

Evaluation Items	The State of Operation			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary description	
VI. If the Company has adopted its own sustainable development best practice principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any deviation from the principles in the Company’s operations: The Company’s Board of Directors meeting dated March 27, 2015 approved the Company’s “Corporate Social Responsibility Best Practice Principles,” and the Company’s Board of Directors meeting dated March 22, 2023 approved the Company’s “Sustainable Development Best Practice Principles;” both were implemented accordingly. Therefore, the operation did not significantly deviate from the principles.				
VII. Other important information to facilitate better understanding of the company’s promotion of sustainable development: The Company spares no efforts in improving environmental protection, occupational safety, and health promotion. All employees also strive to reduce the energy consumption of office equipment, replace obsolete equipment, and reduce resource consumption. The Company will continue to pay attention to the development of each issue and trend, so as to gain a reference for striding towards corporate sustainable goals.				

(VI) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

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	Yes	No	Summary description	
I. Formulate ethical corporate management policy and plan (I) Does the company have an ethical corporate management policy approved by its Board of Directors, and by laws and publicly available documents addressing its corporate conduct and ethics policy and measures and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		(I) The Company formulated its “Procedures for Ethical Management and Guidelines for Conduct” and “Corporate Governance - Codes of Ethical Conduct” which had been approved by the Company’s Board of Directors. In addition, the Company discloses its ethical corporate management policy in its internal regulations, literature, company website, and	No significant difference

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<p>(II) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?”</p> <p>(III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?</p>	<p>✓</p> <p>✓</p>		<p>annual report.</p> <p>(II) The Company has formulated its “Procedures for Ethical Management and Guidelines for Conduct,” which included the variety of conduct set forth in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles. The Company has also assigned a monetary threshold for operating activities entailing higher unethical risks and formulated response procedures.</p> <p>(III) The Company already specified in its “Employee Manual” and “Procedures for Ethical Management and Guidelines for Conduct” that “fraud conduct in any form is banned outright” and “no person may directly or indirectly provide, accept, promise, or demand any improper profit by taking advantage of his/her job duties.” The Company assigns clear definitions to each type of conduct, and sets out a disciplinary system and a complaint filing system, so as to raise employees’ awareness of ethics and self-discipline and actively prevent unethical conduct; the Company also regularly reviews operating procedures.</p>	
<p>II. The implementation of ethical corporate management</p> <p>(I) Does the Company evaluate the ethical records of its</p>	<p>✓</p>		<p>(I) When determining the credit terms to be</p>	<p>No significant</p>

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<p>counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?</p> <p>(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy, plan to prevent unethical conduct, and the state of monitoring and implementation of such policy and plan?</p> <p>(III) Does the Company have the policy to prevent conflict of interest, provide appropriate channels for an explanation, and implement it?</p> <p>(IV) Does the Company establish an effective accounting system and internal control system for the implementation of ethical corporate management, and have the internal audit unit draw up relevant audit plans based on the evaluation results of risk of unethical conduct and audit the compliance with the plan to prevent unethical conduct, or entrust a CPA to perform the audit?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>assigned to a client, the Company factors in the client’s ethical records and annotates the orders from the client with ethical provisions.</p> <p>(II) The Company divides responsibilities among relevant units; the Finance Division will be the dedicated unit for board members; HR will be the dedicated unit for employees; and the General Manager Office will be the dedicated unit for business partners (collectively “the Company’s responsible units” hereinafter). The Company’s responsible units shall brief the Board of Directors once a year.</p> <p>(III) The Company specifies in its “Employee Manual” and “Procedures for Ethical Management and Guidelines for Conduct” provisions pertaining to recusal from conflict of interest; the provisions provide that employees should report to their immediate supervisor if they encounter any conflict of interest when performing their duties.</p> <p>(IV) The Company has established an effective and complete accounting system and internal control system, and operates accordingly; in addition, regular audits carried out by internal auditors and annual internal control tests carried out by CPAs help identify problems and deficiencies, based on which relevant operation can be corrected. The Audit Office, based on the</p>	<p>difference</p>

