



Fubon Financial Holding Co., Ltd. and its Subsidiaries Supplier Sustainable Development Code of Conduct

Adopted by the Board of Directors on August 25, 2016

1st amendment by the Board of Directors on May 5, 2022

Article 1 Purpose

Fubon Financial Holding Co. Ltd. and its affiliates (hereinafter shortened as “the Company”) have been devoted to the fulfillment of sustainable development. With an expectation that all of its cooperating suppliers will join hands to promote sustainable development, the Company has specially set up “Fubon Financial Holding Co., Ltd. and its Subsidiaries Supplier Sustainable Development Code of Conduct” (hereinafter shortened as “the Code of Conduct”), with which to abide by.

Article 2 Applicable Scope

All of the company’s suppliers shall abide by this Code of Conduct for the balanced and sustainable development of economy, society and environment.

Article 3 Labor and Human Right

Suppliers shall respect workers’ human right and treat them in ways recognized by community of nations (including but not limited to “UN Universal Declaration of Human Rights”, “UN Guiding Principles on Business and Human Rights” and “ILO Declaration of Fundamental Principles and Rights at Work”) and shall comply with local laws and regulations to ensure that all workers are fully respected.

1. Anti-Discrimination

During the recruitment and employment process, suppliers shall not discriminate a worker for his or her race, skin color, age, sex, sexual orientation, ethnicity, physical or mental disability, religion, political affiliation, union membership, nationality or marital status while making decisions of recruitment, promotion, reward, training, work arrangement, salary, benefits, punishment, dismissal and retirement. Suppliers shall not request female workers to conduct pregnancy test or discriminate pregnant workers, except otherwise provided by local laws or regulations. Besides, suppliers shall not request workers or workers to be employed to take drug test lead to discrimination, except otherwise requested by local laws or regulations or requirement for the safety of workplace.

2. Prohibition of Harsh Treatment and Sexual Harassment

Suppliers shall commit that workplaces will be free of sexual harassment. Suppliers shall not threaten workers or apply harsh or inhuman treatment – such as sexual harassment, corporal punishment, mental coercion, physical coercion, verbal abuse or other illegal treatments – to them.

3. Prohibition of forced labor

Suppliers shall commit that all employees are voluntary workers and that they are free to leave the position or terminate the employment relationship with an advanced application. Besides, they shall not request workers to provide any government issued personal identification, passport or work permit as a collateral or prerequisite of employment.

4. Prohibition of Child Labor

Child labor, which shall be defined according to laws of where the workers locate, is prohibited.

5. Working Hours

Unless emergency or non-policy situation, the limit of weekly working hours (including overtime working hours) and leave of absence (including leave of absence and holidays) shall refer to laws and regulations of where the workers locate.

6. Compensation and Welfare

Suppliers shall pay no less than the minimum wage to workers for all regular hours per applicable laws and regulations and shall provide legal welfare to workers. Apart from the salary, the overtime working hours shall also be paid according to relevant laws. Deduction from wages as a disciplinary measure shall not be permitted. Workers’ salary shall be paid on time and relevant details shall also be clearly and timely explained to workers.



7. Freedom of Association

Suppliers shall respect workers' rights for freedom of association in conformance with local law, for establishing / joining labor union and seeking delegacy and collective bargaining. Suppliers shall not discriminate union members while recruiting workers especially requesting workers to give up their union membership or agree not to join any labor union. It is also prohibited to dismiss or discriminate workers because of their union membership or participation in union activities during non-working hours (or during working hours if the worker has received supplier's consent or if the union's activity has to be taken place during working hours as requested by relevant laws).

8. Apart from above basic human rights, suppliers shall provide workers multiple appeal channels and necessary corrective measures.

Article 4 Worker Health and Safety

Suppliers shall protect worker health and safety and abide by the following:

1. Occupational Safety

Suppliers shall provide safety work guidelines and preventive maintenance / protection devices (for example, protective shield, interlocking device and railings) to reduce workplace health and safety risks. If above measures cannot effectively control risks, suppliers shall provide workers appropriate personal protective equipment. Workers have the right to refuse to work in an unsafe environment until the management team eliminates their concern and they shall not worry to be punished for it.

2. Industrial Hygiene

Suppliers shall recognize, assess and control the risks of exposing in dangers caused by hazardous chemicals and biological or physical factors. Where the risks cannot be effectively controlled by engineering and management measures, suppliers shall provide workers appropriate personal protective equipment.

3. Occupational Injury and Illness

Suppliers shall establish a system to manage, track and report occupational injury and illness occurred in workplace. Based on incidents reported by workers, the system shall classify and record occupational injury and illness, investigate cause of incidents and implement corrective actions to eliminate the problem, provide necessary treatment and assist workers to resume their health and go back to work.

