

KGI Financial Holding Co., Ltd.

Procedures for Supplier's Sustainability

Responsible Department: Operations and Sustainability Dept. Procurement Team.

Established Date: 2016.07.25

Announced Date: 2024.10.14

1. In pursuit of sustainable development, KGI Financial is constantly dedicated to protecting the environment, reducing carbon emissions, and creating an environment with clean energy. To promote balance among economic growth, society, the environment, and sustainable growth, this guideline is formulated to fulfill KGI Financial's commitment to corporate social responsibility (CSR) as well as comply with relevant laws and regulations concerning labor rights protection, environmental protection, and code of ethics jointly with its suppliers.
2. A major supplier mentioned in this guideline is a supplier who enters into a contract, the price of which exceeds NT\$1 million with KGI Financial. KGI Financial may request major suppliers to sign "Letter of Undertaking regarding Sustainability for Suppliers" (Letter of Undertaking). Besides major suppliers, other suppliers are also encouraged to sign such Letter of Undertaking depending on the characteristics of contracts.
3. In terms of labor rights protection, KGI Financial shall promote occupational safety and health related laws and regulations to suppliers and urge them to comply with the following labor rights protection standards:
 - I. Comply with applicable laws and regulations related to child labor;
 - II. Prohibit forced labor;
 - III. Prohibit any form of discrimination;
 - IV. Respect the freedom of association and negotiation; and
 - V. Follow related laws and regulations of labor health and occupational safety and health as well as KGI Financial's guidelines regarding safety, health, and environmental management
4. In terms of environmental protection, KGI Financial shall promote the following items to suppliers:
 - I. Suppliers shall take into consideration issues with regards to environmental protection and energy conservation, build company culture on environmental sustainability, and devote themselves to caring the planet, cherishing resources and conserving energy.
 - II. Suppliers shall follow environmental protection related policies and prevent behaviors leading to material negative impacts on the environment or against environmental protection related laws or regulations.
 - III. Suppliers shall fulfill corporate social responsibility and obligation including:
 - i. Comply with CSR related policies; and
 - ii. If suppliers are likely to breach their CSR commitment and create material impacts upon society and environment, including but not limited to violation of labor rights protection, environmental protection, and consumer protection, KGI Financial may terminate contracts with them in accordance with the terms and conditions specified in the contracts.
5. In terms of code of ethics, KGI Financial shall promote the following items to suppliers:
 - I. Suppliers shall follow code of ethics related guidelines, including but not limited to integrity, fair trading, information transparency and avoidance of improper gains and false advertising, as well as complying with related regulations on intellectual property rights.
 - II. Suppliers shall conduct business with ethics in public and transparent manner. If suppliers are likely to conduct material unethical behavior, KGI Financial may terminate contracts with them in accordance with the terms and conditions specified in the contracts.
6. After approved by the President, this guideline should take effect on the date announced; same conditions apply if revision is needed.