

Supplier Code of Conduct

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1 / 21

1. Introduction

2. Human Rights

3. Safety and Health

4. Environment

5. Ethics

6. Management System

1. Introduction

1.1.Objective

Buyer has instituted this Supplier Code of Conduct (hereinafter, “the Code”) to cultivate sustainable supply chain in collaboration with Supplier.

In conjunction with Supplier, Buyer’s aspiration is to forge a sustainable supply chain that fosters a secure work environment, upholds the fundamental human rights of our workforce, and maintains environmental stewardship and ethical governance.

1.2. Principle

This Code is based on the UN Declaration of Human Rights, UN Guiding Principles on Business and Human Rights (UNGPs), and the Core Conventions presented by the International Labor Organization (ILO), OECD Guidelines for Multinational Enterprises, and EU Corporate Sustainability Due Diligence Directive (CSDDD).

If there are any differences or contradictions among this Code and laws, Seller shall adhere to the more stringent requirements.

1.3. Scope and Responsibility

Supplier shall comply with this Code and recommend equal human rights management, safety, and health, environmental standards, and ethical responsibilities to its first and second-tier suppliers.

1.4. Additional Clause

Buyer or an external audit agency or other third party for audit appointed by Buyer shall have the authority to inspect and perform due diligence to verify the Supplier’s adherence to this standard.

Furthermore, Buyer has right to carry out written or on-site inspections as deemed necessary and provide guidance and recommendations for a sustainable supply chain.

To facilitate the development of a sustainable supply chain, Buyer's supply chain management plan and implementation obligations, including this Code, shall be transparently disclosed through Buyer's integrated procurement system.

1.5. Definition

- (1) “Buyer” shall mean HD Hyundai Heavy Industries Co., Ltd. or any of its successors and/or assigns.
- (2) “Supplier” shall mean _____ or any of its successors and/or assigns.
- (3) “Employee” or “Employees” shall mean someone who is/are hired to work a particular job by the Supplier for the purpose of earning wages, works a regular schedule under the terms of a contract of employment.
- (4) “Worker” or “Workers” shall mean who is/are not employee or employees but who has agreed pursuant to a contract of employment or, any other contract whether express or implied and (if it is express) whether oral or in writing, whereby the individual undertakes to do or perform personally any work or services for another party to the contract whose status is not by virtue of the contract that of a client or customer of any profession or business undertaking carried on by the individual
- (5) “Sub-Supplier” shall mean who supplies any goods and/or provide services for the Supplier based on supply contract with Supplier to meet the requirements of a contract between Buyer and Seller but it is not contractually related to Buyer directly.

2. Human Rights

Buyer supports international organizations' human rights protection and labor standards, including the UN Declaration of Human Rights, the Convention of the Rights of the Child, UN Guiding Principles on Business and Human Rights (UNGPs), and the Core Conventions presented by the International Labor Organization (ILO), OECD Guidelines for Multinational Enterprises, and EU Corporate Sustainability Due Diligence Directive (CSDDD), and has established and faithfully implemented human rights respect management policies to comply with international standards and guidelines related to human rights and labor.

Supplier shall uphold the human rights of workers, and proactively prevent any adverse impact stemming from its business operations on human rights.

To effectively identify, prevent, and mitigate adverse human rights impacts and

assume accountability for the outcomes of company activities, it is necessary to enhance the human rights management system.

2.1. Non-Discrimination and Non-Harassment

- 1) Supplier shall proactively forbid actions that lead to physical or psychological distress or deteriorate the working environment through the exploitation of its position or relationships within the workplace.

Additionally, upon the request of an Employee and/or Worker subjected to workplace bullying, appropriate measures, such as workplace relocation and reassignment, shall be implemented. Comprehensive regulations and procedures shall be established against the perpetrators to enable the adoption of justifiable actions, including relocation and disciplinary measures.