4. Worker Sanitation and Safety

Suppliers shall commit to comply with labor safety and health relevant regulations and follow policies stipulated by the Company unconditionally.

Article 5 Environmental Protection

Suppliers shall pay attention to environmental protection and abide by the following:

1. Management and Restriction of Hazardous Substances

Suppliers shall comply with regulations governing the prohibition and use of certain materials in relevant laws. To ensure handling, transfer, storage, recycle, reuse and disposal of hazardous substances, suppliers shall recognize and manage substances that may cause impacts to the environment when release. They shall also comply with regulations governing substance recycling and disposal in relevant laws. For all hazardous or toxic substances, suppliers shall post Safety Data Sheet (SDS) written in the local language principally used by the workers in workplace and conduct trainings for workers who have direct contacts with these substances during the work.

2. Wastewater Treatment and Disposal of Solid Wastes

Wastewater and solid waste created during the commodity / product production process and hygiene equipment shall be monitored. Relevant procedures shall be conducted according to laws before the discharge or disposal.

3. Air emissions

Volatile organic compounds, smokes, corrosive substances, particles, ozone depleting chemicals and explosive by-products discharged during the commodity / product production process shall be identified and monitored. Relevant procedures shall be conducted according to laws before the discharge.

4. Environmental Permit and Report

Suppliers shall receive, maintain and keep the newest and all necessary environmental permit(s) and official letter(s) according to laws of where the workplace locates. Relevant operations and reports shall also be conducted according to permit requirements.

5. Pollution Prevention and Energy Saving

Suppliers shall do their best effort to reduce or eliminate all forms of wastes including water and energy. Suppliers may adopt energy saving measures with the equipment or during the maintenance or production process, or use recycled, regenerated or substitute substances to save energy.

Article 6 Prohibition of Unethical Conduct

Suppliers shall comply with ethical corporate management and abide by the following:

1. Suppliers shall not directly or indirectly pay commission, rebate or any improper benefits; or engage in other conduct that violates good faith, is illegal or violates fiduciary duty (hereinafter referred to as the unethical conduct) on the initiative or under a request or contractual payment



2. The target of unethical conduct includes but not limited to the Company's staff, employee, agent, representative, fiduciary, perform assistant or related person of aforesaid targets (including but not limited to his / her spouse, parent, child, relative or other closely related natural or juridical person); public servant, candidate (election participant) or political party staff; and any of public or civil enterprise or institution's director (trustee), auditor (supervisor), employee, person with substantial control or other interested party.
3. Where the supplier is acknowledged of aforesaid personnel or its worker's involvement of unethical conduct, the supplier must inform the Company of the person's identity, amount and methods of payment and other interests. Suppliers shall also provide relevant evidences and cooperate with the Company's investigation.
4. Where the supplier violates Paragraphs 1 and 3 of this Article and the Company has proved such violation, the Company has the right to immediately terminate or cancel all of the projects with the supplier, deduct the improperly paid commission, rebate or improper benefit amount from the payables, and take legal actions. Besides, the Company may request the supplier to pay for the penalty amounted to 40% of the total trading value of the previous year or NTD1,500,000 (the higher amount will be taken as the penalty).
5. Concerning the penalty or deducted commission, rebate or improper benefit amount as described in the preceding Paragraph, the Company may deduct it directly from the payables and such deduction shall not affect the Company's right to claim damage.

Article 7 Sustainable Procurement

Supplies shall, from the perspective of reducing environmental and social effects and impacts, promote sustainable procurement action plans, including sustainable procurement policy and raw material traceability (to avoid using conflict minerals), in their respective supply chain. The purposes thereof are to promote and build a sustainable supply network; to facilitate local procurement and employment; and to sustainably enhance the sustainability concept inside the organization.

Article 8 Others

Suppliers shall abide by the following:

1. Suppliers shall make information related to its business activities, organizational structure, financial status and operations performance public according to relevant laws and standards of the industry.
2. During promotions, sales activities and competitions, suppliers shall abide by principles of fair management. Suppliers shall also adopt necessary measures to protect customers' information.
3. Suppliers are acknowledge of and agree to unconditionally abide by the Company's right of amending and modifying the content of the Conduct of Conduct. In the meantime, suppliers also agree that the Company will reveal amendment and modification to its e-procurement system through announcements instead of sending individual notifications to suppliers.

Article 9 Supplementary Provisions

Any matters not specified in the Code of Conduct shall be handled according to relevant laws of the competent authority and relevant regulations of the Company.

Article 10 Implementation and Amendments

The Code of Conduct shall be approved by the board of directors and then implemented. The same shall apply to amendments thereto.