

KOLON ENP Supplier Code of Conduct



제정일자	Established	2023.12.21
최종개정일자	Revised	-
개정번호	Rev. No.	-



Introduction

Based on the top-notch corporate management philosophy, Kolon ENP has established and implemented a strategy to create an environment where we can grow together with our suppliers. In order to faithfully fulfill the role of a company that grows together with society by fulfilling its responsibilities and roles as a member of society, Kolon ENP has enacted Code of Conduct for Suppliers.

Kolon ENP Code of Conduct for Suppliers (referred to as the "Code") applies to all types of organizations that design, sell, manufacture, or provide all products and services used in the production of Kolon ENP products, all sub-contractors who assemble, provide parts, raw materials and packaging, etc. is required to comply.

This Code consists of five areas: human rights, safety and health, environmental protection, ethical management, and management system. Suppliers must not only strive to comply with the Code, but also require all sub-contractors to comply with them.

Kolon ENP or a professional organization designated by Kolon ENP may visit suppliers to evaluate whether they are complying with this Code, and may request a time limit and level of improvement if violations of the Code occur.

This Code was written based on international norms and standards and legal requirements, and we recommend that all suppliers respect the principles of the Code of Conduct, adopt practices consistent with them, and faithfully implement and abide by them.

This Code was prepared based on various global standards and guidelines such as the UN Global Compact, ILO Convention Standards, and the United Nations Universal Declaration of Human Rights. In case of conflict between this Code and local laws, stricter standards are applied. In addition, this Code may be changed reasonably as necessary after reviewing relevant laws and global guidelines on a regular basis. Changes are notified to suppliers through the Kolon ENP website and purchasing portal system in advance.

Main Text

1. Labor Human Rights

Suppliers shall protect employees' human rights and guarantee their dignity at the level accepted in the international community. This applies to all types of employees, including contract employees, temporary employees, and interns, and employees must be guaranteed legal work and rights protection in accordance with the laws and regulations.

① **Prohibition of forced labor**

Suppliers shall not force labor (slavery, human trafficking, etc.) on employees against their will. This includes moving, harboring, hiring, transferring or housing any person using the method of threat or force, coercion, kidnapping or fraud to obtain labor or services. Employees' freedom of movement shall not be unreasonably restricted within the facility provided by the supplier, including the dormitory. During recruitment, they shall enter into a written labor contract, drawn up in a language the employees can understand, and provide the employees with a copy. When hiring foreign employees, the employees themselves shall keep original documents such as passports and work permits. Employees should be able to freely to leave the supplier company if they have given reasonable notice to the supplier company in accordance with the contract. In addition, the supplier shall not demand any fee during the hiring process, and if the employee has paid the fee, the supplier shall return it to the employee immediately.

② **Prohibition of child labor**

The employment of children by suppliers is strictly prohibited. "Child" means a person under the age of 15 or under the minimum age for employment as stipulated by law. Youth employees above the statutory employment age may be hired, but employees under the age of 18 must not perform hazardous work (including overtime and night work) in terms of health and safety.

③ **Compliance with working hours**

Supplier shall comply with the maximum working hours standard stipulated by local laws. Working hours shall not exceed 60 hours including overtime or legal working hours, except in an emergency or special circumstance in accordance with the RBA standard. In addition, employees shall be guaranteed to take at least one day off every 7 days. The workplace shall comply with all laws and regulations related to working hours and days off, and overtime work shall be voluntarily chosen by the employee

④ **Wages and benefits**

Wages must include welfare benefits stipulated by laws, such as the minimum wage and overtime pay, and must comply with all wage-related laws. Additional premium shall be paid for overtime/night work at the statutory rate. Wage deductions shall not be used as a disciplinary measure. Supplier shall ensure that employees can clearly understand the details of their pay slip, etc., and wages shall be paid on time.

⑤ **Humane treatment**

There should be no sexual harassment, sexual abuse, corporal punishment, mental/physical coercion, verbal abuse, or unreasonable restrictions on employees, and related policies and procedures should be stipulated and explained to employees.

⑥ **No discrimination**

Suppliers must strive to create a workplace free from such as discriminate against gender, age, race, nationality, ethnicity, skin color, sexual orientation, disability, pregnancy, religion, political orientation, marital status, etc in employment practices, such as the recruitment process, promotion, compensation, and provision of education/training opportunities. Except in exceptional cases as required by laws or workplace safety, employees or candidates for employment may not be required to undergo a medical examination that could be used as a basis of discrimination.