- 2) Supplier shall not engage in discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or country of origin, disability, pregnancy, religion, political affiliation, union membership or, veteran status, pension eligibility, genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.
- 3) Supplier shall not engage in discrimination against Employees and/or Workers based on the company to which these Employees and/or Workers belong when operating within the same workplace.
- 4) Supplier is required to establish a management system that applies equitably to both short-term and fixed-term Workers, in comparison to regular Employees.
- 5) Unless medical tests are required for legal or safety reasons, Employees and/or Workers, including potential Employees and/or Workers, shall not be subjected to medical tests (e.g., pregnancy or purity tests) that could be used in a discriminatory way.

2.2. Freedom of Association and Collective Bargaining

- 1) Supplier shall respect the right of all Employees and/or Workers to form and join Employee and/or Worker council or trade unions. This commitment extends not only to the right to participate in lawful labor gatherings but also to the right to abstain from participation.
- 2) Supplier shall maintain consistent communication with labor unions or labor-management councils and effectively oversee the implementation and management of agreements reached through these channels. This includes routine engagement, the maintenance of records or documentation of implementation outcomes, and the sharing of progress updates.

- 3) Supplier shall guarantee the freedom and right to collective bargaining through their representatives in order to reach an agreement on the working conditions of Employees and/or Workers. In addition, Supplier shall not refuse collective bargaining without justifiable reasons, and shall respect the results of collective bargaining and faithfully implement them.

2.3. Protection of Young Employees and/or Workers

- 1) Supplier shall not use child labor in any stage of manufacturing. Supplier shall follow ILO Convention No.138 and domestic regulation on the minimum age for admission to employment and work. The term “child” refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest.
- 2) Supplier shall take required actions to verify the age of prospective Employees and/or Workers’ age during the hiring process. If any child labor is detected, Buyer reserves the right to terminate the contract with the Supplier promptly.
- 3) Supplier shall ensure proper management of young Employees and/or Workers under the age of 18 through proper maintenance in accordance with relevant laws.
Young Employees and/or Workers shall not perform work that is likely jeopardize their health or safety, including night shifts and overtime, or work longer hours than is permitted by local law.

2.4. Protection of Student Employees and/or Workers

- 1) Supplier is expected to engage in the recruitment, protection, and management of student Employees and/or Workers in full compliance with the laws and regulations of the respective country.
- 2) Supplier shall conduct periodic assessments to ascertain the legal qualification of the schools that send student Employees and/or Workers.
- 3) Supplier is required to rigorously oversee, manage, and supervise the educational institutions affiliated with employed student Employees and/or Workers in accordance with all relevant laws.
- 4) Supplier shall offer suitable support and training to student Employees and/or Workers to enable them to achieve their educational objectives while employed.

2.5. Prohibition of Forced or Compulsory Labor

- 1) All Employees and/or Workers shall be provided with a written contract of employment in the language that Supplier and Employee and/or Worker are able to understand that contains a description of terms and conditions of employment. The contract of employment for migrant Employees and/or Workers shall be established prior to their departure from their home country, and any unjust or unreasonable modifications to the labor agreement shall not be made once suppliers have arrived in the host country.
- 2) Supplier shall guarantee that all work is undertaken with the voluntary consent of the Employee and/or Worker and shall not impede the Employee and/or Worker's right to retire with reasonable notice without facing any undue disadvantages.
- 3) Supplier is prohibited from terminating the Employee and/or Worker's contract without valid and justifiable cause.
- 4) Supplier shall not use involuntary labor (forced, bonded, or unethical contracts) or exploitative prison labor (slavery or human trafficking). Transporting harboring, recruiting, transferring or receiving persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation shall not be used.
- 5) There shall be no unreasonable restrictions on Employees and/or Workers' freedom of movement in the facility and entering or exiting company provided facilities.
- 6) Supplier (including agents and sub-agents) shall not hold or otherwise destroy, conceal or confiscate identity or immigration documents such as government-issued identification, passports except for the case only when permitted by laws.

2.6. Working Hours

- 1) Supplier shall manage maximum working hours per week to be in accordance with local laws.
- 2) All of overtime work shall be voluntary.
- 3) Employees and/or Workers shall be allowed at least one day off every seven days and paid leave is to be provided to those who have completed the workdays as mandated for one week.

