

# **HD Hyundai Electric**

## **Supplier Code of Conduct**

May 2023

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# 1. Overview

## 1.1. Purpose

As a result of electrification, or the shift of energy sources from fossil fuels to electricity, global demand for electrical equipment is increasing at a rapid rate.

Furthermore, decarbonization efforts increasingly highlight the need to manufacture transmission and distribution facilities for renewable energy and develop solutions for more efficient energy use.

Amid these changes and opportunities, HD Hyundai Electric aims to become a total energy solution provider that leads carbon neutrality efforts in the era of energy transformation.

To this end, building a sustainable supply chain and achieving mutual growth with suppliers is essential.

Accordingly, HD Hyundai Electric supports the growth and development of suppliers under the core value of ethical, fair, and lawful business conduct.

HD Hyundai Electric has established this Supplier Code of Conduct(the "Code") to promote suppliers' compliance management and competitiveness, thereby fostering a healthy business ecosystem based on mutual growth with suppliers.

HD Hyundai Electric and all suppliers shall comply with laws and this Code while diligently fulfilling their social responsibilities, proposing a new leading paradigm for the era.

## 1.2. Basis of the Code

This Code was established based on global standards, including the Responsible Business Alliance (RBA) Code of Conduct, the UN Universal Declaration of Human Rights and the UN Convention on the Rights of the Child, and the core conventions of the International Labour Organization (ILO).

Where the Code and applicable laws have conflicting standards, the more stringent requirement shall apply.

### 1.3. Scope of the Code

This Code outlines the basic obligations to be followed by HD Hyundai Electric and partner companies ("Suppliers") that are in business and cooperative relationships with the Company or supply products or services used for HD Hyundai Electric products, including suppliers, business partners, and joint ventures.

Suppliers subject to this Code shall also advise and request the companies that work with their subsidiaries, affiliates, or partner companies ("Tiers 2 and 3 Suppliers") to comply with the standards and responsibilities set forth in this Code for human rights and labor, safety and health, environmental protection, ethical management and fair trade, and management systems.

### 1.4. Additional Matters

HD Hyundai Electric or an external auditor designated by HD Hyundai Electric may conduct inspections and due diligence to verify Suppliers' compliance with this Code.

Additionally, HD Hyundai Electric may conduct inspections/due diligence in writing or on-site as necessary, and may provide guidance and recommend improvements for cultivating a supply chain for sustainable growth.

To build a supply chain for sustainable growth, HD Hyundai Electric's supply chain management measures and implementation obligations, including this Code, are disclosed through HD Hyundai Electric's integrated procurement system.

※ Website of the Integrated Procurement System: <https://hipro.hhi.co.kr>

## 2. Human Rights and Labor

HD Hyundai Electric supports international human rights protection and labor standards such as the UN Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the ten principles of the UN Global Compact (UNGC), the UN Convention on the Rights of the Child, and the core conventions of the International Labour Organization (ILO). To comply with international human rights and labor standards and guidelines, the Company has established human rights and labor policies and strictly adheres to them.

Suppliers shall strive to defend workers' human rights and protect and treat them with dignity and respect.

This applies to all types of workers, including temporary workers, migrant workers, student workers, contract workers, and directly employed workers.

### 2.1. Voluntary Employment

Forced labor, bonded labor (including debt bondage), labor tied to unfair contracts, involuntary labor, exploitative penal labor, slavery, or human trafficking must not be practiced.

This includes moving, concealing, recruiting, transferring, or harboring persons through threats, violence, coercion, abduction, or fraud to obtain labor or services.

Additionally, Suppliers shall not unreasonably restrict workers' freedom of access to company facilities (dormitories, accommodations, etc.) or workers' freedom of movement within such facilities.

Suppliers shall accept no products or services from business partners where forced labor has been identified, and shall take appropriate action to address such violations.

Suppliers shall provide all workers with a written employment contract that outlines the conditions of employment in the worker's native language or a language understandable by the worker.

Furthermore, employment contracts with workers shall not be terminated without justifiable cause.

Employment contracts with migrant workers shall be established before the migrant worker departs their home country, and the content of the contract shall not be unreasonably replaced or modified after the worker's entry into the host country.

All work must be voluntary, and workers have the freedom to leave or resign at any time without penalty after giving reasonable notice to the company in accordance with the contract.

Workers shall not be required to pay recruitment fees charged by employment agencies or subcontractors, or other employment-related fees.

