

<b>Supplier Code of Conduct</b>	Revision No.	Last Revision
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## **1. Purpose**

- 1.1 The purpose of this Supplier ESG Evaluation Policy (hereinafter referred to as this "Policy") is to ensure that all suppliers engaging in business with Hyosung Group (hereinafter the "Company") strictly comply with the laws and regulations applicable to corporate management activities and, at the same time, adopt the best management practices in the areas of ethics, environment, labor and human rights, safety and health, and management system, which are the fundamental elements of ESG management.
- 1.2 This Code has been prepared reflecting global standards such as the Universal Declaration of Human Rights adopted by the UN General Assembly, the Ten Principles of the UN Global Compact, the Fundamental Conventions of the International Labor Organization, and the OECD guidelines, and in the event that any conduct recommended by this Code conflicts with the laws of applicable jurisdiction, the laws of such jurisdiction shall take precedence over this Code.

## **2. Definition of Terms**

- 2.1 The term "employees" refers to all company executives and employees (including non-regular workers).
- 2.2 The term "environment" refers to everything that surrounds and directly or indirectly affects living things, including humans.
- 2.3 The term "human rights" refers to the human dignity, values, freedoms, and rights guaranteed by the Constitution and laws or recognized by international human rights treaties and customary international law to which the Republic of Korea has adhered and ratified.
- 2.4 The term "workplace harassment" refers to an act in which an employer or worker inflicts physical or mental harm on another worker or degrades the work environment beyond what is acceptable by taking advantage of the position or relationship between employees in the workplace.
- 2.5 The term "discrimination" refers to the unjustified exclusion, rejection, or unfavorable treatment of a particular individual or group on the basis of gender, religion, disability, age, social status, national origin, ethnicity, physical conditions such as appearance, marital status, family type or status, race, color, ideology or political opinion, sexual orientation, or medical history.

## **3. Scope of Application**

- 3.1 This Code shall apply to all suppliers who provide goods and services to or enter into any business contract with Hyosung TNC.
- 3.2 All suppliers who are governed by this Code may also require their business partners (subcontractors) to comply with the matters set forth in this Code.

## **4. Responsibilities and Roles of Suppliers**

- 4.1 All suppliers of the Company shall consider the provisions of this Code in management decision-making and operational business processes. The Company and third-party organizations commissioned by the Company conduct inspections and due diligence, within the scope permitted by the laws, to check the compliance of

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suppliers with the provisions of this Code. Based on the results of such inspections and due diligence, the Company may recommend that suppliers make improvements for risks identified, and suppliers shall plan and implement measures to mitigate such risks based on mutual consultation on matters requiring improvement.

4.2 This Code is not an exhaustive statement of all obligations that suppliers should abide by and may be regularly reviewed, supplemented, and amended for the establishment of sustainable supply chains. This Code shall be made available on the Company's website, and suppliers may inquire about specific matters regarding this Code through the responsible department within the Company.

## **5. Scope of Management under the Code**

### **5.1 Ethics**

5.1.1 **(Transparency and Anti-Corruption)** The employees of suppliers shall comply with the highest standards of integrity of each country where they operate. The employees of suppliers shall not engage in bribery, extortion, embezzlement, intercession, and/or improper solicitation through abuse of their superior status, nor intend to gain unfair benefits by taking advantage of weaknesses or deficiencies.

5.1.2 **(Conflicts of Interest)** Suppliers shall conduct their business with a sense of responsibility in accordance with defined operational rules. The employees of suppliers shall not promise, offer, authorize, or provide anything that may result in gaining undue or improper benefits. This prohibition covers acts of causing damage to the Company for the benefit of an employee or receiving promises of individual benefits through a third party.

5.1.3 **(Fair Trade and Competition)** Suppliers shall comply with fair trade laws, regulations, and standards of each country where they operate, and shall not engage in any acts that would disrupt fair competition through the pursuit of unfair transactions, such as abusing their market dominance or trading position.