⑦ **Freedom of Association**

Suppliers shall recognize the right to freedom of association and collective bargaining as stipulated by the national law and guarantee the right of employees to freely organize and join labor unions, and to hold collective agreements and peaceful assemblies/protests. In addition, they must create an environment in which employees and their representatives can freely communicate about working conditions and management policies without fear of discriminatory treatment, retaliation, intimidation or harassment.

2. **Safety and Health**

Suppliers must recognize that it is essential to establish a work environment that guarantees safety and health and to ensure the safety and health of employees for continuous quality maintenance and production efficiency improvement. Efforts to continuously improve potential risk factors are required in collaboration with sub-contractors in accordance with legal regulations.

① **Industrial safety**

Suppliers shall conduct a risk assessment to determine the possibility of employees' exposure to risk factors. Safe process design, technical/administrative control, preventive

maintenance, preparation of safety regulations, and continuous training shall be conducted depending on the results. Chemical, biological, and physical risks must be identified, evaluated, and managed through activities, and safety risks of production facilities and other facilities must be evaluated, and improvement measures must be established and implemented. These risks must be controlled and managed through the design of safe processes, preventive maintenance, safe working procedures, continuous safety training and education, and the provision of appropriate protective equipment. In addition, suppliers shall manage and supervise the supply of well-maintained personal protective equipment to employees so that they can wear it. Also, suppliers shall not place pregnant women or nursing employees in a high-risk environment and provide reasonable convenience facilities for nursing mothers.

② **Prepare for emergencies**

Suppliers shall identify potential emergencies and accidents in advance and establish a response procedure that can include a recovery plan. To this end, in the event of an emergency, it is necessary to minimize the damage caused by the emergency by securing a reporting system, emergency response training, secure exit facilities, and fire detection and fire extinguishing equipment. Emergency evacuation drills must be conducted at least once a year or in accordance with the stricter standard required by local laws.

③ **Prevention of industrial accidents and diseases**

Suppliers shall establish procedures and systems to prevent, manage, track, and report occupational accidents and occupational diseases. This includes regulations to encourage the reporting of physical abnormalities by employees, classify and record occupational accidents and diseases, provide necessary treatment, implement corrective actions to eliminate the causes, and facilitate the return of employees.

④ **Management of harmful factors**

Suppliers shall identify, evaluate, and control hazardous chemicals, noise, and dust to which employees may be exposed in the workplace. Suppliers must ensure that there are no problems in the safety and health of employees caused by harmful factors by eliminating potential risks and improving production facilities. Employees must be provided with appropriate personal protective equipment if the above measures are not sufficiently controlled.

⑤ **Physically Demanding Work**

Suppliers shall determine, evaluate and control physically demanding work, such as repetitive work, heavy object handling work, and long-standing work. Suppliers shall protect employees from musculoskeletal disorders by taking measures such as process

improvement and job rotation

⑥ **Facility safety management**

Suppliers shall classify hazardous facilities and evaluate their safety on a regular basis. For the safety of employees, physical protection devices, control devices, and protective devices must be provided, and regular safety inspections of the facilities must be conducted.

⑦ **Dormitory and sanitation facilities provided**

Suppliers shall provide employees with clean toilets, drinking water, and restaurant facilities where food can be prepared and stored hygienically. In addition, dormitories for employees must be kept clean and safe, and an appropriate environment must be provided by giving appropriate emergency exits and firefighting facilities, heating and ventilation facilities, adequate personal space, and reasonable access rights.

⑧ **Safety and Health Education**

Suppliers shall conduct appropriate safety and health education for employees. Safety and health-related information must be posted in a conspicuous place within the workplace and in native language of all employees or in a language that employees can understand. All employees must be trained regularly before and after assignment.

⑨ **Health and Safety Permits**

Suppliers shall obtain, keep current, and comply with all required health and safety permit.

⑩ **Infectious Disease Preparedness and Response**

Suppliers shall develop and implement a program to take reasonable steps to prepare for, prevent, and respond to the potential for an infectious disease among its employees.

3. Environmental protection

Suppliers must fully understand the environmental impacts of all business activities and strive to minimize them. In addition, suppliers must comply with environmental laws and regulations, such as chemical substance and waste management and disposal, industrial water management and reuse, and control of greenhouse gases and air emissions.

