

Document No.	H00338-E-A00-24017
Revision No.	0
Dept in Charge	ESG TFT
Approving Dept	Planning Group

Seoyon E-Hwa

Code of Conduct for Partners

	Rev. No.	Rev. Date	Effective Date	Major Changes
Revision History	0	2024.05.14	2024.05.17	Initial enactment

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1. Overview

1.1 Purpose

In recent years, the automotive industry has been undergoing a transformation through technological convergence, including automation, digitalization, and the proliferation of mobility services, and Seoyon E-Hwa strives to adapt to such rapid paradigm shifts by establishing a sustainable supply chain. This Code of Conduct requires all suppliers to strictly comply with the laws and regulations applicable to their business activities and to adopt the best practices concerning ethics, the environment, labor and human rights, safety and health, and business management systems. Seoyon E-Hwa expects its suppliers to comply with this Code of Conduct, not only to grow as a company that is more respected by society, but also to achieve mutual growth with Seoyon E-Hwa.

This Code of Conduct has been established based on the Global Automotive Sustainability Practical Guidance of Drive Sustainability, with reference to the Code of Conduct of the Responsible Business Alliance. However, in the event that the conduct recommended in this Code of Conduct is in conflict with the laws of any of the countries concerned, the relevant laws shall prevail.

1.2 Scope

All suppliers providing goods and services to Seoyon E-Hwa or entering into contracts for other transactions are required to comply with this Code of Conduct. All suppliers subject to this Code of Conduct may recommend the business entities in the supply chain, including subcontractors, comply with the provisions set forth in this Code of Conduct.

1.3 Roles and Responsibilities of Suppliers

Seoyon E-Hwa's suppliers shall consider the matters set forth in this Code of Conduct in their management decisions and business operations. Third-party entities contracted by Seoyon E-Hwa or its customers may inspect and investigate, to the extent permitted by law, whether its suppliers are complying with the matters set forth in this Code of Conduct and may request some relevant documents if necessary. Based on the results of the inspection and investigation on compliance with this Code of Conduct, Seoyon E-Hwa may recommend countermeasures to mitigate the identified risks, and the supplier(s) in question shall establish and implement a risk mitigation plan by consulting Seoyon E-Hwa on the improvements.

This Code of Conduct does not specify all the obligations of suppliers, and it may be supplemented and revised through regular reviews in order to establish a sustainable supply chain. This Code of Conduct can be viewed on the website of Seoyon E-Hwa.

2. Business Ethics

2.1 Transparency and Anti-Corruption

- 2.1.1 The employees of suppliers shall comply with the highest standards of integrity in the countries in which they conduct business operations.
- 2.1.2 The employees of suppliers shall not engage in bribery, bribery, extortion, embezzlement, or graft through abuse of their status, nor gain unfair benefits by taking advantage of weaknesses and deficiencies.

2.2 Conflicts of Interest

- 2.2.1 Suppliers shall handle business with a sense of responsibility in accordance with the established business procedures.
- 2.2.2 The employees of suppliers shall not promise, propose, or authorize anything that may lead to the gain of undue or improper benefits. This prohibition covers incurring damage to the company for the benefit of an executive or employee and promising individual benefits through a third party.

2.3 Fair Trade and Competition

- 2.3.1 Suppliers shall comply with the laws and standards related to fair trade in the countries in which they conduct business operations.
- 2.3.2 Suppliers shall not engage in any activities that may impede fair competition through unfair trade, such as abusing a dominant market position or trading position.
- 2.3.3 Suppliers shall not agree with other businesses to engage in acts that unfairly restrict competition with respect to the price, supply volume, trading area, and terms of trade of goods or services.
- 2.3.4 Suppliers shall not obtain information from competitors, suppliers, or other organizations by fraudulent means and shall not use or disclose information obtained by them or others in a fraudulent manner.

2.4 Prevention of Unauthorized Parts

- 2.4.1 Suppliers shall not manufacture or use unauthorized raw materials, parts, etc. and shall not use or sell counterfeit raw materials, parts, etc.
- 2.4.2 Suppliers shall periodically check whether counterfeit raw materials and parts are used or produced in the workplace and immediately notify the government or customer if they are found.
- 2.4.3 Suppliers shall endeavor to ensure that the raw materials and parts produced are used and distributed in accordance with the purpose of business operations or contract conditions.

