

# Shinkong Synthetic Fibers Corporation

## Business Ethics Management Procedures

### 1. Purpose

In order to implement the Company's policy of zero tolerance toward bribery, corruption, fraudulent conduct, and improper benefits, adhere to the highest standards of integrity in business operations, strengthen internal control mechanisms, uphold honest and trustworthy management, establish a corporate image of integrity and law-abiding conduct, and ensure normal business operations and a positive corporate reputation, these Procedures are hereby formulated.

### 2. Scope

These Procedures apply to all employees of the Company and all business activities, operations, and stakeholders under the Company's management and control.

### 3. Definitions

None.

### 4. Authority and Responsibility

4.1 The Audit Office shall be responsible for the supervision and management of business ethics, and shall arrange ethics education and training at least once a year.

### 5. Content

#### 5.1 Principles of Ethical Business Conduct

5.1.1 The Company shall conduct business with integrity and honesty as fundamental principles. All employees shall avoid conflicts of interest, collusion, bribery, corruption, fraud, misappropriation of company assets, unfair competition, violation of laws and regulations, retaliation or threats against whistleblowers, infringement of intellectual property rights, abuse of authority, and any conduct detrimental to the Company's interests or reputation.

5.1.2 Employees shall not engage in conduct inconsistent with the Company's policy of the highest standards of integrity, nor refuse or evade legitimate oversight. They shall protect the Company's assets and interests and shall not accept or solicit any improper benefits.

## 5.2 Prohibition of Unreasonable Gifts and Hospitality

5.2.1 The Company shall not permit any employee to provide or accept improper benefits, gifts, or cash.

5.2.2 Employees shall not request gifts from suppliers or customers.

5.2.3 Prohibited items include but are not limited to gift cards, vouchers, cash equivalents, entertainment, travel, accommodation, free goods, promotional items, or participation in events arranged by suppliers.

5.2.4 The provision or acceptance of gifts, cash, property, or other benefits outside of normal business practice, or that may influence business decisions, is prohibited. The Company defines major customers as customers contributing more than NT\$30 million in annual transactions, listed companies, or senior executives of peer enterprises.

5.2.5 The acceptable threshold for gifts is NT\$2,000 per occasion and NT\$20,000 per year from the same source. Exceptions include customary occasions such as weddings, funerals, births, illnesses, retirements, or customary social exchanges, provided such benefits do not exceed reasonable social norms.

## 5.3 Prevention of Conflicts of Interest

5.3.1 A conflict of interest arises when personal interests interfere or may interfere with the interests of the Company.

5.3.2 Employees shall not engage in transactions or arrangements that give rise to conflicts of interest.

5.3.3 Employees shall not use their positions, authority, or access to information to obtain improper benefits for themselves or others.

## 5.4 Prohibition of Bribery and Corruption

5.4.1 Employees shall not engage in bribery, corruption, facilitation payments, or any unethical or illegal conduct when dealing with government agencies or private entities.

5.4.2 Employees shall not provide or accept money, property, or other benefits in exchange for business opportunities or favorable treatment.

#### 5.4.3 Transparency and Integrity in Information Disclosure

The Company shall disclose financial and operational information in accordance with laws and accounting standards, ensure accuracy and completeness of financial records, and prevent false reporting.

#### 5.4.4 Financial Information Management

All financial transactions shall comply with accounting standards and internal control requirements, and shall be accurately recorded and properly preserved.

### 5.5 Supervision and Audit

5.5.1 The Audit Office shall conduct periodic or ad hoc audits of business ethics practices to identify risks and deficiencies.

5.5.2 Audit results shall be documented and improvement actions shall be tracked.

### 5.6 Reporting and Complaints

5.6.1 Employees who discover violations of business ethics may report such matters through the Company's whistleblowing mechanisms.

5.6.2 Reports may be made via hotline (0800-588-100), email (anti-corruption@shinkong.com.tw), or other designated channels.

5.6.3 The Company may enhance existing reporting mechanisms, including internal and external whistleblowing systems.

### 5.7 Investigation of Incidents

5.7.1 Upon receipt of reports from competent authorities or internal/external whistleblowers, the Company shall establish an investigation team to handle alleged violations.

5.7.2 Investigations shall be conducted impartially and confidentially, and whistleblower protection mechanisms shall be implemented.

5.7.3 Investigation outcomes and disciplinary actions shall be approved by the General Manager and documented.

5.7.4 Where violations of laws are confirmed, the Company shall report such matters to competent authorities.

## 6. References

None.

## 7. Implementation and Amendment

These Procedures shall be implemented upon approval by the General Manager. Amendments shall follow the same procedure.