



02 Sustaining Ethical Governance

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Material Topic: Corporate Governance

Policies and Commitments

- Formulated corporate governance regulations and tax governance policies to establish an effective corporate governance framework and culture, protect shareholder interests, strengthen Board functions, and enhance information transparency.
- Our directors possess the knowledge, capabilities, and qualities to carry out their duties, as well as a high degree of self-discipline. Our directors exercise their authority in accordance with law, the Articles of Incorporation, and resolutions of shareholders' meetings.
- Timely and appropriate disclosures of financial, tax, and ESG information related to operational activities and business performance.

| | Assessment Mechanisms | Targets for Upcoming Year | Targets for Upcoming 3-5 Years | Targets for Upcoming 5 Years and Beyond |
|--------------------------|--|---|--|--|
| EMI | <ul style="list-style-type: none"> Internal evaluations of Board performance Evaluation results for corporate governance Proportion of important project price negotiation meetings attended by independent directors Frequency of director training courses Sustainability report awards | <ul style="list-style-type: none"> Commission external professional institutes to conduct Board performance evaluations Maintain second tier ranking (6-20%) in Corporate Governance Evaluations Ensure that more than 85% of important project price negotiation meetings are attended by independent directors Host at least two direct training courses each year Receive TCSA Platinum Corporate Sustainability Report Award | <ul style="list-style-type: none"> Commission external professional institutes to conduct Board performance evaluations Receive first tier ranking (5%) in Corporate Governance Evaluations Ensure that more than 95% of important project price negotiation meetings are attended by independent directors Host at least three direct training courses each year Receive TCSA Platinum Corporate Sustainability Report Award | <ul style="list-style-type: none"> Commission external professional institutes to conduct Board performance evaluations Maintain first tier ranking (5%) in Corporate Governance Evaluations Ensure that 100% of important project price negotiation meetings are attended by independent directors Host seasonal direct training courses and at least four courses each year Receive TCSA Platinum Corporate Sustainability Report Award |
| Media and pet businesses | <ul style="list-style-type: none"> Proportion of senior managers selected and appointed by the Board Proportion of organizational structure adjustments or branch company establishments approved by the Board Board meeting attendance rate Frequency of corporate governance training courses | <ul style="list-style-type: none"> 100% of senior managers are appointed by the Board 100% of organizational structure adjustments or branch company establishments are approved by the Board Achieve Board meeting attendance rate of 90% | <ul style="list-style-type: none"> 100% of senior managers are appointed by the Board 100% of organizational structure adjustments or branch company establishments are approved by the Board Achieve Board meeting attendance rate of 95% | |

Responsible Unit

- EMI Corporate Governance Team
- EMI Auditing Office, Legal Affairs Department, Legal Compliance Office, Investor Relations Department, Accounting Department, and corporate governance officer.
- Media business and pet business management departments.

Specific Actions

- We outsourced Board and functional committee performance evaluations, publicly disclosed relevant information, strengthened Board and functional committee functions, and enhanced objectivity and information transparency for Board performance evaluations.
- We enhanced corporate governance, monitored management personnel, and invited directors to participate in meetings for important internal business decisions and operational strategies using effective and specific actions.
- We cultivated corporate governance personnel through strengthened professional training to ensure that directors continue to grasp international corporate governance trends and the latest changes in domestic regulations.
- Our Chinese and English corporate social responsibility reports were compiled using GRI Standards and SASB Standards, and we obtained third-party assurance and verification to enhance ESG information disclosures.

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Material Topic: Ethical Management

Policies and Commitments

- Formulate ethical management regulations; establish sound business operations and an ethical corporate culture; and require our directors, supervisors, managers, and employees to understand and comply with our corporate ethical and moral values to ensure comprehensive implementation of corporate governance
- We formulated ethical policies based on business philosophies related to honesty, transparency, and responsibility, which are used for internal management and external business activities.

Assessment Mechanisms

- Signing rates for statements of compliance with ethical management policies and employee codes of conduct by directors and senior managers
- Frequency of ethical management training
- Number of ethical management violations

Targets for Upcoming Year

- Achieve 100% signing rates on statements of compliance with ethical management policies and employee codes of conduct by directors and senior managers
- Host one ethical management training course every six months
- Incur zero ethical management violations

Targets for Upcoming 3-5 Years

- Achieve 100% signing rates on statements of compliance with ethical management policies and employee codes of conduct by directors and senior managers
- Host one ethical management training course every quarter
- Incur zero ethical management violations

Targets for Upcoming 5 Years and Beyond

- Complete establishment of ethical risk assessment mechanisms for directors and senior managers, and conduct ethical risk assessment procedures once every six months.
- Continue to host ethical management training courses, host at least one training course each quarter, and conduct relevant tests.
- Incur zero ethical management violations

Responsible Unit

- EMI Corporate Governance Team
- EMI Auditing Office, Legal Affairs Department, Legal Compliance Office, and corporate governance officer.
- Media business and pet business management department human resources offices and legal affairs offices.

Specific Actions

- Formulate ethical management policies which are regularly disclosed on corporate websites and through internal employee mailboxes.
- Regularly organize ethical management training and promotions for relevant personnel.
- Strictly prevent occurrences of unethical behaviors through internal corporate operational procedures and codes of conduct.