If it is found that workers have paid such fees, the fees shall be refunded to the workers.

## **2.2. Young Workers (Child Labor)**

Child labor shall be excluded from all aspects of business operations, including all stages of manufacturing. (A "child" refers to any person below 15 years of age, the age of completing compulsory education, or the minimum employment age in the corresponding country, whichever is highest.)

Suppliers shall verify the age of workers and job applicants through legitimate documents such as identification cards and birth certificates.

In case child labor has been identified, Suppliers shall immediately terminate the employment of the child worker and review and improve their age verification procedure at the recruitment stage.

Additionally, Suppliers shall accept no products or services from business partners that engage in child labor or violate related laws and shall take appropriate action regarding such violations.

Young workers under the age of 18 shall not perform work that threatens their health or safety, including night work or overtime work.

Suppliers shall provide appropriate management, support, and training for student workers and protect students' rights in accordance with applicable regulations so that student workers can achieve their learning objectives during their employment period.

Suppliers shall periodically verify that schools that have dispatched student workers qualify as legitimate educational institutions, and shall conduct strict due diligence on, manage, and supervise the educational partners of the employed student workers in accordance with applicable laws and regulations.

Students undergoing work placements shall be managed separately from regular workers according to the work placement program, and such programs shall comply with local laws and regulations.

Where local laws do not exist, wage levels for student workers, interns, and apprentices shall be at least equal to those of other entry-level employees performing similar work.

## **2.3. Working Hours**

According to research on business practices, workers' fatigue is associated with lower productivity, higher turnover, and increases in injuries and illnesses.

Working hours shall not exceed the maximum working hours stipulated in local laws. Workers shall be guaranteed an average of at least one paid day off every seven days.

Business sites shall comply with all relevant laws and regulations regarding working hours and days off, and all overtime work shall be voluntary.

## **2.4. Wages and Benefits**

Compensation to workers shall comply with all wage-related laws, including laws related to minimum wage, overtime pay, and statutory benefits.

In accordance with local laws, workers' overtime pay shall be higher than their regular hourly wages.

Suppliers shall post the employment rules at all times in a location where workers can freely view them. If Suppliers wish to change the rules in a manner unfavorable to workers, they shall obtain workers' consent in advance.

Each time wages are paid, Suppliers shall provide workers with a clear and easily understandable pay statement in a timely manner so that workers can verify accurate payment for their work.

Suppliers shall provide workers with a comfortable and efficient work environment and operate a benefits system that can improve their quality of life.

Suppliers shall conduct legally required education and training and strive to support workers' career development and capacity building.

Pregnant workers shall be granted leave as required by law and not be assigned to work that is hazardous or dangerous.

Suppliers shall conduct regular health examinations for employees in accordance with the local health examination laws.

Additionally, depending on workers' examination results, Suppliers may be required to take appropriate measures for workers' recovery, such as changing their workspaces or assigned jobs or reducing their working hours.

Suppliers shall register employees for social insurance in compliance with local laws and regulations, calculate social insurance-related deductions or withholdings, and remit them to government agencies.

## **2.5. Humane Treatment**

Workers must not be subject to harsh or inhumane treatment, such as violence, sexual violence, sexual harassment, abuse, corporal punishment, mental or physical coercion, bullying, public humiliation, or verbal abuse, as well as any threat of such treatment.

Suppliers shall develop clear disciplinary policies and procedures applicable in case of violations. These shall also be communicated to workers and be posted at all times at the business site.

Suppliers shall respect workers' privacy and refrain from giving unnecessary work-related instructions outside of working hours, and shall inform and obtain voluntary consent from workers prior to collecting their personal information.

## **2.6. Non-Discrimination and Anti-Harassment**

Suppliers shall make efforts to eliminate workplace harassment and unlawful discrimination.

In recruitment and employment activities, including wages, promotions, compensation, and training opportunities, workers shall not be discriminated against or harassed based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, veteran status, protected genetic information, or marital status.

Additionally, Suppliers shall not demand conditions that are not necessary for performing work when recruiting and hiring workers.

Workers shall not be subject to discriminatory treatment because of their affiliation with a different company from the business site, and Suppliers shall have a management system in place for temporary and fixed-term workers and shall not treat them unfavorably compared to regular employees.

Any act of workplace harassment that abuses one's superior position or relationships at work to cause physical or mental distress or deteriorate the work environment shall be prohibited.

