful to customer services for their active and careful handling of the return, cancellation, and change to shipping address. In particular, customer service will call again to confirm if the information is correct, and provided timely responses to questions raised by consumers. PChome is my number one online shopping platform because I do not need to worry about its after-sales service. I am grateful to PChome's customer service, you are the best!

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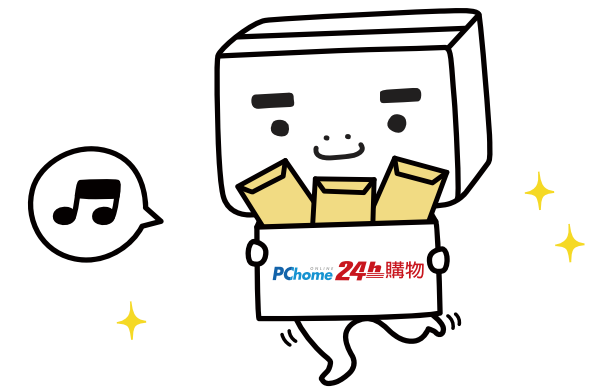
2.3 Reliable Information Security and Protection

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 our defense-in-depth measures to reduce the likelihood of business interruptions caused by hacker attacks; continue to 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 inspect 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 information security office department 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 department 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 Information Security Office department periodically reports information security management results, related issues, and directions to the CEO GM and Audit Committee.
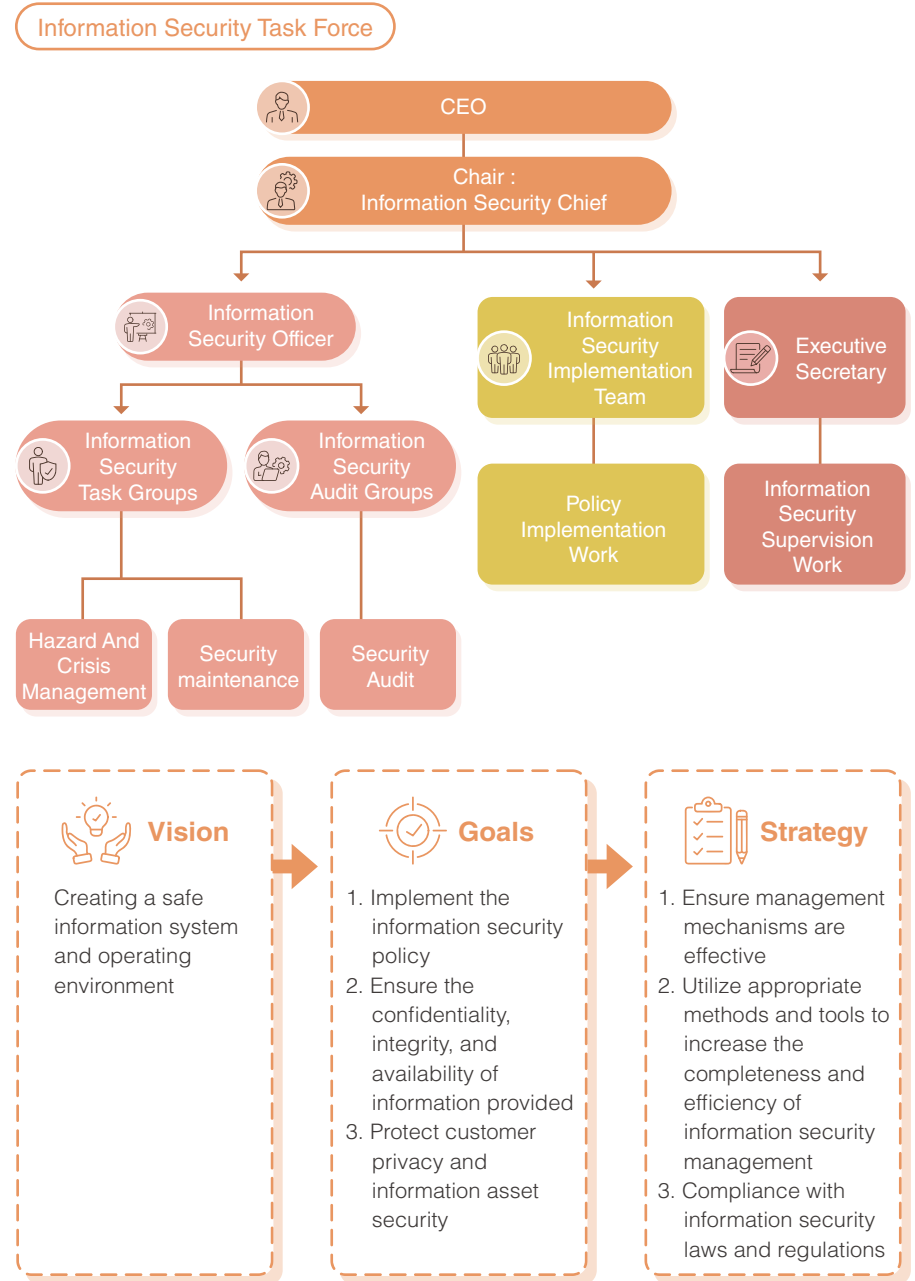
To implement the information security strategies devised by the Cyber Information Security Office Department and to ensure internal compliance with information security-related practices, processes, and regulations, we established an Information Security Task Force. The CEO GM assigns an information 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 Task Groups
      - Hazard And Crisis Management
      - Security maintenance
    - Information Security Audit Groups
      - Security Audit
  - Information Security Implementation Team
    - Policy Implementation Work
  - Executive Secretary
    - Information Security Supervision Work

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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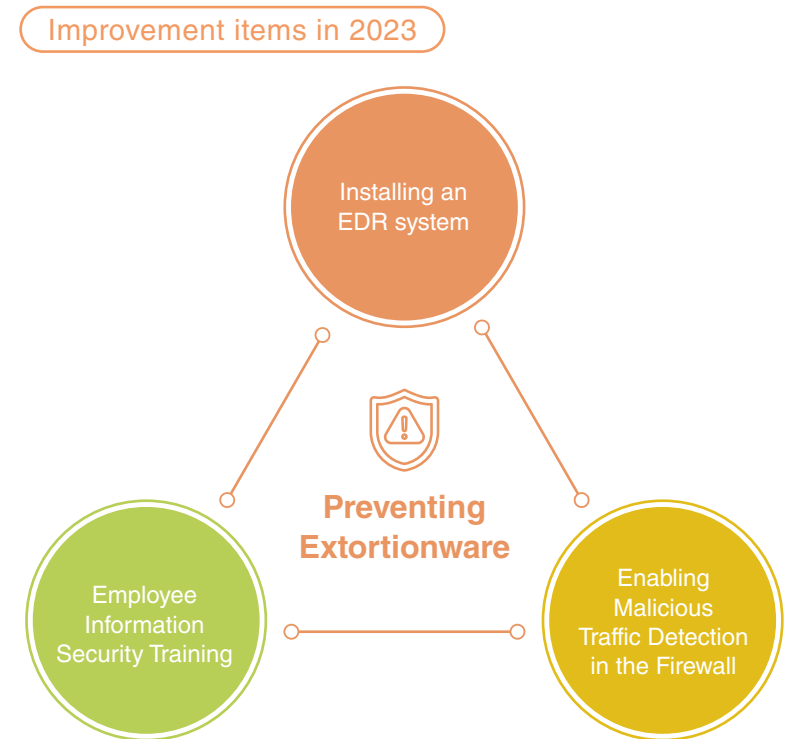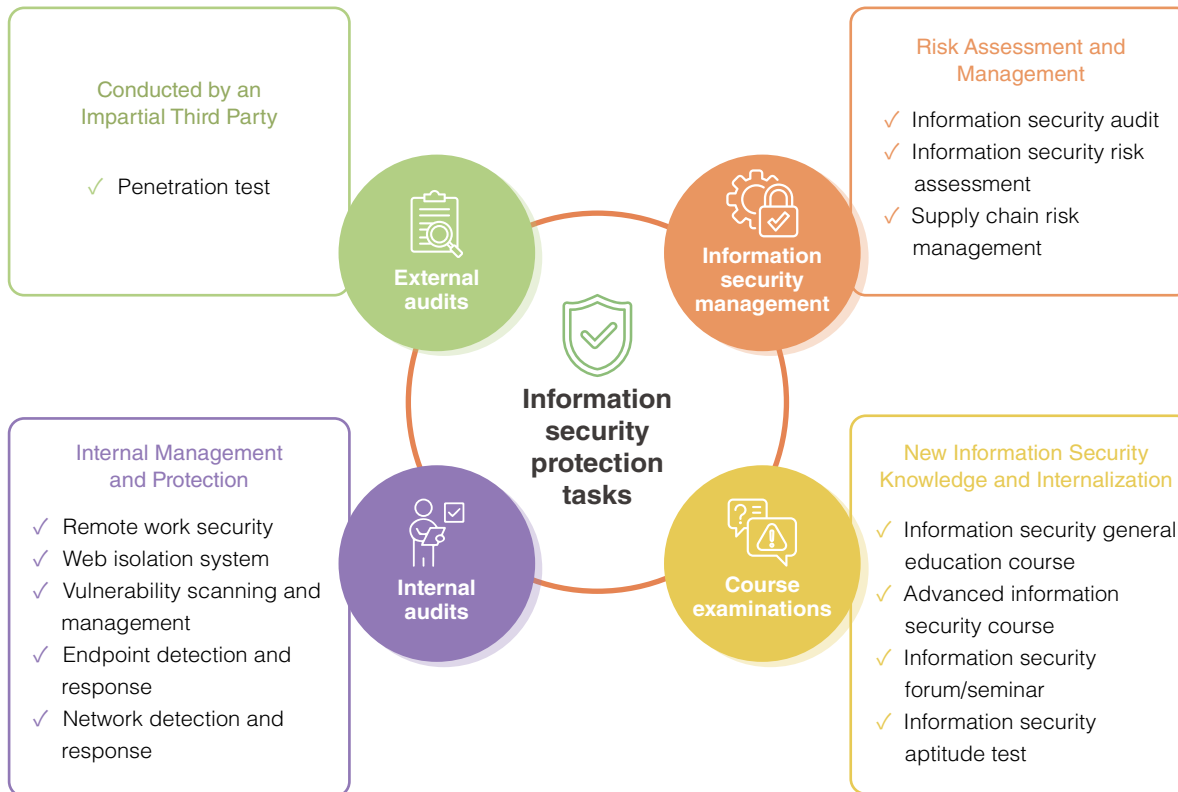
2.3.2 Information Security Measures

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.

Conducted by an Impartial Third Party
✓ Penetration test

External audits

Information security management

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

Information security protection tasks

Internal Management and Protection
✓ Remote work security
✓ Web isolation system
✓ Vulnerability scanning and management
✓ Endpoint detection and response
✓ Network detection and response

Internal audits

Course examinations

New Information Security Knowledge and Internalization
✓ Information security general education course
✓ Advanced information security course
✓ Information security forum/seminar
✓ Information security aptitude test

Improvement items in 2023

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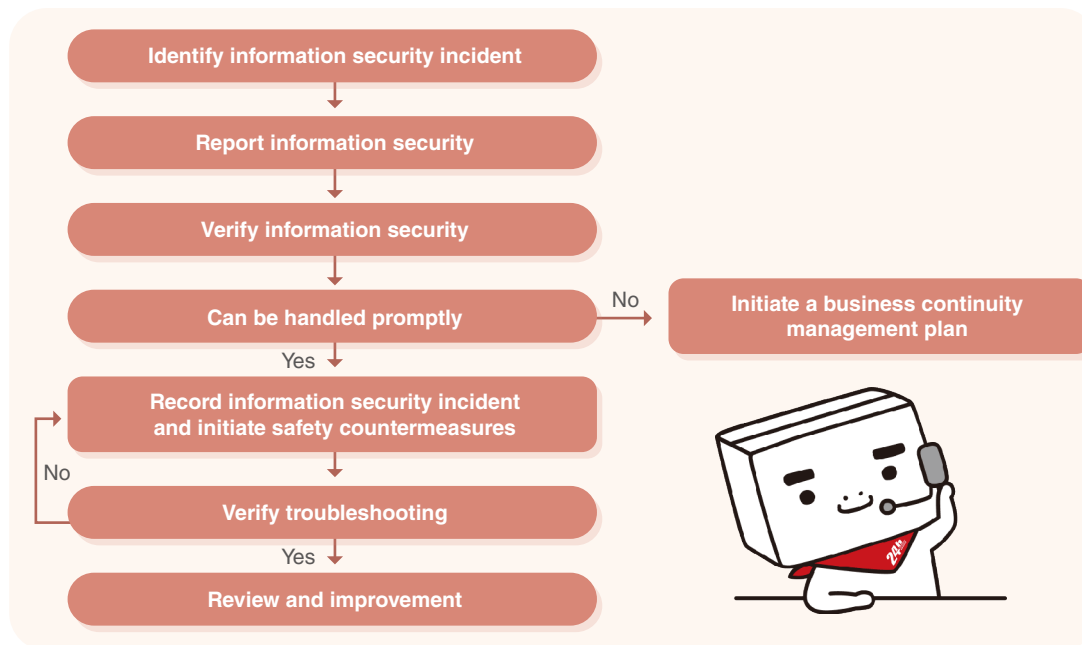 and assessment, our potential risks mainly come from advanced persistent threats generated by any third-party. To prevent such attacks from stealing our trade secrets, breaching customer data and other confidential information, as well as damaging the rights, interests, and reputation of our company, 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 Identified Potential Information Security Risks
1. Implementing an internal audit and internal control inspection of the information systems on a quarterly basis.	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. Using automated tools and procedures to identify the potential risks in information systems every quarter.	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. Reviewing and evaluating information security-related regulations and procedures annually, so as to ensure their appropriateness and effectiveness.	3. Performing in-depth investigations on abnormalities in outsourcing contracts to ensure that vendors fulfill their information security non-disclosure obligations.
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.	

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 2023. 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 / (Yes) Record information security incident and initiate safety countermeasures → Verify troubleshooting → (No) → (Yes) Review and improvement

Four Major Information Security Protection Outcomes in 2023

Completed **1687** information audit cycles	Completed **96** vulnerability assessments and patched **3,595** vulnerabilities	Performed **150** man-days of hacker defense exercises	Completed **443** 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 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.	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 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.

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. We also organized external training programs for employees to ensure they are updated with the latest information security-related trends and knowledge this year.

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

2023 Statistics on Employee Information Security Training

Employee Type	Total Number of People Trained	Total Training Hours
New employees	258	129
Current employees	1,334	667
IT personnel	36	126

Three Major Outcomes of Information Security Training in 2023

36 IT personnel passed an advanced development security course and examination

1,334 employees completed an in-service training program on information security awareness

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

IT employees underwent an information security training program that covered hacker attacks, secure development and programming, and network system security reinforcement and protection. They immediately underwent an evaluation after completing the course. 36 employees participated in the program, for a total length of 126 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. 1334 employees participated in the program, for a total length of 667 hours.

All newcomers were required to complete a training program on information security and personal data protection. 258 newcomers participated in the program, for a total length of 129 hours.

