

2-4 Business Integrity and Regulatory Compliance

2-4-1 Business Philosophy and Integrity

Largan's business philosophy is "Innovation, Professionalism, Speed and Flexibility." Our priority is to protect the rights and interests of our shareholders and we are committed to ensure the transparency of information disclosures. We hope to achieve ultimate success by continuously enhancing the functions of the board of directors and improving management leadership capability.

● Business Code of Conduct

All employee at Largan are required to learn, understand and abide by the Company's Code of Business Conduct (hereinafter referred to as 'the Code') based on the operation policies. By complying with the Code, we aim to create an honest and open working environment where the employees can work with full commitment to follow the integrity requirements and to be proud of being part of the family. We take immediate legal actions to resolve problems encountered by violating the Code and establish corrective mechanisms as preventive measures to avoid similar problems from happening again in the future.

● Honesty and Integrity Management

Largan values the idea of honesty and integrity. Following the principles of honesty, transparency, and responsibility, Largan has established the "Integrity Management Code of Conduct and Whistleblowing System" to assist the company in building up integrity management culture and a comprehensive healthy business development. We require everyone to uphold integrity as the basic principle when performing their duties, and strictly prohibit any actions of corruption, bribery and unjust enrichment.

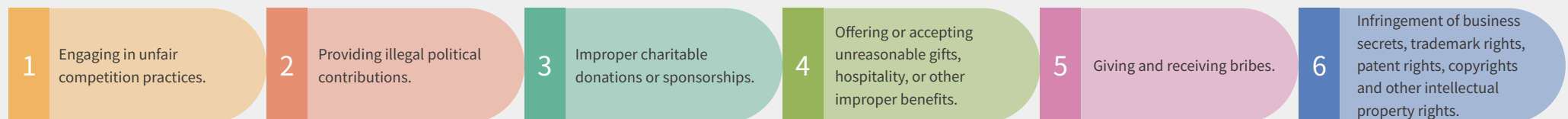
We have also set up a dedicated unit under the Board of Directors, composed of the Legal Affairs and Internal Audit Departments, to promote ethical corporate management. This unit is jointly responsible for revising and supervising the implementation of ethical business policies and preventive measures. The implementation status is reported to the Board of Directors once a year. The "Ethical Corporate Management Best Practice Principles" and the "Whistleblower Reporting Channels" were established in 2016 to prevent conflicts of interest and provide mechanisms for complaints. The practical measures taken are as follows:



● Business Activities with Integrity

Conduct business activities fairly and transparently based on the principle of ethics and integrity management. Take the legitimacy of distributors, suppliers, customers, and other business partners into account to see if there are records of dishonest behaviors and avoid dealing business with companies with disciplinary records. Ensure to include the contract termination terms when signing contracts with distributors, suppliers, customers and other business partners for when they are in breach of contract entitling or dishonest behaviors, we are allowed to terminate the contract at any time.

● Integrity Management Prevention Measures



At Largan we maintain high ethical standards by conducting educational training, self-assessment and inspection, and anonymous reporting system with the aim to establish a good image of the Company. We hope to enhance the effectiveness of the integrity management at Largan by proactively and publicly disclosing integrity management related information on our website, following up the latest domestic and overseas integrity management trend and development and encouraging all staffs to provide suggestions regarding better management approaches for policy improvements in addition to personal integrity regulation compliance.

● Training Program

- 1 Regular communication from senior managers to the directors, employees and appointees regarding the importance of integrity.
- 2 Organizing educational training and policy advocacy events regularly. Invite the Company's counterparties to participate in such commercial activities.
- 3 Integrating the integrity management policy with employee performance evaluation and HR policies to establish an explicit reward and punishment system.

● Performance of 2024

- 1 Advocating the core values of integrity management regularly.
- 2 Arranging relevant training courses for the new employees such as: intellectual property rights and information protection, business secret infringement prevention and prohibition of insider trading, etc. with the aim to raise awareness of integrity management for all employees.
- 3 836 people participated in the internal education and training of integrity management, with a total number of 6,688 class hours. (including other new employee orientation courses).