If requested by a victim of workplace harassment, Suppliers shall take appropriate measures, such as workplace relocation or job reassignment. Rules and procedures shall also be established to ensure the perpetrator receives reasonable disciplinary action, such as sanctions or workplace relocation.

Except where specified in local laws or necessary for workplace safety, Suppliers shall not require medical examinations (such as pregnancy testing) that may serve as discriminatory means against workers or job applicants.

## **2.7. Freedom of Association**

In accordance with local laws, Suppliers shall respect workers' right to freely form and join labor unions of their own choice (right to organize), their right to collective bargaining, their right to engage in lawful and peaceful assembly, as well as their right to refrain from such participation.

Workers or worker representatives shall be able to communicate regularly and openly with management regarding working conditions and management practices without fear of discrimination, retaliation, threats, or harassment, and shall be able to express their views and concerns.

Additionally, Suppliers shall implement and manage decisions agreed upon between labor and management, and maintain documentary or photographic records of implementation results.

## **2.8. Protection of Human Rights for Local Communities**

Suppliers shall ensure that the human rights of local residents, including their rights to safety and health and freedom of residence, are not violated during business operations such as resource extraction, product manufacturing, and service provision.

In particular, Suppliers shall establish an appropriate environmental impact management process to prevent environmental harm to communities where production facilities are located, and shall not cause negative impacts such as noise generation or violations of the right to sunlight.

## **2.9. Protection of Customers' Human Rights**

Suppliers shall establish management processes to ensure the health and safety of customers.

Suppliers shall ensure the safety and effectiveness of their products and services not only during the production process, but also during use.

Additionally, Suppliers shall have a strict information protection management system in place to prevent leakage and misuse of customer personal information collected during business operations.

## **2.10. Protection of Vulnerable Groups**

Suppliers shall respect and protect the human rights of socially vulnerable groups. In particular, Suppliers shall develop internal measures to protect and support socially disadvantaged populations such as children, women, the elderly, persons with disabilities, and migrant workers, and shall make diverse efforts to fulfill their corporate social responsibility.

## **3. Safety and Health**

Suppliers shall recognize that a safe and healthy work environment not only minimizes the occurrence of work-related accidents and illnesses, but is also a factor that can enhance product and service quality, production consistency, employee retention, and morale.

Additionally, Suppliers shall recognize that continuous worker participation and training are essential for identifying and resolving health and safety issues in the workplace.

### **3.1. Occupational Safety**

Suppliers shall obtain and maintain all safety and health permits required for business operations.

Additionally, Suppliers shall establish and operate an occupational safety and health management system composed of relevant organizations, plans, procedures, and outcome review processes to prevent safety and health incidents.

Workers potentially exposed to occupational health and safety hazards (chemicals, electricity and other energy sources, fire, vehicles, falls, etc.) shall be managed and protected through an appropriately designed work procedure.

Suppliers shall also implement engineering and administrative controls, preventive maintenance and safety devices (lockout/tagout equipment), and continuous occupational health and safety training.

When hazards cannot be adequately controlled or when necessary, Suppliers shall provide workers with appropriate and well-maintained personal protective equipment and related training materials free of charge.

Through reasonable measures, pregnant women and nursing mothers shall not be assigned to high-risk work environments, and factors that may threaten the health and safety of pregnant women and nursing mothers in the workplace shall be eliminated and mitigated.

### **3.2. Emergency Response Measures**

Suppliers shall assess and identify potential emergencies such as natural disasters, infectious disease outbreaks, fires, and industrial accidents in advance, and minimize damage by implementing emergency response plans and procedures.

Suppliers shall take measures in accordance with emergency response plans and procedures (emergency situation reporting, employee notification, evacuation procedure guidance, worker training and drills), and conduct regular emergency drills in accordance with their emergency plans and manuals.

Emergency plans are required to specify fire detection and suppression equipment, evacuation routes and emergency exit lighting, contact details of emergency response personnel, and recovery plans, and focus on minimizing loss of life and environmental and property damage.

In the event of an emergency, Suppliers shall thoroughly investigate the cause of the accident and take measures to prevent recurrence.

### **3.3. Occupational Accidents and Illnesses**

Suppliers shall identify the root causes of worker injuries, illnesses, and disabilities induced by work-related factors and establish rules for prevention, management, monitoring, and reporting in preparation for the occurrence of occupational accidents or illnesses.