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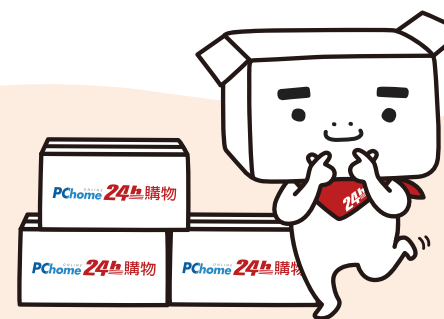
2.3.4 Customer Data Protection

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 2023: 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.

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.
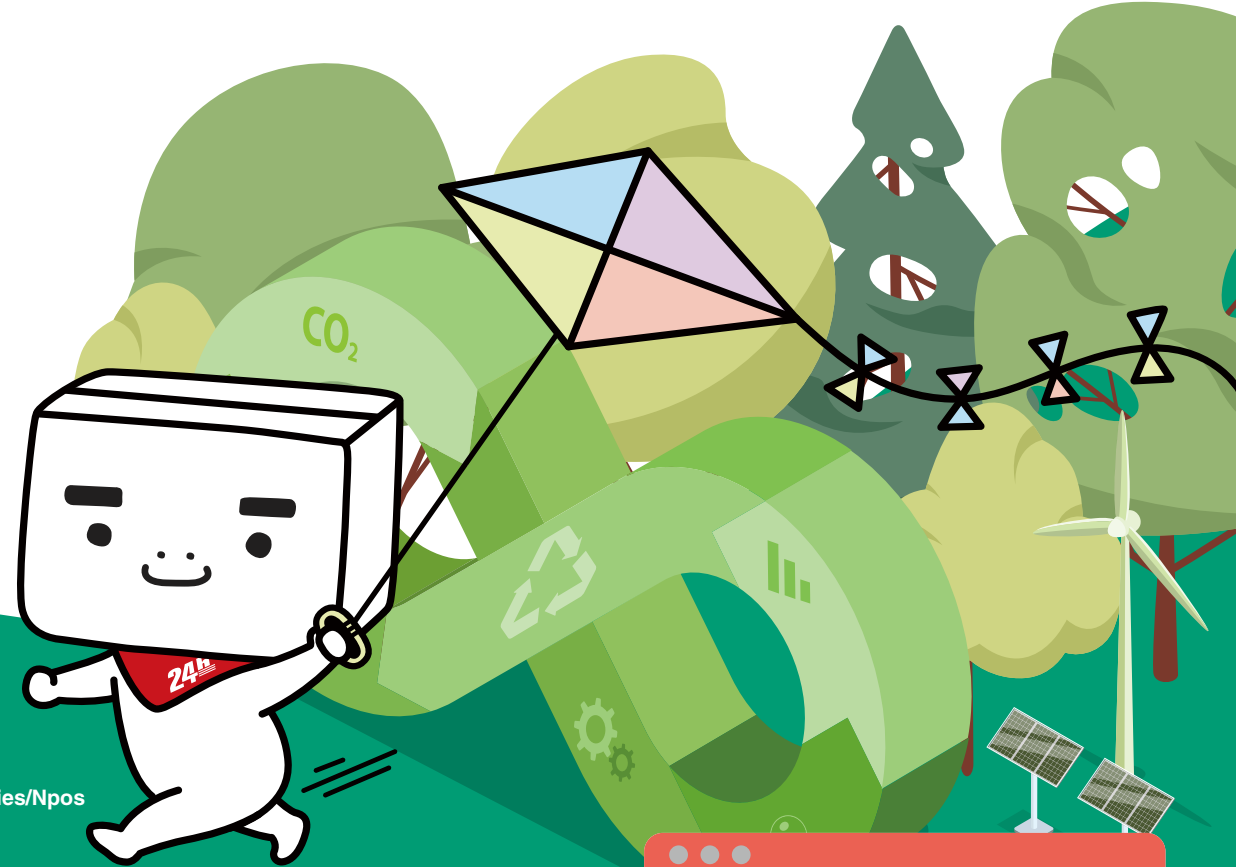
Terms of Service

Privacy Statement

Internet Safety Guide for Children

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 are securely stored in the data processing system of PChome and our subsidiaries. When necessary, the sensitive personal information of our customers shall be entrusted to a highly secure, stable, and stringent information company for storage and safekeeping. In addition, the data processing systems used by PChome and our subsidiaries for customer data storage and safekeeping are protected with firewalls to prevent unauthorized access and illegal intrusions by third parties or unauthorized internal use	
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. Where 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	

Ch3 A Green Partner for the Environment

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

Received the Ministry of Environment Online Shopping Packaging Reduction Label 2.0

Replaced more than 90% of existing delivery boxes with those made of recycled pulp, reducing carbon emissions by 8.2%

Implemented a box number recommender system in our warehouses, achieving a match accuracy of 54.9%

Canceled paper picking lists, summary forms, and shipment details, reducing the number of A4 paper used by 11.39 million sheets

Established an e-ticket and e-book store, reducing annual A4 paper use from ticket sales by 122,000 sheets

Identified 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 related actions. The team is responsible for planning and implementing environment related strategies, and optimizing resource use efficiency in the service process. We implement green operations management concepts 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 printed on boxes is made from RoHS compliant, eco-friendly, and water-soluble ink
- Replacing 90% of existing delivery boxes with those made of recycled pulp
- The printed area of paper boxes only accounts for 40% of the total surface area, reducing the amount of ink used for printing

Action Plans

- Replacing the original delivery boxes with eco-friendly boxes, and adjusting the material and amount of cushioning used
- Examining the packaging materials currently used, the packaging materials do not use PVC, and recycled plastic materials reaches 25%
- Reducing shipments in separate boxes through big data analytics to reduce the quantity of paper boxes used by online shopping
- Planning rules for using consumables and adjusting the shipment process of warehouses to significantly reduce consumables and cushioning usage, including paper boxes, cushioning, and tape
- 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, which was launched in 2023
- Planning a packaging weight QC system to check the weight of products, so that it complies with the limit on packaging weight ratio of each product, which will be launched in 2024
- 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

Resources Input

- Establishing a Low Carbon Packaging Team to oversee and formulate related action plans
- mplementing the plan to establish the box number recommendation 2.0 system
- Implementing the plan to reduce printing area through carton design
- Implementing the box weight reduction plan
- Implementing the warehouse consumables reduction SOP plan

Evaluation Mechanism

- Planning four strategies: "promote circular packaging materials, increase the percentage of 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.

Actual Results in 2023

- Replace 90% and above of existing delivery boxes with those made of recycled pulp
- Boxes are maintained in the original color of the pulp, and uses eco-friendly water-based ink that has passed RoHS inspection to print on a small area of boxes. The printing area accounts for less than 40% of the total surface area of boxes
- Expanding the scope of the warehouse-wide box number recommendation system, optimizing recommendations for purchase orders with multiple items, and achieving an average match rate of 54.9%
- The amount of packaging used is classified by product weight to meet the weight ratio specification of 15-40%
- Adopting eco-friendly packaging materials that contain recycled materials equal to 25%
- Deliveries using original boxes account for 5% of overall deliveries

Grievance Mechanism

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

Responsible Unit

- Low Carbon Packaging Team

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Green Warehousing and Logistics

Commitment

- 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 optimize shipment timelines to increase the percentage of prompt deliveries
- Utilize the advantages of automated warehousing, increase the efficiency of storage space use, and increase shipment efficiency
- Utilize automated storage space to achieve a lights-off warehouse
- Share distribution resources with collaborating logistics service providers, and concentrate self-owned distribution capabilities in highly efficient distribution areas
- When selecting collaborating logistics service providers, priority will be given to those with green energy vehicles

Action Plans

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

Resources Input

- Establishing a Low Carbon Transportation Team to oversee and formulate related action plans
- Investing in automated warehousing, planning "Linkou A7 Intelligent 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 2023

- Began using shuttle racks and AGV, automated shipments accounted for 30% in the year, up 200% compared to 2022
- Share distribution resources with collaborating logistics service providers, and concentrate self-owned distribution capabilities in highly efficient distribution areas
- The proportion of goods delivered by collaborating logistics service providers in 2023 increased from 25.9% at the beginning of the year to 44.8% at the end of the year

Grievance Mechanism

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

Responsible Unit

- Low Carbon Transportation Team and Warehousing and Logistics Department

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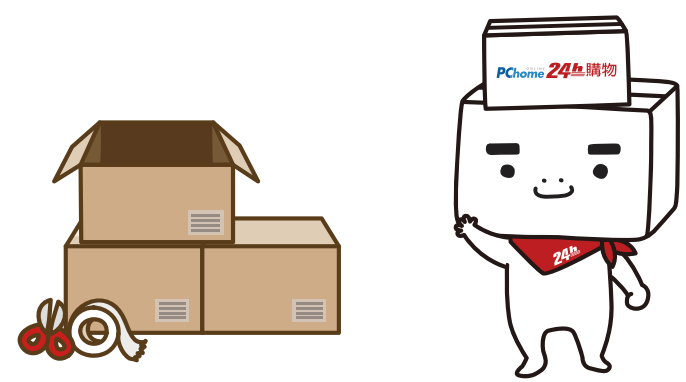
3.1. Green Shopping Program

Following the development of e-commerce technology, the convenience of online shopping has brought about large-scale changes in consumption patterns. In the post-pandemic era, consumers have become more dependent on online shopping, leading to the booming development of e-commerce. In 2023, PChome delivered more than 11.59 million boxes. To reduce the environmental impacts of e-commerce, PChome launched the Green Shopping Program in 2019, with four aspects at its core – green packaging, green transportation, green warehousing, and electronic green shopping. We 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

- Replace 90% and above of existing delivery boxes with those made of recycled pulp
- Eco-friendly water-based ink that has passed RoHS inspection is used to print on boxes. The printed area only accounts for 40% of the total surface area, reducing the amount of ink used.
- Developing a box number recommendation system based on AI and big data to use the optimal size box for shipment

Green Warehousing

- Using AI automated warehousing to increase picking and packaging efficiency and increase the efficiency of storage space use
- Using shuttle racks and AGVs to reduce lighting

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

Electronic Green Shopping

- The paperless shipping process saves paper of picking lists, summary forms, and shipment details
- Promoting e-tickets in the cloud and establishing an e-book store with paperless online delivery
- Digitalization of supplier contracts and internal documents

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 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 Taiwan Carbon Footprint Label from the Ministry of Environment, Executive Yuan. 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.

Information on PChome Products and Carbon Footprint	
Product Name	PChome 24h online retailing (tangible services)
Product Type	Service
Carbon Footprint Label	Serial number: 2014879001 — Expiry date: 2025/07/12 Effective date: 2020/07/11 — Status: Effective
Calculation of a Product's Carbon Footprint	Carbon footprint data/labeled unit 1.4kg CO_2e/ 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 MOENV in the eco-friendly consumption point redemption activity as a means for encouraging consumers to purchase green-labeled products

3.1.1 Green Packaging

To ensure that goods are delivered to consumers intact, safe, and reliable, packaging is crucial in online shopping services. However, the traditional online shopping model consumes a large amount of disposable packaging materials, which puts a considerable burden on the environment. 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 actively working with manufacturers of packaging materials in designing and developing more sustainable green packaging materials. Since 2019, we have designed 31 new types of eco-friendly boxes. By establishing rules for using consumables and adjusting the shipment process of warehouses, we have significantly reduced the use of consumables and cushioning, including paper boxes, cushioning, and tape, which has effectively reduced the impact of online shopping packaging materials on the environment.

PChome's eco-friendly boxes boast the following features

- Completely replaced old boxes with eco-friendly boxes, all boxes used for shipping and delivery use 90% recycled paper and recycled pulp, effectively reducing the number of trees cut down
- The high-density paper increases the reuse rate and lowers carbon emissions
- The boxes maintain the original color of the pulp, the appearance of boxes was redesigned in 2023 and reduced the printed area by 40%, 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

More than 90% of PChome's shipments and deliveries use eco-friendly boxes in their original color. Compared with commonly used traditional boxes, on average one box can reduce carbon emissions by 8.2%. Each kilogram of recycled boxes used can reduce emissions by 5.29kg CO_2e (Note 1). As of the end of 2023, carbon emissions were reduced by more than 78,000 tCO_2e, which is equal to 202x the carbon adsorption capacity of Da'an Forest Parks in one year (Note 2). In addition, 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 safely come in indirect contact with food. This eco-friendly tape is used with boxes, allowing consumers to swiftly remove the tape when recycling boxes. The tape does not leave any residual adhesive, which helps achieve the goal of 100% recycling, promoting eco-friendly practices. (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 tons)

（GRI301-1, GRI301-2)

Packaging Materials	Unit	2021	2022	2023
Renewable Materials				
Weight of uncolored eco-friendly boxes used **Made from 90% and above recycled pulp**	metric tons	4,094.01	3,627.25	2,869.63
Non-renewable Materials				
Eco-friendly tape	metric tons	43.11	36.32	23.78
Weight of plastic packaging used		10.31	8.29	5.95
Weight of cushioning used		163.16	129.28	70.33
Total Weight of Packaging Materials Used		4,310.6	3,801.1	2,969.7

Note: Some products purchased from PChome 24h Shopping are shipped directly from the manufacturer to the customer, so they do not use the PChome eco-friendly box.

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Eco-friendly Boxes and Easy-to-tear Tape

In 2019, PChome responded to the E-Shopping Packaging Reduction Program launched by the Ministry of Environment (formerly named the Environmental Protection Administration) and submitted an 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 Ministry of Environment, recognizing the goal achievement progress of PChome.

- Reduce Packaging
- Eco-friendly Materials
- Recycle Packages

The Ministry of Environment implemented "restrictions on targets of usage and implementation methods for online shopping packaging starting from July 1, 2023, requiring all online retail industries to meet the following specifications: Paper packaging materials must be made of at least 90% of recycled papers, plastic packaging materials must be made of at least 25% of recycled materials, and materials containing PVC must not be used. PChome has taken the lead in adopting related measures, using eco-friendly packaging materials that are made of 25% recycled materials. In terms of paper packaging boxes, we have achieved 90% and above recycled paper use, which exceeds the regulatory requirements. In the future, PChome will continue optimizing the average weight-reduction rate of packaging materials, effectively reduce packaging weight from the source, and become a model for online shopping companies.

In addition to improving packaging materials, PChome has further expanded the application scope of the " box number recommendation system" to all warehouses in 2021. The packaging recommendation for multi-item orders is optimized through AI and big data, improving the overall efficiency of packaging materials used for shipping. Box numbers are recommended based on the criteria of "minimum number of shipping boxes" and "the optimal box size," recommending size-appropriate packaging boxes to reduce the number of boxes shipped and achieve the goal of reducing the use of boxes and packaging materials. The average match rate was 54.9% in 2023. 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. In addition, 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. In the future, PChome will continue optimizing the accuracy and combine the requirements of the Ministry of Environment 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.

PChome is committed to increasing the proportion of shipments using the original box, directly using the original packaging boxes when shipping products without packaging them a second time. This not only reduces packaging costs and time, but also the waste and use of packaging materials. Deliveries using original boxes account for 5% of overall deliveries in 2023. In another aspect, the amount of packaging used by PChome is classified by product weight, in order to accurately determine the amount of packaging materials required to meet the weight ratio specification of 15-40%. The "packaging weight QC system" is currently being planned and is expected to be launched in 2024. In the future, the weight of the products will be measured to confirm that each product complies with the packaging weight ratio limit, which will also further reduce the waste of packaging materials.

