

PROCESS FOR VENDOR DUE DILIGENCE





Business Integrity (BI) Evaluation for Strategic Procurement - Key Services Category

A Business Integrity (BI) evaluation will be conducted for vendors in the Key Services category of Strategic Procurement, following a risk-based approach as outlined below:

- **BI Risk Evaluation:** BI risks will be assessed through a Red Flag Review (RFR), which involves a public records review to identify any adverse information regarding the vendor's reputation, track record, and business practices. This includes media coverage, litigation, sanctions, regulatory actions, or financial instability. The Company applies a risk-based approach to vendor due diligence, combining public records research with inquiries from independent stakeholders and internal reference checks. Key areas assessed include:
 - General reputation.
 - Ownership of vendors, contractors, agents, consultants, and strategic partners.
 - Vendor's track record.
 - Quality of third-party partners.
 - Business practices during development.

Independent service providers conduct the due diligence.

Assessment

Departments, including Business Integrity, will evaluate the technical, commercial, and BI due diligence results, considering the vendor's reputation, track record, technical capabilities, and business practices.

Timelines

The BI evaluation will occur concurrently with the technical pre-qualification process. A White List of prequalified Key Services vendors will be created and submitted to the Audit Committee for approval. This list will be updated regularly to include new vendors, with any changes approved by the Audit Committee. Ongoing evaluations will occur as needed prior to onboarding. The procurement department will maintain records of the evaluation process and an approved vendor master list.

Vendors must sign KVGGN Synergy's Supplier's Code of Conduct Policy, confirming adherence to the Company's Business Ethics/Integrity Policy. Payments to vendors will be processed via banking channels in compliance with Company policies.