These rules shall include contents such as encouraging the reporting of accidents and illnesses, classifying and recording cases of injuries and illnesses, providing medical treatment, investigating cases, implementing corrective actions to eliminate causes, and facilitating workers' return to work.

### **3.4. Industrial Hygiene (Hazard Exposure Control)**

Suppliers shall conduct risk assessments to identify workers' potential exposure to chemical, biological, and physical agents.

Suppliers shall communicate assessment results to workers, and based on these results, they shall control risk factors by implementing safe process design, engineering and administrative controls, preventive maintenance, improvement of machinery, equipment, and facilities, establishment of safety regulations, and training on hazards and risks.

When potential hazards are identified, Suppliers shall eliminate or reduce the risk factors.

Where adequate control cannot be achieved or when necessary, Suppliers shall provide workers with personal protective equipment free of charge and ensure that workers use it.

### **3.5. Physical Labor**

Suppliers shall identify, evaluate, and control workers' exposure to hazards of physical labor, and provide education on such hazards.

Such hazards include manual handling and lifting of heavy materials or repetitive lifting, prolonged standing, and highly repetitive or physically demanding assembly work.

### **3.6. Safety Maintenance of Machinery and Equipment**

Suppliers shall assess the safety hazards of machinery and equipment used for production and other processes.

Suppliers shall regularly assess the safety of equipment through qualified personnel and designate workers responsible for equipment management.

When there is a risk of employee injury induced by machinery or equipment, or when necessary, Suppliers shall provide and properly maintain physical guards and safety devices, and shall provide workers with personal protective equipment (such as safety helmets, safety shoes, safety harnesses, safety glasses, and gas/dust masks) and work clothes free of charge.

### **3.7. Hygiene, Food, and Housing (Cafeteria, Dormitory, etc.)**

Suppliers shall provide workers with clean restrooms, drinking water, hygienic food preparation and storage facilities, and cafeteria facilities.

Workers' dormitories must maintain cleanliness and safety, and must be equipped with emergency exits, hot water, lighting, heating and ventilation, and individual storage facilities for personal belongings.

Additionally, Suppliers shall provide personal spaces of reasonable size equipped with appropriate locking devices to control access by outsiders.

### **3.8. Safety and Health Communication**

Suppliers shall provide workers with safety and health information and training on all workplace hazards, including machinery, electrical, chemical, fire, and physical hazards, in their native languages or in a language workers can understand.

All workers shall undergo training prior to job assignment and regular training during employment.

Suppliers shall establish additional training plans for cases where workers are

unable to attend scheduled training, and shall take appropriate measures to ensure that all workers receive safety and health training.

Safety and health-related information shall be prominently posted in locations accessible to workers. Suppliers shall actively seek and consider workers' opinions in the workplace regarding safety and health, and shall encourage workers to freely raise health and safety concerns without fear of retaliation or unfavorable treatment regarding working conditions from the company or their superiors.

## **4. Environmental Protection**

Suppliers shall identify environmental impacts resulting from business operations, including manufacturing processes, and shall minimize negative environmental impacts on communities, the environment, and natural resources.

To this end, all products and services must meet the following environmental standards.

### **4.1. Environmental Permits and Reporting**

Suppliers shall obtain all environmental permits (such as air emission facilities), approvals, and registrations required in the course of business operations, keep them current and operational, and comply with the operational and reporting requirements associated with such permits.

### **4.2. Pollution Prevention and Resource Reduction**

Suppliers shall minimize or eliminate gas emissions, pollutant discharges, and waste generation through adding pollution control equipment, modifying production, maintenance, and facility processes, or other methods.

The use of natural resources such as water, fossil fuels, minerals, and virgin forest products must be minimized, and to this end, Suppliers shall implement practices such as optimizing production and maintenance facilities and processes, utilizing alternative materials, and reusing, conserving, or recycling resources.

### **4.3. Hazardous Substance Management**

Suppliers shall strictly comply with all laws and requirements related to the prohibition and restriction of the use of specific substances in production and manufacturing processes, including labeling requirements for recycling and disposal.

Additionally, Suppliers shall ensure safe management when handling, transporting, storing, using, recycling, or disposing of chemicals or other substances that may be harmful to human health or the environment.

### **4.4. Waste Management**

Suppliers shall systematically identify, manage, reduce, recycle, and dispose of non-hazardous waste and comply with related laws and regulations.