2.5 Compliance with Export Restrictions and Economic Sanctions

- 2.5.1 Suppliers shall comply with Korean laws and international agreements related to export restrictions.
- 2.5.2 Suppliers shall not do business with any country, region, or individual subject to export restrictions or economic sanctions.
- 2.5.3 Suppliers shall check whether they are in compliance with laws and regulations related to export restrictions and economic sanctions and cooperate with customers' activities to determine the compliance status, if necessary.

2.6 Information Protection

- 2.6.1 Suppliers shall not leak trade secrets of customers and business partners or information requiring security without consent or store and use information acquired in the performance of business without prior permission and approval.
- 2.6.2 Suppliers shall collect and use personal information only within the scope of the purpose of collecting and using personal information and the period of retention and use and obtain prior consent in case of any changes to the above. Suppliers shall also comply with and monitor relevant laws and regulations such as the Personal Information Protection Act with respect to the handling and use of personal information.

2.7 Intellectual Property Protection

- 2.7.1 Suppliers shall respect the intellectual property rights of customers and business partners, take adequate measures to protect the intellectual property rights, and periodically check for infringement of intellectual property rights.

2.8 Responsible Procurement Activities

- 2.8.1 Suppliers shall establish a process to verify the place of origin and smelter of all minerals and raw materials, including tin, tungsten, tantalum, gold, and other conflict minerals¹ contained in their products.
- 2.8.2 Suppliers shall endeavor to check² whether any social and environmental issues, including serious human rights violations, ethical violations, and negative environmental impacts, are occurring in the place of origin or smelter of minerals and raw materials in accordance with the relevant processes.
- 2.8.3 Suppliers primarily dealing with minerals and raw materials shall directly check or seek external certification that the mining and processing of such minerals and raw materials are not associated with human rights violations, ethical violations, or adverse environmental impacts.
- 2.8.4 Suppliers shall cooperate with customer requests for information on the use of conflict minerals in their supply chain, including verification of the origin of conflict minerals.

- 2.8.5 Suppliers shall endeavor to check for social and environmental issues such as serious human rights violations, ethical violations, and adverse environmental impacts at the place of origin and smelter of minerals and raw materials in accordance with the relevant processes.
- 2.8.6 Suppliers primarily dealing with minerals and raw materials shall directly check that the mining and processing of such minerals and raw materials are not associated with human rights violations, ethical violations, or adverse environmental impacts.

¹ The four minerals produced in the conflict zones in Africa (10 countries, including the DRC) have caused international concern due to the abuse of human rights, child labor, and other social issues in mining process, as well as the use of proceeds from exporting these minerals to finance civil war and conflict.

² In 2012, the U.S. Securities and Exchange Commission issued a rule requiring listed companies to disclose the use of conflict minerals in their products. In 2015, the European Parliament passed a law requiring importers of mineral to report the place of origin of minerals and the results of inspections to the competent authorities of relevant countries.

3.Environment

3.1 Establishment of Environmental Management System

- 3.1.1 Suppliers shall comply with the environmental laws and regulations of the countries in which they conduct business operations and obtain and maintain all mandatory environmental permits (e.g., notification of installation, operation, or modification of emission/discharge and pollution prevention facilities) required for business operations.
- 3.1.2 Suppliers shall operate an environmental management system³ consisting of organizations, plans, procedures, performance checks, etc. to mitigate the environmental impact of business operations.

3.2 Management of Energy Use and Greenhouse Gas Emissions

- 3.2.1 Suppliers shall establish a system to measure energy consumption and greenhouse gas emissions in stages.
- 3.2.2 Suppliers shall endeavor to reduce energy consumption and greenhouse gas emissions while improving energy efficiency.

3.3 Water Management

- 3.3.1 Suppliers shall establish a system to measure water consumption and wastewater discharge in stages.
- 3.3.2 Suppliers shall endeavor to reduce water consumption and increase the amount of water recycled and manage water pollutants in accordance with legal standards or more stringent internal standards.
- 3.3.3 Suppliers shall minimize air pollutant emissions by reducing water consumption and using appropriate methods and manage air pollutants with legal standards or more stringent internal standards.

3.4 Air Pollutant Management

- 3.4.1 Suppliers shall establish a system to measure air pollutant emissions.
- 3.4.2 Suppliers shall minimize air pollutant emissions using appropriate methods and manage air pollutants with legal standards or more stringent internal standards.

3.5 Waste Management

- 3.5.1 Suppliers shall establish a system to measure the waste volume.