3.1.2 Green Logistics (GRI302-5, 305-5)

PChome strives to develop a more sustainable logistics and distribution system to actively respond to the impact of logistics and transportation on the environment. As the logistics and transportation business expands, 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 service capabilities.

Starting from 2020, PChome has actively responded to the "Green Shopping Program," focusing on transforming the fleet mainly consisting of trucks and scooters towards green transportation. So far we have purchased 13 e-scooters and formed 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. This not only successfully reduced the fuel consumption and indirect carbon emissions generated from logistics, but also reduced operating costs and improved distribution efficiency. Each e-scooter is estimated to reduce carbon emissions by 1.33 tCO_2e per year, and the Green e-Scooter Fleet is expected to reduce carbon emissions by 17.29 tCO_2e per year. We plan to obtain 2 more electric scooters in the third quarter of 2024, in hopes of reducing carbon emissions by another 2.66 tCO_2e per year. In the future, we will replace gas-powered scooters with e-scooters each year based on their service life. The goal is to increase the proportion of e-scooters to 100% before 2030.

Our general logistics management strategy is to require unit supervisors to periodically inspect scooters for abnormal fuel consumption rates. Abnormal scooters, those with poor transportation routes, and high idle speeds are corrected to reduce the idling rate of our logistics fleet. In addition, the "Best Route Arrangement System" was launched in September 2023. The system applies AI to calculate the best route, improving the efficiency of "last mile delivery", while achieving goals to reduce energy consumption and carbon emissions. Other than our own logistics fleet, PChome also realizes the carbon management guidelines in our supply chain and prioritizes logistics companies with green transportation as our partners, such as logistics services providers with electric vehicles. At the same time, existing distribution and logistics partners are also encouraged to expand their green energy fleets. By 2023, logistics service providers that we partner with are expected to invest in 18 e-scooters for delivery.

On the other hand, we share remaining transportation capacity through industry cooperation, improve transportation efficiency and flexibility, and achieve green transportation. For example, when a scooter is not fully loaded and the delivery routes are similar, we use Uber Direct to share the same scooter with peers for product delivery. By sharing transportation resources, we can use resources more efficiently, reduce empty scooters, reduce energy consumption, reduce traffic congestion and carbon emissions, and reduce the impact on the environment.

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3.1.3 Green Warehousing

To ensure sustainable operations and reduce negative environmental impacts, PChome continues to optimize product configuration through AI and big data, and introduces highly automated warehousing equipment to reduce manual work. PChome also actively optimizes the picking and packaging efficiency of overall warehousing. With the adoption of shuttle racks and AGVs in 2023, the proportion of automated shipments accounted for 30% of annual shipments, an increase of 200% compared to 2022.

The rack areas of the automated warehouse do not require lighting, realizing a storage environment without any lighting, saving electricity, and indirectly reducing carbon emissions. Furthermore, warehousing operations adopt 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. This strategy reduces 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. This is expected to reduce overall manpower by 30-35%. In addition, we ventured into automated processes such as order picking optimization, inventory pre-positioning, storage location allocation optimization, smart picking, and packaging optimization. We utilize the advantages of automated warehousing to increase the efficiency of storage space use, and significantly improve shipment efficiency.

In terms of improving warehousing hardware equipment, PChome continues to replace old equipment. Currently, over 90% of the 80,000 ping warehouse area uses LED lighting to save electricity. Compared with incandescent light bulbs, energy-saving LED lighting reduces energy consumption by 50-70%, greatly improving energy-saving benefits. After the energy-saving project is implemented, it is expected to save 84,744 kW of electricity every month. We will continue to improve energy-saving measures, and plan to turn off non-essential power sources in working areas at certain times to achieve better energy-saving results.

In addition, we expect to make full use of warehousing space resources in the future, attract investments to assist e-commerce operators in need, and share warehousing resources. This cooperation model can not only reduce costs, but also promote resource sharing and reduce waste.

Energy Saving Results of Green Warehousing

Floor	Monthly Energy Consumption Before Energy Saving (KW)	Monthly Energy Consumption After Energy Saving (KW)	Monthly Energy Saving Performance (KW)
1F	25,848	13,320	12,528
3F	42,192	22,248	19,944
5F	42,192	16,056	26,136
7F	42,192	16,056	26,136
Total	152,424	67,680	84,744

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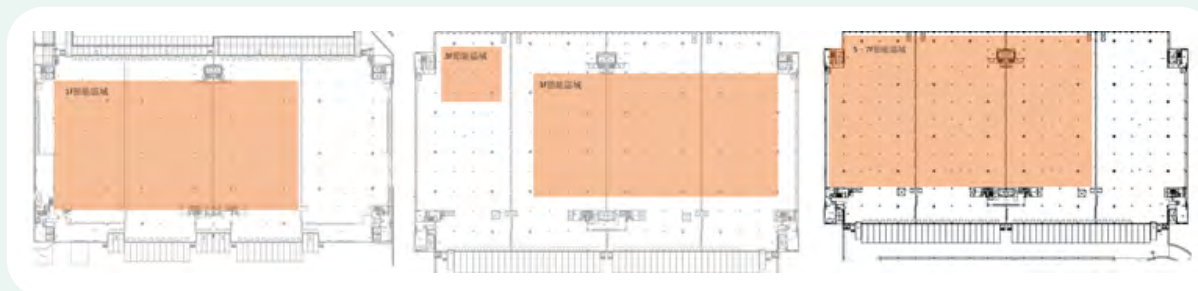
Linkou A7 Intelligent Logistics Park

As e-commerce matures and its market share in the retail industry steadily increases, PChome began to face challenges of warehousing and logistics due to the wide variety of goods and the huge volume of orders. To this end, starting in 2019, PChome planned the Linkou A7 Intelligent Logistics Park as 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. Adopting centralized management effectively controls logistics costs and expenditures.

The Linkou A7 Intelligent Logistics Park 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. The Linkou A7 Intelligent Logistics Park was specially planned as an advanced automated warehouse that includes pallet-type & box-type shuttle racking systems and automated guided vehicles (AGVs). With the assistan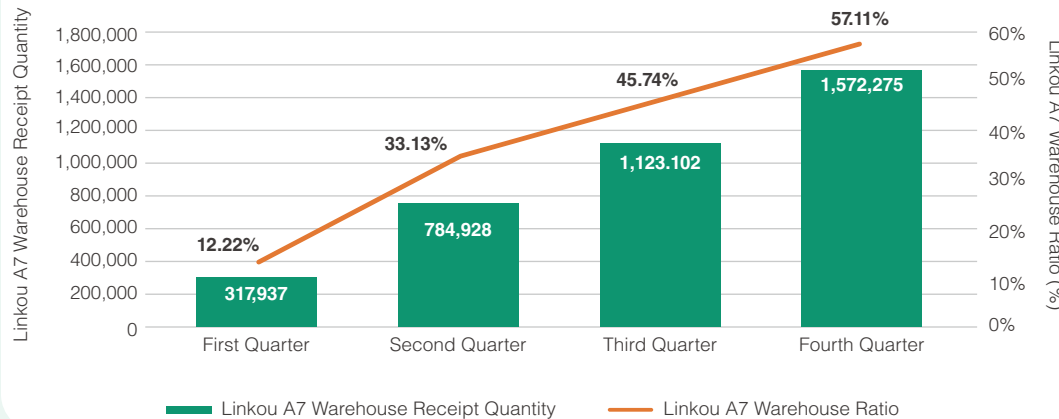ce of automated equipment, the previous worker-to-product work module has been changed to product-to-worker, along with the automated goods yard, logistics boxes for products from different sections are gathered and sent to the packaging yard for packaging. The system recommends the best box number and packaging materials to improve efficiency and reduce packaging material consumption, achieving energy conservation and carbon reduction. The overall number of processed packages per day is expected to be more than doubled, and will effectively solve significant fluctuations in orders. At the same time, big data analysis is used to optimize the division of orders by area and time period to achieve handover between PChome's own fleet and other logistics providers, so that goods can be delivered to consumers more efficiently. The Linkou A7 Intelligent Logistics Park was fully activated in 2023. It is the first logistics center that incorporates the highest density of AI technologies and fully automated warehouse equipment among e-commerce companies in Taiwan. Shipments accounted for 57% in the fourth quarter of 2023, and the target to account for approximately 60% of shipments has been achieved. In the future, we will continue to increase our shipment capacity. By transferring hot-selling products that can be put into automatic warehouses to the Linkou A7 Intelligent Logistics Park, we will gradually increase the shipment capacity to 70%.

Artist's Impression of the Smart Logistics Center

Shipment Capacity of the Linkou A7 Intelligent Logistics Park

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Linkou A7 Warehouse Receipt Quantity	317,937	784,928	1,123.102	1,572,275
Linkou A7 Warehouse Ratio	12.22%	33.13%	45.74%	57.11%

Linkou A7 Warehouse Receipt Quantity — Linkou A7 Warehouse Ratio

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 2023, electronic invoices accounted for 100% of all the invoices. All vendor invoices have been fully converted to PDF files for download, saving over 11.6 million physical invoices, which would measure 2.37 times the height of Taipei 101 (at 509 meters) if piles up.

Number of Invoices in 2023 (Unit: sheet)

	Company Account	Individual Account	Total
Number of Invoices Issued the Whole Year	1,829,857	9,779,933	11,609,790
Number of Digital Invoices (Other Carriers Such as Donation and Member Accounts)	1,829,857	9,779,933	11,609,790
Number of Physical Invoices	-	-	-
Ratio of Digital Invoices	100%	100%	100%

Cancel Paper Picking Lists, Summary Forms, and Shipment Details

In view of the huge business scale and large shipment demand, PChome realized that if it continued to use traditional paper-based operations, it will consume a lot of paper, incur printing costs, and occupy storage space. In response to this situation, PChome will digitize the "picking list," "summary form," and "shipment details" starting from 2023, and display them directly on the screen instead of printing paper information. Through this action, PChome can save 3 sheets of A4 paper per order, significantly reducing paper consumption, thereby reducing the need for deforestation, and helping to protect the environment and reduce carbon emissions. At the same time, electronic operations have shown other advantages. For example, managers can view and analyze picking data in a timely manner, making it easier to manage and track the status of shipping operations. This allows them to quickly understand business operations, make timely adjustments and decisions, and reduce the proportion of human errors. In 2023, PChome electronically processed a total of 37,900 orders, successfully reducing A4 paper use by 11.39 million sheets, which is equivalent to 82,042 kg CO_2e. In the future, we will further reduce paper use by operations and plan to cancel the purchase order QC form at the Linkou A7 Warehouse. The QC forms will be replaced by bound containers. QC information will be displayed directly on the screen based on the PDA operating system, which will reduce paper consumption and improve shipping efficiency.

Results of Paperless Shipping Operations

Saved A4-format Paper (10,000 Sheets)

Quarter	Value
First Quarter	~90
Second Quarter	~240
Third Quarter	~340
Fourth Quarter	~475

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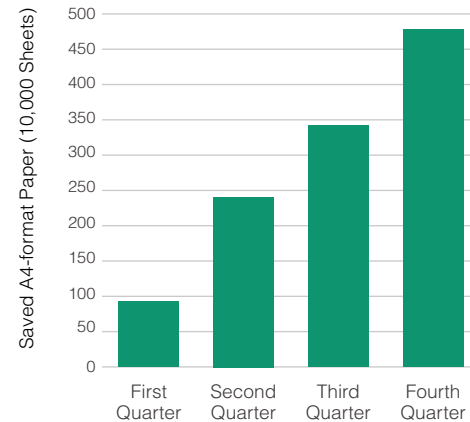
Paperless Electronic-Tickets and the Establishment of the Electronic Book Section

（GRI305-5）

With the popularity of mobile devices, the application of electronic tickets not only brings convenience to consumers, but can also achieve the benefits of reducing paper consumption and reducing carbon emissions. In the light of this, PChome is dedicated to promoting e-tickets and has established an electronic ticket section. 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. The total number of tickets sold in 2023 was 624,339, with sales exceeding NT$1 billion. Making these tickets electronic has reduced A4 paper use by over 122,000 sheets in 2023, totaling 882.18 kg CO_2e.

In addition, PChome also established an electronic book section and worked with the domestic electronic book platform Readmoo. In 2023, PChome added a new partner, KOBO, the world's largest electronic book platform. The number of e-books on the shelves increased by more than 4.8 million in 2023, providing a variety of choices to meet the needs of electronic book users. At the same time, we also adopted KOBO's international general classification, so that consumers can more conveniently choose their favorite products. Overall, a total of 4,439,061 electronic books were sold in 2023, 50.79 times that of 2022. We hope to continue to increase the variety of products in the future, and encourage vendors to use e-tickets and e-books as the main event tie-ins to guide suppliers to sell products in a more eco-friendly way. We provide diverse options of electronic products for consumers to choose from to develop green consumption habits. This not only significantly 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

Step 1
Tap E-wallet in Customer Service Center

Step 2
Select the e-tickets to be redeemed

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

Digitalization of Supplier Contracts and Internal Documents

Since 2021, PChome has promoted electronic documents, and the current proportion of electronic signatures has exceeded 70%. Besides reducing the use of paper to achieve carbon reduction benefits, it also speeds up the document approval process. As of the end of 2023, 86,618 forms have used electronic signatures. PChome began to sign electronic contracts with suppliers in 2022. The back-end system will send electronic contracts for suppliers to sign and upload relevant documents. In addition to reducing paper consumption and resource consumption, the transparent approval process allows suppliers to immediately understand the progress, improves the efficiency of contract renewal, and reduces the Company's operating costs. The number of suppliers that signed an electronic contract in the back-end system reached 2,795 in 2023. After the new version electronic contract was launched in 2024, new contracts were signed with current suppliers starting in April with the target of updating the contracts with 300 suppliers every month.

Earth Day

PChome supported Earth Day in 2023 and launched the "Green Life, Invest in Our Planet" campaign, creating five green areas: "Reduce carbon together and love the Earth," "Environmental sustainability starts with you and me," "We are all responsible for saving energy," "Your persistence will make the world better," and "Friendly protection of our homeland," which provide green product discounts in food, clothing, accommodations, and transportation. These products help consumers to be eco-friendly and reduce energy and carbon in their daily lives, protecting the Earth together.

Smartphone Recycling

PChome provides cash for recycling mobile phones to encourage people to join the ranks of environmental protection. Collecting and processing old mobile phones that people no longer use reduces the impact of electronic waste on the environment, and reusable metal materials are recycled to promote sustainable consumption habits. Due to pandemic, the peak in replacement of mobile phones in 2022 was postponed to 2023, causing mobile phone recycling to increase by 46% in 2023. PChome hopes to continue this growth rate in the future and add laptops as a recycling item for the public to choose from.

