



大華建設

DELPHA CONSTRUCTION CO., LTD.

Implementation of business integrity, Discrepancy with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reasons:

Item	Implementation Status (Note 1)			Discrepancy with Ethical Corporate Management Best Practice Principles for WSE/TPEX Listed Companies, and the reasons
	Yes	No	Summary	
I. Establishment of business integrity policies and programs (1) Does the Company have bylaws and external documents approved by the Board that uphold its policy and business integrity, and are the Board and top management team committed to implementing such policy?	V		(1) The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Rules for Handling Reports of Illegal, Unethical or Dishonest Conduct" to guide members of the Board of Directors and the management of the Company to conduct themselves in accordance with the principles of integrity.	None
(2) Does the company establish the evaluation mechanism for the risk of unethical conducts, so as to regularly analyze and evaluate the operating activities associated with high risk of unethical conduct, and establish appropriate preventive measures at least for the business activities prescribed in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	V		(2) The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Rules for Handling Cases of Reporting Illegal, Unethical or Dishonest Conduct" to regularly analyze and evaluate business activities within the scope of business that have a higher risk of dishonest conduct, to formulate prevention plans and to regularly review the appropriateness and effectiveness of the prevention plans.	None
(3) Has the Company established relevant programs which are duly enforced to prevent unethical conduct and provide implementation procedures, guidelines, penalties and grievance channels? Does the Company implement and regularly review to revise them?	V		(3) The Company has a "Ethical Corporate Management Best Practice Principles" and "Procedures for Handling Reports of Illegal, Unethical or Dishonest Conduct" and is expected to adopt "Operating Procedures and Conduct Guidelines for Ethical Corporate Management" in May 2022, which prohibit bribery and accepting bribes, making illegal political contributions, improper charitable donations or sponsorships, offering or accepting improper benefits, infringement of intellectual property	None

			rights, products or services to the detriment of stakeholders, and other dishonest conduct by the Company, its directors, officers, employees, appointees and persons under the Company's substantive control. The Company will review and amend the relevant regulations on a regular basis.	
II. Ethical Management Practice (1) Does the company check whether the counterparty has any record of ethical misconduct and if the contract terms require compliance of ethical corporate management policy?	V		(1) When signing major contracts, the contractual parties are required to present the "Disclaimer for Conflict of Interest".	None
(2) Has the company set up a special (concurrent) unit under the direct supervision of the Board, to handle the implementation of the Company's ethical standards and report the ethical policies and unethical conduct prevention program to the Board periodically(at least annually)?	V		(2) The Company expects to establish an Integrity Management Committee in May 2022, which will be part of the Board of Directors and consist of three members. The Corporate Governance Office will serve as the meeting service unit and will be responsible for assisting the Committee in agenda planning, convening notices, conducting business, taking minutes and other related matters, and reporting to the Board of Directors at least once a year on the integrity management policy and the prevention of misconduct and monitoring the implementation thereof.	None
(3) Has the Company established policies to prevent conflict of interest, provide appropriate reporting channels, and implement policies properly?	V		(3) The Company has established the "Ethical Corporate Management Best Practice Principles", "Organizational Procedures of the Integrity Management Committee" and "Operating Procedures and Conduct Guidelines for Ethical Corporate Management" to facilitate the effective operation and compliance of the members of the Integrity Management Committee. In addition, the Company has established various internal regulations, such as the "Regulations for Prevention of Insider Trading," "Regulations for Reward and Punishment of Employees," "Regulations for Complaint and Disciplinary Measures against Sexual Harassment in the Workplace," "Policies and Principles for the Implementation of Employee Opinion Boxes," "Regulations for Handling Reports of Illegal, Unethical or Dishonest Conduct," and "Operating Procedures for Handling Internal Material Information," in order to appropriately handle various risks arising from honest management.	None

(4) To implement relevant policies on ethical conduct, does the Company establish effective accounting and internal control systems? Does the internal audit unit make related audit plans based on the evaluation results of the unethical conduct prevention program, so as to audit the compliance with unethical conduct prevention program by the internal auditors or the entrusted CPA?	V		(4) The Company established the relevant Practice Principles which are effectively implemented along with the Company's existing accounting system and internal control system, and the internal auditors implement audits in accordance with the annual audit plan and report to the Board of Directors on an annual basis.	None
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	V		(5) The Company ppoint an instructor to lecture on "Practical Insider Trading Case Studies" on May 3rd, 2021 for all of the Company's Directors and managers.	None
III. Complaint Procedures (1) Has the Company established specific grievance and reward management procedures, as well as accessible grievance channels, and designated responsible individuals to handle complaints?	V		(1) The Company established the "Employee Opinion Box Implementation Policy and Principles" and set up an opinion box to create smooth communication channels between employees and the Company. The General Manager personally responds to the employees' opinions.	None
(2) Has the Company established standard operating procedures for investigating complain ts and the subsequent measures taken after the investigation, and ensuring that such complaints are handled in a confidential manner?	V		(2) Article 22 of the Company Ethical Corporate Management Best Practice Principles established the reporting system and standard operating procedures and confidentiality mechanisms for case acceptance, investigation processes, investigation results, and related documentation.	None
(3) Does the Company adopt proper measures to protect a complainant from retaliation?	V		(3) It is committed to keep the profile of complainant confidential in the "Policies and Principles for Implementing Employee Advice Mailbox".	None
IV. Strengthening Information Disclosure (1) Does the Company disclose its Ethical Corporate Management Principles as well as information about imp lementation of such principles on its website and the MOPS?	V		The Company has established the Ethical Corporate Management Best Practice Principles", "Organizational Procedures of the Integrity Management Committee" and "Operating Procedures and Conduct Guidelines for Ethical Corporate Management ", and has also disclosed the effectiveness of its promotion on MOPS.	None

V. If the Company has established the Ethical Corporate Management Principles based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX List Companies, describe the difference between the principles and implementation:

The Company expects to establish an integrity management committee in May 2022 and incorporate the principles and spirit of integrity management into related regulations. The Company has met requirements in the "Corporate Social Responsibility Best Practice Principles for TWSE or TPEX Listed Companies".

VI. Other important information to facilitate better understanding of the Company's implementation of business integrity (e.g., review and amendments to the Company's Ethical Code of Conduct)

1. The Company complies with the Company Act, the Securities and Exchange Act, and related regulations for listed companies and other codes related to business conduct, which are taken as the foundation for implementing business integrity.
2. The Company regulates avoiding the conflict of interests for directors and stakeholders in the "Handbook for Board Meeting" and "Regulations Governing the Transactions with Related Parties".
3. The Company has established the "Operation Procedures for the Processing of Material Information", and the "Operation Procedures for Prevention of Insider Trading" to prevent improper disclosure of information.