

Ethical Management Implementation Report

Honesty, compliance, and ethical behavior are essential ingredients of ethical management at Realtek. All employees must adhere to the spirit of business integrity and act within the limits of the law. Upholding integrity and implementing moral practices are necessary for the sustainable development of the company.

(1) Business Integrity Principles Apply to All Employees – Ethics Standards and Code of Conduct

Realtek has always maintained that business integrity and ethics are the foundations for building partnerships with other enterprises and establishing mutually beneficial relationships with customers. We believe that strict adherence and enforcement of business integrity and ethics are necessary ingredients for sustainable operations and customer relations. Everyone at Realtek, regardless of rank, position, or circumstances at work, shall strictly uphold business integrity and ethical practices in all business activities. Between October 2020 and September 2021, Realtek did not have any legal complaints arising from anti-competitive practices.

Realtek established 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 ‘Procedure Governing Internal (External) Unethical Behavior Complaints,’ and other important internal regulations that aim to create a culture of ethical corporate management and promote robust development. To effectively implement these measures, the company includes related content in seminars for managers and training camps for new employees. Everyone learns about business integrity and anti-corruption. Digitalization of teaching materials has created opportunities for every department and employee to take training classes at any time. Between October 2020 and September 2021, 566 people enrolled in related offline or online courses, with a total of 13.67 lecture hours and there were zero corruption cases at all of our operational locations.

(2) Enforcing Ethical Management and Ensuring Sound Corporate Governance

Realtek 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. We also established a ‘Code of Ethics’

to fulfill our ethical management responsibilities. The commitments made in the 'Ethical Corporate Management Policy' are actively enforced by the Board and management and implemented during internal management and business activities. New employees receive training on anti-corruption and business integrity upon arrival. Between October 2020 and September 2021 there were no complaints of illegal activities or unethical conduct by the company or employees.

The Ethical Management Implementation Report was presented to the Board of Directors on October 29, 2021.