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3.2 Climate and Sustainability Action

Extreme weather events have frequently occurred in recent years, and high temperatures repeatedly exceeded historical records in 2023. The 28th UN Climate Change Conference (COP28) emphasized that the implementation of net zero commitments requires immediate action, because we are just one step away from the limit on 1.5° C temperature rise in the Paris Agreement. 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. Climate change has become an essential factor in management for any organization. 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 Sustainable Development 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-related 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.
- The Environmental Protection and Energy Saving task force takes inventory and formulates response measures for climate-related risks and opportunities.
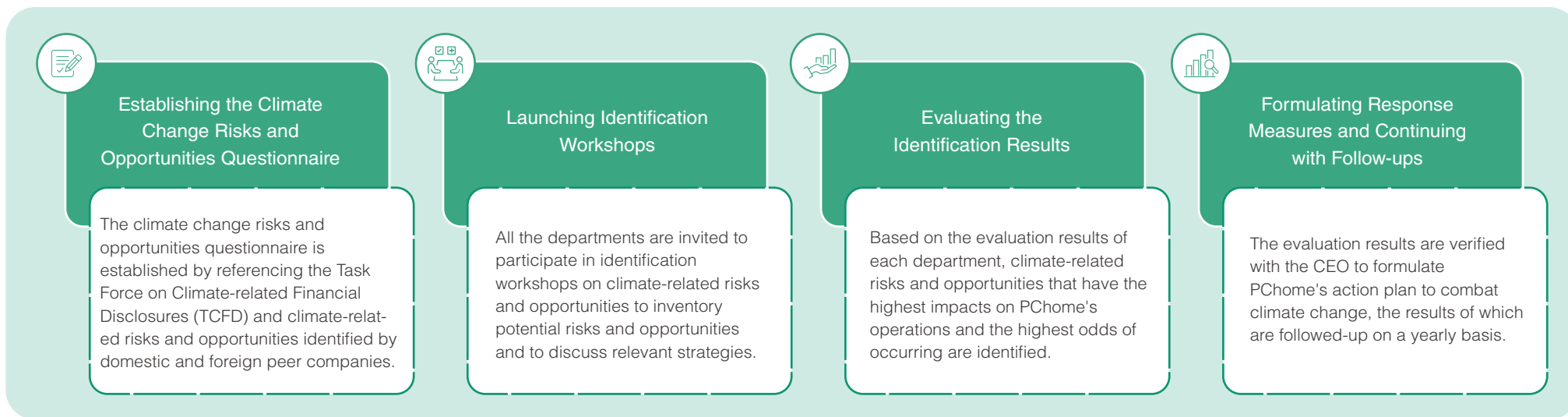
Risk Management

- In order to more accurately detect climate-related risks and opportunities, PChome will continue to pay 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.

PChome's Climate Governance Framework

Board of Directors
Supervises Risks and Decides on Policies

Sustainable Development Committee
Reviews the Management Direction and Execution Results

Environmental Protection and Energy Saving task force
Regularly Takes Inventory and Formulates Response Measures for Climate-related Risks and Opportunities

With the support of our executives and participation from all departments, we have jointly identified climate change-related physical risks and the transition risks and opportunities that are most relevant to our operations through discussions, and assess their potential financial impact on PChome. 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 will continue our efforts in implementing action plans to mitigate the impact of climate change on our business performance and financial position, and seize opportunities for growth brought by climate change.

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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 Identification 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 Identification 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. Use more efficient production and distribution processes, and develop circular economy
3. Establishment of sustainable supply chains

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Physical Risks					
Risks Categories	Risks	Risk Scenario	Period of Influence	Potential Impacts	Key Management Measures
Immediate	Increased severity 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 upstream/downstream supply chain interruptions	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 has established a natural disaster notification mechanism and conducts fire safety drills twice a year to strengthen its ability to respond to extreme weather events and reduce the impact on operations • Purchase relevant natural disaster insurance for locations of operations to reduce losses caused by disasters • Deploy flood barriers, pumping systems, and emergency power supply to ensure employee safety, stable business operations, and prevent broken supply chains. Use advertising resources appropriately to disclose the impacts of extreme climate events on product delivery, as well as inform consumers about delivery delays
Long-term	Changes in precipitation patterns and extreme changes in climate patterns	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	Mid-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	• Prepare electrolyte drinks in the workplace, promote timely rest, and strengthen air circulation in the workplace (set up electric fans and open rolling doors) to reduce the occurrence of thermal hazards to personnel • Irregularly track the physical condition of on-site personnel and appoint on-site nurses to immediately resolve emergency health conditions of employees • Plan water conservation measures and response measures during a water shortage, including developing domestic water reuse, periodically maintaining water pipes to reduce leakage, and deploying emergency water trucks during water shortages, so as to ensure stable water supply for operations. 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 • Install a timer on air conditioners to actively control the off time of air conditioners to save energy and reduce carbon emissions • Posters are posted in the pantries and restrooms on each floor of the Dunnan Building to promote water conservation. Warehouses prepare promotional materials and actually installed water-saving valves and used 350ml to 500ml plastic bottles in toilets to enhance water-saving efficiency • Negotiating a stable supply of packaging materials and products with suppliers, and establish an alternative materials mechanism to ensure stable prices and secure stock supplies

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Transition Risks

Risks Categories	Risks	Risk Scenario	Period of Influence	Potential Impacts	Key Management Measures
Policies and regulations	Increases in pricing of GHG emissions	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	Mid-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 face 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 Office regularly reviews the updates in regulations of competent authorities and forwards the information to relevant units to grasp the latest status of energy-related regulations or ordinances, in order to make policy adjustments accordingly • Improving employees' awareness of environmental sustainability and corporate social responsibility. Continuously advocating energy conservation and waste reduction • Various energy conservation and carbon reduction measures are incorporated into the operating process, including gradually replacing traditional light bulbs with LED for office lighting. 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. We take comprehensive actions to reduce GHG emissions 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 develop green products with labels, and the annual number of green products (Green Product Hall and Buying Power store) reached 10,315, an increase of 74% compared with when the section was established • Carry out marketing campaigns for green products to strengthen the impression of consumers, such as supporting "Earth Hour" on March 25, and launching the "Earth Hour" green section, which created advertising benefits of NT$780,000 • Putting green products together and add a search filter to help consumers search for and purchase products • PChome has adopted four strategies for packaging improvement: implementing recyclable packaging, increasing the ratio of delivery boxes made from recyclable pulp, reducing the use of single-use packaging, and selectively switching to recyclable cushioning 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 Categories	Risks	Risk Scenario	Period of Influence	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 due to shortage of products or raw materials reduces the willingness to invest. Consumers develop firmer intentions to switch to other green e-commerce platforms, which leads to fewer customer sources **Financial Impacts** • 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 replacing energy-consuming equipment, expanding the green energy-powered logistics fleet, constructing green warehouses, and developing carbon reduction objectives to achieve low-carbon transportation • Strengthen the communication of sustainability information, including the ESG corporate sustainability section and sustainability report on the official website, and transparently disclose the response to various topics of concern to stakeholders, as well as greenhouse gas reduction results and targets, so as to achieve immediate communication • Continue to encourage consumers to support low-carbon consumption, thereby enhancing their identification with corporate sustainability and further increase the Company's reputation for sustainability

Climate Opportunities

Opportunities Categories	Opportunities	Opportunity Scenario	Period of Influence	Potential Impacts	Key Management Measures
Products and services	Developing low carbon products and services	Due to increasing consumer demand for low-carbon/green products and services, the availability of sustainable products becomes a key determinant of consumers' willingness to purchase	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 various low-carbon shopping solutions in response to customer purchasing preferences and market demands: Such as developing low-carbon products, designing low-carbon spaces and low-carbon activities, and increasing the ratio of low-carbon products and services • The Buying Power store increased the number of products increased by 40% and the number of brands increased by 100% in 2023, thus providing consumers with more diverse products to respond the call for environmental protection and sustainability • Increase the percentage of deliveries made by electric scooters of 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

Opportunity Categories	Opportunities	Opportunity Scenario	Period of Influence	Potential Impacts	Key Management Measures

Resource utilization efficiency	Use more efficient production and distribution processes, and develop circular economy	Due to consumers' increasing awareness of sustainable consumption, designing a circular economy-based operational framework can improve a company's popularity among consumers. The framework should include measures such as reducing recyclable materials, enhancing resource utilization, and reducing packaging waste	Mid-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
					• The mobile phone recycling stays stable in terms of service standards. In September 2022, we launched an iPhone Subscription Plan 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 54.9%
					  2. Developing AI automated warehousing, improving shipment efficiency, and reducing packaging time
					• Environmentally friendly packaging:
					  1. Made from 90% and above 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 water-soluble ink
					  4. The high-density paper increases the reuse rate and lowers carbon emissions
					  5. Reducing shipments in separate boxes through big data analytics to reduce the quantity of paper boxes used by online shopping
					  6. Planning rules for using consumables and adjusting the shipment process of warehouses to significantly reduce consumables and cushioning usage, including paper boxes, cushioning, and tape
					  7. Examining the packaging materials currently used, the packaging materials do not use PVC, and recycled plastic materials reaches 25%
					  8. Planning a packaging weight QC system to check the weight of products, so that it complies with the limit on packaging weight ratio of each product, which will be launched in 2024

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 supply chain 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 supply chain management and reducing the 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 • Assess and formulate supplier transition solutions to guide suppliers to engage in sustainable operations, and plan the signing of carbon reduction intentions with suppliers • Plan sustainability-related training for suppliers • We launched the Buying Power store and green product section in recent years to show our concern for environmental protection and sustainability issues, and to show suppliers our investment of resources in this topic to encourage actions on their part. In 2023, the number of products increased by 40% 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 participating suppliers can strengthen their eco-friendly brand image among consumers • In 2023, we began to promote information security concepts in the supplier back-end, including the production of information security videos and the distribution of post-test questionnaires after information security training; the questionnaire had an average score of 96 points

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3.3 Green Operations Management

3.3.1 Environmental Management Policy and Framework

Online shopping brings consumers a more convenient and efficient living environment. As the business volume of e-commerce grows each day, PChome fully understands the importance of sustainable operations while taking into account the protection of the natural environment. We adhere to the principles of cherishing Earth's resources, promote environmental protection externally, and implement green operations management internally. The Company has established a concrete environmental management structure. The ESG team is in charge of organizing and formulating relevant policies and works with all departments in the joint effort of energy and resource management. PChome considered industry characteristics and regulations of the competent authorities when formulating internal environmental management regulations and establishing an appropriate environmental management system. We continue to implement energy conservation and carbon reduction plans to reduce the carbon footprint of the head office and warehouses. We also regularly assess 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 suppliers and partners to join in the ranks of environmental friendliness, so as to fulfill our responsibilities to protect the Earth and develop a sustainable value chain.

3.3.2 Energy Management (GRI302-4, 305-5)

PChome reviews and adjusts the Company's energy consumption every year, actively carries out carbon management-related work, and takes inventory of actual emissions of "carbon" and "greenhouse gases." We formulate specific improvement measures based on the current situation to achieve the goal of reducing CO_2 emissions. We have taken measures such as incorporating a green logistics fleet, replacing traditional lighting with LED lights and automatic light sensors. We demonstrate the Company's determination to protect the environment and reduce the impact of climate change on the Company's operational risks through comprehensive planning and practical actions. In 2023, we replaced 80 T8 traditional lamps in the office with LED energy-saving lamps. This significantly reduced power consumption per lamp from 80W to 45W, which can save approximately 8,176 kWh of electricity a year, or the equivalent of 4.04 tCO_2e. In addition, 176 traditional T5 lamps in the office area and conference rooms were replaced with LED energy-saving lamps, and the warehouse was changed from multi-layer racks to heavy-duty racks to reduce the use of lamps, achieving an annual power saving of approximately 185,490 kWh, equivalent to a reduction of 91.6 tCO_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. We have included fuel and electricity consumption of offices and official vehicles in statistics since 2022, resulting in an increase in total energy consumption compared with the previous year. The overall delivery volume in 2023 increased by 29.8% compared with 2022. The number and time of vehicles utilized could not be significantly reduced due to the increase in delivery volume, resulting in an increase in overall fuel consumption compared with the previous year. Furthermore, the Linkou A7 warehouse was added in 2023, and the demand for lighting, equipment, and air conditioning in the large warehouse caused electricity consumption to increase compared with the previous two years. Due to the expansion of the overall business scope, energy consumption and greenhouse gas emissions both increased compared with the previous period. In response to this situation, PChome continues to implement more energy-saving measures and emission reduction strategies to reduce total energy consumption and GHG emissions.

(GRI302-1, GRI302-3)

Energy Use Status from 2021 to 2023					
Type of Energy		Unit	2021	2022	2023
Fuel Usage (warehouse)	Diesel	liter	4,713	3,362	1,824
	Gas	liter	12	13	13
Fuel Usage (fleet)	Diesel	liter	509,765	483,328	490,936
	Gas	liter	25,727	35,138	33,330
Office Vehicles	Gas	liter	0	733	574
Purchased Electricity	Electricity	kWh	8,917,928	11,028,216	13,265,039
Unit Conversion					
Fuel Consumption		GJ	18,931	18,285	18,434
Power Consumption		GJ	32,104	39,702	47,754
Total Consumption		GJ	51,035	57,986	66,188
Percentage of Grid Electricity[Note 2]		%	62.9	68.5	72.1
Energy Intensity		GJ per NT$1 million in revenue	1.1	1.3	1.6

Note 1: Data calculated in accordance with the Ministry of Economic Affairs Bureau of Energy's conversion standards, i.e., 8,400 kcal per liter of diesel, 7,800 kcal per liter of gas, and 3,600 kJ per unit of electricity; 1 kcal = 4,186J.

Note 2: PChome uses non-renewable energy, and electricity comes from grid. Therefore, the percentage of grid electricity (%) = electricity consumption / total consumption * 100.

(GRI305-1, 305-2, 305-4)

GHG Emissions from Various Sources					
Type of Energy		CO_2 Equivalent (tons)	2021	2022	2023
Fuel Usage (warehouse)	Diesel	Scope 1	12.49	8.91	4.83
	Gas		0.03	0.03	0.03
Fuel Usage (fleet)	Diesel		1,350.88	1,280.82	1,300.98
	Gas		60.74	82.96	78.69
Office Vehicles	Gas		-	1.73	1.35
Subtotal (Scope 1)			1,424.14	1,374.45	1,385.89
Purchased Electricity			4,476.80	5,613.45	6,552.93
Total (Scopes 1 and 2)[Note 2]			5,900.94	6,987.81	7,938.82
GHG Emission Intensity (tCO$_2$e/NT$1 million in revenue)			0.12	0.15	0.19

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 MOENV'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, N_2O.

Note 2: The data in Scope 1 is calculated in accordance with the emission factors listed in the MOENV's Greenhouse Gas Emission Factor Management Table Version 6.0.4, in which gas =2.361kg CO_2e/L, and diesel = 2.650kg 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. (Electricity carbon emission factor in 2023 = 0.494kg CO_2e/kWh)

3.3.3 Water Resources Management (GRI303-1)

The stable operation of enterprises is closely related to the supply of water resources. 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. The Company's water source is tap water, which is mainly used as domestic water. Warehouses are mostly located in the Taoyuan area and rely on water supply 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, ensuring sustainable use of water resources through water-saving measures.