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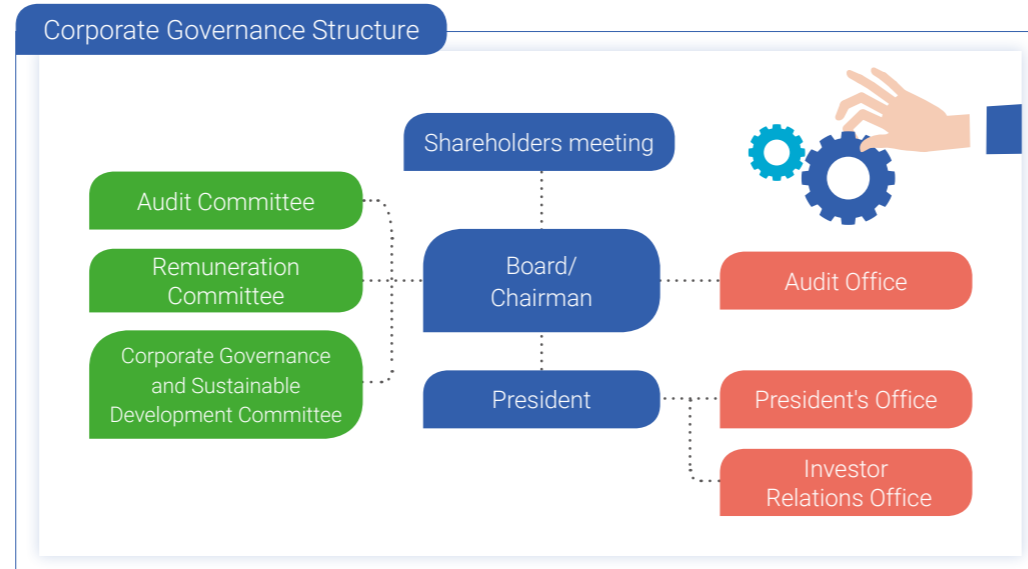
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2-1-1 Corporate Governance



The Shareholders General Meeting is the highest authority at EMI and is responsible for electing directors to form the Board of Directors which serves as our highest corporate governance unit. We have also established an Auditing Office which maintains its independence by reporting directly to the Board.



EMI Annual Report

● Board of Directors

The Board of Directors is the highest governance unit at EMI and is composed of 7 directors (including 3 independent directors) who serve for a term of 3 years. Our directors possess management capabilities related to business, finance, accounting, and corporate affairs. We diversify Board composition by recruiting talented individuals with professional backgrounds and outstanding industrial expertise, regardless of gender, age, nationality, and culture. Our nomination and selection criteria take into account stakeholder perspectives, diversity, independence, and capabilities related to organizational impacts. We aim to achieve gender equality when planning Board composition. In 2022, attendance rates at EMI Board meetings were close to 100%. Please refer to our corporate website and annual reports for more information on director education, expertise, and concurrent positions.¹

● Operations of Functional Committees

To effectively exert Board functions, EMI established the Audit Committee, Remuneration Committee, and Corporate Governance and Sustainable Development Committee under the Board to exert different authorities and functions. These committees are responsible for discussing important proposals as well as important economic, environmental, social, and risk issues.

| Committee Name | Composition and Main Duties | Operational Status in 2022 |
|--|--|--|
| Remuneration Committee | <ul style="list-style-type: none"> The fourth term committee members are composed of three independent directors Main duties and supervisory matters: Formulate and regularly review director and manager performance evaluations and remuneration policies, systems, standards, and structures. | <ul style="list-style-type: none"> Convened a total of 4 times. Attendance rates were all 100%. |
| Audit Committee | <ul style="list-style-type: none"> The second term committee members are composed of all independent directors and convenes at least once every quarter. Main duties and supervisory matters: Fair presentation of corporation financial statements, selection and dismissal of CPAs, assessments of CPA independence and performance, effective implementation of internal controls, compliance with laws and regulations, and management of existing or potential risks. | <ul style="list-style-type: none"> Convened a total of 10 times. Attendance rates were all 100%. |
| Corporate Governance and Sustainability Development Committee | <ul style="list-style-type: none"> The first term committee members are composed of three independent directors, our chairman, our spokesperson, and our corporate governance officer, and convenes at least once every quarter. Main duties and supervisory matters: Implementation and strengthening of plans for corporate governance and sustainable development (including sustainability reports), progress tracking, review, and provision of suggestions. | <ul style="list-style-type: none"> Convened a total of 6 times. Attendance rates were all 100%. |

¹None of our directors belong to under-represented social groups as specified in GRI 2-9. In terms of stakeholder representation, Shang Wen Liao concurrently serves as our general manager, and Chao-Hsin Chiu concurrently serves as the special assistant to the chairman.

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● Board Sustainability Knowledge and Capabilities

To enhance director understanding of sustainable development issues and the latest international sustainability trends, we encourage our directors to attend training for relevant skills and share the latest trends with our colleagues. In 2022, the 7 directors on our Board attended 5 classes (including "Analysis of the Latest ESG, Sustainability, and Corporate Governance Cases" and "Analysis of and Responses to Impacts on Capital Markets from ESG Trends") over a total of 16 person-times.

● Board Remuneration System

Performance evaluations, remuneration systems, remuneration standards, and related policies for our directors and senior managers are assessed and reviewed regularly by the Remuneration Committee and approved by the Board.

Director remuneration adheres to Article 18 of our Articles of Incorporation. We authorize our Board to establish remuneration based on director participation in the operation of the company, alignment with the goals and missions of the company, management of internal relationship and communication, professionalism and continuing education, and referencing industry standards. Independent directors receive monthly fixed salaries as well as business execution fees and Board meeting attendance fees. Non-independent directors only receive business execution fees and Board meeting attendance fees, and do not receive salaries. Article 26 of our Articles of Incorporation stipulates that EMI does not distribute director (and independent director) remuneration from profits².

Remuneration for senior managers adhered to our internal "Regulations for Salary Management" and "Regulations for Employee Performance Appraisals." Senior managers receive fixed monthly salaries, as well as employee remuneration and year-end bonuses (variable salaries) based on appraisal results, corporate operations for the year, and profits and losses. Apart from the aforementioned remuneration, we do not have retirement benefits systems, termination fees, or clawback systems for our directors.

Please refer to our annual report for more information on remuneration for directors and senior managers, remuneration levels, and related explanations. We currently do not have any external remuneration consultants, but are discussing timelines for introducing consultants.

Additionally, in order to implement corporate governance, enhance Board and functional committee functions, EMI revised the "Regulations for Sustainability Responsibility Center Bonuses" on July 6, 2023, following approval by our Remuneration Committee and Board; we plan to link senior manager remuneration with ESG sustainability performance indicators to ensure sustainable management.