³ ISO 14001, etc. (ISO 14001 is an international standard on environmental management system (EMS) established by the International Organization for Standardization (ISO) to encourage continuous environmental performance improvement across the entire process of corporate activities. Certification may be issued by a third-party organization to ensure that environmental management is conducted in accordance with the standard.)

- 3.5.2 Suppliers shall minimize the amount of waste that gets landfilled or incinerated using appropriate methods and endeavor to reuse and recycle waste and recover raw materials and components from waste.
- 3.5.3 Suppliers shall endeavor to minimize the environmental impact of the remnants during landfilling and incineration in consideration of the entire life cycle of the products they manufacture.

3.6 Chemical Management

- 3.6.1 Suppliers shall make an effort to ensure that chemicals handled in the course of business operations are managed safely during procurement, transportation, storage, use, and disposal thereof so that no health or environmental hazards are caused by chemicals. Suppliers shall also appropriately label or disclose information needed to identify the potential harms and hazards of the chemical substances they handle.
- 3.6.2 Suppliers shall endeavor to check whether the raw materials and components they procure, produce, sell, and distribute contain⁴ substances that are harmful to human health or the environment.

3.7 Animal Protection

- 3.7.1 Suppliers shall respect the five freedoms of animals as prescribed by the World Organization for Animal Health (WOAH).

- (1) Freedom from hunger or thirst
- (2) Freedom from discomfort
- (3) Freedom from pain, injury or disease
- (4) Freedom to express (most) normal behavior
- (5) Freedom from fear and distress

⁴ Matters related to the EU Restriction of Hazardous Substances Directive (RoHS, 2006), etc.

4. Labor and Human Rights

4.1 Prohibition of discrimination

- 4.1.1 Suppliers shall not discriminate against employees in hiring, promotion, training, etc. on the basis of sex, race, ethnicity, nationality, religion, disability, age, family status, marital status, pregnancy, social status, or political opinion.
- 4.1.2 Suppliers shall not discriminate against employees in the payment of wages and employee benefits and welfare programs.
- 4.1.3 Suppliers shall not require conditions that are not necessary for the performance of the job when recruiting and hiring employees.

4.2 Wages and Benefits

- 4.2.1 Suppliers shall pay wages in compliance with the laws and systems of the countries in which they conduct business operations. Wages shall be paid in a timely manner according to schedule, and workers should be provided with a clear wage statement in a language that the workers can understand.
- 4.2.2 Suppliers shall provide a pleasant work environment for employees and endeavor to provide employees with benefits to improve their quality of life.
- 4.2.3 Suppliers shall provide mandatory training as required by the laws and systems of the countries in which they conduct business operations. They shall also strive to help employees build their careers and strengthen their competencies.

4.3 Working Hours

- 4.3.1 Suppliers shall comply with the legally prescribed maximum working hours in the countries in which they conduct business operations and properly manage working hours, including breaks.
- 4.3.2 Suppliers shall ensure that any hours worked beyond normal work hours are voluntary and provide fair compensation in the event that employees work overtime under unavoidable circumstances.
- 4.3.3 Suppliers shall guarantee employees at least one day per week, on average.

4.4 Humane Treatment

- 4.4.1 Suppliers shall respect the privacy of their employees and refrain from assigning unnecessary work outside of working hours.
- 4.4.2 Suppliers shall notify employees in advance and obtain voluntary agreement when collecting their personal information.
- 4.4.3 Suppliers shall prohibit workplace harassment, which includes any act that may cause physical or mental distress, or that aggravates the working environment for other employees beyond the normal scope of their work.

Appropriate changes and measures shall be implemented to reduce such harassment, such as disciplinary measures against offending workers and changing workplaces or placements upon request

4.5 Freedom of Association

4.5.1 Suppliers shall respect the labor relations laws of the countries to which this Supplier Code of Conduct applies and provide all employees with adequate opportunities for communication.

4.6 Prohibition of Child Labor

4.6.1 Suppliers shall ban any and all forms of child labor and verify the age of all employees and job applicants based on legitimate documents such as identification card and birth certificate. Whether a person is a “child” is determined based on the minimum age for employment specified by local law.

4.6.2 When employing a minor, suppliers shall ensure that the minor is not assigned to any jobs with health and safety risks and that their educational opportunities do not become limited by their labor.

4.6.3 Suppliers shall not supply goods and services from business partners engaging in child labor or otherwise violating applicable laws and take appropriate measures if such violations are discovered.