### **4.5. Air Emissions Management**

Suppliers shall identify the characteristics of volatile organic compounds, aerosols, corrosive gases, particulates, ozone-depleting substances, and combustion by-products generated from business operations (such as manufacturing processes), and shall manage and treat them in accordance with relevant laws and regulations prior to their release into the air.

In this regard, Suppliers shall conduct regular assessments and monitoring to ensure the proper operation of their emissions control systems and shall record and retain assessment and monitoring results.

### **4.6. Water Management**

Suppliers shall establish and regularly review water management programs that record water sources and water use and discharge, characterize and monitor water quality, seek water conservation methods, and control contamination pathways.

Additionally, all wastewater must be properly characterized, monitored, controlled, and treated in accordance with regulations before discharge or disposal.

#### **4.7. Energy Consumption and Greenhouse Gas Emissions**

Suppliers shall establish company-wide greenhouse gas reduction targets. Suppliers shall report energy consumption and greenhouse gas emissions (Scope 1 and Scope 2), and shall seek ways to minimize their energy consumption and greenhouse gas emissions by improving energy efficiency.

#### **4.8. Establishment of Environmental Management System**

Suppliers shall develop and operate an environmental management system to an appropriate level for environmental protection.

#### **4.9. Green Purchasing**

Suppliers shall participate in "green purchasing" activities that contribute to sustainable growth by expanding the purchase of "eco-friendly products" that conserve natural resources and minimize environmental pollution.

"Green purchasing" refers to purchasing activities that contribute to a company's sustainable growth by expanding the purchase of eco-friendly products that help conserve natural resources and minimize environmental pollution. "Eco-friendly products" refer to products that are officially recognized as green purchasing items or that have obtained environmental certification marks or certificates from government agencies.

### 4.9.1. Major Eco-Friendly Certifications

Classification	Mark	Description
Korea Eco-Label		Granted to products that emit low levels of pollutants or greenhouse gases during manufacturing, consumption, and disposal processes, and contribute to resource and energy conservation
Carbon Footprint Certificate		Granted to environmental declaration-certified products that meet low-carbon standards
GR Certificate (Good Recycled)		Granted to high-quality recycled products manufactured in Korea (products that prevent secondary environmental pollution or have high environmental friendliness)
Green Certification		Granted to products, businesses, and specialized companies that utilize eco-friendly green technologies such as renewable energy, carbon reduction, green IT, and eco-friendly agricultural and food products
Energy Saving Certification		Granted to products with high energy efficiency (products that meet power-saving standards according to standby power reduction programs)
High-Efficiency Equipment Certification		Granted to equipment and devices with significant energy saving effects

## 4.9.2. Green Purchasing Policy

Purchasing personnel at HD Hyundai Electric shall comply with the following policies when performing product purchasing duties.

- ① Strive to discover and expand the purchase of eco-friendly products.
- ② Where feasible, prioritize purchasing more eco-friendly alternatives.
- ③ Continuously work to discover suppliers capable of providing a stable supply of eco-friendly products.
- ④ Periodically conduct purchasing improvement activities to reduce greenhouse gas and carbon emissions.
- ⑤ Build and expand collaborative relationships with Suppliers for the implementation of green purchasing.

## 4.9.3. Job Definition and Procedures

To ensure the stable establishment and continuation of green purchasing activities, HD Hyundai Electric's Purchasing Department carries out the following job duties.

Classification	Timing	Description	Remarks
Standards Management	Continuous	- Establish and adjust standards for eco-friendly products	(Purchasing Planning Team)
Product Development	Continuous	- Identify and develop green purchasing target products utilizing various internal and external channels - Confirm and manage target items - Encourage relevant departments to use eco-friendly products	(Purchasing Planning Team, Purchasing Personnel)

Classification	Timing	Description	Remarks
Purchase Review	Ateach bid	<ul style="list-style-type: none"> <li>- When receiving purchase requests from design and development departments, check whether there are eco-friendly products that meet the specifications</li> <li>- Review prioritizing the purchase of eco-friendly products during bidding</li> </ul>	(Purchasing Personnel)
Performance Management	Yearly	<ul style="list-style-type: none"> <li>- Monitor and manage eco-friendly product procurement records</li> </ul>	(Purchasing Planning Team)

#### 4.9.4. Responsibilities of Suppliers

Suppliers shall implement green purchasing in compliance with the following policies:

- ① Upon contract signing, Suppliers of eco-friendly products shall submit supporting documents, such as environmental certification marks or certificates, to demonstrate that the supplied products are eco-friendly.
- ② After contract signing, Suppliers shall notify HD Hyundai Electric of any changes to key environmental information of their products.
- ③ Suppliers shall consider environmental impacts in manufacturing supplied products and strive to reduce carbon emissions, and shall establish the corresponding management system.
- ④ Suppliers shall cooperate on other green purchasing-related matters as requested by HD Hyundai Electric.