²Chairman Shang Wen Liao and Director Chao-Hsin Chiu hold concurrent positions as EMI employees (respectively serving as the general manager and the special assistant to the chairman), and therefore received salaries and remuneration.

● Evaluations of Board Performance

To establish transparent performance goals and strengthen Board operating efficiency, we conducted evaluations of the Board, individual directors, and functional committees in accordance with our internal "[Board of Directors Performance Evaluation Measures](#)." We conduct annual internal self-evaluations (including Board self-evaluations and director self-evaluations) and commission external professional and independent institutes or expert teams to conduct evaluations at least once every three years. Please refer to our corporate website for more information. We have yet to incorporate ESG indicators in Board performance, but will continue to assess and discuss relevant issues according to internal procedures.

We commissioned the Taiwan Corporate Governance Association to complete Board performance evaluations for 2022 at the end of December 2022. Evaluation results were submitted to the Board on March 14, 2023, and will be used as a reference when selecting nominated director candidates.

● Director Independence and Managing Conflicts of Interest

Our internal regulations ("Regulations Governing Procedure for Board of Directors Meetings" and "Corporate Governance Best Practice Principles") stipulate that "objections or reservations of independent directors should be recorded in Board meeting minutes" to ensure that independent directors can perform their duties, effectively enhancing Board operations and corporate business performance. We currently have three independent directors who make up 42.86% of Board members. All external directors fulfill conditions for independence.

Our directors adhere to the regulations of the "Corporate Governance Best Practice Principles" and possess high levels of self-discipline. If a proposal at a Board meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors attending or present at Board meetings of the Company, said director shall state the important aspects of the relationship of interest at the given Board meeting. If their participation is likely to prejudice the interest of the Company, the director may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director.

The reasonableness and necessity of appointing the same individual as chairman and general manager adheres to business and decisional needs, enhances operational efficiency, and speeds and smooths decision-making and implementations. We established an additional independent director when the shareholders' meeting elects a new Board composed of seven directors in 2023, such that the Board will be composed of four independent directors and three non-independent directors. A Board composed of a majority of independent directors not only adheres to legal regulations and prevents conflicts of interest, but also strengthens the monitoring functions of independent directors, enhancing corporate governance, and ensuring that independent directors can effectively exercise their authority.

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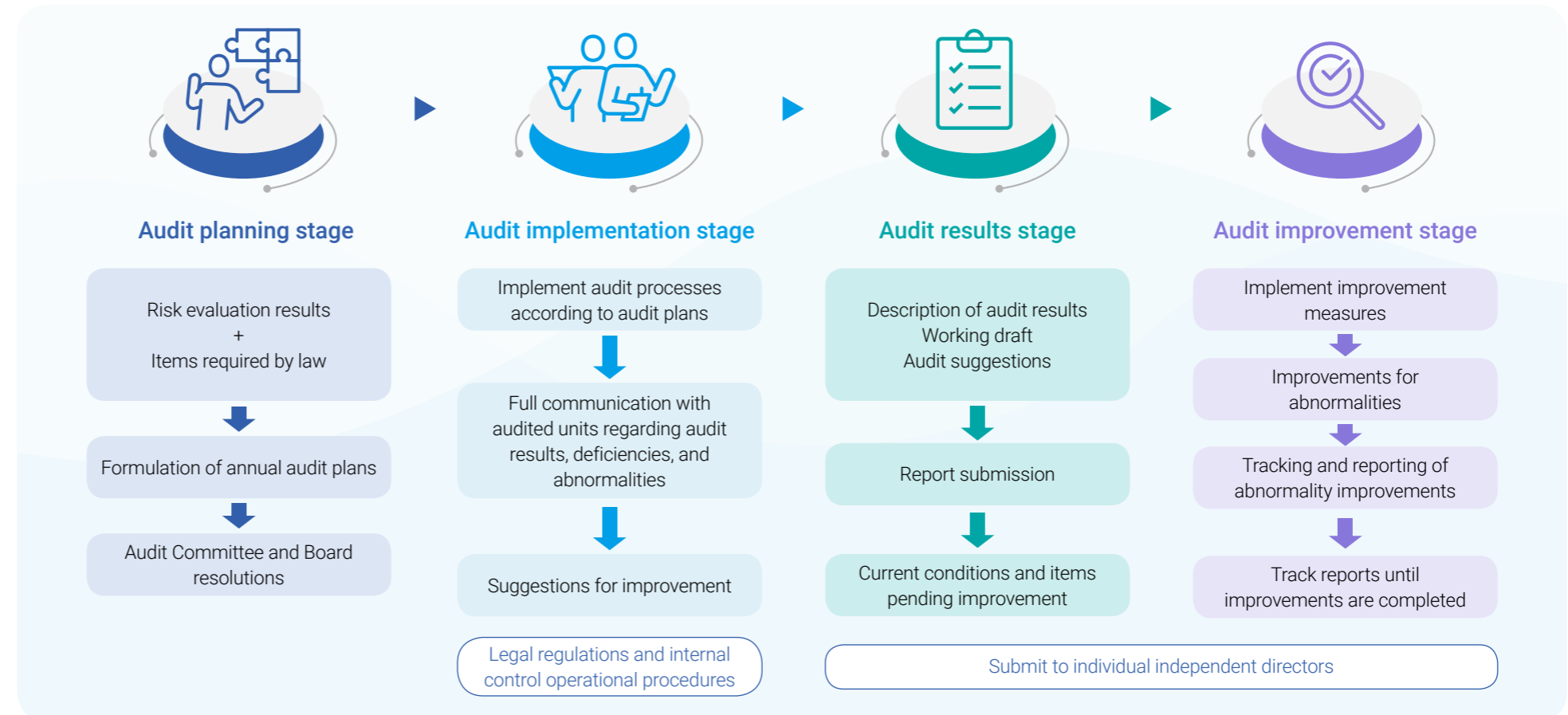
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● Internal Audits and Internal Controls

Encompasses the internal control systems of all EMI units, subsidiaries, and sub-subsidiaries. We conduct self-evaluations of internal controls at least once a year, submit overall evaluation results and recommendations for improvement, and prepare a "Statement on Internal Control" which is published in EMI annual reports and prospectuses following Board approval.