4.7 Prohibition of Forced Labor

4.7.1 Suppliers shall engage employees in work in accordance with the labor standards laws of the countries which they conduct business operations and prohibit any form of forced labor or compulsory labor against the free will of the employees.

4.7.2 Suppliers shall not require the submission of identification documents, visas, etc. that may restrict the personal activities of employees and shall not use means of physical or mental restraint such as assault, intimidation, or confinement for the purpose of practicing forced labor.

4.7.3 Suppliers shall not supply goods and services from business partners who practice physical or mental restraint or forced labor based on debtor-creditor relations and take action if such practices are discovered.

5. Safety and Health

5.1 Establishment of Safety and Health Management System

- 5.1.1 Suppliers shall comply with safety- and health-related laws and regulations in the countries in which they conduct business operations and obtain and maintain all safety- and health-related licenses and permits required for business operations.
- 5.1.2 Suppliers shall operate a safety and health management system⁵ consisting of organizations, plans, procedures, result checks, etc.

5.2 Safety Management of Machinery, Equipment, and Facilities

- 5.2.1 Suppliers shall check and evaluate the safety of harmful or dangerous machinery, equipment, and facilities in the workplace on a regular basis.
- 5.2.2 Suppliers shall install and manage safety devices, protective barriers, emergency devices, etc. to prevent accidents caused by the use of hazardous or dangerous machinery, equipment, and facilities in the workplace.
- 5.2.3 Suppliers shall provide personal protective equipment (PPE) to employees. PPE shall be easily and conveniently used by employees and be maintained and managed to perform as expected.

5.3 Emergency Preparedness

- 5.3.1 Suppliers shall establish a plan to respond to emergencies such as natural disasters, outbreaks, fire, safety incidents, etc. Suppliers shall also be equipped with manuals containing information on reporting, response measures, follow-up measures, etc. in the event of an emergency.
- 5.3.2 Suppliers shall conduct drills in accordance with the laws of the countries in which they conduct business operations and their own plans and manuals to prepare for emergency situations.
- 5.3.3 Suppliers shall provide escape routes, emergency exit lights, smoke detectors and alarms, firefighting facilities, etc. to be prepared for emergency situations and check their operating status on a regular basis.

5.4 Accident Management

- 5.4.1 Suppliers shall establish a system to assess the status of industrial accidents or disease outbreaks.

⁵ ISO 45001, KOSHA 18001, etc. (This is a system of safety and health management principles established based on voluntary policies of the employer, based on which planning, implementation, inspection and evaluation activities can be carried out to gradually improve the safety and health system. ISO 45001 is a standard established by the International Organization for Standardization (ISO), and KOSHA 18001 is a Korean standard developed by the Korea Occupational Safety and Health Agency.)

- 5.4.2 In the event of an industrial accident or outbreak of a serious disease, the supplier shall immediately cease operations and take necessary measures such as evacuating employees.
- 5.4.3 In the event of an industrial accident or outbreak of a serious disease, the supplier shall investigate the cause of the accident and endeavor to prepare improvement measures.

5.5 Safety Evaluation

- 5.5.1 Suppliers shall conduct safety risk assessments of the workplace on a regular basis for the purpose of checking whether employees are exposed to accident risks and hazards. The assessment results shall be communicated to employees, and improvements shall be made to equipment and facilities based on the results.
- 5.5.2 Suppliers shall provide information on accident risks and hazards in the workplace to employees based on the results of the safety risk assessment. The information shall be written in a language that employees can understand and be provided in an easily accessible place.
- 5.5.3 Suppliers shall not assign pregnant women, minors, etc. to jobs with high health and safety risks and shall endeavor to create a working environment that does not create difficulties for employees with disabilities, immigrants, and other socially vulnerable employees.

5.6 Health Management

- 5.6.1 Suppliers may provide rest areas, restrooms, cafeterias, etc. to employees, and in case of providing such facilities are provided, they shall endeavor to maintain cleanliness.
- 5.6.2 Suppliers may provide dormitories for their employees, and in case of providing such facilities, they shall provide safety signs, lighting, cooling and heating, etc. Also, dormitories shall be equipped with devices that restrict access against non-residents.
- 5.6.3 Suppliers shall provide general or special health screenings for employees on a regular basis in accordance with the health screening laws of the countries in which they conduct business operations. If necessary, based on the health screening results, suppliers shall take measures such as assigning the employee concerned to a new workplace or job and shortening working hours.

