

3.3 Integrity and Ethics

3.3.1 Code of Ethical Behavior

To ensure that the directors and managers of Zig Sheng act ethically and comply with relevant laws, regulations and principles of ethics, we have established a "Code of Ethical Conduct", whose regulations cover prevention of conflicts of interest, avoiding opportunities for personal gain, maintaining confidentiality, dealing fairly, protecting and properly using our company's assets, following laws and regulations, encouraging the reporting of any illegal or unethical conduct and taking disciplinary measures, all of which serve to protect our assets, interests, and image.

For our employees, all conduct is governed by the "Work Rules for Employees" and "Rules for Employee Behavior" to prevent the occurrence of unlawful and unethical conduct on the part of employees, which may affect our corporate spirit of pragmatism.

3.3.2 Ethical Management

Based on our management philosophy of integrity, transparency and accountability, we have established an "Ethical Corporate Management Best Practice Principles" as well as "Procedures for Ethical Management and Guidelines for Conduct" in which we stipulated our policy of ethical management, which are as follows: "To conduct business activities based on the principles of fairness, honesty, reliability, and transparency, and to prohibit our employees from engaging in unethical conduct". They were approved by the Board of Directors, and every directors and member of the senior management recognize that integrity is the core value of our company. They agreed to follow our "Ethical Management Policy", and jointly sign the "Declaration of Compliance with the Ethical Management Policy" and implement the policy. We prohibit our employees from directly or indirectly offering, promising, requesting or accepting any undue profits made in any form or name, including but not limited to money, gifts, commissions, positions, services, preferential treatment, kickbacks, bribery, and hospitality. However, exceptions are made for occasional gifts that are given out of normal social etiquette and do not affect specific rights and obligations.

Education, training and promotion have been arranged to implement the "Ethical Corporate Management Best Practice Principles" and the "Unethical Conduct Prevention Program." In 2023, a total of 197 managers at the section level and above participated in a themed campaign promoting integrity and ethical regulations. In addition to requiring suppliers to sign commitment letters, the company has added an "Ethical Corporate Management Declaration" clause to sales and purchase contracts, engineering agreements, and purchase orders to demonstrate its commitment to upholding integrity and ethical standards.

To establish a sound mechanism for handling and disclosing significant company information without any improper leakage of information, and to ensure that our employees and our partners' employees do not become entangled in litigation and damage reputations due to accidentally violating regulations or facilitating insider trading, the "Regulations for the Prevention of Insider Trading" have been formulated to provide a basis for compliance.

In order to inform the relevant internal and external stakeholders, the information is disclosed on our internal document management system platform, annual report, and company website.

Zig Sheng Industrial Co., Ltd.

Declaration of Compliance with Integrity Management Policy

Date:

1. All directors and members of the senior management understand that integrity is a core value of our company, and agree to comply with our integrity management policy:

Our engagement in commercial activities is based on the principles of fairness, honesty, trustworthiness, and transparency, and we forbid any personnel of our company to engage in dishonest acts. We also forbid any personnel of our company to directly or indirectly provide, promise, demand, or receive any benefit that is dishonest during the process of engaging in commercial activities, including money, gifts, commissions, positions, services, preferential treatment, rebates, bribery, or hospitality provided in any form or name. However, benefits that are only occasionally provided out of normal social custom and carry no possibility of impacting specific rights and obligations are not counted among the above.









Company Rules

A statement of compliance with our ethical Management Policy has been signed by all directors and members of the senior management.

3.3.3 Grievance and Reporting Mechanism

To establish a corporate culture based on ethical management and sound development, Zig Sheng has set up grievance and reporting mechanism for internal and external stakeholders to use.

 Grievance	We have a variety of internal grievance and communication channels (such as mailboxes, email, and interviews with managers), as well as a page dedicated to stakeholders and a "Feedback or Suggestions" page on our website in accordance with the regulations of the Taiwan Stock Exchange for use by internal and external stakeholders.
 Reports Filed	We have disclosed an independent reporting mailbox and hotline on our website, and set up a "Reporting System for Breach of Integrity and Ethics" on our internal and external websites, through which all stakeholders can report any breach of integrity or ethics.
 Handling	When we receive a grievance or a report, we have staff dedicated to investigate and handle the case appropriately. When the grievance or report involves a director or a senior executive, it will be reported to the independent director or supervisor.
 Response	Dedicated staff will respond to the grievance or report in the contact method (e.g. mailbox, email, face-to-face meeting) designated by the complainant or whistleblower.
 Confidentiality	The identity of the complainant or whistleblower and the content of their complaint are kept confidential in order to prevent mishandling of the case due to the grievance or report being made.
 Preservation of Records	The information related to the investigation process and investigation results of grievances and reports are all kept in a complete and proper manner.

Zig Sheng has internal and external grievance and reporting channels for communication to be conducted smoothly, so that when an employee's rights and interests are jeopardized, he/she can fight for his/her rights and interests through official channels and report the case in the employee-employer meetings.

Page Dedicated to Stakeholders

<http://www.zigsheng.com/en/csr/corporate-sustainability-practices/>



Feedback and Grievance

<http://www.zigsheng.com/en/contact-us/feedback-and-complaints/>



Ethics Violation Reporting System

<http://www.zigsheng.com/en/contact-us/integrity-and-ethics/>



In 2023, a total of three complaints were received. One of the cases was dismissed after mediation, and no integrity-related whistleblower cases were reported during the year.

The Company actively and properly handles grievances and whistleblowing cases, which are handled confidentially for the protection of the parties involved. All grievances and whistleblowing cases made in 2023 have been closed.

Content of Item		Number of Cases		
		2021	2022	2023
Grievance	Salary	0	1	3
	Leave	0	1	0
	Other	0	3	0
Reports Filed	Ethics	1	0	0
	Other	2	0	0
Total number of grievances filed		1	5	2
Total number of cases filed and resolved		1	5	2