2.7. Wages and Benefits

- 1) Supplier is required to consistently display employment regulations in an easily accessible location for Employees and/or Workers to read and be informed. Any

changes to these rules that may affect Employees and/or Workers shall only be implemented with their consent.

- 2) Supplier shall accurately calculate minimum wages, overtime pay, legal allowances, and other compensation in accordance with relevant laws. Employee and/or Worker wages shall be disbursed in cash on predetermined dates, and wage deductions may only occur for justifiable reasons.
- 3) Supplier shall subscribe to social insurance programs against the Employees and/or Workers as mandated by laws and regulations. Supplier is also responsible for accurately calculating and remitting deductions or withholdings for social insurance to government authorities.
- 4) Supplier is responsible for furnishing salary statements or payment details in a language comprehensible to the Employees and/or Workers.
- 5) Supplier shall establish and maintain a pleasant and efficient working environment, complemented by a welfare system aimed at enhancing the Employees and/or Workers' life quality.
- 6) Supplier shall provide Employees and/or Workers with the necessary education and training mandated by law, striving to foster career development and enhance Employee and/or Worker competencies.
- 7) Supplier shall grant pregnant Employees and/or Workers the legally mandated leave and ensure that no hazardous or detrimental tasks are assigned to them during this period in accordance with relevant laws.

2.8. Humane Treatment

- 1) Supplier shall establish and enforce policies and procedures to guarantee humane treatment for its Employees and/or Workers.
- 2) Disciplinary policies and procedures in support of these requirements shall be defined and communicated to Employees and/or Workers and displayed in an easily accessible location for Employees and/or Workers.

2.9. Protecting Indigenous People and Local Communities

Supplier shall be careful not to infringe on human rights such as the right to safety and health of indigenous people and/or local communities and freedom of residence in all the processes of corporate operation, including resource mining, production, and service provision. In particular, appropriate environmental impact management processes shall be established to prevent environmental harm to the communities where production facilities are located, and Supplier shall not have negative effects such as noise generation and infringement of the right to sunlight.

2.10. Protecting Customers

Supplier shall establish a management process to ensure the health and safety of its customers. It shall be able to ensure safety and utility in the production process of products and services as well as in the stage of use. In addition, a strict information protection management system shall be established to prevent leakage and abuse of customers' personal information collected during the operation of the company.

2.11. Protecting the Vulnerable

Supplier shall respect the human rights of socially disadvantaged people and protect them. In particular, Buyer shall come up with in-house measures to protect and support socially vulnerable groups such as children, women, the elderly, the disabled, foreigners, Employees and/or Workers, and make various efforts to fulfill our social contribution obligations.

3. Safety and Health

In order to prevent industrial accidents, Supplier shall institute and execute a safety and health management system with an emphasis on employers or managerial personnel. This system entails the identification of workplace hazards and risk factors, the development of processes to eliminate, replace, or control them, and a series of ongoing activities aimed at continual improvement.

3.1. Safety and Health Management System

- 1) Supplier shall be responsible for the management and uphold of all safety-health related permits and licenses.
- 2) Supplier shall be required to implement a safety and health management system¹ to proactively prevent safety-health hazards and accidents such as through identifying, assessing, and mitigating potential workplace risk factors.
- 3) Supplier shall attentively listen to safety and health concerns raised by Employees and/or Workers in the workplace. Further, safety-health related measures and activities shall be made available at personnel in accordance with relevant laws and

¹ ISO45001 (ISO), KOSHA18001 (Korea Occupational Safety & Health Agency)

Based on the employer's voluntary policy, principles for safety and health management are established, enabling a system for continuous improvement through planning, execution, inspection, and evaluation

regulations.