The Auditing Office established under the Board is responsible for internal audits and internal controls at EMI. The chief audit executive (CAE) not only periodically reports on auditing matters to the Audit Committee, but also attends Board meetings to present reports. Audit tasks include assisting the Board and managers in inspecting and reviewing deficiencies in internal controls, measuring operational performance and efficiency, and providing timely suggestions for improvements to ensure that internal controls can continue to be effectively implemented.

A total of 73 audit reports were completed in 2022. Audit results regarding deficiencies and abnormalities were fully communicated with all audited units and disclosed in audit reports submitted to all audited units. Improvement measures were implemented in accordance with audit suggestions, and progress was tracked through quarterly reports until improvements were completed. Following submission of audit reports and progress reports, reports on completed audit items were submitted to individual independent directors for review before the end of the following month. Additionally, audit results were summarized and reported to the Audit Committee and the Board.



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2-1-2 Legal Compliance and Ethical Management

● Legal Compliance and Anti-Trust Management

EMI expands through fair competition and horizontal industrial integration, and replaces vertical integration with long-term collaborations to prevent monopolies. We continue to be attentive to local and foreign policies and regulations with potential impacts on corporate operations and finances. Various corporate governance bylaws and regulations have been established to implement ethical management, anti-corruption, and legal compliance, and we have built a corporate culture focused on integrity. Additionally, we assist all business units in understanding legal requirements, establishing operational regulations, drafting contracts, and diversifying legal risks, and also warn management of impending issues. Our legal affairs units enhance employee understanding of law and legal compliance through training on regulatory requirements related to employer responsibilities and common legal disputes to reduce risks from legal violations. We adopt a zero tolerance policy toward violations of law, our Articles of Incorporation, and other regulations. All violations are considered to be major incidents and are handled rigorously.

In 2022, EMI incurred two legal violations. Further information on this violation and subsequent handling are shown in the following table.

Legal Violations and Subsequent Handling in 2022

| Industry | Violated Regulations | Penalty Amount | Incident Description | Subsequent Handling |
|----------------|--|----------------|---|--|
| Media business | Violated Paragraph 1, Article 69 of the Protection of Children and Youths Welfare and Rights Act | NT\$ 60,000 | ET New Media reported on the divorce of a celebrity and was penalized by the Taipei City Government Department of Social Welfare for violating the Protection of Children and Youths Welfare and Rights Act (disclosure of identifiable information for children under legal age) | Removed news item and conducted internal training |
| Pet business | Violated Paragraph 2, Article 32 of the Labor Standards Act | NT\$ 20,000 | The New Taipei City Government Labor Standards Inspection Office conducted a random check of ET Pet Cloud employee attendance records and determined that ET Pet Cloud had violated regulations on extending working hours, and therefore imposed a penalty. | We once again reminded managers and employees that they should strictly abide by laws and regulations, and also emphasized that necessary working hour extensions due to business need to be implemented in accordance with law. |

● Management of Intellectual Property Rights

EMI attaches great importance to management plans for intellectual property rights, particularly with regard to management of "trademarks" and "trade secrets." We combined our two major strategies of "new retail integrated with new media" and "OMO virtual and physical integration" to establish management plans for intellectual property rights that align with our operational goals. Our legal affairs units supervise acquisition and maintenance of intellectual properties and related risk management, while our human resources departments assist internal promotions of intellectual property training to strengthen protection, maintenance, utilization, and management of intellectual properties. (For information on applications for and approved patents and trademarks, please refer to [5-1-1 Innovation Strategies and Values](#)).



Personnel training and promotion

We included training related to intellectual properties in training courses for new recruits to enhance their accurate understanding of intellectual property laws. We also provide videos and share new information on intellectual properties on the EMI E-Learning platform from time to time so that all EMI employees can enjoy these resources and strengthen their knowledge of intellectual property protection.



Management of intellectual properties

We monitor market developments, check trademark usage and application by other parties, and raise objections or countermeasures against behaviors that damage our rights and interests.



Privacy protection and management of trade secrets

- We have obtained international ISO 27001 Information Security Management System certification to ensure the confidentiality, availability, and integrity of personal customer data, transaction data, and corporate operational data. We also referenced international information security standards for risk management when developing operational procedures and comprehensive information security management systems. Relevant measures include prohibiting downloads of unauthorized shareware or freeware, verification of work logs, use of firewalls, intrusion detection, VPN access controls, and other network security mechanisms.
- All units and departments are required to sign confidentiality agreements with customers, suppliers, and collaborating partners to prevent leaks of confidential corporate and personal information.

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Intellectual Property Management Training

| Course Title | Targets | Cumulative Number of Attendees | Cumulative Training Hours |
|---|--|--------------------------------|---------------------------|
| Intellectual property laws | New recruits of warehousing business | 18 | 18 |
| Analysis of common disputes in news reports (including intellectual properties and portrait rights) | Colleagues from media business news department | 103 | 12 |

● Ethical Management Mechanisms

Ethical management, integrity, and morals are core values for EMI. Internally, we have formulated various corporate governance laws and regulations, and our internal dedicated units have established reporting systems and reporting channels as well as rewards, punishment, and disciplinary systems so that EMI and subsidiary personnel can perform their duties in adherence to principles of fairness, honesty, trustworthiness, and transparency. Externally, we have established the "Regulations for Management of Supplier Corporate Social Responsibilities," require our suppliers to sign "Supplier Statements of Compliance with Ethical Management Policies," and have included "Ethical Clauses" in our contracts. Additionally, we investigate the ethical behaviors of our business partners before establishing business relations to ensure the legality of and create long-term values for our business partners.