Due to the opening of the Linkou A7 Warehouse, warehouse water consumption increased in 2023 compared with the previous year. PChome hopes to reduce water waste and improve water efficiency through water resource management measures, including offering visualized education on water conservation to establish 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 reduce water consumption by the chiller through activation of office and warehouse space and appropriate adjustment of air conditioning equipment. 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.

(GRI303-3)

Business Locations	Water Sources	River Basin	Unit	2021	2022	2023
Warehouses	Shimen Reservoir	Dahan River	Metric tons	22,774	19,100	29,005
Office	Feitsui Reservoir	Beishi River		-	16,800	17,873
Total Water Consumption				22,774	35,900	46,878
Water Usage Intensity[Note 3]			Metric tons/ NT$1 million in revenue	0.47	0.77	1.14

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: Due to the opening of new warehouses in 2023, the total water consumption and intensity increased compared with the previous two years.

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3.3.4 Waste Management (GRI306-1, 306-2)

As an online shopping platform, PChome's resource utilization is fairly simple as we do not generate any hazardous industrial waste according to Ministry of Environment regulations. 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 eco-friendly packaging and reduces the weight of paper 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.
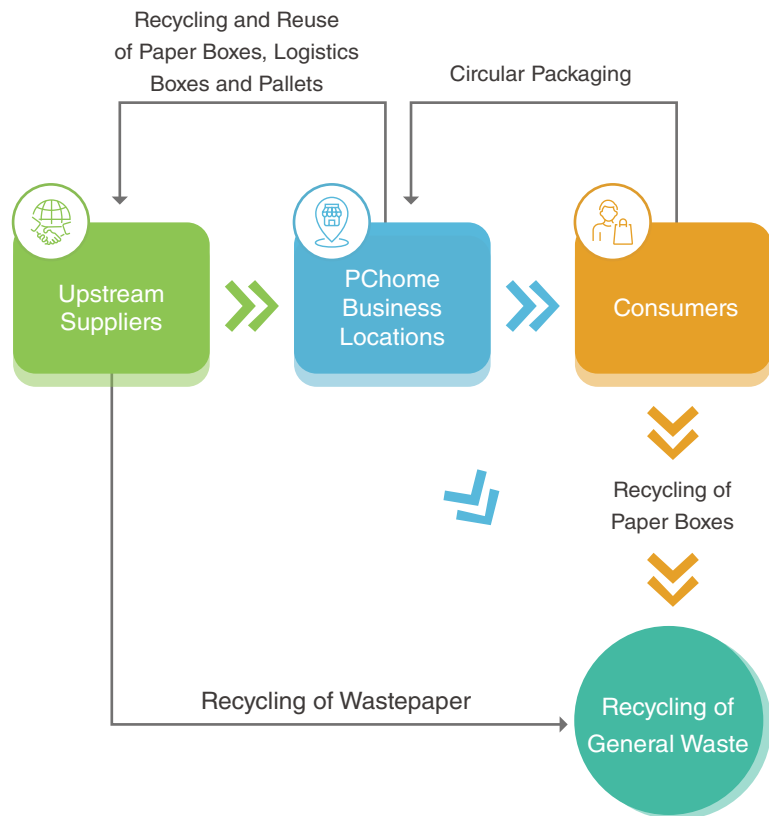
Starting in 2022, the waste disposal amount of the headquarters was included in the calculation in addition to the warehouses. In 2023, the total amount of general waste incinerated was estimated to be 228.2 tons while the recycled waste weighed 1,555.5 tons. Among them, the total weight of waste generated by the office was reduced by 35% compared with the previous year due to the promotion of waste reduction. Due to the overall increase in goods in the warehouses compared with 2022, the total weight of waste increased compared with the previous year. Overall, the total weight of waste in 2023 was 1,783.7 metric tons, and the recycling rate reached 87.2%, a slight increase from the resource recovery rate of 82.2% in 2022. 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.

(GRI306-3, 306-4, 306-5)

Item	Handling	Unit	2021	2022		2023	
			Warehouses	Warehouses	Office	Warehouses	Office
General Waste	Transported and Incinerated by Qualified Companies	metric tons	108.2	100.8	200.4	103.6	124.6
Resource Recycling	Recycling and Reuse by Qualified Companies		1,341.0	1,157.0	231.9	1,399.0	156.5
Subtotal of Business Location			1,449.2	1,257.8	432.3	1,502.6	281.1
Total Weight of Waste			1,449.2	1,690.1		1,783.7	

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
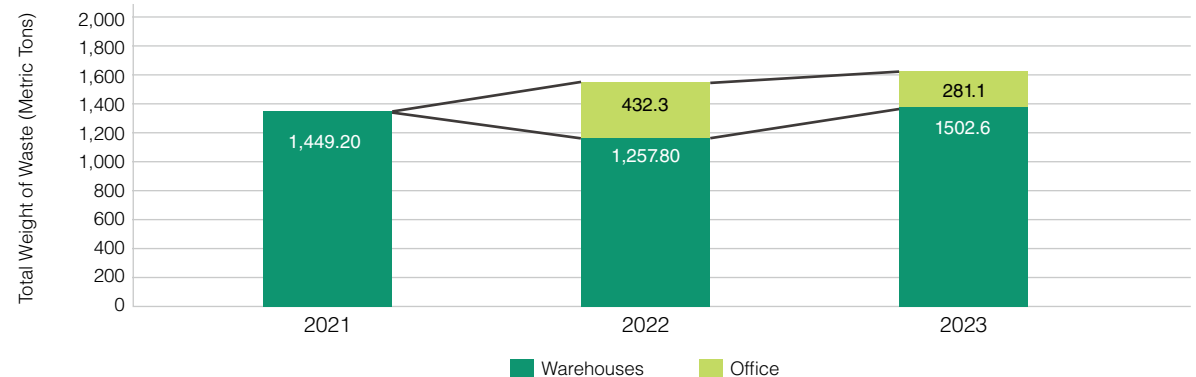
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4.1 Professional Team Organization
4.2 Employee Benefits System
4.3 Human Resource Recruitment and Training
4.4 Healthy and Friendly Workplace

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 55% of the workforce while female managers account for 52%

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

PChome believes that talent is the most important asset of an enterprise, and continues to recruit talent, even going into campuses for recruitment. PChome actively cultivates outstanding talents, and provides a wide range of positions related to products, engineering, digital marketing, and e-commerce. At the same time, we firmly believe that talents are the core driving force of an enterprise. PChome is committed to creating an equal, healthy, and positive workplace culture, providing generous benefits, advocating non-discrimination, respect and equal rights, and investing resources to create a safe workplace environment. Under PChome's business philosophy of "committed to innovation and value creation," we also focus on establishing a long-term competitive company culture, hoping to continue to create a new benchmark for Taiwan's e-commerce services, so that consumers and the public can feel that PChome provides the best and most sincere service.

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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

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] Utilized the LMS training platform for internal knowledge to 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
- [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

Evaluation 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, optimize talent channels and community management to improve employer brand reputation

Actual Results in 2023

- As of the end of 2023, we have trained 425 interns through the internship program, among which 175 became employees, representing a retention rate of 41%
- In the 2023 VOE survey, 52% of employees participated and provided feedback, of which 35% said they were satisfied with their work
- In 2023, employee training hours reached 8,202.8 hours. A total of NT$783,925 was invested for training

Grievance Mechanism

- Employer-employee meetings
- Employee complaints email box (hr@response.pchome.com.tw)
- Employee interviews

Responsible Unit

- Human Resource Department

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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 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 the e-commerce industry

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

Evaluation Mechanism

- The Occupational Safety and Health Committee was established in accordance with the Occupational Safety and Health Management Regulations, and worker representatives are elected, accounting for 1/3 of committee members. And convenes quarterly. There are 9 committee members in total. Provides 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
- Formulated an employee health management plan, which includes: prevention of illegal infringement in the workplace, ergonomic hazard prevention, maternal health protection, and prevention of diseases caused by abnormal workload. Furthermore, we added the "Middle-aged and Elderly Work Ability Management Plan" to evaluate relevant hazards and high-risk groups, and formulated improvement plans to protect employee safety and health as well as to prevent occupational accidents
- Promoted employee health promotion activities, including self-care, chiropractic self-therapy, understanding of workplace stress, potential sleep problems and sleep examinations, restorative yoga, recovery of body aches, burnout, vision care, and sexual harassment prevention

Actual Results in 2023

- No employee-employer disputes in 2023
- No major violations of occupational safety and health regulations in 2023
- In 2023, a total of 113 sessions of training on occupational safety and health were implemented, with 1,726 participants and 2,759.5 hours of training in total

Grievance Mechanism

- There is a dedicated mailbox and grievance hotline for employee grievances
- Employees can e-mail their opinions to senior managers

Responsible Unit

- Occupational Safety Office

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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 2023, there was no violation against the Labor Standards Act.

Regarding employee composition, as of 2023, we have 1,665 employees, 13 of whom are disabled (accounting for 0.8% of all employees) and 44 of whom are indigenous people (accounting for 3% of all employees). Among which, over 50% of the employees are female, and over 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 employee age, the majority of employees are between the ages of 30 and 49 years old, accounting for more than 70%. PChome attaches great importance to the innovative thinking and reform ability of young employees, allows young employees to participate in and carry out various projects, accumulates practical experience, while providing enough space to utilize their capabilities, which brings out their enthusiasm and potential at work. At the same time, PChome provides equal promotion opportunities and incorporates cross-generational thinking into its corporate culture, in order to respond to rapid changes in social needs and continue to enhance corporate competitiveness.

Employee Diversity in 2023								
Employee Category		Employee Type						
		Management*		Technicians		All Other Employees		Total Number of Employees	
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Gender	Female	83	51.9%	66	37.1%	766	57.7%	915	55.0%
	Male	77	48.1%	112	62.9%	561	42.3%	750	45.0%
	Not Disclosed	0	0%	0	0%	0	0%	0	0%
Age	Below 30	3	1.9%	31	17.4%	317	23.9%	351	21.1%
	30-49	137	85.6%	133	74.7%	911	68.7%	1181	70.9%
	Above 50	20	12.5%	14	7.9%	99	7.4%	133	8.0%
Race/Ethnicity (Nationality)	Non-indigenous Taiwanese	160	100.0%	177	99.4%	1278	96.3%	1615	97.0%
	Indigenous Taiwanese	0	0%	1	0.6%	43	3.2%	44	2.6%
	Foreign Nationals	0	0%	0	0%	6	0.5%	6	0.4%
Total		160	9.6%	178	10.7%	1327	79.7%	1665	100%

*Managerial positions are defined as supervisors with management responsibilities, but do not include directors.

PChome's Employee Structure in the Past Three Years

PChome's employee structure over the years are as follows: 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 70%, and have not changed much over the years.

（GRI 2-7, GRI 202-2, CG-EC-330a.3）

			2021				2022				2023			
			Female	Male	Total	Percentage	Female	Male	Total	Percentage	Female	Male	Total	Percentage
Contract Type	Permanent Employees	Taiwan	1,031	824	1,855	97.4%	1036	828	1864	98.8%	906	737	1643	98.6%
		Other Regions	4	1	5	0.3%	7	2	9	0.4%	4	2	6	0.4%
	Temporary Employees	Taiwan	4	2	6	0.3%	2	3	5	0.4%	3	7	10	0.6%
		Other Regions	0	0	0	0%	0	0	0	0%	0	0	0	0%
	Interns	Taiwan	19	18	37	2.0%	3	5	8	0.4%	2	4	6	0.4%
		Other Regions	0	0	0	0%	0	0	0	0%	0	0	0	0%
Employment Type	Full-time	Taiwan	1,051	833	1,884	99.0%	1,039	833	1872	99.2%	906	737	1643	98.6%
		Other Regions	4	1	5	0.3%	7	2	9	0.5%	4	2	6	0.4%
	Part-time	Taiwan	3	11	14	0.7%	2	3	5	0.3%	5	11	16	1%
		Other Regions	0	0	0	0%	0	0	0	0%	0	0	0	0%
Age	Below 30		352	235	587	30%	332	209	541	29%	240	161	401	24%
	30-49		665	565	1,230	65%	672	573	1,245	66%	621	527	1148	69%
	Above 50		41	45	86	5%	44	56	100	5%	53	63	116	7%

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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 leaves 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 （GRI202-1）

PChome 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, including bonuses (cash or stocks/shares), fringe benefits, overtime pay, and other subsidies (such as: transportation subsidy, cash gift for childbirth). In 2023, the ratio of the highest compensation for an individual as compared to the median of the other employees (excluding that individual) is 15.15. 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 -9.19. 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 （GRI405-2）

Employee Type	2021		2022		2023	
	Management	Non-management	Management	Non-management	Management	Non-management
Female	1.06	1.22	0.91	1.34	1.22	1.18
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	2021		2022		2023	
	Management	Non-management	Management	Non-management	Management	Non-management
Female	1.01	1.13	0.86	1.25	1.21	1.11
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 （GRI 202-1）

Employee Type	2021	2022	2023
Female	1.05	1.01	1.16
Male	1.05	1	1.21

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4.2.2 Employee Benefits Policy (GRI401-2)

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 six categories - salary and benefits, holiday celebrations, 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 • Christmas heart-warming activities
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 implement a flexible three-shift schedule in which each shift lasts for 8 hours. Based on their individual needs and the requirements of their department, employees can choose to clock in at 08:30, 09:00, or 09:30 after gaining approval from their supervisor. They are also allowed to change their clock-in time once every three months. The implementation of a flexible work hour schedule 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

PChome 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 meet requirements receive subsidies when applying for continuing education in accordance with regulations. We take action to support our employees to continuously sharpen their language skills and job competences.

Maternity Protection Plans (GRI401-3)

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 employees have time to take care of their career and family during pregnancy, eases employees' pressure from 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.

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Unpaid Parental Leave Statistics for the Past 3 Years:

Item	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Total Number of Employees Entitled for Parental Leaves for the Current Year (A)	38	82	54	110	37	71
Total Number of Employees Who Actually Took Parental Leaves for the Current Year (B)	7	31	6	24	9	26
Application Rate (B/A)	18%	38%	11%	22%	24%	37%
Total Number of Employees Supposed to Be Reinstated After Parental Leaves for the Current Year (C)	4	21	4	18	8	20
Total Number of Employees Actually Reinstated After Parental Leaves for the Current Year (D)	3	18	1	18	5	9
Reinstatement Rate (D/C)	75%	86%	25%	44%	63%	45%
Total Number of Employees Reinstated After Parental Leaves for the Previous Year (E)	3	25	3	20	5	21
Total Number of Reinstated Employees Who Continued to Work for a Year After Receiving Unpaid Parental Leave in the Previous Year (F)	3	21	3	15	3	15
Retention Rate (F/E)	100%	84%	100%	75%	60%	71%

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. At the same time, we conduct an environmental and operational hazard assessment, determine the risk level based on assessment results, and take measures to improve and control hazards in the workplace, in order to reduce or eliminate hazard factors. We also provide guidance to the employee to complete 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 in our Dunnan Head Office 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' Life after Retirement

(GRI201-3)

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 confirmed benefits (old scheme) and a pension program with defined contributions confirmed accrual (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 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 its 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.

