

Ethical Management Implementation Report

Realtek believes that strict adherence and enforcement of business integrity and ethics are necessary ingredients for sustainable operations and for building winning relationships with customers. The Company carries out corporate governance in accordance with the ‘Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies’ and the ‘Corporate Governance Evaluation Indicators’ issued by the TWSE Corporate Governance Center. It formulates the ‘Ethical Corporate Management Policy’, the ‘Ethical Corporate Management Best Practice Principles’, the ‘Procedures for Ethical Management and Guidelines for Conduct’, the ‘Employee Code of Conduct’, the ‘Code of Ethical Conduct’, and other important internal regulations. The Board and management proactively implement ethical corporate management policies during internal management and business activities, and request that all employees participate and comply. Related information is available on the Realtek company website to inform board directors, employees, and stakeholders to ensure ethical corporate management principles are followed, prevent conflicts of interest, avoid improper benefits, prevent rights infringements and confidential information leakage, and uphold fair competition and trade. Operational audits are performed by an internal audit unit and results are reported to the Board annually. Between October 2022 and September 2023, Realtek did not have any legal violations from anti-competitive behavior.

Realtek advocate the principles of business integrity, anti-corruption, and antibribery to executives, managers, senior staff, and new employees through seminars and training camps for newcomers. Digitalization of training materials has created opportunities for everyone to take training classes at any time. Between October 2022 and September 2023, we provided educational and training classes on ethical management totaling 420 minutes, with a total attendance of 724 people. To implement Realtek’s Code of Ethical Conduct and ethical management, and encourage stakeholders to report incidents that violate business integrity or ethics, we established the ‘Regulations Governing Realtek Internal (External) Personnel Whistleblowing on Illegal or Immoral Behaviors’. The procedure ensures that reporting channels remain open and protects the privacy and safety of whistleblowers. Between October 2022 and September 2023, there were no complaints of illegal activities or unethical conduct filed against the Company or employees, and there were no reports of corruption or bribery at any of the Company’s operational locations.

The Ethical Management Implementation Report was presented to the Board of Directors on October 20, 2023.