

Guidelines for Ethical Practice

SEOYON E-HWA Co., LTD.

I. Standards Related to Accepting Money and Valuables
(Money, Valuables, and Gifts)

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I. Standards Related to Accepting Money and Valuables (Money, Valuables, and Gifts)

1.1 Basic principles

- (1) Employees shall not accept money or gifts provided by a supplier or stakeholder in connection with their jobs under any circumstances.
- (2) Accepting money or gifts through a family member, relative, or friend/acquaintance will be considered as the employee's own action.
- (3) The delivery of money or gifts between employees for personal and departmental gains is strictly prohibited, and other situations are subject to the following principles :
 - 1) When an individual employee gives a gift to a supervisor or the head of a unit organization, it shall be limited to a scope of wreath, book, stationery, music album, etc. with a total value of not more than 50,000 won.
 - 2) When a supervisor or the head of a unit organization gives gifts to the members of the team to strengthen the organization, there shall be no limit on the amount or item.
 - 3) Congratulatory or condolence gifts (birthday, wedding, funeral, etc.) that do not cause any burden on the parties involved are considered as exceptions.
 - 4) In the case of visiting a supervisor for a congratulatory or condolence event, including Lunar New Year and Chuseok, the supervisor must be notified in advance.
- (4) If it is unavoidable to give a gift to a supplier for business reasons, the basic principle is to give company souvenirs. Otherwise, the gift shall be within a reasonable scope judged by the executive in charge.
- (5) Gift-giving for congratulatory and condolence events is permitted only when the event involves the employee

himself, his/her spouse, or his/her immediate ascendent or descendant, and suppliers shall not be informed of such events or be burdened to attend the event, give gifts, etc. In case an employee informs a supplier, etc. at his/her own discretion, his/her supervisor will be held responsible. However, exceptions will be made when the Company has given prior approval.

- (6) In case it is unavoidable to accept gift money from a stakeholder, the gift money should be not more than 50,000 won. Acceptance of 100,000 won or more as gift money must be reported to the team leader.
- (7) In case of receiving gift money in excess of 100,000 won, it shall be returned after it is reported to the team leader, and the team leader shall report the fact that it has been returned to the secretary of the Ethics Committee (Section 4.5.2).

1.2 Reported Matters

In case of unavoidably receiving cash, transportation tickets, gift certificates, performance tickets, or marketable securities from a supplier or stakeholders in connection with one's job, it must be reported to the secretary of the Ethics Committee.

1.3 Reporting Procedure

- (1) When it is necessary to report money or gifts unavoidably received from a supplier and stakeholders in connection with one's job, regardless of whether it is returned or not, the employee in question must report it to his/her supervisor or next highest supervisor within three working days from the date of receipt and then fill out the Money/Valuable Receipt Report form and submit it to the secretary of the Ethics Committee or submit it on the company website.
- (2) The supervisor or next highest supervisor who receives the

report must check the result of processing the report.

1.4 How to Handle the Receipt of Money or Gifts

- (1) An employee who unavoidably received money or a gift from a supplier or stakeholder, as he/she was not aware that money or a gift has been delivered or it is judged to be rude to refuse the money or gift must report it to his/her supervisor or the next highest supervisor.
- (2) After reporting, the employee concerned must fill out the Money/Valuable Receipt Report form and submit it to the secretary of Ethics Committee along with the money or gift received.
- (3) The secretary of Ethics Committee shall collect the money or gift, explain the purpose of the Company's ethical management to the gift giver, apologize politely, and return the money or gift immediately (within 10 days).

II. Standards Related to Entertainment and Hospitality

2.1 Basic Principles

- (1) Employees shall not accept any entertainment or hospitality from suppliers and stakeholders in connection with their jobs and politely decline. However, exceptions will be made in the case of unavoidable use of restaurants, where meals cost less than KRW 10,000 per person and less than KRW 100,000 in total, for smooth business cooperation and consultation.
- (2) Outside meetings and meals with suppliers shall be avoided, and meetings shall be held in the office. However, if it is unavoidable to meet and eat outside the office, the principle of paragraph 1.2.1 (1) above must be observed.
- (3) Even in exceptional cases that do not need to be reported, if it is believed that the meeting may involve entertainment

and hospitality, it must be immediately stopped or avoided.

- (4) Acceptance of entertainment and hospitality through a family member, relative, friend/acquaintance, etc. is considered as the employee's own action, and the maximum spending allowed is as prescribed in paragraph 1.1.1 (1).

2.2 Reported Matters

Employees must report any benefits such as free meals, drinking, sporting game, entertainment, etc. they have unavoidably received from a supplier or stakeholder in connection with their jobs.

