

# **Hua Nan Financial Group**

## **Notice of Suppliers' Conduct**

### **Article 1 Objective**

This Notice is established to fulfill the commitment and responsibilities of Hua Nan Financial Group (hereafter referred to as "the Group") on supplier management, so as to ensure a responsible cooperation with its suppliers, and to achieve together the objective of ethical management and integrity, labor and human rights, health and safety and environmental sustainability, and also to be in line with "Hua Nan Financial Holdings' Ethical Corporate Management Principles".

### **Article 2 Applicable suppliers**

The suppliers that shall comply with this Notice (hereafter referred to as "the Suppliers") refer to the trading counterparties that provide products and services to Hua Nan Financial Holdings (hereafter referred to as "the Company") and its subsidiaries.

### **Article 3 The suppliers' responsibilities and obligations**

The suppliers shall implement ethical corporate management, sustainable environment, and maintenance of basic human rights in their companies. The suppliers shall sign the "Suppliers Commitment Statement" when signing procurement contracts with the Group.

The members of the Group shall fill out the "Suppliers Inspection Form" when signing the aforementioned contracts and they shall implement inspections from time to time on the suppliers that provide products or services to each company of the Group. In the event of a gross violation against the Notice or a violation for which improvements cannot be made, the member of the Group has the right to terminate or cancel the partnership.

### **Article 4 Ethics and integrity**

The suppliers shall abide by the moral and ethical management principles of the local government, international convention and industry, include but not limited to incorruptible management, fair trade, preventing improper benefits and false advertising and abide by intellectual-property-rights-related regulations, etc.

Moreover, the suppliers shall transact in a public and transparent manner and commit themselves in implementing an ethical corporate culture.

Employees of the suppliers shall recuse themselves and shall not engage in

improper and illegal conduct which poses conflict of interest in their course of work, such as conducts that violate business ethics, include but not limited to bribery, falsification, etc., and shall not engage in corruption, money laundering, and conducts that violate information confidentiality and unfair competition.

The suppliers shall set up a reporting mechanism and communication channel for their insiders and outsiders to report on conduct that violate moral standard or unethical behaviors.

#### **Article 5 Labor and human rights**

The suppliers shall comply with local labor laws and regulations, safeguard the legitimate rights and interests of the employees, such as work environment, working hours and remuneration, freedom of association, collective bargaining rights, and respect internationally recognized fundamental labor and human rights principles, prohibit child labor, human trafficking and any form of forced labor and other matters that violate human rights. When recruiting staff, the suppliers shall not discriminate or provide different treatment based on their gender, race, social class, age, marital status and family status. The suppliers shall respect employees' privacy, and fulfill personal data protection responsibility.

#### **Article 6 Health and safety**

The suppliers shall provide safe and hygienic work environment, provide employees with appropriate training and establish preventive measures, to ensure its operating activities will not result in occupational hazard or loss.

#### **Article 7 Environmental sustainability**

The suppliers shall vow to abide by the relevant domestic and foreign environmental laws and regulations and both parties' corporate social responsibilities regulations, and obtain the related certification required by the Group, appropriately protect the natural environment, and actively adopt measures to reduce environmental impact:

In the course of operation, the suppliers shall prevent polluting water, air and land. If it is cost-effective and technically feasible, the suppliers shall put in their best effort to reduce adverse effect on human health and environment, and adopt the best feasible pollution prevention measures. The suppliers shall adopt measures such as energy-saving, recycling, etc., to reduce or eliminate all forms of wasteful practices.

#### **Article 8 Level of approval**

The Notice is implemented upon approval by the Executive Vice President of

the Company, and the same procedure applies for amendment.

**Article 9 Amendment history**

This Notice was established on December 27, 2017. The first amendment was made on April 18, 2018.

**Attachment****Suppliers Commitment Statement**

For the purpose of fulfilling corporate social responsibilities in business transactions between the undersigned \_\_\_\_\_ (hereinafter referred to as “the Supplier”) and \_\_\_\_\_ (hereinafter referred to as “the Company”), the supplier agrees to abide by the following regulations for ethical corporate management, advancement of sustainable environmental development, and protection of basic human rights:

**I. Ethical corporate management:**

1. The supplier shall abide by the ethical corporate management principles, including but not limited to ethical management, fair transactions, avoidance of illegitimate profits or false advertisement, and abide by related intellectual property rights regulations. It shall also conduct transactions in an open and transparent manner.
2. The supplier's employees shall recuse from and shall be prevented from conducting illegitimate and unlawful actions with conflicts of interest within their job responsibilities, including but not limited to bribery, forgery, or any violations of ethical business practices.

**II. Sustainable development and protection of basic human rights:**

1. The supplier vows to abide by related domestic environmental protection regulations, related international standards, and the corporate social responsibility policies of both parties to adequately protect the natural environment and dedicate great efforts on maintaining environmental sustainability.
2. The supplier shall endeavor to refrain from polluting the water, air, and land in its operational process. If it is cost-effective and technically feasible, the supplier shall put in its best effort to reduce adverse effect on human health and environment, and adopt the best feasible pollution prevention measures.
3. The supplier shall comply with relevant laws and regulations such as the "Labor Standards Act" to protect the legal rights and interests of employees and respect internationally recognized principles on fundamental labor rights. The supplier may not conduct actions that harm the basic rights of employees.

**III.** The Suppliers Commitment Statement shall be applicable to all business relations between the supplier and the Company and is part of the contract. If the supplier is in violation of the aforementioned items, it shall immediately make improvements. However, if the violation is significant or unable to be improved, the Company retains the right to terminate or rescind the contract.

To

Co., Ltd.

Undersigned:

Representative:

Unified business number:

Address:

Telephone:

## Suppliers Inspection Form

**Company Information**
**Date:** \_\_\_\_\_ (Month / Day / Year)

Company Name		Unified business number	
Representative		National ID number	
Nature of business		Company registration country	
Contact		Telephone	
Company address			

**Content of inspections**

Item	Description	Inspection Results	Remarks
Location of operations	Is the location of operations in a country with high risks of corruption?	<input type="checkbox"/> Yes (Provide description in Remarks) <input type="checkbox"/> No	
Remittance recipient	Is the remittance recipient the same as the transaction counterparty?	<input type="checkbox"/> Yes <input type="checkbox"/> No (Provide description in Remarks)	
Establishment of the Ethical Corporate Management Policy	Has the supplier established the Ethical Corporate Management Policy or related regulations?	<input type="checkbox"/> Yes <input type="checkbox"/> No (Provide description in Remarks)	
Records of unethical conduct	Verify whether there are public records of unethical conduct (e.g., bribery, illegal political donations, etc.) of the company and its representative in the most recent year (Judicial Yuan/judgment inquiry website: <a href="http://jirs.judicial.gov.tw/FJUD/">http://jirs.judicial.gov.tw/FJUD/</a> )	<input type="checkbox"/> Yes (Provide description in Remarks) <input type="checkbox"/> No	

Unit Supervisor: \_\_\_\_\_

Supervisor: \_\_\_\_\_

Processing Officer: \_\_\_\_\_

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