3.2. Emergency Preparedness and Response

- 1) Supplier shall identify and assess all potential emergency situations (such as natural disasters, mass infections, safety accidents, etc.) and shall display emergency contact information, emergency response teams, emergency scenario outlines, and response plans in places where Employees and/or workers can easily access them.
- 2) Supplier shall conduct periodic training in preparation for potential emergencies, following its internally established plans and manuals.
- 3) In the event of an emergency, Supplier shall ensure there are escape routes, guiding lights, and fire facilities, and Supplier shall be inspected regularly.
- 4) In the event of an emergency, Supplier shall investigate the exact cause of the accident and take measures to prevent recurrence.

3.3. Occupational Injury and Illness

- 1) Supplier shall recognize the root causes of injuries, illnesses, and harm to Employees and/or Workers resulting from occupational reasons. Supplier shall provide comprehensive regulations and specific guidelines addressing workplace accidents or diseases.
- 2) Supplier shall offer safety and health training and education on hazardous and harmful work and chemical safety in accordance with relevant laws and regulations to its Employees and/or Workers.
- 3) Supplier shall identify tasks that have the potential to cause physical harms, such as repetitive work or heavy lifting, and take measures to enhance processes (e.g., introducing auxiliary equipment, adjusting workstation heights, etc.), implement job rotation, and promote stretching exercises to mitigate these risks.
- 4) Supplier is responsible for immediately halting fieldwork in the event of or in imminent danger of a major accident or serious illness.
- 5) Supplier shall provide support for the reintegration of Employees and/or Workers who have been on leave due to occupational accidents or illnesses, facilitating their return to work.

3.4. Industrial Hygiene (Health)

- 1) Supplier shall conduct regular work environment measurements in order to identify Employee and/or Worker exposure to chemical, biological, and physical hazards

present in the workplace.

- 2) Supplier shall offer education and information to Employees and/or Workers based on the result of measurement associated with accidents and harmful factors, with the goal of establishing a secure work environment.
- 3) In cases where it is not feasible to eliminate or reduce potential harmful factors, control measures shall be implemented to manage them.
- 4) Supplier shall conduct periodic general and specialized health check-ups for Employees and/or Workers and, based on the results, take appropriate measures such as adjusting the working environment, reassigning job roles, or modifying working hours as necessary.

3.5. Machine Safeguarding

- 1) Supplier shall conduct safety inspections of all hazardous and dangerous facilities regularly, install and manage safety devices to prevent any accidents.
- 2) Supplier shall furnish Employees and/or Workers with safety equipment (safety helmets, safety shoes, seat belts, safety glasses, gas masks, etc.) and other necessary gear, as well as work attire.

3.6. Sanitation

- 1) Supplier shall take necessary measures to prevent various health hazards that may arise during work activities and shall ensure the provision of clean rest areas, restroom facilities, and sanitary dining areas.
- 2) Supplier or a labor agent may provide Employee and/or Worker dormitories. In the case, following criteria shall be adhered to:
 - a) Regularly maintain residential facilities to ensure cleanliness and safety.
 - b) Implement proper access control and install easily accessible emergency exits and fire safety equipment.
 - c) Ensure adequate lighting and provide air conditioning and ventilation systems.
 - e) Furnish sufficient personal space, including secure individual storage lockers.
 - f) Maintain gender-separated facilities

3.7. Communication of Safety and Health

- 1) Provide Employees and/or Workers with safety and health information and education on all workplace hazards, including mechanical, electrical, chemical, fire and physical hazards, in their native language or in a language that the Employee and/or Worker can understand.
- 2) Education and Training must be provided before work placement, and education and training must be provided to all Employees and/or Workers on a regular basis even during work.
- 3) Additional training plans shall be established in consideration of the situation in which Employees and/or Workers cannot participate in the planned training, and appropriate measures shall be taken to ensure that all Employees and/or Workers receive safety and health training.
- 4) Safety and health related information shall be posted so that Employees and/or Workers can see it well where they can access it. Suppliers shall actively listen to the health and safety opinions of Employees and/or Workers in the workplace, and encourage Employees and/or Workers to freely raise health and safety concerns without fear of disadvantages in working conditions, such as retaliation from the company and its superiors.

4. Environment

Supplier shall control all of the environmental pollutants derived from its business activities, and use its best efforts to reduce its environmental impact.

