

China Airlines Supplier Code of Conduct

China Airlines requires suppliers to practice business principles as laid out in this “China Airlines Supplier Code of Conduct” (hereafter referred to as “the Code”) in their daily operations. This Code draws upon international certification standards and conventions including the United Nations Global Compact (UNGC), the International Labor Organization (ILO), Social Accountability International (SA8000), the Organization for Economic Cooperation and Development (OECD), the Global Reporting Initiative (GRI) and ISO 26000 Social Responsibility. The fulfillment and promotion of social and environmental responsibility has implications that far exceed mere compliance with laws and regulations. When standards conflict with laws and regulations, the more rigorous standard should prevail based on the applicable laws. China Airlines suppliers must provide a safe and healthy working environment, ensure that labors enjoy mutual respect, dignity, equality, and comply with professional standards for ethical behavior. They should also comply with the law, moral expectations and display a commitment to the social environment during the provision of products and services to China Airlines.

Compliance of suppliers with the Code shall be evaluated by China Airlines. Violation of the Code may lead to the termination of business relations. The Code applies to all China Airlines suppliers, contractors, service providers as well as subsidiaries, affiliates agencies, joint ventures and secondary suppliers (all referred to as “Suppliers”) involved in the provision of products and services to China Airlines, or those whose products and services are used in China Airlines products and services.

1. Laws and Regulations Compliance

- (1) Suppliers should confirm and ensure compliance with all applicable laws, regulations, directives, permissions, certifications, licenses, approvals, decrees, standards.
- (2) Suppliers shall ensure that their operations and the products and services supplied to China Airlines comply with all national and other applicable laws and regulations.
- (3) Suppliers should comply with the relevant operating regulations and procedures of China Airlines.
- (4) Suppliers should build up environmental and social (e.g. Labor conditions) management systems and ensure related planning, operations, control and records are executed effectively and improved constantly.

2. Human Rights & Labor Conditions

- (1) **Prohibition of child labor:**
 - i. Suppliers must not employ any person under the local legal minimum employment age.
 - ii. Suppliers should protect the legal rights of underage employees

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and interns. Suppliers should also adhere to legitimate workplace apprenticeship programs and comply with all laws and regulations governing child labor and apprenticeship programs.

- iii. All workers should be protected under the law, including their physical and mental well-being, personal safety and education.

(2) Non-Discrimination:

- i. Suppliers should establish a workplace free from discrimination, including gender, age, physical ability, nationality, race, class, skin color, language, religion, political affiliation and union membership, marital status, disability and sexual orientation, etc. Suppliers must ensure that workers are treated humanely, fairly and are not subjected to hostility, harassment or unequal treatment.
- ii. Suppliers should prohibit personal injury, sexual harassment, coercion, inappropriate corporal punishment or abuse, abusive language, or other forms of intimidation.

(3) Remuneration and Work Hours:

- i. The working wage, working time, all types of leave and benefits offered by suppliers should conform to the local laws and industry standards.
- ii. Suppliers shall not require workers to work overtime on a regular basis. Suppliers should compensate overtime pay or leave for overtime according to the law and within legal working hour limits.
- iii. Suppliers must pay their labors promptly, providing each with clear and written accounting for every pay period.

(4) Labor Freedom:

- i. Suppliers should provide workers with freedom of employment. All work undertaken should be voluntary, and communications mechanisms and grievance procedures should be in place.
- ii. Suppliers must not use forced, coerced, bonded, or indentured labor or involuntary prison labor. All work, including overtime work, shall be voluntary.
- iii. Workers should be free to leave employment upon giving reasonable notice. Suppliers should not require employees to hand-over government-issued identification, passports or work permits as a condition of employment.

(5) Freedom of Association and Collective Bargaining:

- i. In conformance with local law, suppliers shall respect the right of all workers to form and join trade unions of their own choosing and to bargain collectively.
- ii. Harassment, intimidation, penalties, interference or reprisal should not be used to interfere with legal legitimate activities.
- iii. Communicating openly and effectively with employees.

