

ESG Policy for Supply Chain

GS Caltex is committed to enhancing the sustainability of all stakeholders within its supply chain. As part of this effort, GS Caltex has established the ESG Policy for Supply Chain to proactively identify and mitigate/eliminate ESG risks in the supply chain.

This policy requires compliance from our suppliers in four key areas: labor and human rights, health and safety, environment, and business ethics of workers. It outlines management guidelines to support these requirements. The policy references items mandated by ESG-related initiatives such as GRI, SDG, TFS, and IPIECA and will be updated in accordance with changes in global ESG standards and domestic and international regulations on a timely basis.

This policy applies to GS Caltex employees working with suppliers and to suppliers who have agreed to the Code of Conduct for Suppliers in their business contracts.

1. Supply Chain Operating Policy

GS Caltex strives for the continuous development of its suppliers and the establishment of desirable business relationships. To this end, we seek to engage with suppliers that meet ESG management standards of GS Caltex, in addition to criteria such as technology, quality, finance, price, and delivery. Furthermore, we ensure that all procurement items, including raw materials, supplies, services, and intellectual property, are produced and sourced in compliance with ESG standards. In this process, GS Caltex may, within legal boundaries, request relevant documentation or conduct on-site inspections.

2. Management Guidelines

GS Caltex ensures that its suppliers are free from risk factors in areas such as labor and human rights, health and safety, environment, and business ethics. To mitigate or eliminate these risks, GS Caltex recommends the following:

- 1) Labor and Human Rights:** Suppliers must respect the human rights of their employees and create a healthy working environment. This requires practical efforts to eliminate all forms of human rights violations, including forced labor, harassment, and discrimination. Additionally, suppliers should implement monitoring and reporting mechanisms and establish grievance process..
- 2) Health and Safety:** Suppliers must strive to ensure the safety and health of workers in all their operations. This includes identifying and eliminating all potential hazards in the workplace and assessing compliance with company regulations and procedures.

- 3) **Environment:** Suppliers must make tangible efforts to minimize negative impacts on the environment, including air, water, and soil. This involves reducing hazardous substances, waste, and greenhouse gas emissions.
- 4) **Business Ethics:** Suppliers must adhere to business ethics by avoiding all forms of unethical management activities and transactions, such as unfair trade practices, obtaining undue benefits, offering or accepting bribes, and tax evasion.

3. ESG Evaluation Process

To ensure compliance with the above-mentioned guidelines, GS Caltex may require ESG evaluations of its suppliers based on contract documents and appendices included in transactions.

The ESG evaluation process for suppliers is structured as follows, with additional processes potentially included as needed:

- 1) **Preparation:** GS Caltex selects key suppliers and those with potential risks, and develops evaluation indicators appropriate for the suppliers' industries to enhance the efficiency of the evaluation.
- 2) **Evaluation :** A comprehensive evaluation of suppliers' ESG management areas is conducted through self-assessments by the suppliers and document reviews by GS Caltex. Based on the results of these evaluations, on-site inspections are carried out to identify improvements and address actual risks.
- 3) **Improvement Support:** Based on the results of document reviews and on-site inspections, GS Caltex recommends necessary improvements and supports suppliers in enhancing their ESG practices through education and consultation.

All these activities aim to ensure the sustainability of the entire GS Caltex supply chain, and the results of ESG evaluations may influence the business relationship with GS Caltex.

4. Feedback and Engagement

GS Caltex operates grievance channels to listen to and incorporate a variety of opinions from within the supply chain into its management activities. Additionally, in response to stakeholder demands, GS Caltex discloses plans, processes, and performance related to supply chain ESG management on its platforms.