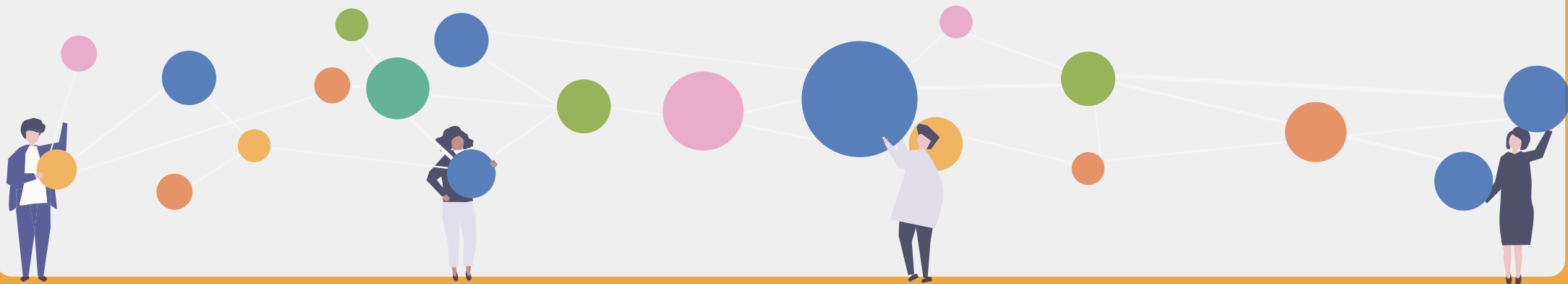
● Whistleblowing System

- 1 Set up an internal complaint mailbox and provide a reporting service on the Company website.
- 2 Assign a dedicated unit to find out relevant facts immediately and seek assistance from regulations or related departments when necessary.
- 3 All files and records should be kept in archives for five years or until the termination of the lawsuit.
- 4 Whistleblowers and the disclosed content shall be kept confidential to protect them from improper mistreating behavior.
- 5 Establish incentive measures for whistleblowers and award bonuses based on the severity of the circumstances

● 2024 Implementation Results: Please refer to Section 2.4.2 “Ethical Standards and Regulatory Compliance” of this Report.

● Information Disclosure

The Company has conducted corruption risk assessments at all 10 of its operational sites, achieving a 100% assessment rate. In line with its integrity management policy, the Company submits annual reports and prospectuses within legally prescribed deadlines. Relevant information is disclosed on the Market Observation Post System and the Company's official website (<https://www.largan.com.tw>) °



2-4-2 Ethics and Regulatory Compliance

Ethics and Morality Policy: Integrity Management, Transparency and Professional Ethics of Employees

Regulatory Compliance: Compliance with regulations, no incidents of violating regulations and penalty

Management Measure

- **Objectives:** Running the business with integrity management and transparency, compliance with regulations, no incidents of violating regulations and penalties.
- **Commitment:** Utilize due diligence and early warning communication methods, uphold honest and transparent corporate governance, and protect the rights and interests of stakeholders.
- **Policy and Management:**
 - (1) Establish an effective accounting system and internal control system to ensure the practice of integrity management.
 - (2) Follow relevant regulations in accordance with government regulations to promote the sustainable development of the petrochemical industry.
 - (3) Establish an internal control mechanism, seek for value creation and risk reduction strategies with the aim to protect the rights and interests of shareholders.
 - (4) Strengthen the relations among stakeholders and strive to meet the expectations of all stakeholders for the Company's sustainability development.



Largan has established "Corporate Governance Code of Conduct" for the employees to follow and stakeholders to better understand the Company's ethics standards with the aim to improve corporate governance and create a sustainable business environment.

● Morals and Ethics Compliance

1

Prohibition of directly and indirectly offering or accepting improper benefits when conducting business.

2

Prohibition of offering or promising any facilitation payment and bribery.

3

Prohibition of disclosing confidential information of the Company and comply with the confidentiality agreement.

4

Prohibition of engaging in insider trading.

5

Prohibition of engaging in commercial transactions with dishonest business.

6

Protect and ensure that company assets can be used effectively and legally in official business.

7

Comply with government and the Company's regulations, bylaws and procedures.

● Responsibility of Super Vision

1

The ESG Sustainability Committee, the dedicated unit, reports to the Board of Directors once a year.

2

No violation of integrity management and discovery of dishonest behavior, as mentioned above is plan to report during the Board of Director's meeting on July 29, 2024.

● Declaration Compliance and Signature

A statement on the internal control system for 2024 was approved by all directors, stating that the design and implementation of the internal control system for 2024 were effective and all measures taken were declared to comply with applicable laws and regulations. Directors and managers signed the Code of Conduct Compliance Statement and abided by honesty and integrity principles when they took office.

● Avoidance of Conflicts of Interests

The Directors of the Largan uphold a high degree of self-discipline. If a Director is involved in a situation in which he or she or the legal entity he or she represents has an interest that may jeopardize the Company's rights and interests, the Director may present their statements and answer upon questions asked, but may not join the discussion and decision voting.

The Company's personnel shall not use company resources for external business activities and shall not affect their work performance by participating in external business activities.

At Largan we follow applicable laws and regulations for publicly listed companies to regulate business operations and adjust accordingly. All employees are strictly required to comply with the rules and operating standards for daily work with the aim to gain trust and respect from our customers, suppliers, and business partners. We have also established regulations such as infringement prohibitions, personal data protection management, information security management and other relevant measures in addition to incorporating confidentiality obligations into employment contract with the aim to regulate all employees. We hope to raise awareness of regulatory compliance for our employees through continuous education and training.