4.1. Environmental Management System²

- 1) Supplier shall acquire and uphold all required environmental permits, approvals and registrations essential for conducting business operations and shall adhere to environmental laws, regulations, and specific contractual obligations.
- 2) Supplier is expected to actively monitor pollutant emissions and make efforts to substantially reduce pollutant production through modifications in raw materials, processes, and facility management.
- 3) In the event of an environmental pollution accident, such as chemical leaks, suppliers shall develop the response plan and conduct periodic training sessions.

² ISO has published the ISO 14001 Environmental Management System. To improve internal systems and gain customer trust, one can consider obtaining ISO 14001 certification.

4.2. Efficient Use of Resources

- 1) In order to realize sustainable management, Supplier shall endeavor to have business operations that can use and recycle resources (raw materials, water, etc.) more efficiently
- 2) Supplier shall strive to reduce the use of resources in the course of the its operation.

4.3. Air Emissions

- 1) Supplier is required to take measures to reduce the emission of air pollutants and maintain continuous monitoring, recording, and storage of emission data.
- 2) Supplier shall ensure the proper management of discharge and dust-control facilities in accordance with relevant laws to prevent any illegal discharge of air pollutants.
- 3) Supplier shall establish a system for managing air pollutant emissions and conduct periodic checks to ensure the effective operation of this system.

4.4. Water Management

- 1) Supplier shall make diligent efforts to reduce water consumption and increase recycling capacity.
- 2) Supplier shall establish a water pollutant emission management system and inspect it regularly.
- 3) Supplier shall minimize wastewater discharge and monitor, record and store the discharge status at all times.
- 4) Supplier shall thoroughly manage wastewater to prevent it from being illegally discharged into public areas and commercial zones. The wastewater shall be properly treated and discharged through consignment treatment, self-treatment, etc.
- 5) Supplier shall have a system to prevent rainwater pollution. The discharge of pollutants shall be thoroughly managed to prevent runoff from entering rainwater pipes and public water supplies.

4.5. Hazardous Substances

- 1) Supplier shall assess and carefully choose raw materials and components procured, produced, sold, and distributed, considering their human and environmental risks and hazards.
- 2) In the handling of hazardous chemicals (transport, storage, usage, etc.), Supplier shall maintain and archive a management ledger and adhere to all relevant laws.

- 3) Supplier shall provide hazard notations or information (e.g., MSDS, warning labels) that clearly represent the dangers associated with chemicals being handled by Employees and/or Workers.
- 4) Supplier shall provide essential training to personnel responsible for managing hazardous chemicals, covering their use, storage, and disposal, to prevent chemical leakage accident.

4.6. Energy Consumption and Greenhouse Gas Emissions

- 1) Supplier shall make efforts to monitor its direct and indirect greenhouse gas emissions and enhance efficiency throughout its processes to reduce greenhouse gas emissions.
- 2) Supplier shall endeavor to enhance energy efficiency and reduce energy consumption by establishing Supplier's own energy management systems.

4.7. Waste Management

- 1) Supplier shall expand reuse and recycling practices to minimize waste generation and explore methods for recovering discarded raw materials and components.
- 2) Supplier shall categorize the generated waste, distinguishing between general waste, designated waste, and other categories, and dispose of it in accordance with the characteristics of the waste.
- 3) When waste is produced, Supplier shall adhere to prescribed storage durations and maintain proper management by affixing storage signage and following relevant laws governing waste collection, transportation, storage, and disposal.
- 4) Supplier shall conduct periodic due diligence checks to ensure that the contracted waste disposal company complies with the requirements of relevant laws.

4.8. Noise and Vibration Management

- 1) Supplier shall take measures to prevent noise and vibration disturbances originating from the workplace to ensure a peaceful environment for both Employees and/or Workers and residents.
- 2) Supplier shall install noise and vibration prevention facilities and conduct regular inspections to adhere to legal emission allowance standards and compliance.

4.9. Solid Emissions

- 1) When setting up and operating facilities that have the potential to cause soil pollution in the workplace, it is necessary to install suitable preventive measures

and conduct well-documented inspections to prevent soil contamination.