(Unit: NT$ 1,000)

Item	2021	2022	2023
Name of the Pension Program	Old-scheme pension	Old-scheme pension	Old-scheme pension
Estimated Net Asset Under the Pension Fund	3,935	32,491	54,689

Static and Dynamic Club Activities

PChome hopes to enrich employees' lives and create a work environment full of vitality through club activities so that employees may relax after work and develop diverse interests and expertise. For example: The yoga club provides an environment where everyone can relax their mind and strengthen their body despite their busy work, achieving perfect balance of the body and mind through each practice. The Reading Club has created a world full of books for employees who love reading, allowing everyone to find wisdom and inspiration in books, increase their knowledge, and broaden their horizons. Whether participating in sports exercises or reading quietly, everyone can find a suitable way to relieve stress here, improve physical and mental health, and put more energy into work.

Social Club	Event Content
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.
PChome 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' horizon 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.
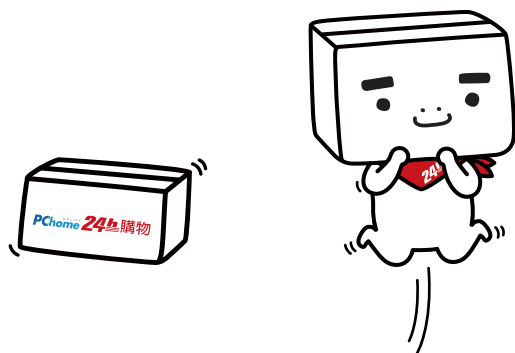
4.2.3 Performance Appraisal and Management

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.

Employee Ratio in the 2023 Performance Evaluation (GRI404-3)

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-Supervisor	53	55	96%	50	56	89%
Headquarter - Non-supervisor	198	227	87%	436	491	89%
Employees on site -Supervisor	91	91	100%	53	55	96%
Employees on site -Non-supervisor	352	369	95%	291	302	96%
Total	694	742	94%	830	904	92%

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 2023 need to have completed three months on the job and include: full-time employees, employees who reported to duty before September 30, 2023, and employees who have taken unpaid leave for 6 months or less in 2023. Employees who do not meet the above requirements are paid according to the overall remuneration guidelines in 2023.

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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 work and recruit individuals with expertise in products, engineering, digital marketing, and e-commerce. In addition to recruiting young talents from campuses and cultivating 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 (GRI 401-1, CG-EC-330a.2)

Age	Gender	Newcomers						Former Employees					
		2021		2022		2023		2021		2022		2023	
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Below 30	Female	194	55%	202	61%	138	58%	136	39%	170	51%	148	62%
	Male	143	61%	101	48%	76	47%	93	40%	89	43%	87	54%
30-49	Female	132	20%	110	16%	104	17%	106	16%	162	24%	231	37%
	Male	112	20%	113	20%	75	14 %	89	16%	129	23%	142	27%
Above 50	Female	6	15%	7	16%	3	6%	4	10%	11	25%	18	34%
	Male	7	16%	10	18%	5	8%	2	4%	14	25%	26	41%
All employees	Female	332	31%	319	30%	245	27%	246	23%	343	33%	397	43%
	Male	262	31%	224	27%	156	21%	184	22%	232	28%	255	34%
	Total	594	31%	543	29%	401	24%	430	23%	575	30%	652	39%

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

Gender	2023	
	Number	Percentage of All Employees
Voluntary Separation	476	28.59%
Involuntary Separation	176	10.57%
Total	652	39.16%

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Industry-academia Collaboration and Internships in 2023

	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	The internship provides undergraduate/ master's program students in colleges and universities with the opportunity to enter the workplace in advance to practice and apply their expertise in their spare time, and at the same time understand what it is actually like in the workplace and accumulate practical experience. Students and unit supervisors decide on the internship length and location. The general rules are that internships must be at least 20 hours every week and the tasks are expertise-oriented
Job Content	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	Supervisors appoint job content based on the nature of the department for industry-academia interns to complete	Supervisors assign projects related to professional competencies 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 each unit, openings are irregularly announced on the recruitment platform and for interns to apply for
Results	• In 2023, a total of 19 summer interns were recruited • Bringing in creative thinking of new generations	In 2023, a total of 8 interns were recruited	In 2023, a total of 1 workplace experience intern was 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 adopts 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 adopted 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

Legal Compliance
Compulsory courses for regulatory regulators

PChomer Competencies
The skills and knowledge required to become a PChomer

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

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

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

PChome Professional Talent

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
Annual internships for campus trainees, 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, utilized the LMS training platform, and 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 2023, over 5,600 persons have received training, and the completion rate was an impressive nearly 100%.

Competency	Training Courses	Trained Employee	Total Number of Employees Who Completed Training	Percentage of Completion of Training
Work Competency	Power Up workplace communication series: (1) Learn about yourself through MBTI (2) Tableau basic training (3) Notes on copywriting for marketing campaigns	All employees	663	100%
Business Competency	OWASP TOP 10 Information Security Online Courses/ Information Security Issues of Generative AI Tools/Member Consumption Behavior from the Perspective of Big Data/Product Competitiveness	All employees	971	100%
PChomer Competency	New employee training/ Employee performance description	Newcomers/All employees	1,775	100%
Leadership Competency	Warehousing and logistics department management talent training	Warehousing and logistics personnel	172	98%
Legal Compliance Competency	Whistleblowing and protection mechanism	All employees	2,029	100%

The scope of employee training was expanded in 2023, covering the Technology Department's "OWASP TOP 10 Information Security Online Courses/Information Security Issues of Generative AI Tools/Member Consumption Behavior from the Perspective of Big Data/Product Competitiveness," and the "Warehousing and Logistics Department Management Talent Training" and "Power Up Workplace Communication Series" organized by the Human Resources Department to pass on the Company's internal knowledge. PChome provided a total of 8202.8 hours of training in 2023, or an average of 4.93 hours of training per employee in 2023. This shows that PChome flexibly uses cloud technology and the 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, so as to continue enhancing the Company's competitiveness.

Total Training Hours and Average Training Hours in the Past Three Years (GRI404-1)

Item		2021		2022		2023	
		Average	Total Hours	Average	Total Hours	Average	Total Hours
Gender	Female	3.11	3,292	9.76	10,230.8	5.00	4575.0
	Male	3.56	3,007	9.74	8,163.5	4.84	3627.8
Position	Supervisors	13.84	2,546	11.62	2,497.5	7.07	1131.5
	Non-supervisors	2.18	3,753	9.51	15,896.8	4.70	7071.3

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.

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.

Orientation training and basic in-service training

Warehouse Management Training Program

Since warehouse supervisors need to deal with workers of all ages, a warehouse supervisor training program was implemented in 2023 to provide cadre members and supervisors with management effectiveness, good language and communication skills, and allow outstanding talents to continue to work hard for the Company. The training program provides management skills for supervisors at all levels through sharing and practices ranging from supervisors' appearance, role, guidance techniques, language communication methods, example sharing, and problem solving. In the process, groups of trainees constantly share and collide ideas with each other, and adjust the language communication methods of all cadre members and supervisors, who learn empathy and positive language expression, so that positive language can be deeply rooted in their hearts and employee engagement further strengthened. The program improves the ability of cadre members and supervisors at all levels to listen to employees' voices, solve problems, and implement the Company policies to every employee, allowing everyone to follow the Company's core values and gradually move towards the goal.

Knowledge Logistics Specialist

To facilitate cross-department cooperation and professional understanding, and enhance understanding and empathy among employees in interactions, the HR department officially launched the "Cross-department Knowledge Sharing - Knowledge Logistics Specialist Program." In this program, representatives from each unit serve as the department's knowledge logistics specialist, responsible for producing department-specific "knowledge packages" that will be delivered to employees through the talent management system, providing them with the latest professional knowledge. At the same time, by unboxing knowledge packages, employees gain in-depth understanding of the professional field, work challenges and achievements of each department, and witness the glory of each department.

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4.4 Healthy and Friendly Workplace

4.4.1 Occupational Safety and Health Management
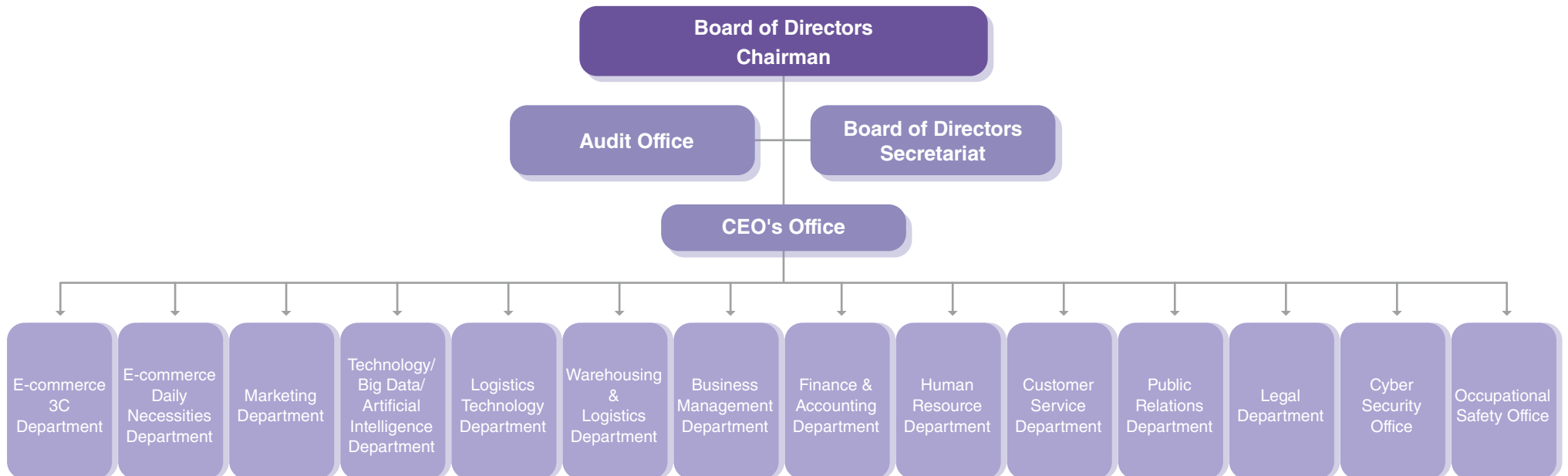
Occupational Safety and Health Committee

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 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

Starting from 2023, PChome adjusted its organizational structure and list the Occupational Safety Office as a first-level unit.

Procedures and Work Methods to Prevent or Mitigate Occupational Safety and Health Hazards （GRI403-7）

Eliminate Hazards:

- When planning a new workplace, control risks from the source and use engineering methods to isolate hazard sources
- Eliminate monotonous work or work that causes stress

Replace with less hazardous processes, operations, materials or equipment:

- Replace highly hazardous with less hazardous
- Switch to an online guide to answer customer complaints
- Use advanced technology to replace human labor with automated equipment to reduce human hazards

Use engineering controls and work reorganization:

- Utilize interlocking and safety linkage devices to prevent injuries caused by misoperation
- Use warning signals to remind employees to pay attention when equipment is abnormal
- Use administrative controls, including training: Conduct regular safety equipment inspections
- Use appropriate and adequate personal protective equipment
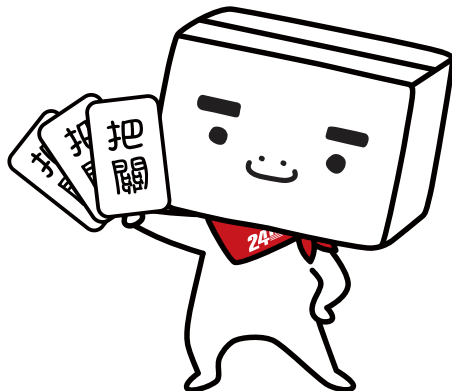
Occupational Safety and Health Risk Management （GRI403-7）

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	Establish safety and health work rules and educate employees to comply with them.
Safety and Health Education and Training	Implement safety and health training for new employees and current employees. Carry out vehicle operation guidance and assessment for vehicle equipment, and only allow employees who pass the assessment to work independently.
Standard Operating Procedures and Work Safety Analysis	Establish standard operating procedures for various operations and train employees to comply with them.
Safety and Health Inspection	Conduct on-site inspections every day, immediately stop operations and make corrections and adjustments for unsafe behaviors, and immediately implement improvements for unsafe environments.
Emergency Response	Formulate an emergency response plan and conduct fire drills every six months at the warehouse in accordance with fire safety regulations. Contents of the drills include reporting, fire extinguishing, evacuation guidance, safety protection, and rescue.
Health Management and Promotion	Provide employees with health and fitness, establish a healthy lifestyle, and improve employees' physical and mental health, which is beneficial to improving work efficiency

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(GRI403-2)

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 event, 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.

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 2023. 2023 occupational injury statistics: (GRI403-9)

|	Employees	Non-employees
Main Types of Work-related Injuries	Falling	Muscle and bone injuries
Total Work Hours	1,808,546	606,197
Number of Persons Suffering from Regular Occupational Injuries (Recordable)	24	0
Work Days Lost	496	0
Ratio of Recordable Occupational Injuries	14.38	0
Work Days Lost ate	274.25	0
Composite Injury Index	1.99	0
Number of Severe Occupational Injuries	2	0
Ratio of Severe Occupational Injuries	1.11	0
Number / Ratio of Occupational Fatalities	0	0
Subsequent Improvement Plan	• Keep the routes on site unobstructed	• Continue to promote correct handling postures • Continue to promote the use of protective gear (waist protectors, wrist protectors)

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 work environment

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
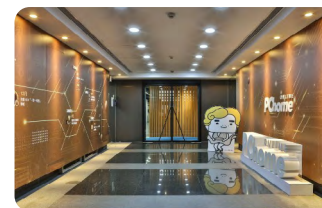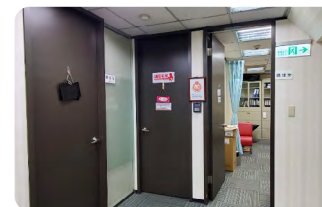
▲ Setting up breastfeeding facilities and AED

2023 Occupational Safety and Health Training Program （GRI403-5）

Training Program	Training Program Description	Frequency and Number of Participants
New Employees - Labor Safety and Health	Summary of safety and health regulations, occupational safety and health concepts and work rules, self-inspections before, during, and after work, emergency response and handling, and other safety and health knowledge related to work.	Number of sessions held: 32 activities Number of participants: 276
On-the-job Re-training for Forklift Operators	Explanation of forklift-related laws and regulations and safe operation essentials, causes of occupational accidents, and preventive measures for forklifts	Number of sessions held: 4 activities Number of participants: 55
On-the-job Re-training for First Aid Personnel	Introduction to first aid (including poisoning, suffocation, and emergency resuscitation), introduction to AED and operation method, first aid and treatment during disasters, hemostasis, bandaging, and fixation of bone and muscle injuries	Number of sessions held: 1 activity Number of participants: 8
AED+CPR Training Course	First aid essentials and standard procedures	Number of sessions held: 35 activities Number of participants: 760
Occupational Safety and Health Manager Re-training	Workplace misconduct prevention, hazard identification, and risk assessment course	Number of sessions held: 6 activities Number of participants: 6

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2023 Health Promotion Activities (GRI403-3,403-6)

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	As a Percentage of All Employees
First Aid Skills (Dunnan)	CPR ＋ AED	Number of sessions held: 3 activities Number of participants: 370	22%
First Aid Skills (Taoyuan warehouse)	CPR ＋ AED	Number of sessions held: 20 activities Number of participants: 312	19%
Protection from Human Factors (Taoyuan warehouse)	Stay away from aches and pains	Number of sessions held: 3 activities Number of participants: 66	4%
Occupational Safety and Health Committee (Taoyuan Warehouse)	Periodically convene Occupational Safety and Health Committee meetings	Number of sessions held: Once every 3 months Number of participants: 39	2%
Medical Staff Handles Worker Health Services	Nursing and care	Daily Number of participants: 480	29%
	Health promotion lecture	Number of sessions held: 45 activities Number of participants: 993	60%
	Maternity protection and care	Occasionally Number of participants: 41	2.5%
On-site Medical Services Provided by Physicians		Number of sessions held: 42 activities Number of participants: 231	14%
Employee Health Examinations - Regular Health Examinations	The Company considers employee health as an important asset and provides health examination items better than required by law, so that employees can understand and monitor their physical condition, seek medical assistance when necessary, and continue to perform at their best at work. In 2023, employee health examinations were held in accordance with the law. The Dunnan Head Office increased the diversity of ways for health examination by allowing employees to choose from touring health examination facilities or going to a hospital. For the convenience of employees working in 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.	Number of participants: 1,280	77%
Other Activities	Sent Mycoplasma epidemic prevention information to all employees via email	All employees	100%
Other Activities	Flu vaccine subsidy (NT$ 900/Person)	Number of participants: 176	11%

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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, United Nations Global Compact, United Nations Guiding Principles on Business and Human Rights, and the International Labour Organization Convention. 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 : (GRI402-1)

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 worker, 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

PChome department supervisors and the Occupational Safety 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. Looking back on 2023, we are sorry to see the complaints that occurred. Besides actively handling the complaints, we reiterated our zero-tolerance statement on workplace misconduct, organized training to improve the knowledge and skills of employees for identifying and handling workplace misconduct, and provided smooth internal grievance channels for employees, protecting all employees from infringement on their rights while performing their duties. In addition, the Company did not have any data leakage, theft or loss of customer information.