① **Compliance with environmental laws**

All environmental licenses and permits required for business operation (eg, installation/operation/change report of emission/ prevention facilities, etc.) must be obtained and maintained, and the latest revisions must be reflected. It must also comply with the operational and reporting requirements required for the licensing process. In addition, suppliers must comply with the laws and regulations of their country regarding the labeling

of information on substances in products, as well as prohibitions and restrictions on the use of certain substances

- ② **Prevention of environmental pollution and reduction of resource/energy use**
Through improvement of production process, efficiency of facilities, substitution of raw materials, recycling and reuse of raw materials, etc., suppliers shall minimize pollutants such as wastewater and wastes and increase the efficiency of using resources and water (water, rainwater, etc.)
- ③ **Chemical substances management**
Suppliers shall identify all chemical substances (including designated waste) that are harmful to people or the environment and manage them separately, such as identification marks and labeling, to ensure the safe handling, transportation, storage, use, recycling or reuse and disposal.
- ④ **Waste and wastewater management**
Suppliers must discharge the generated waste and wastewater after disposal according to relevant laws and regulations and identify, monitor, control, and treat the generated waste and wastewater before discharging them. Measures to reduce the generation of waste and wastewater should be taken.
- ⑤ **Air pollution management**
Suppliers shall identify the characteristics of volatile organic compounds, corrosive gases, dust, ozone depleting substances, and combustion by-products generated in the manufacturing process, and dispose of them in accordance with relevant laws and regulations. In addition, the emission status must be monitored and managed at all times.
- ⑥ **Energy consumption and greenhouse gas emission management**
Suppliers must identify energy consumption and greenhouse gas emissions on a company-wide and business site basis. It is also necessary to find cost-effective ways to increase energy efficiency while minimizing energy consumption and greenhouse gas emissions.

4. Ethical Management

All business activities of suppliers must comply with laws and regulations, and efforts must be made to practice ethical management and maintain high standards.

- ① **Integrity and prohibition of unfair profit**

The highest level of integrity is required in all business dealings, and suppliers must prohibit

all forms of bribery, corruption, money laundering, fraud, insider trading, illicit gain, embezzlement, conflict of Interest, and anti-competitive practice. In addition, you must not provide or receive any other means to obtain an unfair or improper advantage, and must implement monitoring and enforcement procedures for this, and practice voluntary compliance with anticorruption laws

② **Compliance with fair, transparent transactions**

Supplier shall comply with fair trade-related laws and may not engage in activities such as unfair trade practices which compromise fair trade order.

③ **Information Disclosure**

All transactions must be made transparently, and suppliers must record and disclose information on business activities, performance, and financial structure based on information disclosure related laws and regulations and industry practices. Falsification or misrepresentation of records on the actual conditions and practices of related fields within the supply chain is not tolerated..

④ **Protection of intellectual property**

Suppliers must respect intellectual property rights, transfer technology and know-how must be done in a manner that protects intellectual property rights, and protect Kolon ENP's information safely.

⑤ **Privacy Protection**

Suppliers shall protect all personal information, including business-related business partners, customers, consumers, and employees, at a reasonable level. In addition, the collection, storage, processing, transmission and sharing of personal information must comply with the Personal Information Protection Act on the handling and use of personal information.

⑥ **Legal material management**

Suppliers shall not use raw materials obtained through unethical methods such as illegal and serious human rights violations and environmental destruction, including minerals from conflict areas. Moreover, suppliers must guarantee that they will not engage in any transactions with the target countries and individuals subject to financial transactions, such as military supplies, war development funds, drug smuggling, and illegal money laundering, as stipulated in the Act on Prohibition Against the Financing of Terrorism. In addition, it is necessary to manage the use of substances in all supply chains, including the origin and business partners of related substances, and through this, suppliers must be able to provide guarantees and related data on the origin of raw materials and supply lines at the request

of Kolon ENP.

⑦ **Compliance of Restriction on Exports and Economic Sanctions**

Suppliers shall comply with international laws and regulations relating to restriction on Policy Document exports and economic sanctions by each country. Suppliers shall not trade with countries, regions, corporations, groups, and individuals which are applied restriction on exports and economic sanctions. Suppliers shall inspect that they follow laws and regulations relating to restriction on exports and economic sanctions, and cooperate with any necessary monitoring activities, if necessary.

5. Management System

Suppliers must establish their own management system to comply with this Code as well as related laws and regulations and customer requirements and comply with this Code and related laws.

① **Declaration of self-compliance**

Suppliers shall post a corporate social and environmental responsibility statement, approved by management, expressing their commitment to compliance and continuous improvement, in all workplaces of the suppliers. Statements must be posted in the native or understandable language of all employees.