- 2) Supplier shall monitor the contamination potential of soil-polluting facilities by conducting routine, intermittent, and spillage inspections in accordance with relevant laws and if any soil contamination is discovered, take all necessary measures promptly, including reporting such pollution to the competent authorities, as required by the relevant laws.

4.10. Prevention of Deforestation and Land Conservation

- 1) Supplier, for the prevention of deforestation and the preservation of land, shall establish a procedure to check the possibility of potential forest destruction risks caused by business activities.
- 2) If the status of forest destruction is confirmed or the risk of forest destruction is recognized, Supplier shall strive to prepare a response system that can take appropriate measures.
- 3) Supplier shall actively cooperate in environmental protection activities through forest creation, land preservation, and greening.

4.11. Conservation and Sustainable Use of Biodiversity

- 1) Supplier, to preserve, restore, and expand biodiversity, shall take action that can be implemented throughout the entire operation of the business, and shall endeavor to establish and implement strategies and action plans to prevent, reduce, and offset negative effects.
- 2) Supplier shall measure and improve its impact and dependence on biodiversity when considering expanding into new areas as well as existing businesses

4.12. Eco-friendly Purchase

- 1) Supplier shall participate in 'Eco-friendly purchase' activities that contribute to sustainability by expanding the purchase of 'green goods' that conserve natural resources and minimize environmental pollution.
- 2) The term 'Eco-friendly purchase' means a purchase activity that contributes to the sustainability of the company by expanding the purchase of eco-friendly goods that contributes to the preservation of natural resources and minimizing environmental pollution, and the term 'green goods' means products that are externally recognized as green purchase items or obtained environmental certification marks or certificates from government agencies, etc.
- 3) Supplier shall make eco-friendly purchases in compliance with the following

policy.

- a) Supplier who supplies eco-friendly goods must submit evidence at the time of the contract, such as environmental certification marks or certificates proving whether the products Supplier supplies are eco-friendly goods.
- b) If the main environmental information of the products is changed after the contract, it shall be notified to Buyer in writing within two (2) weeks from the date of acknowledge.
- c) Supplier must consider environmental impacts in all processes, including the manufacture of supplied goods and shall strive to reduce carbon emissions and establish a system to manage them.
- d) In addition, Supplier must present all the eco-friendly purchase-related matters required by Buyer.

5. Ethics

To guarantee transparency and equity in transactions between suppliers and foster mutual trust, the supplier shall establish ethical management policies³ rooted in the highest standards of integrity, in accordance with local laws. Supplier shall refrain from any actions that violate this principle.

Supplier shall periodically conduct ethics and fair-trade training to enhance the ethical management awareness of both management and employees.

5.1. Transparency in Business Relationships

- 1) Supplier shall not engage in any form of corruption, such as offering money or benefits to stakeholders with the intent to influence decision makings. Supplier shall conduct periodic anti-corruption training for all Employees and/or Workers, including management.
- 2) Supplier shall encourage its Employees and/or Workers to report conflicts of interest and shall establish internal regulations and procedures to document and manage such reports.
- 3) If a stakeholder offers money, Supplier shall politely refuse or return it. However, in the case of gifts, if the individual was unaware or if immediate refusal or return

³ ISO has published the ISO 37001 Anti-Bribery Management System. To improve internal systems and gain customer trust, one can consider obtaining ISO 37001 certification.

would be considered rude, Supplier shall report and handle it according to internal regulations and relevant laws.

- 4) Supplier shall use its tangible and intangible assets, including confidential information, solely for business activities and approved purposes. Supplier shall prepare for potential loss, misuse, or theft of assets. All expenditures of Supplier shall be made in accordance with their approved purpose, and improper or unlawful use of funds such as misappropriation of company funds or false expenditures is strictly prohibited.
- 5) When appointing third parties such as brokers or consultants, Supplier shall ensure that Supplier does not resort to corrupt practices like bribing. If a third party offers a bribe for the benefit of the company and the Supplier knew or could have known about it, the Supplier may be held responsible.