## 5. Ethical Management and Fair Trade

To cultivate a transparent and fair-trade culture, all business activities of Suppliers must comply with local laws and regulations.

## **5.1. Anti-Corruption and Prohibition of Unfair Benefits**

Suppliers shall comply with the highest standards of integrity and anti-corruption laws by applying a zero-tolerance policy that prohibits all forms of bribery, corruption, extortion, and embezzlement in the course of business operations, and shall implement monitoring and management processes for such compliance.

Additionally, Suppliers shall not promise, offer, authorize, provide, or accept bribes or any other means to obtain unfair or improper benefits. These include directly or indirectly promising, offering, authorizing, providing, or accepting money or goods through third parties for the purpose of obtaining or retaining business opportunities, granting business opportunities to specific persons, or obtaining unfair benefits.

## **5.2. Information Disclosure**

Suppliers shall conduct all business transactions transparently and record them accurately, and shall disclose information regarding labor, occupational safety and health, environmental management, business activities and structure, financial status and performance in accordance with relevant regulations, industry standards, and practices.

Falsification of records or misrepresentation regarding practices and conditions in relevant areas within the supply chain is not permitted.

## **5.3. Intellectual and Property Rights**

HD Hyundai Electric and Suppliers shall protect and respect each other's intellectual and property rights, and shall not infringe upon the intellectual and property rights of third parties.

## **5.4. Fair Trade and Competition**

Suppliers shall comply with regulations and standards regarding fair trade and competition.

## **5.5. Identity Protection and Non-Retaliation**

Suppliers shall implement programs to protect the anonymity and identity of internal and external whistleblowers.

Suppliers shall create an environment where all workers can freely raise issues without fear of retaliation or other adverse employment consequences.

## **5.6. Responsible Sourcing of Raw Materials (Conflict Minerals, etc.)**

Suppliers shall not use raw materials and source materials (conflict minerals such as tungsten, tin, gold, tantalum, and cobalt) originating from conflict-affected and high-risk areas, and shall make efforts to source raw materials in accordance with the Organization for Economic Cooperation and Development (OECD) guidelines or internationally recognized due diligence frameworks, ensuring that their sourcing activities do not cause negative impacts such as human rights violations and corruption.

## **5.7. Personal Information Protection**

Suppliers shall strive to protect the personal information of all stakeholders involved in business, including suppliers, customers, consumers, and employees.

Additionally, Suppliers shall safely protect the information of HD Hyundai Electric's client companies.

To this end, Suppliers shall comply with privacy protection and information security laws and regulations when collecting, storing, processing, transmitting, and sharing personal information.

## **5.8. Import/Export Management and Customs Clearance**

Suppliers shall adhere to laws and regulations regarding the management of import/export goods and customs. Suppliers shall comply with import/export restriction regulations such as the Uyghur Forced Labor Prevention Act and strategic materials export controls on war-affected countries, and shall not trade with countries, regions, or individuals that violate the above-stated laws or are under economic sanctions.

Suppliers shall also cooperate with HD Hyundai Electric's status monitoring activities when necessary.

## **6. Management System**

Suppliers shall adopt or establish an appropriate management system to effectively implement the contents of this Code.

Suppliers shall design and continuously review and improve their management systems to ensure adherence to customer requirements as well as laws and regulations related to operations and products and to identify and mitigate operational risks related to this Code.

### **6.1. Corporate Commitment to Compliance**

Suppliers shall prepare a corporate social and environmental responsibility policy statement expressing their commitment to compliance and continuous improvement in the local language, have it approved by management, and share it internally through means such as management's New Year message, internal guidelines, or internal bulletin boards.

It is also recommended to disclose this policy statement externally using websites, business reports, promotional materials, etc.