In order to better understand the voice of the employees, the company established a rating standard for the VOE survey in 2023. A total of 1,714 employees from 18 departments were invited to participate in the survey. 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.

2023 VOE Survey (CG-EC-330a.1)

	2023
Satisfied	35%
Neutral	45%
Not Satisfied	20%
Number of People who Filled in the Questionnaires	1,714

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 is selected 3 points, and "not satisfied" for those who selected 2 or 1 point(s).

In addition, starting from 2022, an all-staff communication meeting will be held every quarter, where questions may be asked before the meeting and department heads are invited to give briefings and explanations. The 2023 VOE survey has added items on conveying the Company's important information and ideas to employees. Among them, nearly 40% of employees are satisfied with business goals and business strategies. The average satisfaction of the 2023 staff meeting was 4.2 points (on a 5-point scale) through open communication and interaction. PChome will continue to hold employee meetings every quarter in 2024 to optimize its work environment based on feedback from the employees.

Ch 5 A Caring Partner in Society

5.1 Network of Love, Conveniently Engage in Public Welfare

5.2 Caring for Global, Development of Localization and Legacy

Important Stakeholders

▶ Employees, Media, Communities/Npos

Sustainable Development Goals

11 SUSTAINABLE CITIES AND COMMUNITIES

Continue collaborating with a broader range of public welfare organizations through the 'PChome Love Charity Platform,' while integrating the concept of sustainable cities. By organizing offline public welfare activities, we aim not only to amplify the impact of public welfare but also to advance sustainable city development. Expand these efforts to reach a wider audience of online shoppers and partner suppliers, contributing to societal well-being and fostering the growth of more sustainable cities.

4 QUALITY EDUCATION

PChome is committed to addressing global issues, actively participating in disaster relief efforts, and collecting supplies to support and care for vulnerable groups in society. Additionally, PChome donates old computer equipment to address digital inequality and organizes both online and offline reading clubs, continuously contributing to cultural development within local communities. These initiatives foster community cohesion, drive social development and progress, and further the goals of social fairness and equal education.

Sustainability Highlights

PChome established the 'PChome Love Charity Platform' to facilitate public engagement in charitable activities, thereby increasing participation in philanthropic and welfare initiatives.

Additionally, PChome launched an end-of-year initiative, encouraging the public to donate essential supplies. This effort resulted in the collection of over 10 boxes of items, including alcohol, gloves, and masks, which were distributed to five public welfare organizations.

In support of digital equality and social equity, PChome repurposed computer resources by donating over one hundred used computers, helping to bridge the digital divide.

The Chairman successfully organized the Wednesday Reading Club at the Taichung Central Bookstore for four consecutive terms, promoting lifelong learning and engaging over 50,000 participants.

Demonstrating a commitment to global relief efforts, PChome organized the collection of nearly 70 kg of supplies for Turkey, aimed at providing warmth and aiding victims in rebuilding their homes following the crisis.
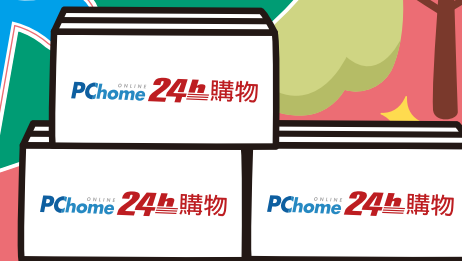
PChome has consistently prioritized social and environmental sustainability. Beyond offering online shopping services and stimulating Taiwan's economy, PChome is committed to the cultural and environmental sustainability of Taiwan. We strive to coexist harmoniously and thrive alongside this land.

5.1 Network of love, Conveniently Engage in Public Welfare

PChome remains steadfast in its commitment to fulfilling social responsibilities and addressing the needs of disadvantaged groups. We aim to leverage our brand's influence and extensive website traffic to offer a more accessible and efficient means for individuals to engage in charity and welfare activities. By doing so, we seek to promote social harmony and progress, making public welfare a seamless part of daily life and creating a tangible impact on society.

PChome Love Charity Platform

PChome has a long-standing commitment to social welfare and continues to focus on issues affecting disadvantaged groups. To advance these efforts, PChome established the 'PChome Love Charity Platform.' The initial partnership includes eight public welfare organizations addressing various causes such as physical and mental disabilities, elderly care, youth support, disadvantaged women and children, burn and facial injury recovery, environmental protection, and animal welfare. The platform consolidates information from these organizations, including donation opportunities and goods. Users can easily access and support their chosen causes through direct links on the platform. PChome is dedicated to expanding its collaboration with a broader range of public welfare groups and organizing more offline activities to enhance its impact. In our initial wave of public welfare activities, we collected supplies by encouraging company employees to donate protective cleaning items to

Sunshine Social Welfare Foundation. This initiative aimed to provide a warm Christmas for recipients (Please read "Invitation to donate" for details) and to raise awareness of public welfare efforts. Additionally, we are exploring opportunities to collaborate with more online shoppers and suppliers to broaden the public welfare cooperation model. Our goal is to achieve mutual benefits with society, extend the reach of our public welfare actions, and play a more active role in charitable endeavors.

5.2 Caring for Global, Development of Localization and Legacy

5.2.1 Donation of Supplies （GRI413-1,2）

Reusing Computer Resources to Promote Digital Equality

PChome is committed to making greater contributions to digital equality and social welfare, so that everyone can enjoy the convenience and opportunities brought by digitalization. In 2023, we donated more than a hundred old computers to multiple institutions, including Kangfu, Institute for the Blind of Taiwan, Angel Heart Family Welfare Foundation, TLOVEAA, Tobias Social Welfare Foundation and Green Miracle Public Welfare Service Association.

By donating these old computers to organizations in need, PChome aims to enhance digital literacy and facilitate better integration into the digital society for the recipients. PChome believes that repurposing these resources not only provides tangible support to the recipient organizations but also reflects our commitment to addressing the digital divide and fulfilling our corporate social responsibility.

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PChome Works Together to Deliver Warmth to Turkey in One Day

PChome has long upheld a sense of responsibility and care for society, and this initiative is a testament to that commitment. At the beginning of 2023, a major earthquake struck the Turkey-Syria border region, resulting in numerous disaster victims facing severe hardships. PChome promptly launched the donation campaign 'PChome Works Together to Deliver Warmth to Turkey in One Day,' calling on employees to contribute. The campaign received widespread support, resulting in the collection of nearly 70 kg of supplies within a single day. These items, which included blankets, fur hats, down jackets, sleeping bags, thermos bottles, scarves, and gloves, were intended to provide warmth and demonstrate care and support for the victims. The collected supplies were delivered to the 'Turkish Trade Office in Taipei,' which facilitated their distribution to residents in the disaster-stricken areas of Turkey. This effort aimed to assist the victims in overcoming their challenges and aid in the reconstruction of their homes.

Invitation to Donate

During the cold winter at the end of the year, we partnered with the Sunshine Social Welfare Foundation, an organization working with the 'PChome Love Charity Platform', and donated ten boxes of supplies, including alcohol, gloves, and masks, to ensure that both foundation staff and recipients can provide and receive services in a safe and clean environment. At the same time, we donated hundreds of pairs of PVC gloves to Taiwan Nursing Home Association, Chung Yi Social Welfare Foundation, Chensenmei Social Welfare Foundation, and Happyworks Foundation to provide personnel with the most comprehensive protection and care.

5.2.2 Invest in the Advancement of Local Culture

Mr. Hung-Tze Jan, Chairman of PChome, has long been dedicated to social and cultural heritage, as well as fostering Taiwan's artistic and cultural environment. Since 2020, we have partnered with the century-old 'Central Bookstore' in Taichung to co-organize the 'Wednesday Reading Club.' This initiative aims to recreate a reading-friendly atmosphere through a classic reading club format, reshaping the relationship between people and bookstores.

Despite the challenges posed by the pandemic, the reading club has continued to thrive. To date, four sessions have been held, totaling 107 meetings. Under the guidance of 16 writers, participants have explored 199 notable books and ancient poems, attracting a significant number of readers both online and offline, and receiving enthusiastic responses. The Reading Club has emerged as a prominent reading brand in Taiwan in recent years.

Chairman Hung-Tze Jan remarked, 'We all benefited from reading in our youth, and I hope young people will not miss out.' The goal is to foster a reading culture where reading is perceived as enjoyable and engaging. We are pleased to see that the influence of reading, inspired by a bookstore, continues to grow, perpetuating cultural enrichment for future generations.

Ch6 Appendix

GRI Standards Comparison Table of Disclosures in the Global Reporting Initiative (GRI) Sustainability Reporting Standards

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

Task Force on Climate-Related Financial Disclosures and Climate-Related Information index table of TPEx Listed Company

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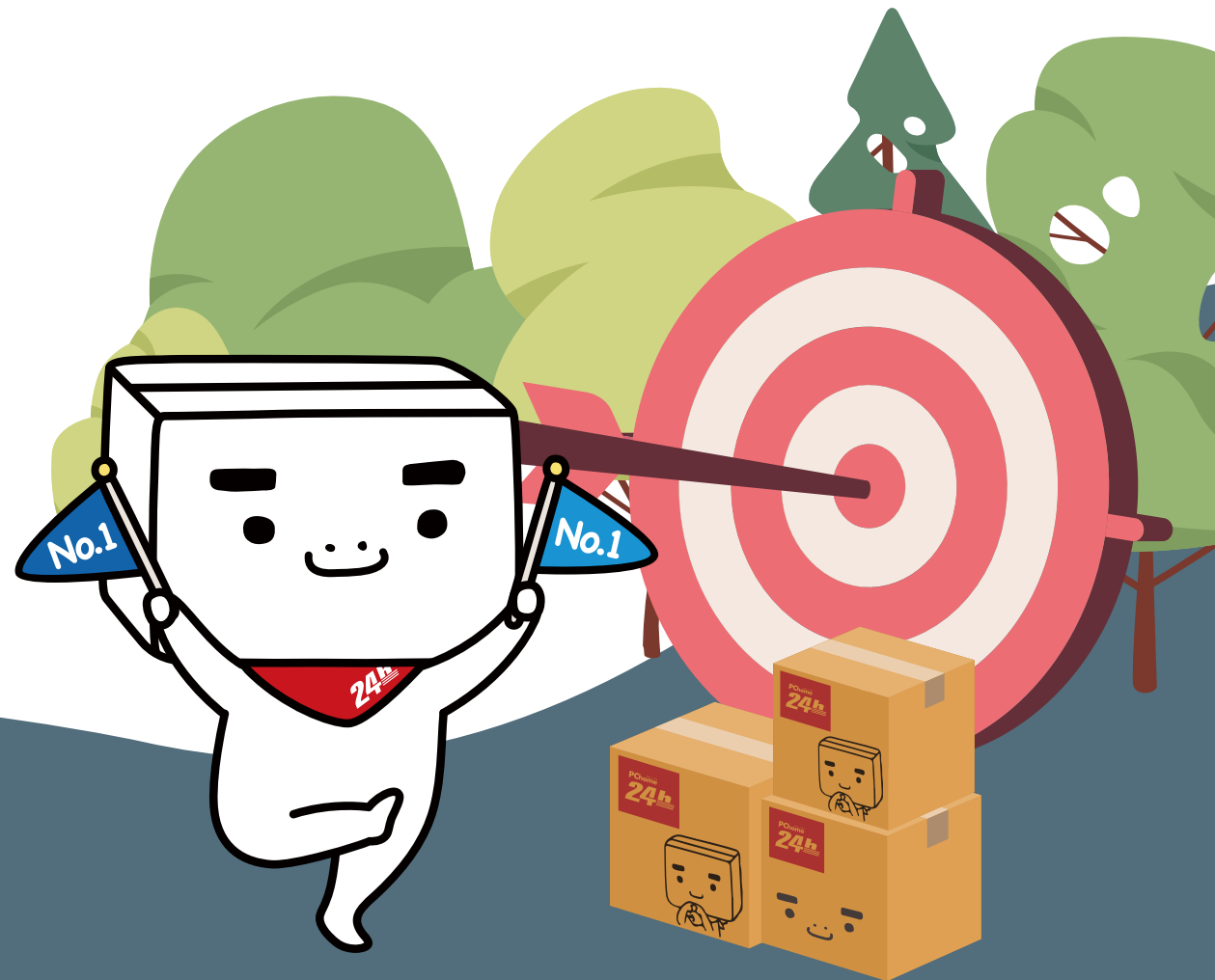
GRI Standards Comparison Table of Disclosures in the Global Reporting Initiative (GRI) Sustainability Reporting Standards

