

EGCO ESG Requirements for Suppliers

EGCO Group is committed to building strong relationships with its suppliers. Recognizing sustainability as a key principle, EGCO Group has established these ESG requirements for suppliers to serve as guidelines to ensure that key suppliers will be able to collaborate with EGCO Group in advancing a sustainable value chain.

These requirements cover 3 main areas, namely environmental, social and safety, and governance.

Environmental Requirements

- Suppliers shall comply with applicable environmental laws and regulations and conduct business with due consideration for environmental impacts.
- Suppliers shall assess environmental risks and implement measures to mitigate potential impacts from their operations.
- Suppliers shall manage waste, control pollution, and use resources efficiently to minimize environmental impacts.
- Where significant greenhouse gas emissions are generated, suppliers shall establish emission reduction plans and support the use of renewable or clean energy.
- Where supplier activities generate wastewater and waste or involve hazardous chemicals, suppliers shall establish appropriate management systems for wastewater, waste, and hazardous chemicals in accordance with applicable standards and requirements.
- Suppliers shall ensure traceability of raw materials and products and avoid sourcing from illegal or environmentally harmful sources.

Social and Safety Requirements

- Suppliers shall comply with human rights principles, prohibit child labor (under 15 years of age) and forced labor, and consider measures to monitor labor procurement processes to ensure that no forced labor or human trafficking is involved.
- Suppliers shall establish fair compensation systems that comply with laws and provide appropriate welfare benefits.
- Suppliers shall treat all employees equally and promote non-discrimination in all forms.
- Suppliers shall support and respect employees' rights to freedom of association and collective bargaining in accordance with the law.
- Suppliers shall have workplace safety policies and consider providing training on accident prevention for employees, as well as establish emergency preparedness and response measures, including regular drills.
- Suppliers shall uphold community and social responsibility practices by supporting projects or activities that create benefits for local communities as appropriate, including having channels to receive complaints from communities and transparent measures for resolving issues.
- Suppliers shall establish measures to prevent health and safety impacts on communities arising from business operations.

Governance Requirements

- Suppliers shall conduct business with honesty, integrity, and transparency, avoid conflicts of interest, and implement measures against corruption in all forms, including bribery and improper benefits.
- Suppliers shall maintain independent and transparent ethical grievance mechanisms, disclose relevant reports to the contracting party upon request, and allow audits to demonstrate transparency in their operations.
- Suppliers shall implement measures to protect and maintain confidential information, establish authorization procedures for access to confidential information, and monitor data usage measures to prevent data leakage.
- Suppliers shall manage their supply chain and conduct procurement processes for goods and services in a responsible manner.