

# Kwong Fong Industries Corporation

## Integrity Management Executive Report

The company designates the general manager's office as a dedicated unit (hereinafter referred to as the company's dedicated unit), which is responsible for promoting the company's integrity management policy, actively preventing dishonest behaviors, and handling the revision, implementation, interpretation, consulting services and consultation of these operating procedures and behavioral guidelines. Notification content registration and filing and other related operations and supervision of implementation, and should be reported to the board of directors regularly (at least once a year)

### 1. Integrity business policy

The company engages in business activities based on the principles of fairness, honesty, trustworthiness and transparency. In order to implement the honest management policy and actively prevent dishonest behaviors, it adheres to the "Integrity Business Code for Listed Overseas Companies" and complies with the relevant regulations of the company and group companies and the locations where the organization operates. The "Code of Integrity Business" has been formulated to specifically regulate the matters that the company's personnel should pay attention to when performing business. Based on the business philosophy of integrity, transparency and responsibility, the company formulates policies based on integrity and establishes good corporate governance and risk control mechanisms to create a business environment for sustainable development.

### 2. Dishonest Behavior Prevention Program

The company's dedicated unit should regularly organize internal propaganda and arrange for the chairman, general manager or senior management to convey the importance of integrity to directors, employees and appointees. The company should incorporate honest management into employee performance appraisal and human resources policies, and establish a clear and effective reward, punishment and grievance system. In order to prevent dishonest behavior, the company has formulated "Measures for the Report on Illegal, Unethical and Dishonest Conducts" and "Procedures for Ethical Management and Guidelines for Conduct". It has established a reporting mechanism, which is accepted by the spokesperson and audit supervisor and dealt with clearly. program.

### 3. Implementation status in 2023.

#### (1) Executives attend seminars for competent authorities

Course	Organizer	Hours of further study	Number of people receiving advanced training
The latest trend in ESG: taking	Taiwan	3	1

Course	Organizer	Hours of further study	Number of people receiving advanced training
sustainable management strategies in the securities (financial) industry as an example	Securities Association		
Training on preventing money laundering and combating terrorist financing (1)	Taiwan Securities Association	18	3
Shareholders' Meeting, Proxy Contest and Ownership Strategy	Taiwan Corporate Governance Association	3	1
Forward-looking green business opportunities: zero-carbon energy production management and green electricity applications	Taiwan Corporate Governance Association	6	2
Roles and Responsibilities of the Board of Directors/Senior Management in ESG Governance	Taiwan Corporate Governance Association	6	2
Competition and Consumer Protection Issues under Digital Economy	Taiwan Corporate Governance Association	3	1
Corporate growth strategies and external innovation	Taiwan Corporate Governance Association	3	1
Challenges and opportunities of sustainable development path and introduction to greenhouse gas inventory	Securities and Futures Institute	3	1
Advanced Seminar on Directors and Supervisors (Including	Securities and Futures	3	1

Course	Organizer	Hours of further study	Number of people receiving advanced training
Independent) and Corporate Governance Supervisors	Institute		

(2) External education and training (integrity management regulations, accounting systems and internal control systems)

Course	Organizer	Hours of further study	Number of people receiving advanced training
ChatGPT control skills that internal audit must learn	The Institute of Internal Auditors-Chinese Taiwan	12	2
How to adjust internal control systems to adapt to new ESG standards	The Institute of Internal Auditors-Chinese Taiwan	6	1
Auditing of subsidiaries	The Institute of Internal Auditors-Chinese Taiwan	6	1
How to conduct profit analysis and promote cost management with a non-accounting background	Securities and Futures Institute	6	1

(3) Internal education and training (integrity management regulations, accounting systems and internal control systems)

Course	Organizer	Hours of further study	Number of people receiving
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			advanced training
Procedures for Ethical Management and Guidelines for Conduct	Governance unit	16	8
Prevent insider trading management and internal material information processing operating procedures(Note)	Governance unit	14	15
Know business secrets	Governance unit	13.5	9
Standards and Practices for Changes in Insider Shareholdings	Governance unit	14	7
Implement ESG policy plans and risk management	Governance unit	20	10
Prevention and Control of Sexual Harassment in the Workplace	Governance unit	9	9
Financial report preparation(1)(2)	Finance Department	28	14
High Dividend ETFs	Investment	10.5	7

Note: The company has conducted a total of 14 hours of education and promotion for 15 current directors, managers and employees on 2023.8.11 and 2023.8.18.