General Disclosure		Corresponding ESG Report Chapter and/or Description	Page(s)
GRI 2: General Disclosures (2021)			
1. The Organization and its Reporting Practices			
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	83、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 overseeing the management of impacts	About This Report	3
2-15	Conflicts of interest	1.2 Corporate governance and Ethical Corporate Management	28
2-16	Communication of critical concerns	Sustainable Partnerships	7
2-17	Collective knowledge of highest governance body	1.2 Corporate governance and Ethical Corporate Management	30
2-18	Evaluation of the performance of the highest governance 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 Management	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	31, 32
2-24	Embedding policy commitments	1.3 Business Performance and Risk Management 1.3.4 Legal Compliance	31、35、36
2-25	Processes to remediate negative impacts	Sustainable Partnerships	7
2-26	Mechanisms for seeking advice and raising concerns	1.2 Corporate Governance and Ethical Corporate Management	31
2-27	Compliance with laws and regulations	1.3.4 Legal Compliance	36
2-28	Membership associations	1.1 PChome Business Overview	28

General Disclosure		Corresponding ESG Report Chapter and/or Description	Page(s)
5. Stakeholder Engagement			
2-29	Approach to stakeholder engagement	Sustainable Partnerships	7
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 Topics (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、16

Economic aspect		Corresponding ESG Report Chapter and/or Description	Page(s)
GRI 201: Economic performance (2016)			
201-1	Direct economic value generated and distributed	1.3 Business performance and risk management	33
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	86
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 system	85
202-2	Proportion of senior management hired from the local community	4.1 Professional Team Organization	83

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Environmental aspect		Corresponding ESG Report Chapter and/or Description	Page(s)
GRI 203: Indirect Economic Impacts (2016)			
203-1	Infrastructure investments and services supported	3.1.2 Green Logistics	66
203-2	Significant indirect economic impacts	1.4. Business partnership	39
GRI 204: Procurement Practices (2016)			
204-1	Proportion of spending on local suppliers	1.4. Business partnership	39
GRI 205: Anti-corruption (2016)			
205-1	Operations assessed for risks related to corruption	1.2 Corporate Governance and Ethical Corporate Management	28
205-2	Communication and training about anti-corruption policies and procedures	1.2 Corporate governance and ethical corporate management 1.3.4 Legal Compliance	28, 36
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, anti-trust, and monopoly practices	There were no legal actions for anti-competitive behavior, anti-trust, and monopoly practices this year.	-
GRI 207: Tax (2019)			
207-1	Approach to tax	1.3 Business performance and risk management	33
207-2	Tax governance, control, and risk management	1.3 Business performance and risk management	33
207-3	Stakeholder engagement and management of concerns related to tax	1.3 Business performance and risk management	33
207-4	Country-by-country reporting	1.3 Business performance and risk management	33

Environmental aspect		Corresponding ESG Report Chapter and/or 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	-
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 currently 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 Effluents (2018)			
303-1	Interactions with water as a shared resource	3.3.3 Water Resources Management	78
303-3	Water withdrawal	3.3.3 Water Resources Management	78
GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	3.3.2 Energy Management	77
305-2	Energy indirect (Scope 2) GHG emissions	3.3.2 Energy Management	77
305-3	Other indirect (Scope 3) GHG emissions	Scope 3 GHG emissions that have not been examined	-

General Disclosure	Corresponding ESG Report Chapter and/or Description	Page(s)
305-4	GHG emissions intensity	77
305-5	Reduction of GHG emissions	77
GRI 306: Waste (2020)		
306-1	Waste generation and significant waste-related impacts	79
306-2	Management of significant waste-related impacts	79
306-3	Waste generated	79
306-4	Waste diverted from disposal	79
306-5	Waste directed to disposal	79
GRI 308 Supplier Environmental Assessment (2016)		
308-1	New suppliers that were screened using environmental criteria	39
308-2	Negative environmental impacts in the supply chain and actions taken	39

In rows 305-4 and 305-5 the ESG chapter is 3.3.2 Energy Management. In rows 306-1 through 306-5 the ESG chapter is 3.3.4 Waste Management. In rows 308-1 and 308-2 the ESG chapter is 1.4. Business partnership.

Social aspect	Corresponding ESG Report Chapter and/or Description	Page(s)
GRI 401: Labor relations (2016)		
401-1	New employee hires and employee turnover — 4.3.1 Diverse Recruitment Programs	89
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees — 4.2.2 Employee Benefits Policy	86
401-3	Parental leave — 4.2.2 Employee Benefits Policy	86
GRI 402 Labor/Management Relations (2016)		
402-1	Minimum notice periods regarding operational changes — 4.4.3 Harmonious labor relations	99

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Social aspect	Corresponding ESG Report Chapter and/or Description	Page(s)
GRI 403: Occupational Health and Safety (2018)		
403-1	Occupational health and safety management system	4.4.1 Occupational Safety and Health Management	94
403-2	Hazard identification, risk assessment, and incident investigation	4.4.1 Occupational Safety and Health Management	94
403-3	Occupational health services	4.4.2 Occupational health promoting activities	97
403-4	Worker participation, consultation, and communication on occupational health and safety	4.4.1 Occupational Safety and Health Management	94
403-5	Worker training on occupational health and safety	4.4.2 Occupational health promoting activities	97
403-6	Promotion of worker health	4.4.2 Occupational health promoting activities	97
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.1 Occupational Safety and Health Management	96
403-8	Workers covered by an occupational health and safety management system	4.4.1 Occupational Safety and Health Management	96
403-9	Work-related injuries	4.4.1 Occupational Safety and Health Management	96
403-10	Work-related ill health	No employee passed away or was 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	91
404-2	Programs for upgrading employee skills and transition assistance programs	4.3.2 Professional Talent Cultivation Program	91
404-3	Percentage of employees receiving regular performance and career development reviews	4.2.3 Performance Appraisal and Management	88
GRI 405: Diversity and Equal Opportunity (2016)		
405-1	Diversity of governance bodies and employees	1.2 Corporate Governance and Ethical Corporate Management	28

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Social aspect		Corresponding ESG Report Chapter and/or Description	Page(s)
405-2	Ratio of basic salary and remuneration of women to men	4.2.1 A competitive wage system	85
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 2023.	-
GRI 413 Local Communities (2016)			
413-1	Operations with local community engagement, impact assessments, and development programs	Ch.5 A Caring Partner in Society	100
413-2	Operations with significant actual or potential negative impacts on local communities	Ch.5 A Caring Partner in Society	100
GRI 414 Supplier Social Assessment (2016)			
414-1	New suppliers that were screened using social criteria	1.4. Business Partnership	39
414-2	Negative social impacts in the supply chain and actions taken		
GRI 415 Public Policy (2016)			
415-1	Political contributions	There were no political donations in 2023.	-
GRI 416: Customer Health and Safety (2016)			
416-1	Assessment of the health and safety impacts of product and service categories	2.1.3 Product Review Mechanisms and Quality Assurance Standards	51, 53
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.3.4 Legal Compliance	36

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Social aspect	Corresponding ESG Report Chapter and/or Description	Page(s)
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	36, 51, 53
417-2	Incidents of non-compliance concerning product and service information and labeling 1.3.4 Legal Compliance	36
417-3	Incidents of non-compliance concerning marketing 1.3.4 Legal Compliance	36
GRI 418: Customer Privacy (2016)		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data 1.3.4 Legal Compliance	36

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 66,188 GJ, (2) The percentage of grid electricity used was 72.1%, and (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 2023 was 46.9 million liters. (2) the total of water consumption at PChome in 2023 was 46.9 million liters, and (3) because Taiwan is not a water-stressed region, the percentage of water withdrawn from water-stressed regions is 0%. Information on water withdrawal is available in 3.3 Green operations management	78
	CG-EC-130a.3	Qualitative	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	Qualitative	Description of policies and practices relating to behavioral advertising and user privacy	Details are available in 2.3 Reliable information security and protection	60

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Topic	Code	Category	Accounting metric(s)	Description	Page(s)
Data security	CG-EC-230a.1	Qualitative	Description of the approaches to identifying and addressing data security risks.	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 breaches of personally identifiable information (PII), (3) number of users affected.	(1) 0, (2) 0%, (3) 0 cases	-
Employee recruitment, diversity, and performance	CG-EC-330a.1	Quantitative	Employee engagement as a percentage.	4.4.3 Harmonious labor relations	99
	CG-EC-330a.2	Quantitative	(1) Voluntary and (2) Involuntary turnover rate for all employees.	4.3.1 Diverse Recruitment Programs	89
	CG-EC-330a.3	Quantitative	Percentage of gender and race/ethnic group representation in (1) management, (2) technical staff, (3) all other employees.	4.1 Professional Team Organization	83
	CG-EC-330a.4	Quantitative	Percentage of technical 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	Qualitative	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	Entity-defined measure of user activity	PChome 24h has amassed 1.3 million members	45
	CG-EC-000.B	Quantitative	Data processing capacity and percentage outsourced.	100,000 consumers are browsing online at the same time, and 4,000 orders are placed and paid every minute Programming outsourcing: 0% 70% of server outsourcing is set up using GCP	-
	CG-EC-000.B	Quantitative	Number of shipments	28,690,757 products have been delivered in 2023	64

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Index of climate-related information of the Task Force on Climate-Related Financial Disclosures (TCFD) and TPEx-listed companies

Disclosures according to the Recommendations of TCFD		Climate-related information of TPEx-listed companies	Chapter	Page(s)	Note
Governance					
TCFD 1(a)	Describe the Board's oversight of climate-related risks and opportunities.	1. Specify Board and management's oversight and governance of climate-related risks and opportunities.	3.2 Climate and Sustainability Action	71	
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.				
Strategy					
TCFD 2(a)	Describe the short, medium, and long-term climate-related risks and opportunities identified by the organization.	2. Specify how the identified climate risks and opportunities impact the company's business, strategy, and financial position (short-term, medium-term, long-term).	3.2 Climate and Sustainability Action	71-76	
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	3. Specify the financial impact of extreme weather events and transition actions.	3.2 Climate and Sustainability Action	71-76	
TCFD 2(c)	Describe the organization's strategic resilience and consider different climate-related scenarios (including 2° C or stricter scenarios).	5. If scenario analysis is used to assess resilience to climate change risks, specify the scenarios, parameters, assumptions, analysis factors, and main financial impacts.	3.2 Climate and Sustainability Action	71-76	
Risk Management					
TCFD 3(a)	Describe the organization's climate-related risk identification and assessment process.	4. Specify how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3.2 Climate and Sustainability Action	71-72	
TCFD 3(b)	Describe the organization's climate-related risk management process.		3.2 Climate and Sustainability Action	71-72	
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management system.		3.2 Climate and Sustainability Action	71-72	

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Disclosures according to the Recommendations of TCFD		Climate-related information of TPEx-listed companies	Chapter	Page(s)	Note
Indicators and Goals					
TCFD 4(a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	6. If there is a transition plan to manage climate-related risks, specify the contents of the plan, and the metrics and targets used to identify and manage physical and transition risks. 7. If internal carbon pricing is used as a planning tool, specify the basis for setting the price.	3.2 Climate and Sustainability Action	71	PChome does not use internal carbon pricing
TCFD 4(b)	Disclose Scope 1, Scope 2, and Scope 3 (if applicable) GHG emissions and associated risks.	9. Greenhouse gas inventory and assurance, and reduction goals, strategies, and specific action plans.	3.2 Climate and Sustainability Action 3.3.2 Energy Management	71, 77	PChome will compile its GHG inventory in 2025
TCFD 4(c)	Describe the goals used by the organization to manage climate-related risks and opportunities and performance in achieving the goals.	8. If climate-related goals are set, describe the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress achieved each year. If carbon offset credits or renewable energy certificates (RECs) are used to achieve goals, specify the source and quantity of the carbon credits or the number of RECs.	3.2 Climate and Sustainability Action	71	PChome does not use carbon offset credits or RECs

External Verification

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：

　　本會計師受網路家庭國際資訊股份有限公司（以下簡稱「貴公司」）之委任，對　貴公司選定西元 2023 年度永續報告書書所報導之關鍵績效指標（以下簡稱「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 112 年度永續報告書書第 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業於永續報告書書第 3 頁之「報告書範疇與邊界」段落述明。

管理階層之責任

　　貴公司管理階層之責任係依照適用基準編製永續報告書書所選定之關鍵績效指標，且設計、付諸實行及維持與所選定之關鍵績效指標編製有關之內部控制，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。

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。

會計師之獨立性及品質管理

　　本會計師及本事務所已遵循會計師職業道德規範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。

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　　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」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令有關之政策或程序。

會計師之責任

　　本會計師之責任係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信案件，基於所執行之程序及所獲取之證據，對第一段所述　貴公司所選定之關鍵績效指標是否未存有重大不實表達取得有限確信，並作成有限確信之結論。

　　依確信準則 3000 號之規定，本有限確信案件工作包括評估　貴公司採用適用基準編製永續報告書書所選定之關鍵績效指標之妥適性、評估所選定之關鍵績效指標導因於舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估所選定之關鍵績效指標之整體表達。有關風險評估程序（包括對內部控制之瞭解）及因應所評估風險之程序，有限確信案件之範圍明顯小於合理確信案件。

　　本會計師對第一段所述　貴公司所選定之關鍵績效指標所執行之程序係基於專業判斷，該等程序包括查詢、對流程之觀察、文件之檢查是否適當之評估，以及與相關紀錄之核對或調節。

　　基於本案件情況，本會計師於執行上述程序時：

- 已對參與編製所選定之關鍵績效指標之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，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，已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。

　　相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。因此，本會計師不對　貴公司所選定之關鍵績效指標在所有重大方面，是否依照適用基準編製，表示合理確信之意見。

　　此報告不對西元 2023 年度永續報告書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。

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External Verification

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有限確信之結論

依據所執行之程序與所獲取之證據,本會計師並未發現第一段所述 貴公司所選定之關鍵績效指標在所有重大方面有未依照適用基準編製之情事。

其他事項

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

中 華 民 國 1 1 3 年 0 8 月 2 3 日

No.	Item	Subject Matter Information	Applicable Criteria	Page
1	Weight of packaging materials for e-commerce	\<Table\> Packaging materials PChome's weight of packaging materials for e-commerce in 2023 • Total weight of uncolored eco-friendly boxes: 2,869.63 metric tons • Total weight of eco-friendly tapes: 23.78 metric tons • Total weight of plastic packaging: 5.95 metric tons • Total weight of cushioning materials: 70.33 metric tons	Summary of the total usage of packaging materials in 2023	Page 65
2	Violation of social and economic regulations	\<Table\> Violations of social and economic regulations in 2023 • Violations of regulations regarding the health and safety of products and services: 53 cases • Violations of regulations regarding the information labeling of products and services: 18 cases • Violations of regulations regarding marketing communication: 38 cases • Violations of the Labor Standards Act: 0 cases • Violations of the Personal Data Protection Act: 0 cases	Significant monetary penalties and non-monetary sanctions resulting from non-compliance with social and economic regulations in 2023: Labor Standards Act, Personal Information Protection Act, Cosmetic Hygiene and Safety Act, Act Governing Food Safety and Sanitation, Tobacco Hazards Prevention Act, Environmental Agents Control Act, Medical Devices Act, Commodity Labeling Act, Fair Trade Act, and Labeling Criteria for Electrical Appliances and Electronic Goods	Page36
3	Total training hours of employees	Total training hours • A total of 8202.8 hours of training in 2023	Summary of total training hours of employees in 2023	Page 92
4	Statistics on female managers	• Female managers account for 52% in 2023	Female managers as a percentage of all managers in 2023	Page 80