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(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	✓		<p>results of the assessment of the risk of involvement in unethical conduct, devised relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examined accordingly the compliance with the prevention programs. The Audit Office may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p> <p>(V) The Company continues to promote the concept of ethical corporate management through various meetings.</p>	
<p>III. The operation of the Company’s whistleblower reporting system</p> <p>(I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?</p>	✓		<p>(I) As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a monetary reward depending on the seriousness of the circumstance concerned. However, Insiders who have made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. In addition, the Company internally establishes and publicly announces on its website and the intranet, or provides through an independent external institution, an independent mailbox or hotline, for insiders and</p>	No significant difference

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<p>(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?</p> <p>(III) Does the Company take measures to protect whistleblowers from being improperly treated due to reporting?</p>	<p>✓</p> <p>✓</p>		<p>outsiders of the Company to submit reports. After the accused is reported, the Company will hold a personnel review meeting, present proofs therein to the accused, and provide ample opportunities for the accused to present his/her case before imposing punishment.</p> <p>(II) Relevant procedures and confidentiality mechanisms are already set out in the “Procedures for Ethical Management and Guidelines for Conduct.”</p> <p>(III) Personnel of the Company handling whistle-blowing matters shall represent in writing they will keep the whistleblowers’ identity and contents of information confidential and the whistleblowing content is not a false report or malicious accusation. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.</p>	
<p>IV. Enhance Information Disclosure</p> <p>(I) Does the Company disclose the content and implementation results of its Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?</p>	<p>✓</p>		<p>The Company already disclosed its internal regulations pertaining to ethical corporate management on the Corporate Governance Zone on the Company’s website.</p>	<p>No significant difference</p>
<p>V. If the Company has established its own ethical corporate management best practice principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please state the differences between its own principles and the state of</p>				

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<p>implementation:  The “Procedures for Ethical Management and Guidelines for Conduct” was formulated at the Board of Directors meeting dated March 27, 2015 and amended at the Board of Directors meeting dated March 25, 2021, and have been implemented accordingly. Therefore, the implementation did not significantly deviate from these principles.</p>				
<p>VI. Other important information that is conducive to understanding the implementation of ethical corporate management (e.g., the Company’s review or revision of its own ethical corporate management best practice principles):  Upholding the philosophy of “Trustworthiness and Teamwork,” “Improvement in Quality,” “Customer Service,” and “Innovation and Growth,” the Company’s Chairman leads the management team, to jointly promote each category of business. The competencies of the team as a whole bring about prominent operational performance, creating the most optimal profits for shareholders, employees, clients, and suppliers and thereby forging a long-term virtuous relationship.  In terms of investor relations: In addition to fulfilling the obligation of information disclosure, the Company announces financial and important information as required; it further discloses complete information on the website of Howtech Technology Co., Ltd. at the disposal of all investors, thereby upholding investors’ rights to know.  In terms of customer relations: Aside from being capable of providing products tailored to clients’ needs, the Company also actively deals with any issues raised by clients and provides after-sales technological services, hoping that closer interaction between both parties can win word-of-mouth for the Company’s products and services.  In terms of supplier relations: The Company regularly examines and manages suppliers’ qualifications and establishes a supplier database. Aside from carrying out price negotiation procedures in accordance with internal regulations, the Company also continues to track and assess suppliers’ supply quality, scheduling, and operational status. In addition, with a track record showing constantly growing sales, the Company flexes its business muscle and makes suppliers more reliant on it. Through collaboration, the Company aims to develop opportunities for new products and new markets.  In terms of dividend distribution: The Company will offer shareholders as much profits as possible, subject to the profits position and future capital planning.  In terms of capital planning: With a sound financial structure and operating performance, the Company maintains a good relationship with financial institutions, to obtain higher financing credit limits and better terms that reflect the Company’s fine reputation.  The Company will continue to promote ethical sustainable management; it has successively arranged for the management team and all employees to take internal and external courses to learn relevant knowledge; by bettering and implementing internal control systems and relevant operating procedures, hoping to achieve ethical corporate management continuity.</p>				

- (VII.) Where the Company has formulated its Corporate Governance Principles and other required regulations, the inquiry method should be specified. See the Company's website at <http://www.howteh.com.tw/>
- (VIII) Other important information for understanding the operation of corporate governance may be disclosed: In order to establish a good mechanism for processing material inside information and prevent information leakage, the Company has formulated the "Procedures for Processing Material Inside Information to Prevent Insider Trading," whose content of some provisions of the Internal Control System was amended and passed at the Board of Directors meeting dated November 11, 2022.