6. Management Systems

6.1 Disclosure of Company Statement

- 6.1.1 Suppliers shall disclose their commitment to fulfill their corporate social responsibility according to this Code of Conduct or its equivalent to internal and external parties.
- 6.1.2 Suppliers shall share their commitment to fulfill their corporate social responsibility according to this Code of Conduct or its equivalent within their respective organizations through the management's New Year's speech, internal policies, in-house bulletin board, etc. It is also recommended to disclose it to external parties via the company website, business reports, promotional materials, etc.

6.2 Appointment of Appointment of Persons in Charge

- 6.2.1 Suppliers are encouraged to appoint a person in charge of activities related to corporate social responsibility.
- 6.2.2 Suppliers are encouraged to appoint a manager to oversee the establishment and implementation of plans for activities related to corporate social responsibility.

6.3 Risk Assessment

- 6.3.1 Suppliers shall endeavor to identify risks in the areas of ethics, the environment, labor and human rights, and safety and health that may arise in the course of business operations.
- 6.3.2 If significant risks are found, suppliers shall prepare and implement measures to mitigate such risks.

6.4 Training and Communication

- 6.4.1 Suppliers shall train employees on the matters set forth in this Code of Conduct and the matters covered by laws and regulations related to this Code of Conduct.
- 6.4.2 Suppliers shall share with their employees the implementation plans and results of the implementation thereof in relation to the matters set forth in this Code of Conduct.

6.5 Information Management

- 6.5.1 Suppliers shall accurately record and manage information related to the status and risks in the areas of ethics, the environment, labor and human rights, and safety and health, including financial information.
- 6.5.2 Suppliers shall endeavor to disclose such information transparently, unless prohibited by law, when required to do so by the laws of the countries in which they conduct business operations, industry organizations, or important customers with whom they have concluded business contracts.

6.6 Grievance Handling System

- 6.6.1 Supplier shall operate a grievance handling system that allows employees to report any violation of laws and regulations in the areas of ethics, the environment, labor and human rights, and safety and health, or any infringement of individual rights and interests in connection therewith.
- 6.6.2 Suppliers shall protect their employees from being dismissed, discriminated against, retaliated against, or subjected to unreasonable harassment for filing a grievance report, etc. The identities of employees who file a grievance report shall be protected, unless otherwise prohibited by law.

6.7 Management of Business Partners (Subcontractors)

- 6.7.1 Suppliers shall encourage their subcontractors with whom they have concluded contracts to manage ethical, environmental, labor and human rights, and safety and health factors in planning, designing, selling, and manufacturing goods and/or services.
- 6.7.2 In case of discovering any violations of laws and regulations in the areas of ethics, the environment, labor and human rights, and safety and health committed by a business partner or becoming aware of any related risks, the supplier shall make efforts to advise or induce the business partner to make improvements.

6.8 Compliance

- 6.8.1 To the extent to which relevant laws and regulations are not violated, suppliers shall provide information regarding their compliance with this Code of Conduct and the level of implementation during any audit or on-site visit conducted by Seoyon E-Hwa or a third party designated by Seoyon E-Hwa.
- 6.8.2 Suppliers shall create and maintain appropriate documentation⁶ to demonstrate compliance with this Code of Conduct, and such documentation shall be based on actual and true facts about business operations.

⁶ “Appropriate documents” include the workplace safety and health management regulations prepared in accordance with Article 25 (Preparation of Safety and Health Management Regulations) of the Occupational Safety and Health Act, the records of industrial accidents and occupational diseases prepared in accordance with Article 10 (Publication of Number, etc. of Industrial Accident Occurrences at Place of Business) of the Occupational Safety and Health Act, the employment rules prepared in accordance with Article 93 (Preparation and Reporting of Rules of Employment) of the Labor Standards Act, matters related to wages prepared in accordance with Article 48 (Wage Ledger and Written Wage Statement) of the Labor Standards Act, as well as materials related to the requirements of this Code of Conduct or that may provide supporting evidence in the assessment of compliance status, such as the Ethics Charter Compliance Agreement, emergency manual, working hours record logs, and work environment measurement results, etc.



6.8.3 Suppliers shall endeavor to develop and implement plans to remedy any deficiencies or violations identified through document inspections or on-site visits in regard to compliance with this Code of Conduct in a timely manner.

7. Addendum

7.1 The amended Code of Conduct shall be effective as of May 14, 2024.