### **6.2. Management Obligations and Responsibilities**

Suppliers shall specify the representative and other top executives responsible for implementing the management system and related programs.

Top executives shall regularly review the operational status of the management system. Additionally, procedures for regular board reporting on environmental, social, and governance (ESG) issues (changes in laws or regulations, changes in customer requirements, stakeholder requirements, risks, etc.) must be established to ensure appropriate decision-making.

### **6.3. Legal and Customer Requirements**

Suppliers shall have procedures to identify, monitor, and understand relevant laws, regulations, and customer requirements, including the requirements of this Code.

### **6.4. Risk Assessment and Management**

Suppliers shall have procedures to identify risks related to compliance, environment, safety, health, labor practices, and ethics regarding business operations.

Suppliers shall assess the relative significance of each risk, control identified risks, and implement appropriate procedural and physical controls to ensure regulatory compliance.

### **6.5 Improvement Objectives**

Suppliers shall prepare documents outlining objectives, targets, and action plans for improving social, environmental, and occupational safety and health performance, and shall periodically evaluate and document progress toward achieving objectives.

Additionally, Suppliers shall operate policies and programs (human rights management committees, impact assessments, disciplinary measures, monitoring of improvement and implementation procedures, etc.) to maintain integrity against bribery, corruption, extortion, and embezzlement across all business areas and to practice human rights-respecting management.

### **6.6. Training**

Suppliers shall operate training programs for managers and employees to implement their policies, procedures, and improvement objectives and to comply with relevant laws and regulatory requirements.

## **6.7. Communication**

Suppliers shall develop and operate regular communication procedures to convey clear and accurate information regarding their environmental, social, and governance (ESG)-related policies, practices, expectations, and performance to stakeholders such as workers, suppliers, and customers.

Suppliers shall also review and record their compliance with this Code and disclose key matters from such reviews (excluding information types prohibited under the Subcontracting Act, such as costs, sales, business strategies, and sales-related information).

## **6.8. Worker Feedback, Participation, and Grievance Handling**

Suppliers shall have channels for reporting human rights violation cases and effective grievance handling procedures. Suppliers shall establish and operate procedures to assess workers' understanding of the practices and conditions covered by this Code, receive feedback or violations, and pursue continuous improvement.

When human rights violation cases are reported, remedies must be discussed after verification and investigation procedures. Anonymity is guaranteed for all reported content and reporters' information, and retaliatory actions such as disadvantages or discrimination due to reporting are prohibited.

Workers shall be provided with an environment where they can safely express grievances and opinions.

## **6.9. Self-Assessment**

Suppliers shall periodically conduct self-assessments to ensure compliance with contractual customer requirements related to laws and regulatory requirements, the contents of this Code, and environmental and social responsibility.

## 6.10. Corrective Action Procedures

Suppliers shall have procedures to promptly correct non-conformities identified through internal and external evaluations, inspections, investigations, or reviews.

## 6.11. Documentation and Records

Suppliers shall prepare and maintain documents and records to ensure appropriate confidentiality for regulatory compliance and privacy protection, and to meet the Company's requirements.

Suppliers shall document their compliance with this Code, and shall immediately provide relevant information (excluding information types prohibited under the Subcontracting Act, such as costs, sales, business strategies, and sales-related information) when requested by HD Hyundai Electric.

## 6.12. Supplier Management

Suppliers shall have procedures to communicate the requirements of this Code to their own suppliers and monitor their adherence to the Code.

Additionally, Suppliers shall not produce raw materials or parts that are not required under the contract.

## 6.13. Other Matters

HD Hyundai Electric will continue to develop this Code and will do its best to regularly collect stakeholder opinions in the process of implementing the Code.

The Supplier Code of Conduct may be revised periodically, and revisions will be announced through the [ESG Management] section of the HD Hyundai Electric website or the HiPro system (<https://hipro.hhi.co.kr/>).

All Suppliers of HD Hyundai Electric shall actively consider and reflect the contents specified in this Code in business operations and decision making processes, and shall formulate plans to reduce risks based on mutual consultation with HD Hyundai Electric and implement specific measures and efforts.

[Supplier Name] pledges to comply with this Supplier Code of Conduct as a Supplier of HD Hyundai Electric, and agrees that if [Supplier Name] violates this Supplier Code of Conduct, it constitutes a material breach of obligations. In such an event, HD Hyundai Electric may take measures such as contract termination and cessation of business relationships.