Further, suppliers shall not enter into any agreement with other business operators with regard to the price, supply volume, area, and terms of trade of goods or services for the purpose of engaging in any acts that unfairly restrict competition. Suppliers shall not improperly obtain information from competitors, partners, or other agencies, nor shall they use or disclose information improperly obtained by the Company or third parties.

5.1.4 **(Prevention of Counterfeit Parts)** Suppliers shall not manufacture or use unauthorized raw materials and parts, nor shall they use or sell counterfeit raw materials and parts. Additionally, suppliers are required to conduct regular inspections in their workplace to ensure that no counterfeit raw materials or parts are used or manufactured. If any such counterfeit items are detected, they must promptly inform the government or the Company.

Suppliers shall exert their efforts to confirm that the raw materials and parts manufactured are being used and distributed in line with business objectives or contractual terms.

5.1.5 **(Compliance with Export Controls)** Suppliers shall comply with the domestic laws and international rules regarding export controls, and shall not trade with any country, region, or individual subject to export controls or economic sanctions. Further, suppliers shall inspect their compliance with the laws and rules related to export controls and economic sanctions, and, if necessary, shall cooperate with the Company's efforts in assessing the status.

5.1.6 **(Information Security)** Suppliers shall not disclose trade secrets and information relating to their customers or business partners without consent, nor shall they store or use the information they have acquired in the course of performing their duties without prior authorization or consent. Suppliers shall respect the intellectual

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property rights of their customers and business partners, develop appropriate measures to protect their own intellectual property rights, and regularly confirm any infringement of intellectual property rights.

Moreover, suppliers shall collect and use personal data only within the scope of the purpose of collection and use and retention and use period of personal data, and in the event of modifying the foregoing, prior consent shall be obtained from data providers.

**5.1.7 (Responsible Sourcing of Materials)** Suppliers shall establish processes to ensure that products delivered to the Company do not contain any conflict minerals (including tin, tantalum, tungsten, and gold) or cobalt, nickel, lithium, manganese, and graphite mined in conflict-affected and high-risk areas, and shall prohibit the use of all raw materials and ingredients acquired illegally and unethically.

In the case of primarily handling minerals and raw materials, suppliers shall strive to verify internally or obtain external certification verifying that they are not engaged in violations of human rights and ethics, or producing negative environmental impacts in the course of mining and processing such minerals and raw materials.

Suppliers shall compensate for any direct and/or indirect damages incurred by the Company due to violations of the “Responsible Sourcing of Materials” provisions in this Code, rectify any violations, and implement appropriate measures within a reasonable period to prevent the recurrence of any similar violations in the future, which shall include decisions to seek alternative sourcing or replacement of materials.

### **5.3 Environment**

**5.3.1 (Establishment of Environmental Management System)** Suppliers shall comply with the environmental laws and regulations of each country where they operate, and shall obtain and maintain all environmental permits and licenses required for business operations. Further, suppliers shall operate an environmental management system that includes organization, planning, procedures, and outcome analysis, or shall strive to obtain related certification to mitigate environmental impacts from business operations.

**5.3.2 (Energy Consumption and GHG Emissions Management)** In the event that suppliers own manufacturing facilities, they shall develop systems to measure energy consumption and greenhouse gas (GHG) emissions, and shall strive to save energy and lower GHG emissions.

**5.3.3 (Water Resources Management)** In the event that suppliers own manufacturing facilities, they shall develop systems to measure water consumption and wastewater discharge, and shall strive to save water resources and increase recycling rates. Moreover, water pollutants discharged shall be managed in accordance with either legal standards or higher internal standards.

**5.3.4 (Air Quality Management)** In the event that suppliers own manufacturing facilities, they shall develop systems to measure air pollutant emissions, and shall minimize air pollutant emissions through appropriate means. Moreover, they shall comply with legal standards on air pollutants emitted or establish and comply with higher internal standards.

**5.3.5 (Waste Management)** In the event that suppliers own manufacturing facilities, they shall develop systems to measure the amount of waste produced, and shall minimize waste generation from landfills and incineration through appropriate means. Moreover, they shall strive to reuse and recycle waste, and recover used raw materials or parts that have been disposed of, and, considering the entire product life cycle, they shall also exert their efforts to minimize residues from landfill or incineration that have environmental impacts.

