

Kwong Fong Industries Corporation

Sustainable Development Committee Charter

Approved on August 12, 2025

- Article 1 (Purpose and Basis for Adoption)
In order to implement the Company's sustainable development goals and strengthen sustainability governance, the Sustainability Development Committee (hereinafter referred to as the "Committee") is hereby established, and this Sustainable Development Committee Charter (hereinafter referred to as the "Charter") is formulated in accordance with Article 27, Paragraph 3 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and Article 9, Paragraph 1 of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."
- Article 2 (Scope of Application)
Matters regarding the number of members, tenure, powers, rules of procedure of the Committee, and the resources to be provided by the Company when the Committee exercises its powers shall be governed by this Charter, unless otherwise provided by laws, regulations, or the Articles of Incorporation.
- Article 3 (Announcement for Records)
The Company shall post the contents of this Charter on the Company's website and the Market Observation Post System (MOPS) for reference.
- Article 4 (Composition of the Committee and Promotions/Implementation Units)
The Committee shall consist of no fewer than three members, appointed by a resolution of the Board of Directors. Members shall possess professional knowledge and capabilities in corporate sustainability, and at least one director shall participate in the supervision.
Depending on the Company's scale, industrial nature, or other management needs for sound sustainable development, the Committee may establish a dedicated (or concurrent) unit for sustainable development and may appoint a senior manager to serve as the Chief Sustainability Officer (CSO) to ensure the promotion of the Company's sustainable development initiatives.
The Chief Sustainability Officer or a person in an equivalent position may form cross-departmental teams to execute sustainable development affairs based on the operational needs of various departments.
- Article 5 (Tenure and Bye-election)
The tenure of the Committee members shall, in principle, coincide with that of the Board of Directors. Members may be re-elected and re-appointed.
When a member of the Committee is dismissed for any reason, resulting in fewer than three members, a bye-election shall be held at the next Board meeting to fill the vacancy.
- Article 6 (Powers and Duties of the Committee and Promotions/Implementation Units)
Authorized by the Board of Directors, the Committee shall exercise the due care of a good administrator, faithfully perform the following duties, and report to the Board:

1. Formulate, promote, and strengthen the Company's sustainable development policies, annual plans, and strategies.
2. Review, track, and revise the implementation status and effectiveness of sustainable development.
3. Supervise sustainability information disclosure matters and review the Sustainability Report.
4. Supervise the implementation of the Company's sustainable development principles or other sustainability-related tasks resolved by the Board.

The dedicated (or concurrent) unit for sustainable development shall assist the Committee in implementing various plans, covering the following missions, and report the implementation status to the Committee:

1. Corporate Governance Team: Responsible for legal compliance, formulating reasonable remuneration policies, employee performance evaluation systems, education and training, and stakeholder communication mechanisms to achieve the Company's sustainable development goals.
2. Environmental Sustainability Team: Responsible for environmental management systems, compliance with environmental regulations and international standards, assessing sustainability transition, improving resource efficiency, climate change response mechanisms, and establishing dedicated environmental management units or personnel to achieve environmental sustainability goals.
3. Social Contribution Team: Responsible for human rights management policies and procedures, compliance with human rights regulations and international standards, establishing internal and external communication for all organizational members (e.g., employees, subsidiaries, joint ventures) and value chain partners, assessing related risks and management mechanisms, and promoting community and cultural development to achieve sustainable operation goals.
4. Sustainability Information Disclosure Team: Responsible for sustainability information management policies, compliance with disclosure regulations and international standards, and ensuring full disclosure of relevant and reliable sustainability information to enhance transparency.

Cross-departmental teams shall execute the businesses of the aforementioned divisions, compile implementation plans or other sustainability-related matters, and report the results to the dedicated unit or the Committee.

Article 7 (Meeting Convening and Notice)

The Committee shall meet at least once a year and may convene meetings at any time as necessary.

The notice of a meeting shall specify the reasons for convening and be sent to Committee members seven days in advance. However, in emergency situations, this requirement shall not apply. The notice may be sent in writing or via electronic means.