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3. Occupational Safety & Health

- (1) Suppliers should provide and maintain a healthy, safe and hygienic work environment that complies with all laws and regulations. Suppliers should also ensure that workers are not exposed to indirect or direct hazards in their working environment in order to reduce occupational injury and disease as well as promote the overall health of workers.
- (2) Suppliers should establish educational training of occupational safety and health. Suppliers should provide such training course, instruction and supervision to their employees and secondary suppliers who directly provide products and services. All necessary proactive measures should be taken to prevent accidents or incidents.
- (3) Suppliers must ensure information regarding occupational safety and health are made readily available to employees. It is workers' own obligations of ensuring the safety of themselves and other employees.
- (4) Suppliers must immediately notify China Airlines when encountering any occupational safety and health accident, incident or any violation event.

4. The Environment

- (1) Suppliers should take proactive action to prevent pollution in any form that complies with local environmental laws, regulations, standards and guidelines.
- (2) Suppliers should have in place an effective system for managing environmental issues. Suppliers should also plan and implement corrective actions as well as sound solutions for improving environmental performance.
- (3) Suppliers should make efforts to minimize the use of energy and natural resources for manufacturing and service provision. Suppliers should also comply with local standards for hazardous materials, and consistently practice environmental sustainability concepts such as energy conservation, recycling and reuse.
- (4) China Airlines encourage suppliers to establish environmental and energy management systems and ensure related planning, operations, control and records are executed effectively and improved constantly.

5. Fair Transactions & Ethics

- (1) Suppliers must commit to the highest standards of moral and ethical conduct in their businesses. All forms of corruption, extortion, fraud and bribery should be prohibited, including those for the suppliers' own benefit or for the benefit of their relations, friends or associates. The same applies to secondary suppliers as well.

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- (2) Integrity and reliability should be maintained at all times in supplier operations. Transactions or relationships that could appear to create a conflict of interest must be avoided.
- (3) Suppliers must disclose any possible situation that could cause conflict of interest. Suppliers must notify China Airlines regarding physical interest or any form of financial relationships with our employees, consultants or representatives that could appear to influence a conflict of interest.
- (4) Suppliers should practice transparent and equitable management. Their secondary suppliers should possess opportunities of fair competition.
- (5) Suppliers should strengthen training on intellectual property rights and educate their employees with correct concepts. Suppliers should prevent any form of infringement behavior, including any product or service provided to China Airlines, that comply with all laws and regulations of intellectual property rights.
- (6) Suppliers must comply with all applicable laws and international conventions governing fair competition and anti-trust in their location.

6. Quality & Safety

- (1) Suppliers should ensure they comply with laws and regulations during product manufacture and service delivery. Appropriate policies and practices as well as monitoring and protective measures should also be used to guarantee quality and safety.
- (2) Suppliers should comply with the standards of supplier chain management and ensure their services and products that meet quality validation and sustainability requirement.
- (3) Suppliers should provide products and services in compliance with China Airlines or industry standards. Aviation materials must be certificated by CAA and international civil aviation standards.
- (4) Suppliers should qualify supplier sustainability assessment and undergo audit to meet our requirements for sustainable supply chain management. Any violation by suppliers or their secondary suppliers, they should investigate, take corrective actions and make improvement by the given deadline. Serious violations may result in removal.
- (5) Suppliers must make an emergency response plan and procedure readily available for products and services provision, in order to ensure business continuity and reduce potential supply chain risks.

7. Information Security

- (1) Suppliers should ensure the confidentiality of information process such as data, systems, equipment and network security as well as

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privacy rights and confidentiality of personal information. Suppliers are responsible for communicating the requirements of this Code to their employees.

- (2) Suppliers should establish a mechanism to ensure the security of customer information.
- (3) Suppliers are required to protect China Airlines' confidential and transaction information, and shall not disclose it to any third party.
- (4) Suppliers should protect any business information in relation with China Airlines. For those non-public and owned by China Airlines information should be protected against damage or infringement. Permission to use any of China Airlines intellectual property requires the prior written authorization and consent from China Airlines.
- (5) Suppliers should establish a mechanism to protect whistleblowers and to ensure that their identity and reported information remain confidential. Whistleblowers are to be protected against retribution and the fear of retribution.

I have read, understood and agreed to the above Supplier Code of Conduct.

Signature

Company Stamp

Name & designation

Date