

Supplier Management Policies and Regulations Implementation

Supplier Management Policies and Guidelines

Based on the values of "Integrity, Caring, Professionalism, Innovation, Dedication, and Teamwork" and the mission of "A Customer-Focused Leader in All-round Technology Services", the Company regards suppliers as important partners in its sustainable management, and expects to cooperate and support each other in order to continuously meet the requirements of customers in terms of product, cost, delivery, and work safety and environmental protection. Therefore, the Company endeavors to strengthen supplier management by establishing or revising various management rules and regulations in accordance with governmental laws and regulations and policies, such as supplier management procedures, environmental, safety, health, and energy risk management procedures, social responsibility risk assessment management rules, and prohibition regulations of child labor and protection of underage workers. The Company assists suppliers in understanding and establishing sound sustainable development operations, and directs the goal of long-term sustainable development from Marketech International Corp. to suppliers, in order to improve the quality of suppliers and reduce the risk of supply chain disruptions.

New Supplier Selection and Qualified Supplier List

New suppliers that the Company purchases from or contracts out to are selected through written or on-site inspections, such as supplier evaluations and assessments, and a list of qualified suppliers is established to facilitate subsequent management. Except for cases where the customer has designated an overseas agent or the materials are not easily sourced domestically, in order to assist the overall economic development of Taiwan, the Company's preferred partners are mainly local suppliers, which account for approximately 75% of the Company's purchases.

During the year ended November 30, 2023, 624 supplier evaluation forms and 14 supplier assessment forms were completed. As of November 30, 2023, there have been 13,665 suppliers on the Company's list of qualified suppliers.

Supplier Evaluation and Reward and Punishment Measures

Each year, the Company conducts an annual review and evaluation of key suppliers for the year, and grades suppliers from one to three based on the results of the evaluation, and reports the results of the evaluation at the annual management evaluation meeting.

The following table summarizes the rewards and punishments for suppliers at each level of the annual evaluation:

Rating	Rewards and Punishments
Level 1 supplier	Maintain normal dealings or consider increasing transactions
Level 2 supplier	No Punishments
Level 3 supplier	1. If the supplier is designated by the customer, exclusive, a governmental organization, an academic unit, or the Industrial Technology Research Institute: notify the evaluation result by email only.
	2. For suppliers not belonging to 1. and not in the category of outsourcing: notify the improvement by email or records that can be verified, and keep the improvement records of their replies after they are verified to be correct for reference.
	3. Suppliers with a score of 0 in the annual evaluation: cancel the order.

The following table summarizes the results of the annual evaluation of the Company's suppliers for 2022:

Rating	Number of Suppliers	Rewards and Punishments	Ratio
Level 1 supplier	229	Maintain normal dealings	65.24%
Level 2 supplier	100	No Punishments	28.49%
Level 3 supplier	22	Notify the improvement by email or records that can be verified	6.27%

Supplier Deficiencies Improvement Tracking

If a qualified supplier provides services or products that do not meet the Company's requirements and fails to make improvements after being notified, the Company will issue a "Corrective and Preventive Measures List" to the supplier in accordance with the procedures and provide consultation to the supplier as necessary, and if the supplier still fails to make improvements, the supplier may be removed from the list of qualified suppliers, and will not be allowed to reapply for the evaluation of qualified suppliers for another six months. During the year ended November 30, 2023, the number of qualified suppliers for which the Company has conducted improvement tracking for deficiencies totaled zero.

Supplier Safety and Health Management

In order to ensure the safety and health management of our suppliers, the Company has established the Supplier Safety and Health Management Regulations to inform suppliers of our occupational safety and health management policies and to require them to sign the Supplier Safety and Health Management Regulations Commitment to ensure that they comply with the Company's regulations. In order to verify suppliers' compliance with relevant regulations, the Company not only regularly confirms and tracks suppliers' environmental safety and health management regulations and SA8000 social responsibility commitments, but also conducts regular inspections of suppliers' environmental safety and fire prevention measures to evaluate their actual implementation results.

In order to promote safety and health awareness among our suppliers, the Company assists them in establishing an environmental, safety and health management system, and in formulating suppliers' workplace safety inspections and evaluations regulations, with reference to their self-protection systems. We help suppliers establish a certification system for high-risk operation techniques and strictly require contractors to receive supplier safety training before entering the factory, and to complete the training before carrying out work, in order to fulfill our social responsibility to suppliers. In addition, the Company conducts annual training programs, such as supplier workplace safety training, high-risk operations training, protective equipment use training, hazard awareness training, and a variety of safety and health seminars, to promote safety and health awareness among suppliers. During the year ended November 30, 2023, 294 supplier environmental safety and health qualification assessments were completed.