② **Duties and Responsibilities of Management**

Suppliers must appoint a person responsible for the periodic review of the implementation and status of management systems and compliance-related programs. Additionally, the CEO of the supplier must regularly review the status of the management system.

③ **Response to laws and customer requirements**

Suppliers must identify the requirements of this code, applicable laws, regulations, and customer requirements, and integrate them into their management system

④ **Risk Management**

Environmental, occupational safety and health, human rights and labor practices, and ethical risks related to business operations of suppliers must be identified, and identified risks must be controlled and managed, and compliance with the norms must be checked on a regular basis.

⑤ **Goal management**

Performance goals and action plans should be established to improve social and environmental performance, and performance against the goals should be periodically evaluated.

⑥ **Education**

A program must be established and operated to educate managers and employees to implement suppliers' policies, procedures, and improvement goals and to comply with applicable laws and regulations.

⑦ **Employee feedback, participation and grievance handling**

A process for continuous improvement shall be established by gathering the opinions of executives and employees on the conditions covered by this Code.

⑧ **Documents and records**

The creation and maintenance of documents and records kept in business operations must comply with regulations related to external disclosure, and conformity with appropriate confidentiality management requirements to protect company and personal information. Suppliers shall document that they are complying with this Code and shall provide relevant information if requested by Kolon ENP.

[Version Update]

No.	Date	Summary	Team in Charge
0	2023-12-21	➤ Establishment	Sustainable Management Team

[Attachment. 1]

Pledge of Supplier Code of Conduct

We agree to fully acquaint and comply with the Kolon ENP Code of Conduct for Suppliers (this "Code").

1. We are fully aware of the contents of the Code and are committed to faithfully comply with the requirements therein which we recognize as significant factor as a supplier who carries out transactions with Kolon ENP, Ltd. ("Kolon ENP"). We, as a supplier who carries out transactions with Kolon ENP, fully acknowledge that a breach of any of our obligations under this Code is a material breach of contract, and that if the relevant issue is not remedied or improved, Kolon ENP may take actions, including request for corrective measures, suspension or termination of the business relationship, upon written notice to our company.
2. If Kolon ENP or any party designated by Kolon ENP requests a survey or a visit to our company in order to audit our compliance with this Code, and asks that we take any corrective measures based upon the results of such audit, we will cooperate and respond to any request of Kolon ENP, to the extent our operational activities, intellectual property rights and other rights are not adversely affected. Such exceptions must be approved in writing by Kolon ENP. To this end, we shall permit, and shall cause to our subcontractors or suppliers to provide, Kolon ENP with access to relevant facilities, records, and personnel for which Kolon ENP reasonably requests. We shall promptly implement reasonable corrective action to remedy any non-conformance with this Code, and shall require our subcontractors or suppliers to do so as well when non-conformance is identified by audit.
3. We shall communicate the requirements of this Code to our employees as well as our suppliers and cause them to comply with the terms and conditions of this Code.
4. We agree that this Code is subject to change and may be amended, or supplemented by Kolon ENP. If there are inconsistencies between a supply agreement and this Code, this Code shall prevail to the extent of the inconsistencies.
5. We shall maintain documents and records of all identified risks, and the actions taken to follow up on such risks, for a period requested by Kolon ENP from the date each risk is first identified and reported. We shall immediately notify Kolon ENP in writing if we become aware of any violation of this Code.

This Acknowledgement is made in two original copies, one for us and the other for submission to Kolon ENP. Electronic (PDF) copies of signatures will constitute originals for all purposes.

_____, 20____

Company Name:

Sign: _____

Name:

Title:

[Attachment 2]

Pledge of Integrity Contracts Performance

Based on the principle of fostering transparent corporate management and a transaction culture free from corruption, we pledge to actively cooperate in the ethical management practices pursued by Kolon ENP. This commitment includes adhering to the following guidelines when participating in all bids and contracts conducted by Kolon ENP.

1. We shall not get involved in any unfair actions which would impede or hinder the free and fair competition.
2. We will not directly or indirectly offer money, entertainment (including providing illegal employment to relatives, etc.), or unfair profits to related public officials during the bidding, contract signing, and contract implementation processes.

YYYY. MM. DD:

Company name:

CEO (signature):

*We operate a whistleblowing system on its website as part of ethical management. If you are asked to engage in bribery, improper or unfair practices, please report it.