2.3 Reporting Procedure

III. Standards Related to Misconduct Abusing One's Job Position

3.1 Basic Principles

(1) Bribery

- 1) Employees must not accept any benefits/bribes from suppliers and stakeholders in connection with their jobs and must politely decline them. However, there are exceptions when the same facilities, meals, and transportation are provided to all trainees by participating in an official training program or event.
- 2) If it is unavoidable to accept the benefits provided while conducting family affairs, the recipient shall provide fair compensation and report it to the secretary and Ethics Committee.
- 3) Accepting money or gifts through a family member, relative, or friend/acquaintance will be considered as the employee's own action.

- 4) In case of going on a field trip to a domestic or overseas exhibition, trade show, etc. at the expense of a supplier (expenses fully or partially paid) or receiving free accommodation, transportation, etc., it must be reported to the secretary of the Ethics Committee.
 - 5) Employees must not accept sponsorship from stakeholders for company-sponsored events such as team events or club activities.
 - 6) Vehicles, venues, and services for events shall also be considered as sponsorship.
 - 7) In case of unavoidably accepting event sponsorship, it shall be reported to the head of one's affiliated team or the organizing team, and the team leader shall report it to the secretary of the Ethics Committee.
- (2) Dept Repayment and Repayment Guarantee
- 1) When a stakeholder makes a credit card payment or pays off an account receivable or debt on behalf of an employee in connection with his/her job, it will be considered as acceptance of money.
 - 2) This includes accepting a stake in a property or loan guarantee, movable property, real estate, securities, goodwill, membership rights, etc. from a stakeholder in connection with one's job.
 - 3) Accepting the aforementioned through a family member, relative, or friend/acquaintance will be considered as the employee's own action.
- (3) Borrowing of Movable/Immovable Property
- 1) Borrowing money from a stakeholder in connection with one's job will be considered as acceptance of money. However, this excludes cases where the money is borrowed from a financial institution recognized by law and the government in accordance with due methods

and procedures.

- 2) Employees shall not lease assets or receive collateral from stakeholders for personal gains or profit in connection with their jobs.
 - 3) In the event that an employee purchases a movable or immovable property from a stakeholder at a lower price than normal in connection with his/her job and obtains a substantial profit, it shall be considered that the employee accepted the difference in the amount as a bribe.
 - 4) The act of borrowing from a stakeholder by a family member, relative, or friend/acquaintance will be considered as the employee's own action.
- (4) Guarantees for the Future
- 1) Employees shall not accept guarantees for education, job placement, and contract conclusion from stakeholders in connection with their jobs.
 - 2) The act of accepting such guarantees by a family member, relative, or friend/acquaintance will be considered as the employee's own action.

3.2 Reported Matters

In case of receiving any benefits from a stakeholder, having a stakeholder pay off their debt or provide debt repayment guarantee on their behalf, borrowing a movable/immovable property, or receiving guarantees for the future such as education and job placement in connection with one's job, the employee in question must report it.

3.3 Reporting Procedure

In case of receiving a guarantee for the future from a stakeholder in connection with one's job in violation of the basic principles set forth in paragraph 4.3.1, the employee in question must report it to his/her supervisor or next highest

supervisor within three working days from the date of receipt and fill out the Bribery Report form and submit it to the secretary of the Ethics Committee or submit it on the company website.

3.4 How to Handle Bribery

In case of unavoidably accepting benefits or an act of bribery from stakeholders in connection with one's job, the Ethics Committee shall compile the details of the bribe and the amount based on the Bribery Report form submitted and return it immediately after politely apologizing to the provider (within 10 days).

IV. Standards Related to the Prevention of Sexual Harassment in the Workplace

4.1 Basic Principles

- (1) Employees shall not make physical contact, touch certain body parts, etc.
- (2) Employees shall not sexually harass others verbally such as by making obscene jokes or forcing a person of the opposite gender to pour them drinks at an office gathering.
- (3) Employees shall not post or show pornographic materials (photos, drawings, books, etc.).
- (4) Employees shall not engage in any other behavior that is considered sexual harassment according to social norms.
- (5) In case an anonymous sexual harassment report is received, a thorough investigation shall be carried out based on the report, and recurrences shall be prevented.
However, the report must have been written based on the 5W1H principle and be credible.
- (6) In the event of sexual harassment, the executives and employees responsible for investigating the case shall

objectively determine the truth and ensure that the victim does not face reprisal and that the perpetrator is dealt with in accordance with the disciplinary procedure.

V. Compliance

- 5.1 Employees shall faithfully comply with the ethical management procedures and the Guidelines for Ethical Practice, regardless of their position in the organizational hierarchy, and employees who commit violations shall be subject to disciplinary action, including referral to the Personnel Committee.
- 5.2 Employees shall inform and consult the Ethics Committee or an equivalent organization if they have been coerced to commit a violation of the ethical management procedures or the Guidelines for Ethical Practice or have become aware of such violations, and the secretary of the committee shall take any and all measures to protect persons who filed a complaint or report, provided a tip, or made an accusation against an executive or employee.
- 5.3 If the report is found to be true and the sum is confirmed, the person who filed the report shall be compensated up to 3% of the amount of the report (up to 10 million won).