

Kwong Fong Industries Corporation

Rules of Procedure for Preparing and Assurance Sustainability Reports

- Article 1 To enhance Kwong Fong Industries Corporation's (the company) adherence to compliance standards during the preparation and assurance of ESG reports. These rules are complied with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" declared by the TWSE.
- Article 2 The Sustainability Report encompasses important issues and performance presents related to the company and its critical subsidiaries across environmental, social, and corporate governance domains.
- Article 3 The reporting period of the Sustainability report is one calendar year, from January 1 to December 31 of each year.
- Article 4 The Company shall annually prepare the Sustainability Report for the previous year, referencing the universal standards, sector standards, and topic-specific standards issued by the Global Reporting Initiative (GRI). The report shall disclose the identified significant topics and impacts related to economic, environmental, and people (including human rights), along with disclosure items and reporting requirements. Additionally, the Company may reference the Sustainability Accounting Standards Board (SASB) standards to disclose industry-specific metrics and include a SASB Index linking indicators to the report content.
- The Sustainability Report referenced in the preceding paragraph must include relevant environmental, social, and corporate governance risk assessments and establish corresponding performance metrics to effectively address the identified key themes.
- The Company shall disclose a GRI Content Index in its Sustainability Report, indicating the correspondence between the report's content and the GRI standards. The report shall also specify whether each disclosed item has obtained third-party assurance or verification. Disclosure items in the report shall be measured and presented in accordance with the standards prescribed by the competent regulatory authority. If no applicable standards have been issued by the competent authority, widely accepted practices or internationally recognized measurement methods shall be adopted
- Article 5 The company shall reveal climate-related information in the dedicated section in the report, and compliance with the disclosure requirements outlined by the competent authority.
- The inventory and assurance timetable for greenhouse gas emissions falling

under scope 1 and scope 2 mentioned should meet the request of the competent authority.

The Company shall disclose its carbon reduction targets, strategies, and specific action plans (including those of its consolidated financial statement subsidiaries) in accordance with the regulations prescribed by the competent authority.

Article 6 The company's sustainability report or greenhouse gas certifiers and affiliated organizations should comply with the "Listing The company's sustainability report confirms the relevant provisions of the " Title Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEX Listed Companies".

The company shall post the sustainability report and the link to the file of that report on the company's website and file to the internet information reporting system designated by the competent authority by August 31 every year.

Article 7 These procedures were incorporated into the internal control system and approved by the Audit Committee and the Board of Directors for implementation, and the same applies to any amendments.

Article 8 These procedures were approved by the Board of Directors and established on August 13, 2024.