In 2022, no material corruption risks were identified for our three major operational sites (Headquarters, Taichung Office, and Kaohsiung Office) and no substantiated corruption incidents occurred.



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● Codes of Ethics and Conduct

EMI requires directors, managers, employees, and persons with material management rights to hold ethical management as the highest principle when conducting all business activities. Our "Ethical Corporate Management Best Practice Principles," "Ethical Corporate Management Operational Procedures and Guidelines for the Conduct," and "Procedures for Handling Material Inside Information and Regulations on Insider Trading" were established on March 23, 2022 following Board approval.

We implemented the following measures to manage ethical risks:

| Response Measures | Description |
|---|--|
| Documents required to be signed by recruited employees | Our warehousing business uses the "Employee Work Rules" and "Employee Integrity Principles" to guide and regulate employee business activities. New employees at our media and pet businesses are required to sign a "Statement of Compliance with Ethical Management Regulations" which includes understanding and prevention of improper behaviors, intellectual property rights regulations, information security controls, prevention of insider trading, prevention of infringements on trade secrets, and policies for internal and client communication. Please scan the accompanying QR code for further details on regulations relating to our codes of ethics and conduct.  |
| Established regulations and response measures | Analyzed operational behaviors with potential ethical risks and used these to formulate regulations and measures for strengthening risk management. |
| Reporting, auditing, and penalties | We have established internal and external reporting mechanisms and our internal audit units conduct periodic and non-periodic audits to ensure timely discovery and remedy of employee violations of internal codes of conduct. Violations are recorded, investigated, and penalized in accordance with our "Code of Ethical Conduct." Please scan the accompanying QR code for further details on reporting mechanisms for illegal and unethical behaviors of internal and external personnel.  |
| Internal training | New employees are required to attend training courses relating to our "Code of Ethical Behaviors" and we also host non-periodic courses relating to misconduct management, intellectual property rights management, prevention of insider trading, prevention of trade secrets infringements, and compliance policies for internal and external customer communication. |

Anti-Corruption and Ethical Management Communications and Training Targeted to the Board and Senior Executives in 2022

| Item | Target | Cumulative Participants | Ratio |
|---|--------------------|-------------------------|--------|
| Promotion of anti-corruption policies and procedures | Board of Directors | 7 | 100% |
| | Senior executives | 21 ³ | 100% |
| Training | Board of Directors | 6 | 85.71% |
| | Senior executives | 10 | 47.62% |

³A total of 21 senior managers signed statements of compliance with ethical management policies



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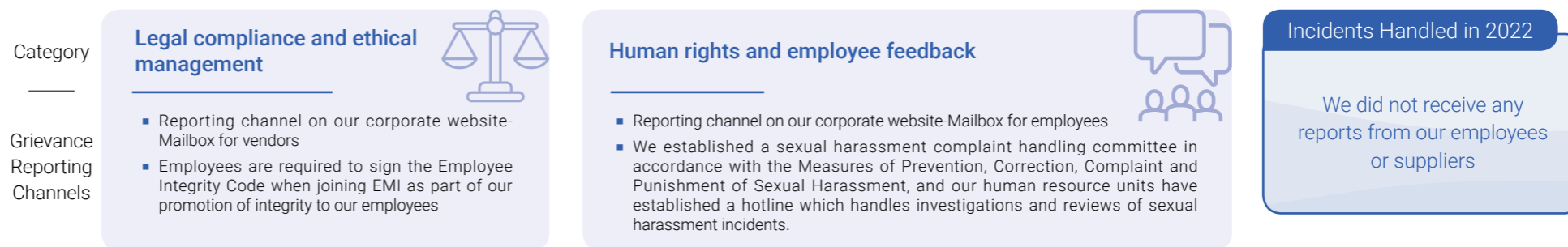
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● Ethical Management Training for General Employees in 2022

In 2022, we provided "Employee Service Contracts," "Employee Integrity Code," "Explanations of Ethical Codes for New Employees," and "Knowledge on Copyright Laws for New Employees" to new employees. A total of 110 people participated in relevant training over a cumulative 30 training hours. We organized 11 anti-corruption training courses for all employees and cumulative training hours amounted to 321.55 hours.

● Reporting and Grievance Mechanisms

To ensure that all EMI employees and collaborating vendors implement ethical management and prompt handling of disputes, violations, and other incidents requiring feedback, our corporate website lists contact information for all of our businesses, public grievance reporting channels, and grievance handling procedures. We encourage reporting of any violations of law, ethical codes of conduct, and ethical management standards to ensure that the interests of our employees, suppliers, and other stakeholders are fully protected. (Please refer to [4-3-3 Employee Grievance Mechanisms and Channels](#) for further details on employee grievance reporting mechanisms.)



In terms of grievance handling, incidents involving general employees are reported to department managers, and incidents involving directors or senior managers are reported to independent directors. Records on received grievances, investigation processes, and investigation results should be archived in written form and stored for five years; records can be kept in electronic form. If lawsuits arising from reports occur before the expiration of the storage period, the relevant information should be stored until the lawsuits have been concluded.



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2-1-3 Risk Management

● Risk Management Systems and Processes

The Board is the highest decision-making unit for risk management mechanisms at EMI. We have established a Corporate Governance and Sustainability Development Committee which is responsible for reviewing and promoting internal risk management procedures, and the head of the risk management team compiles relevant data from all responsible units encompassing risk identification, measurements, monitoring, reports, disclosures, and responses for effective control of risks. The data is then submitted to the Board by the Committee.