Therefore, Supplier shall monitor to prevent inappropriate offers, bribes, or acceptance of unjust/improper benefits in its business relationships and investigate any suspicions.

5.2. Observance of Fair Trade

- 1) Supplier shall comply with the laws and regulations related to fair trade, antitrust, and subcontracting transactions of the country in which it operates.
- 2) Supplier shall not engage in any activities that may disrupt market competitiveness.
- 3) Supplier can voluntarily report collusion. Buyer has introduced a leniency system that deals with transactions, bidding sanctions, and exemption and reduction of damages for partner companies that voluntarily report collusion. Buyer operates a Collusion Reporting Center. For any other inquiries related to unfair trade with suppliers including collusion, please contact to Buyer Collusion Reporting Center (HDKSOE HIPRO Collusion Reporting Center).
- 4) Supplier shall encourage the adoption of the following practices⁴ to contribute to establishing a fair subcontracting trade order for Buyer, even among subcontracting companies:
 - a) Practices for desirable contract signing:

Prevent the abuse of superior negotiating power and establish fair and rational trade practices by laying out guidelines for what needs to be adhered to during contract signing.
 - b) Practices for fair registration (selection) of subcontracting companies:

⁴ Our Fair Trade Practice guidelines are being shared through the website (<https://hipro.hd.com>).

Publicize the registration and operation procedures of subcontracting companies to enhance the fairness of trade.

c) Practices for the operation of an internal review committee:

Deliberate on the fairness and legality of subcontracting trades and prevent violations.

d) Practices for issuing and preserving documents:

Clearly present obligations related to issuing documents to spread the culture of proper documentation.

5.3. Prohibition of Counterfeit Parts

- 1) Supplier shall not produce or process unapproved raw materials and parts, and shall not use or sell counterfeit raw materials and parts.
- 2) Supplier shall periodically check whether forged raw materials, parts, etc. are produced or used in the workplace, and if it is confirmed, it notify the government or the customers when necessary.
- 3) Supplier shall endeavor to ensure that the raw materials, parts, etc. are used or distributed in accordance with the purpose of the business or the terms of the contract.

5.4. Disclosure of Information and Privacy

- 1) Supplier shall disclose information regarding labor, occupational health and safety, environment, business status, governance, financial condition, and performance in accordance with relevant laws. Falsifying records, providing inadequate annotations, or making false disclosures/statements is not permitted.
- 2) Supplier is only allowed to use intellectual property rights that have been granted permission for the manufacture of the product or related purposes. Supplier may not use them beyond the manufacturing of the product or related activities. Without prior approval and consent, Supplier shall neither provide intellectual property rights to a third party nor infringe upon the intellectual property rights of a third party.
- 3) Supplier shall establish a trust relationship with stakeholders based on accurate information disclosure. Supplier shall not provide false or exaggerated information, leading stakeholders to have a misconceived perception of the company.
- 4) Supplier shall protect all information related to stakeholders (including employees and clients). When collecting, storing, processing, transmitting, or sharing information, Supplier shall comply with personal information and information security laws.

5.5. Whistleblower Confidentiality and Non-Retaliation

- 1) Programs that ensure the confidentiality and protection of Supplier and employee whistleblower are to be maintained unless prohibited by law.
- 2) Supplier shall have a communicated process for its personnel to be able to raise any concerns without fear of retaliation.

5.6. Import and Export Management and Customs Clearance

- 1) Supplier must comply with the management of import and export goods and customs regulations. It must comply with all applicable import and export laws, rules, regulations and restrictions, including, but not limited to, the Uighur Forced Labor Prevention Act and the control of the export and export of strategic goods, and must not trade with countries, regions, and individuals subject to any sanctions or prohibitions under relevant laws or regulations.
- 2) Supplier shall allow Buyer to conduct various activities such as due diligence, inspections, investigations, requests for information or data, visits, etc., to verify and ensure compliance with all relevant regulations regarding Supplier's import and export transactions, and fully cooperate with such Buyer's activities.