**5.3.6 (Chemical Management)** Suppliers shall strive to ensure that chemicals handled in the course of business

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operations are safely managed during transportation, storage, use, and disposal, and shall display or otherwise disclose information that can be used to identify the hazardousness and harmfulness of chemicals handled. Further, suppliers shall strive to verify whether the raw materials and parts they procure, produce, sell, and distribute contain any substances that are harmful to the human body or the environment.

**5.4 Labor and Human Rights**

**5.4.1 (Non-discrimination)** Suppliers shall not engage in any form of discrimination based on gender, race, ethnicity, nationality, religion, disability, age, family status, social status, and political affiliation in the hiring, promotion, and training of employees, nor shall they engage in any form of discrimination in providing wages and benefits. Further, when recruiting and hiring employees, suppliers shall not demand requirements that are irrelevant to the performance of job duties.

**5.4.2 (Provision of Wages and Benefits)** Suppliers shall pay wages in accordance with the applicable laws and regulations of each country where they operate. Wages shall be paid on a fixed payday, and employees must be provided with a wage statement written in a language they can understand.

Suppliers shall provide their employees with a pleasant working environment, strive to operate a benefits system to improve their quality of life, and conduct mandatory training stipulated in the laws and systems of each country where they operate. In addition, suppliers shall endeavor to advance the careers and capabilities of employees.

**5.4.3 (Working Hours)** Suppliers shall comply with the statutory working hours of each country where they operate, and shall manage working hours including the rest period. Suppliers shall avoid overtime work that is not desired by employees, and in cases where unavoidable overtime occurs, fair compensation shall be provided. Employees must be guaranteed at least one (1) day off per week on average.

**5.4.4 (Humane Treatment)** Suppliers shall respect the privacy of all employees and refrain from unnecessary work instructions outside working hours. Further, suppliers shall notify employees in advance and obtain consent when collecting their personal data.

**5.4.5 (Prohibition of Workplace Harassment)** Suppliers shall prohibit acts of workplace harassment in which an employee inflicts physical or mental harm on another worker or degrades the work environment beyond what is acceptable by taking advantage of the position or relationship between employees in the workplace. Further, suppliers shall take appropriate measures such as a change of workplace or transfer upon request of any employees subject to workplace harassment, and shall take necessary measures against offending employees such as disciplinary actions or change of workplace.

**5.4.6 (Guarantee of Freedom of Association)** Suppliers shall guarantee their employees the rights of association and collective bargaining, and shall allow them to form and operate lawful bargaining bodies. Suppliers shall engage in collective bargaining with the representative of employees in good faith, and in cases where the representative is absent, suppliers shall allow individual employees to freely recommend negotiation terms.

**5.4.7 (Prohibition of Child Labor)** Suppliers shall ban any and all forms of child labor in principle, and verify the age of all employees and applicants through legitimate documents such as identification cards and birth certificates. In the event of hiring minor workers (adolescents), suppliers shall not assign them to high-risk tasks as defined by safety and health standards, and shall take appropriate measures to ensure that their educational opportunities are not compromised by their employment. Further, suppliers shall not receive goods and services from

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businesses using child labor or that violate applicable laws, and shall take necessary actions if such violations are confirmed.

**5.4.8 (Prohibition of Forced Labor)** Suppliers shall deploy their employees in accordance with the labor laws of each country where they operate, and shall prohibit all forms of forced labor or compulsory work that goes against employees' will. Further, suppliers shall not, for the purpose of restricting employees' personal activities, require employees to submit their identification cards or visas, nor shall they engage in physical or mental restraints such as assault, intimidation, or confinement for the purpose of forced labor. Suppliers shall not receive goods or services from businesses using forced labor through physical or mental restraints or indebtedness, and shall take action if such violations are confirmed.