We adopted a framework with three safeguards and division of labor to implement risk management processes. Internal audit personnel monitor all units to ensure compliance with management regulations and processes, thereby ensuring awareness and full implementation of risk management. Our three safeguards are as follows:



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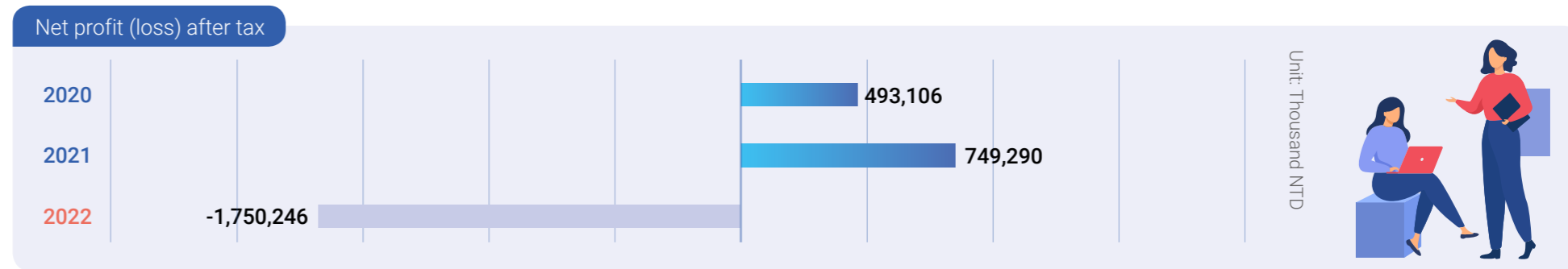
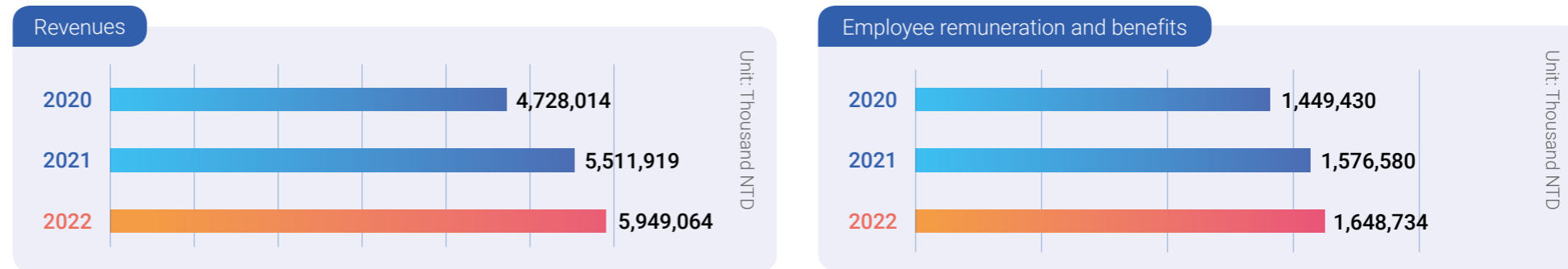
● Risk Management Measures

| Risk Category | Risk Management |
|---|--|
|  Products and services | <ul style="list-style-type: none"> ▪ Diversified developments: Adjusted silo strategies and incorporated national food reserves in scope of business. We also rented out idle land and warehouses to form cross-industry alliances. We avoided exclusive exposure channels by operating our own platforms (including mobile applications and websites) and working with third-party platforms (including Facebook, Instagram, YouTube, and other social media platforms). ▪ Transferred risks: We utilized insurance mechanisms to transfer risks of property and operational losses stemming from typhoons, earthquakes, fires, and other disasters. We took out fire and earthquake insurance on corporate buildings, and also purchased casualty insurance for outdoor activities, using insurance mechanisms to transfer risks. ▪ Industrial safety risks: Actively removed dust from silo operating environments and conducted equipment maintenance, improvement, and updating procedures. ▪ Risk perceptions: We constantly collected information from market news, industry financial statements, daily market updates, reader symposiums, and user feedback to keep abreast of market changes. ▪ Operational interruptions: As the pandemic and other emergencies could interrupt corporate operations, we have established standard procedures for working from home and remote working. |
|  Finance | <ul style="list-style-type: none"> ▪ Our operational units have established credit rating policies which are used to establish regulations relating to credit limits and accounts receivable requirements based on the ratings of individual clients, and our financial units ensure the stability of capital flows by monitoring the inflows and outflows of funds. ▪ We have established allowance and impairment accounts based on estimated losses in accounts receivables and investments. Business units are required to report past-due payments and collection procedures are initiated once abnormalities in client accounts are confirmed. ▪ Our financial units analyze and monitor credit risks relating to bank deposits, fixed income investments, and other financial instruments. ▪ All subsidiaries received individual scores based on capital levels, revenues, and other indicators and standards. These scores were used to determine the number of audits each subsidiary undergoes every year. These audits are then implemented through subsidiary audit plans. |
|  Legal regulations | <ul style="list-style-type: none"> ▪ Our legal affairs office assists all units in assessing the legal risks of various business matters, legal documents, and contracts. ▪ We have implemented dispute handling mechanisms to resolve issues relating to legal disputes. ▪ We have established a Sexual Harassment Prevention Committee which is responsible for formulating sexual harassment prevention mechanisms and response measures to sexual harassment incidents. |
|  Information security | <ul style="list-style-type: none"> ▪ We have established encryptions, individual file and database access, and monitoring and protection mechanisms to secure Internet transmissions, as well as system warnings and user notifications. ▪ We have formulated information security regulations and information security handling mechanisms for monitoring information security and enabling notifications of information security violations. ▪ We strictly prohibit personal computers and mobile devices from connecting to internal networks. |
|  Intellectual property rights | <ul style="list-style-type: none"> ▪ We commissioned trademark agencies to assist us in applying for and maintaining our trademarks. ▪ Ownership of relevant intellectual property rights involving collaborating companies are reviewed and confirmed by our legal affairs officers. ▪ Intellectual property rights issues are included in mandatory training courses for new employees. |
|  Climate | <ul style="list-style-type: none"> ▪ We identified climate change transition and physical risks for a number of different scenarios and formulated responses based on different risk dimensions. ▪ We conducted rough assessments of profits and losses based on the impacts of different risks. ▪ We have established risk assessment regulations and procedures. (Please refer to Ch3 3-1-1 Climate Change Actions for further details) |