The Committee members shall elect one person from among themselves to serve as the convener and chairperson of the meeting. If the convener is on leave or unable to convene for any reason, they shall designate another member as the proxy; if no proxy is designated, the remaining members shall elect one from among themselves. The Committee may invite managers of relevant departments, internal auditors, CPAs, legal counsels, or other sustainability professionals to attend meetings and provide necessary information, but they shall leave the meeting during discussion and voting. Relevant materials shall be

prepared and available for reference by members during meetings.

Article 8 (Agenda and Attendance)

The meeting agenda shall be determined by the convener; other members may also submit proposals for discussion. The agenda shall be provided to members in advance.

The Company shall provide an attendance book for members to sign in for reference.

Members shall attend the meeting in person. If unable to attend in person, they may appoint another member as a proxy. Participation via video conference is deemed as attendance in person.

A member appointing a proxy shall issue a power of attorney for each meeting, specifying the scope of authorization regarding the reasons for convening. A proxy may only represent one member.

Article 9 (Resolutions)

Resolutions of the Committee shall require the consent of more than one-half of all members, unless otherwise provided by laws, the Articles of Incorporation, or other rules. If no objection is voiced after the chairperson's inquiry, the resolution is deemed approved and has the same effect as a vote. The result of the vote shall be reported on the spot and recorded in the minutes.

Article 10 (Conflict of Interest)

If a Committee member has a personal interest in a matter under discussion at a meeting that may conflict with the Company's interests, the member shall explain the essential content of such interest. If there is a risk of prejudice to the Company's interests, the member shall not participate in the discussion or voting and shall recuse themselves. Furthermore, the member shall not act as a proxy for other members to exercise their voting rights. The spouse or blood relatives within the second degree of a member shall be deemed to have a personal interest in the matter.

If a resolution cannot be reached due to the aforementioned recusal, the matter shall be reported to the Board of Directors, and the Board shall make the final decision.

Article 11 (Minutes)

Minutes shall be taken for all Committee meetings and shall record the following in detail:

1. Session (or year), time, and location of the meeting.
2. Name of the chairperson.
3. Attendance status, including names and number of members present, on leave, or absent.
4. Names and titles of those attending the meeting as observers.
5. Name of the recorder.
6. Reported matters.
7. Discussion matters: The method and result of the resolution for each proposal; the names of members with a conflict of interest pursuant to the preceding article, along with an explanation of the essential content of such interest, the reasons why the member should or should not recuse themselves, and the actual circumstances of recusal; and any objections or reservations expressed by Committee members.

8. Extraordinary motions: The name of the proposer; the method and result of the resolution for the proposal; summaries of speeches made by Committee members, experts, and other personnel; the names of members with a conflict of interest pursuant to the preceding article, along with an explanation of the essential content of such interest, the reasons why the member should or should not recuse themselves, and the actual circumstances of recusal; and any objections or reservations expressed by Committee members.
9. Other matters to be recorded.
The attendance book and video/audio recordings (for video conferences) shall form part of the minutes. The minutes shall be signed or sealed by the chairperson and the recorder, and distributed to members within 20 days after the meeting. They shall be reported to the Board, included in the Company's important archives, and preserved for five years. The production and distribution of minutes may be conducted electronically. If litigation occurs regarding a resolution before the expiration of the preservation period, the records shall be kept until the litigation is concluded.

Article 12 (Execution of Resolutions)

The follow-up execution of resolution matters made by the Committee based on the powers defined in Article 6, or the follow-up work for the engagement of professional personnel resolved pursuant to Article 13, may be authorized to the convener or other members of the Committee for further handling. Authorized individuals shall provide written reports to the Committee during the execution period and, when necessary, submit the matters to the Committee for ratification or reporting at the next meeting.

Article 13 (Resources for Exercising Powers)

The Committee may, by resolution, engage lawyers, CPAs, or other professionals to conduct necessary audits or provide consultations regarding the exercise of its powers, with the relevant expenses borne by the Company.

Article 14 (Implementation)

This Charter shall be implemented after approval by the Board of Directors. The same shall apply to any amendments.