6. Management System

The senior management of the Supplier shall demonstrate its commitment to adhering to this Code and conduct regular assessments and monitor improvements as necessary. Additionally, these statements shall be distributed and made available in a language that is comprehensible to the Employees and/or Workers.

6.1. Decision Making and Improvement

- 1) Supplier shall establish a board of directors in accordance with its articles of association and company rules, and major decisions shall be deliberated upon through the board of directors, which shall meet at least once every quarter.
- 2) Supplier shall maintain integrity against any form of bribery, corruption, extortion, and embezzlement in all business areas. Supplier shall also implement policies and programs for the practice of human rights management, which includes impact assessments, punishments, improvements, and monitoring of compliance procedures.

6.2. Stakeholder Communication

- 1) Supplier shall possess and operate regular communication procedures with stakeholders (Employees and/or Workers, managers, Sub-suppliers, customers, executives, etc.) concerning Environmental, Social, and Governance (ESG) matters.
- 2) Supplier shall have a procedure to regularly report ESG issues (laws or regulations, changes in customer preferences, stakeholder requirements, risks, etc.) to the board of directors to facilitate decision-making.
- 3) Supplier shall check and record compliance with this code of conduct and disclose information on major non-financial matters.

6.3. Responsible Sourcing

- 1) Supplier shall prevent the use of conflict minerals (i.e., 3TG - tungsten, tin, tantalum, gold) and responsible minerals (i.e., minerals such as Lithium and Cobalt) sourced from conflict-risk areas and shall be able to prove this.
- 2) Supplier shall not produce or use raw materials and components that are not required in the contract.
- 3) Supplier shall not engage in transactions with countries, regions, or individuals subject to export restrictions and economic sanctions.
- 4) As a member of the local community, suppliers shall take the lead in activities necessary to solve the community's environmental/social issues.
- 5) Supplier shall recommend second and third-tier suppliers to take on equal responsibilities and voluntary participation as per this standard.

6.4. Risk Management

- 1) Supplier shall identify risks related to human rights, health and safety, environment, and ethics in all business operations.
- 2) Supplier shall manage risks according to appropriate procedures.
- 3) Supplier shall set the relative importance of risks based on the possibility of their occurrence and the level of impact on the business. And, based on this importance, Supplier shall establish a system that can systematically control the identified risks.

6.5. Grief Mechanism

- 1) Supplier shall have channels and effective grievance procedures to report cases of human rights violations. Supplier shall evaluate Employees and/or Workers' understanding of the practices and conditions covered by this code, receive feedback or violations, and establish and operate procedures to pursue continuous

improvement.

- 2) If a case of human rights violation is reported, the remedy shall be discussed and treated immediately by checking the contents and carrying out all necessary investigating procedures. All information and informant information are guaranteed to be anonymous, and retaliatory acts such as disadvantages or discrimination caused by reporting are prohibited.
- 3) Employees and/or Workers shall be provided with a safe environment to express their grievances and feedback.

6.6. Self-assessment and corrective action

- 1) Supplier shall periodically conduct self-assessment to ensure compliance with Customer's contractual requirements in relation to legal and regulatory requirements, content of this Code, human rights, environment, and ethics among other social responsibilities.
- 2) Supplier shall have procedures to correct any discrepancies identified through internal and external evaluations, inspections, investigations, and reviews in a timely manner.

6.7. Documentation and Recording

- 1) Supplier shall make and maintain documents and records to keep confidentiality for regulatory compliance and privacy, and to comply with the requirements of the state, society, and relevant agencies.
- 2) Supplier shall document to show compliance with this Code and shall immediately provide relevant information (excluding cost, sales, management strategy and sales related information prohibited under the law) if requested by Buyer.

Buyer will continue to develop this Code and will do its best to regularly gather stakeholder input.

This Code may be amended regularly, and in this case, the Buyer may request to revise the agreement of Supplier's Code of Conduct in accordance with the latest version of the Code.

Supplier shall actively reflect the provisions of this Code in the process of corporate operation and decision-making, and shall establish a plan to reduce risks and take specific measures based on mutual consultation with Buyer.