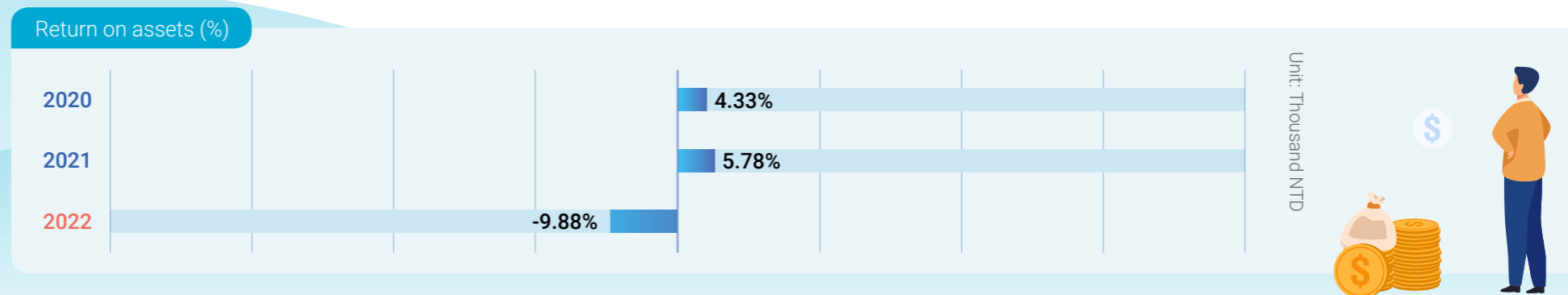
2-1-4 Operational Performance

All of our businesses adopt strategic actions related to diversification, innovative development, and timely responses to changes in market environments while facilitating breakthroughs in multi-faceted businesses to achieve excellent operational performance.

● EMI Operational Performance for Past Three Years



Note: In 2022, due to impacts from the pandemic and the shrinking global economy, as well as economic declines in Taiwan and reductions in intangible assets owned by reinvested companies, we incurred losses after tax. Losses attributable to our parent company amounted to NT\$ 1,655,102.



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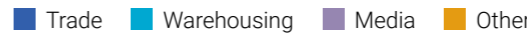
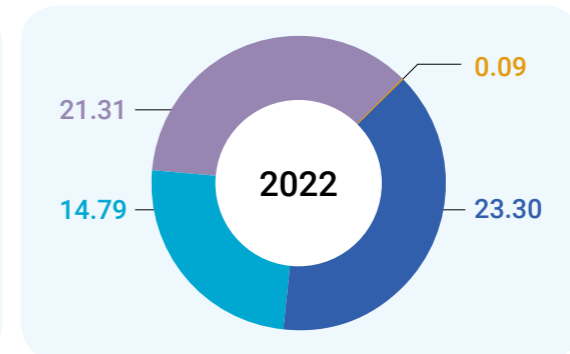
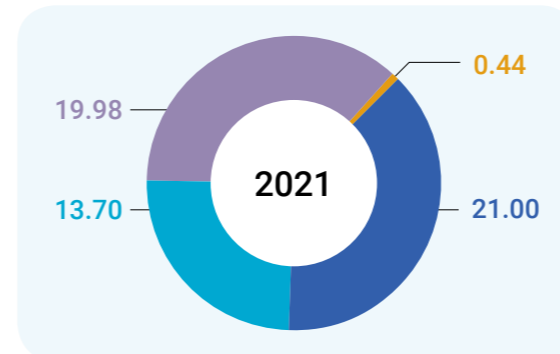
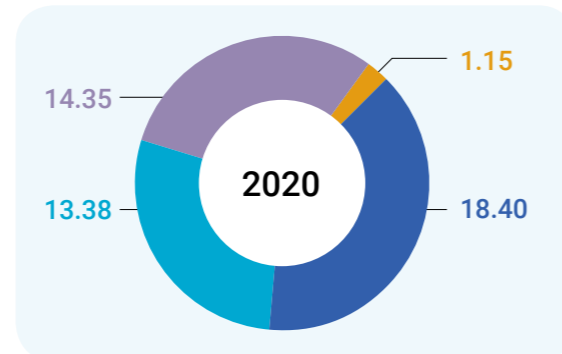
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| Item | 2020 | 2021 | 2022 |
|-----------------------------------|------------|------------|------------|
| Unit: Thousand NTD | | | |
| Operational capabilities | | | |
| Total assets | 16,223,474 | 15,919,807 | 15,496,883 |
| Total debts | 9,477,951 | 9,259,702 | 11,423,547 |
| Total shareholder equity | 6,745,523 | 6,660,105 | 4,073,336 |
| Net operating profits | (10,155) | 157,122 | 210,829 |
| Distributed economic value | | | |
| Dividend distributions | 562,702 | 454,055 | 534,877 |
| Interest payments | 241,151 | 250,833 | 289,162 |
| Paid (returned) income tax | 24,810 | 16,006 | (4,767) |
| Charitable donations | 4,400 | 3,000 | 5,700 |
| Profitability | | | |
| Return on assets (%) | 4.33% | 5.78% | (9.88%) |
| Return on equity (%) | 7.47% | 11.18% | (32.61%) |
| Earnings (loss) per share (NTD) | 0.94 | 1.37 | (3.29) |

● Business Revenues for Past Three Years


 Unit: Billion NTD


Revenues from embedded advertising in our media business: **NT\$ 456 million** in 2022

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2.2 Sustainable Supply Chain

2-2-1 Suppliers and Contractors

Even though our businesses have different characteristics, we still consider "local procurement" and "green procurement" to be our overall procurement principles. We hope that our procurement actions can enhance product and service quality, fulfill customer needs, support local Taiwan enterprises, and create green and sustainable social values.