**5.5 Safety and Health**

**5.5.1 (Establishment of Safety and Health Management System)** Suppliers shall comply with the safety and health laws and regulations of each country where they operate, and shall obtain and maintain all safety and health permits and licenses required for business operations. Further, suppliers shall operate a safety and health management system that includes organization, planning, procedures, and outcome analysis to prevent industrial accidents and diseases, and shall strive to obtain related certification if necessary.

**5.5.2 (Safety Management of Machines, Equipment, and Facilities)** Suppliers shall regularly inspect and evaluate the safety of hazardous or risky machines, equipment, and facilities in the workplace. Suppliers shall install and manage safety devices, protective walls, and emergency systems to prevent accidents that may occur when operating hazardous or risky machines, equipment, and facilities in the workplace. Further, suppliers shall provide protective equipment to safeguard individual employees who are in charge of or work adjacent to hazardous or risky machines, equipment, and facilities in the workplace. Protective equipment shall be easy and convenient to use and must undergo regular maintenance to ensure proper functioning.

**5.5.3 (Emergency Preparedness)** Suppliers shall establish plans to respond to emergencies, including natural disasters, mass infections, fires, and other workplace accidents. Moreover, suppliers must have a manual in place that includes reporting, response, and follow-up procedures for emergency situations, and, in order to ensure emergency preparedness, shall conduct regular training sessions in accordance with the laws of each country where they operate, as well as their internal plans and manuals. Suppliers shall be equipped with escape routes, exit signs, fire detectors, alarms, firefighting systems, and other necessary equipment, and shall regularly inspect their proper functioning.

**5.5.4 (Workplace Accidents)** Suppliers shall establish systems to assess the status of industrial accidents and diseases. In the event of an industrial accident or severe disease, suppliers shall immediately cease the relevant operations and take necessary actions, including the evacuation of employees. In the event of an industrial accident or severe disease, suppliers shall investigate the causes thereof and endeavor to establish improvement measures.

**5.5.5 (Safety Inspection)** Suppliers shall, for the purpose of determining if employees are exposed to the risk of accidents and other hazards, conduct periodic risk evaluations of the workplace, notify the results to their employees, and accordingly make improvements in the machines, equipment, and facilities posing risks. Further, suppliers shall provide employees with information on the risks of accidents and other hazards in the workplace based on the evaluation results, in which such information should be disclosed in understandable language and displayed in places easily accessible by employees.

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Suppliers shall not assign pregnant women or minors to high-risk tasks as defined by safety and health standards, and shall strive to foster a work environment where persons with disabilities, immigrants, and other socially vulnerable employees face no difficulties in performing duties.

**5.5.6 (Health Management)** Suppliers may provide their employees with rest areas, toilet facilities, restaurants, and other amenities, and shall strive to maintain hygiene in such facilities if they are provided. Suppliers may also provide dormitories, which should be equipped with safety signs, lighting, and heating and cooling systems. Moreover, dormitories should have appropriate systems to limit access by unauthorized personnel.

Suppliers shall guarantee their employees with general or special health checkups in accordance with the health laws of each country where they operate, and, if necessary based on the results of health checkups, shall take appropriate measures such as change of workplace, reassignment of work, and reduction of working hours.

**5.6 Establishment of Sustainability Management System**

**5.6.1 (Company Statement Disclosure)** Suppliers shall communicate their commitment to fulfilling this Code or other social responsibilities equivalent thereto, both internally and externally. Suppliers are encouraged to share such commitment internally through the New Year’s address of the management, internal guidelines, or bulletin board, and disclose externally via websites, business reports, promotional publications, or other channels.

**5.6.2 (Appointment of Responsible Staff)** Suppliers shall appoint a working-level staff in charge of social responsibility activities and a manager for supervising the planning of social responsibility activities and their implementation status.

**5.6.3 (Risk Assessment)** Suppliers shall endeavor to identify ethical, environmental, labor and human rights, safety and health risks that may arise in the course of their business operations. In the case of identifying any material risks, suppliers shall develop and implement measures to mitigate such risks.

**5.6.4 (Training and Communication)** Suppliers shall provide their employees with training on matters set forth in this Code as well as matters governed by pertinent laws and systems, and shall strive to share with employees implementation plans and progress concerning the matters set forth in this Code.

**5.6.5 (Information Management)** Suppliers shall accurately record and manage information concerning the status and risks in the areas of ethics, environment, labor and human rights, and safety and health. In cases where the laws of the countries where suppliers operate, industry organizations, or key business partners request the disclosure of such information, suppliers shall strive to disclose such information in a transparent manner, as long as it is not prohibited by laws.

**5.6.6 (Operation of Grievance Handling System)** Suppliers shall operate a grievance handling system that allows their employees to report any confirmed or perceived violations of laws and regulations in the areas of ethics, environment, labor and human rights, and safety and health, or any infringement of their individual rights and interests. Further, suppliers shall protect their employees from any unreasonable measures such as dismissal, threats, retaliation, and mockery for the reason of making such reports, and shall keep their identity strictly confidential.

**5.6.7 (Management of Subcontractors)** Suppliers shall encourage their subcontractors to manage ethical, environmental, labor and human rights, and safety and health factors in the process of planning, designing, selling, and manufacturing goods and services. Where a subcontractor is found to have violated laws and regulations in the areas of ethics, environment, labor and human rights, and safety and health, or where any

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related risks are identified, suppliers shall make efforts to recommend or induce improvements to the subcontractor.

5.6.8 **(Compliance)** Suppliers shall sign and submit a pledge of compliance with the Code provided by the Company. Further, suppliers shall provide information related to the compliance with and implementation of this Code during regular written or on-site inspections conducted by the Company or a third party designated by the Company.

Suppliers shall prepare and manage appropriate documents to verify their compliance with this Code, and such documents shall be prepared based on facts and actual business operations. Suppliers shall strive to establish and implement plans to improve in a meaningful manner any deficiencies and violations identified during the written or on-site inspections on compliance with this Code.

[Attachment 1] Pledge of Compliance with Hyosung Group Supplier Code of Conduct

End of Document.

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[Attachment 1] Pledge of Compliance with Hyosung Group Supplier Code of Conduct

**Pledge of Compliance with Hyosung Group Supplier Code of Conduct**

We hereby pledge that we have fully understood and will actively comply with the requirements set forth in the Hyosung Group Supplier Code of Conduct (hereinafter referred to as this “Code”).

1. We have familiarized ourselves with this Code and acknowledge that the provisions set forth in this Code are significant in conducting business with Hyosung, and we commit to adhere to such provisions in good faith. As a supplier engaged in business with Hyosung, we fully recognize that non-compliance with any obligations under this Code constitutes a significant contractual violation, and if such non-compliance is not addressed or rectified, Hyosung may take such measures as a request for rectification or suspension or termination of business relationship via written notification.

2. In the event that Hyosung or a third party designated by Hyosung requests evaluation surveys or on-site visits to verify our compliance with this Code, we shall respond to such requests in good faith, except in cases where our business operations, intellectual property rights, or other rights may be infringed. For such exceptional cases, we agree to obtain prior written approval from Hyosung. For the purpose of verifying our compliance with this Code, we shall grant access to relevant facilities, documents, and personnel as reasonably requested by Hyosung. We shall promptly take reasonable measures to rectify any violations of this Code and shall also request the same corrective actions from our subcontractors or vendors if any violations are identified on their part.

3. We shall communicate the standards set forth in this Code to not only our employees but also our suppliers and ensure their compliance.

4. We acknowledge that this Code may be modified or supplemented by Hyosung. We are aware that in case of any discrepancies between the provisions of the supply contract and this Code, this Code shall prevail.

5. We shall retain and provide Hyosung with documents and records of all identified risks and subsequent measures taken for the period requested by Hyosung, and in the event of perceiving any violation of this Code, we shall promptly notify Hyosung thereof.

This pledge shall be prepared in duplicate, one for our company and the other for Hyosung.

Date: MM/DD/YY

Company name:

CEO: (signature or seal)

**Attn: Hyosung Group**

\* This form can be altered according to circumstances.