● Local Procurement

We continue to support local suppliers in Taiwan, promote mutual prosperity in local supply chains, and create opportunities for local industries through local procurement. Local procurement ratios for our warehousing, media, and pet businesses for the past three years were as follows:

| Year | Local procurement ratio (Amount of local procurement in Taiwan/Total procurement amount) | | |
|------|--|----------------|--------------|
| | Warehousing Business | Media Business | Pet Business |
| 2020 | 48.7% | 100% | 96.7% |
| 2021 | 60% | 100% | 95% |
| 2022 | 79.5% | 100% | 97.8% |

Note: We gradually replaced four European grain unloaders from 2017 to 2021, which significantly decreased local procurement ratios. (Purchase prices of grain unloaders were recorded in the years when actual payments were made.)

● Green Procurement

Prior to procurement of each item, we assess whether procurement is necessary and announce our green policies to suppliers. Our main procurement strategy prioritizes procurement of green products and services. We especially prioritize procurement of office equipment, decorations, consumables, and daily necessities with eco-friendly labels, energy-saving labels, water-saving labels, or carbon labels to meet our principles of procuring products with low power consumption, low pollution, and made from recyclable raw materials.

In 2022, our green procurement amounted to NT\$ 3.17 million. Green procurement items included air-conditioning equipment for our warehousing business and office equipment for our media business. In future, we will work to raise green procurement amounts and ratios.



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2-2-2 Supply Chain Management

• Supplier Management Actions



Warehousing Business

- We formulated our "Regulations for Management of Supplier Corporate Social Responsibilities" in 2021 and worked with our suppliers to comply with labor rights, human rights, employee health and safety, environmental protection, and ethical regulations, achieving sustainable development and economic, social, and environmental balance.
- Starting in 2022, we began requiring suppliers/contractors with transaction amounts exceeding NT\$ 100,000 to sign the "Commitment to Code of Conduct and Ethical Regulations."
- Starting in 2022, we began strengthening our management procedures to include assessments of environmental safety, human rights, and ethical responsibilities in supplier evaluations.



Media Business

- We implement public tendering processes and obtain quotations from more than three companies in accordance with our procurement regulations, then invited companies to participate in public pitches. Our administration, financial, and accounting departments are responsible for coordination.
- We eradicate human involvement and fraud through price negotiation meetings and have gradually added anti-corruption clauses to our supplier contracts to implement our anti-corruption policies.



Pet Business

- Evaluation criteria for new suppliers include: Costs, product quality, brand awareness, number of business personnel, and timely handling of customer complaints. Candidate companies have to fulfill these conditions before they can be listed as qualified suppliers.
- Our suppliers are required to sign supplier contracts prior to working with us. We require on-time delivery of products that are valid for more than 6 months, and our personnel conduct periodic store visits to inspect product validity and replace expiring products. In the event of product disputes, suppliers are required to pay for inspections to confirm product safety and protect consumer rights.



We attach great importance to our supplier partners and work to realize a spirit of sustainability and sound operations. We select excellent vendors by comparing quotes and pitches, and have added clauses related to integrity and corporate social responsibility in our supplier contracts to strengthen supplier legal compliance, social responsibilities, and environmental responsibilities, and we have strict requirements regarding product and service quality.

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| Implementation Item | Description | Expected Target in 2022 | Achievements in 2022 |
|---|--|---|--|
|  <p>Incorporate social and environmental standards in supplier/contractor selection and evaluation processes</p> | Beginning in 2022, we started requiring our suppliers/contractors with transaction amounts exceeding NT\$ 100,000 to sign a "Commitment to Code of Conduct and Ethical Regulations." | 60% signing rate |  Achieved We required our suppliers/contractors with transaction amounts exceeding NT\$ 100,000 to sign a "Commitment to Code of Conduct and Ethical Regulations." A total of 41 vendors signed this Commitment, achieving a signing rate of 60%. |
|  <p>Enhance environmental and social capabilities of suppliers/contractors</p> | Hosted supplier/contractor training courses containing social and environmental content, and tracked improvements on environmental items through supplier/contractor communication meetings. | Provide training related to social issues and environmental protection for 30% of suppliers/contractors |  Achieved We organized ESG education and training for our 17 suppliers/contractors with transaction amounts exceeding NT\$ 300,000. These 17 suppliers/contractors accounted for 40% of all contractors for the year. |

Our warehousing business considers long-term suppliers, suppliers with cumulative annual procurement amounts exceeding NT\$ 1 million (inclusive), and suppliers with unique or special products and services as key suppliers that require strengthened management and promotion. We identified 22 key suppliers in 2022 and plan to formulate "Supplier Evaluation Mechanisms" in 2023 to establish a list of existing suppliers and classify their sustainability risks. We will also expand signing targets for our "Commitment to Code of Conduct and Ethical Regulations" from existing construction and maintenance vendors to raw material procurement and labor service suppliers. In future, we will manage, guide, and track vendor improvements.

None of our collaborating key suppliers were faced with major human rights risks related to freedom of association, collective bargaining, child labor, or forced or compulsory labor in 2022.

ESG education and training hosted by warehousing business



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● Contractor Occupational Safety Management

EMI selects qualified contractors based on the highest standards, and requires contractors to be legal, locally registered businesses with good health and safety management capabilities. Our contractors must abide by our occupational health and safety regulations, their statement of commitment to health and safety, and hazard notification requirements during operational processes.

In order to prevent contractors and sub-contractors from incurring occupational hazards when working on projects, our occupational health and safety management regulations effectively manage the health and safety of contractor and sub-contractor workplace environments, and we have formulated a contractor management plan which clearly stipulates that contractors should sign a statement of commitment to health and safety prior to beginning work, be attentive of safety precautions, and take out insurance on project personnel during the period specified in contracts.

All contractors who perform hazardous work in port operation areas are informed of relevant hazards and are required to sign a hazard notification form and a statement of commitment to health and safety. Contractors must comply with health and safety commitments and hazard notification regulations. Contractors who violate relevant regulations are required to implement improvements in accordance with our health and safety regulations, and those who do not implement improvements are terminated. In 2022, our contractors signed a total of 68 statements of commitment to health and safety and 164 hazard notification forms, making a total of 232 signed documents.

● Supplier Training

Contractor training achievements over the past three years in our warehousing business:

