



# Suppliers' Code of Conduct

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## Wonik IPS Co.,Ltd. Suppliers' Code of Conduct

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## Introduction

Wonik IPS Co., Ltd. (hereinafter referred to as "Wonik IPS"), headquartered in Pyeongtaek-si, Gyeonggi-do, Korea, operates local subsidiaries in several countries, including the United States and China. Wonik IPS expects reasonable operating standards for the working environment of suppliers and/or business partners (hereinafter referred to as "Business Partners"). Therefore, Wonik IPS enacted the Suppliers' Code of Conduct (hereinafter referred to as "the Code") to strengthen the law-abiding management, which is the basis of mutual growth between Business Partners and Wonik IPS. In addition, Business Partners must strictly comply with all applicable laws and regulations, secure a safe working environment, establish a management system that can be respected by workers, and operate the company ethically.

This Code sets out what Wonik IPS is asking Business Partners for. The application of the Code includes any form of organization that designs, sells, manufactures or provides parts and services used to produce the products of Wonik IPS. All Business Partners must comply with the Code, and request all the sub-supply chains that provide assembly, parts, raw materials and packaging to the concerned Business Partners also to comply with the Code.

Wonik IPS or an external agency designated by Wonik IPS may visit Business Partners to assess whether they comply with this Code. If the material violation of this Code is not corrected within the deadline of request, the transaction with Wonik IPS may be suspended or the contract may be terminated.

This regulation is based on the Code of Conduct of the Responsible Business Alliance (RBA), and the global standards and guidelines established by organizations such as ILO and ISO may be used as additional information. In addition, the Code is subject to be amended depending upon changes of Business Partners management policies and standards of Wonik IPS.

In case of conflict between the provisions of this regulation and local laws, the stricter standards shall take precedence.

**Wonik IPS Co., Ltd.**

## Human rights and labor

Business Partners should protect the human rights of workers and ensure their dignity to the level that is used in the international community. This applies to all types of workers, such as temporary workers, migrant workers, trainees, and dispatched workers. Legal work and protection of rights must be guaranteed for workers in accordance with local regulations.

### **Prohibition of forced work**

All work must be voluntary. Business Partners should not hire forced workers, workers under a personal restraint contract (including bondage for debt repayment), involuntary prisoner workers, or trafficking workers. This includes all acts such as moving, hiring, and transferring socially underprivileged people by threats, coercion, compulsion, kidnapping, fraud, etc., aimed at exploiting the workforce.

As a condition of employment, workers should not be required to transfer government-issued ID cards, passports or work permits. Business Partners or personnel dispatching companies should not ask workers for commissions (such as for job placement) or deposits. In addition, working conditions must be documented and communicated in a language that workers can understand.

### **Protection of underage workers**

Employment of child workers is strictly prohibited. "Child" refers to a person who is younger than the oldest age, out of the age of 15, the age at the end of compulsory education, or the statutory minimum employment age under local laws. If child workers are found, Business Partners must take immediate action. They should immediately stop hiring child workers and reform workers' age verification processes in the hiring process. When operating trainee programs, Business Partners must comply with local laws and

regulations. They can hire youth workers who are higher than the minimum legal age of employment, but workers under the age of 18 should not perform hazardous work (including overtime, night work) in terms of safety and health.

### **Compliance with working hours**

Working hours per week must not exceed the maximum working hours permitted by laws in the concerned country. Furthermore, according to the RBA recommendations, working hours per week must not exceed 52 hours, including overtime, except in emergencies or special circumstances. In addition, workers must be guaranteed at least one day off every seven days.

### **Wages and benefits**

Wages paid to workers must include minimum wages, overtime allowances, employee benefits specified by the laws, etc., and all local laws and regulations should be complied with. All overtime work must be done voluntarily with the consent of the worker, and an overtime allowance higher than the hourly rate applied for regular work hours in accordance with local laws and regulations must be paid. Wage cuts are not permitted as a means of disciplinary action. Workers' wage payment criteria and items must be provided in a language that workers can understand through paystub, written statement recorded with details of payroll, internal intranet, etc.

### **Humanitarian treatment**

There should be no harsh and inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or abusive language against workers, nor should there be a threat to such treatment. Business Partners must define policies and procedures that ensure humane treatment for workers and fully explain them to workers.



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### **No discrimination**

Business Partners must ensure that workers are not subjected to harassment or illegal discrimination. There should be no discrimination in hiring process and employment practices such as wages, promotion, reinforcement, and educational opportunities, based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political orientation, union membership status, marital status, etc. Business Partners may not require workers or recruitment candidates to submit medical examinations that may be used as a basis for discrimination, except in cases where local law requires or is required for workplace safety.

### **Freedom of association**

Business Partners must respect the right of workers to organize and join employee councils or trade unions and to freely associate with other workers for collective agreements and peaceful gatherings, in accordance with local national legislation, and must also respect the right of workers not to participate in such activities. In addition, workers and their representatives should be able to freely communicate and share opinions and difficulties on working conditions and management policies with Business Partners without worrying about discrimination, retaliation, threats, and harassment.

## Safety and health

Business Partners must recognize that the activities that ensure the safety and health of workers are essential in all business activities of the company, such as product production. Business Partners must strive to build and maintain a safe and healthy workplace in accordance with local laws and regulations.

### Industrial safety

For workers potentially exposed to safety hazards (e.g. chemicals, electric shock, fire, vehicles, fall hazards, etc.), appropriate design, engineering and administrative controls, preventive maintenance, and safe working procedures (locking devices and protection gear) must be established, and at the same time continuous safety training should be conducted. If the risk factors cannot be sufficiently controlled by the means specified above, appropriate personal protective equipment should be provided to such workers. Female workers who are pregnant or lactating should be excluded from hazardous work, reasonable step-by-step measures, such as eliminating or reducing work risks that pose a health and safety risk, must be taken for them, and adequate amenities should be provided for lactating female workers. Workers should be free to raise concerns about safety issues to the management.

### Emergency preparedness

Potential emergencies and accidents should be identified and evaluated in advance. In order to minimize damages caused by emergencies, Business Partners must prepare for the procedures of reporting when an emergency occurs, worker notification and evacuation, and should implement emergency evacuation trainings for workers to prevent emergencies, secure the exit facilities that workers can easily find and escape without obstacles and fire detection and fire extinguishing equipment, and establish and execute

emergency plan and response procedures including securing and restoring plans.

### **Prevention of industrial accidents and diseases**

Procedures and systems should be in place to prevent workers' industrial accidents and illnesses and to manage, track and report them. These should include A) encouraging workers to report freely, B) categorizing and recording occupational accidents and diseases, C) providing necessary medical treatment, D) corrective actions to eliminate the cause by examining each case, and, E) provisions to support the return of workers who took a leave due to industrial accidents and illnesses.

### **Reduction of exposure to harmful factors**

Business Partners must identify, evaluate and control the exposure of workers to biological factors such as chemicals and pathogen viruses used in the workplace and physical factors such as high temperature and radiation. They must ensure that the above hazards do not cause workers' health and safety problems, through technical controls such as elimination of potential hazards or correction and improvement of production facilities or administrative controls in accordance with legal and institutional requirements. If the risk factors are not sufficiently controlled by these means, workers' health should be protected by the provision of appropriate personal protective equipment and operation of the program. The protection program should include training materials on lists associated with these risks.

### **Tasks that burden the body**

Business Partners must identify, evaluate, and control workers' physical exposition to physically demanding tasks, including manual work repeating for a long time, work that workers lift or are standing with heavy objects, work that is physically difficult for workers, such as assembly work that requires to consume a lot of stamina.

### **Safety management of dangerous machinery, equipment and facilities**

Safety must be assessed in the use of machinery, equipment and facilities required for production. When workers use machinery that may be at risk of injury, physical protection, interlocks, and barriers must be provided and properly maintained.

### **Provision of dormitory and sanitary facilities**

Workers should be provided with clean toilets, facilities for drinking water, spaces for hygienical preparation and storage of foods, and places to eat them. Dormitories provided to workers must be clean and safe, providing adequate lighting, emergency escape equipment, heating and ventilation facilities, personal items storage box, and personal space together with reasonable access authority.

### **Safety and health education**

Business Partners must provide workers with appropriate safety and health training on all identified workplace hazards (machinery, electricity, chemicals, fire, physical hazards, etc.) in the worker's native language or in a language understood by the workers. Safety and health information in the workplace should be posted in a prominent place. All workers should be trained prior to job placement and regular training must be provided to them thereafter. Workers should be encouraged to raise safety concerns.



## Environmental protection

Business Partners must thoroughly manage the environmental pollutants generated by the operation of the company and fully understand the environmental impact created when providing products and services to Wonik IPS, and strive to reduce them. Business Partners must comply with environmental laws and regulations, including the management and disposal of chemicals and waste, recycling, management and reuse of industrial water, and control of greenhouse gases and materials emitted into the air. Business Partners must comply with the environmental standards required in other contracts by Wonik IPS necessary for product design, production, etc.

### Acquisition of environmental license

Business Partners must acquire, maintain and manage all environmental permits (e.g., for air emission facilities, etc.) and registrations necessary for the operation of the company, and reflect the latest revisions. In addition, requirements such as operation and reporting required for the licensing process must be observed.

### Pollution prevention and resource use reduction

Pollutants emissions and waste generation should be minimized or eliminated by adding pollutant control equipment. The use of natural resources, including water, fossil fuels, minerals and primeval forests, should be reduced through methods such as improving production process, strengthening maintenance, changing plant process, replacing alternative materials, reusing, preserving, and recycling materials.

### Hazardous substance management

Chemicals and other substances that are hazardous to humans or environment must be managed separately through identification marking, labeling, etc. to ensure the safety of



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handling, transportation, storage, use, recycling or reuse and disposal of such materials.

## **Solid waste**

Business Partners must systematically identify, manage, reduce and dispose/recycle solid waste (non-hazardous).

## **Air pollutants**

Volatile organic compounds, aerosols, corrosive gases, dust, ozone depleting substances, and combustion by-products generated in the process should be monitored by identifying their characteristics, and should be discharged after being managed/treated according to local regulations. Business Partners must also monitor the treatment efficiency of air pollution detection and prevention facilities at all times.

## **Compliance with regulations on the substances in products**

Business Partners must follow local laws and regulations related to prohibiting or restricting the use of certain substances, including displaying information about substances when recycling and disposing of substances, and comply with Wonik IPS' rules for the management of environmental hazardous substances in products.

## **Water Resource Management**

Business Partners must systematically prevent stormwater pollution. In addition, it is necessary to prevent the pollutants inflow to stormwater sewer due to illegal discharges and chemical leaks. Business Partners must implement a water management program that documents, characterizes, and monitors water use and discharge. They need to find opportunities to conserve water and control the path of contamination. All wastewater must be characterized, monitored, controlled and treated prior to discharge or treatment of wastewater. Business Partners must routinely monitor the performance of wastewater

treatment and sealing systems to ensure optimal performance and regulatory compliance.

### **Energy consumption and greenhouse gas emissions**

Business Partners are required to calculate and record energy consumption and greenhouse gas emissions on an enterprise-wide and plant level basis. In addition, they need to find cost-effective ways to increase energy efficiency while minimizing energy consumption and greenhouse gas emissions.



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## Ethical management

In business operations, Business Partners' management activities must be complied with all local laws and regulations, and Wonik IPS requires Business Partners to maintain the highest standards of ethics.

### Integrity

The highest level of integrity is required in all business transactions. Business Partners must advocate a zero-tolerance policy that does not allow any form of bribery, corruption, unfair advantage or embezzlement of any form.

### Prohibition of unfair profit

Business Partners must not promise, propose, provide, authorize to provide, or accept bribes or other considerations for the purpose of improper and unfair advantage. This includes all actions such as promising, proposing, offering, or authorizing to provide, or receiving certain values, either directly or indirectly through a third party, for the purpose of acquiring and maintaining business opportunities, providing business opportunities to others, or taking advantage of improper benefits. In addition, monitoring and related procedures must be observed to ensure compliance with anti-corruption laws.

### Information disclosure

All transactions must be made transparently, and accurately reflected in the Business Partners' accounting books and business records. Information on Business Partners' labor, safety and health, environmental management practices, management activities, governance, financial status and performance should be disclosed in accordance with applicable laws and general industry practices. Forgery or misrepresentation of records on the related field's actual conditions and practices in the supply chain cannot be

tolerated.

### **Intellectual property protection**

Intellectual property rights must be respected. The transfer of technology and know-how must be done in a manner that protects intellectual property rights, and information of Wonik IPS should be protected safely.

### **Fair Trade, advertising and competition**

Business Partners must comply with fair trade, advertising and competition standards.

### **Identity protection and non-retaliation**

Except where prohibited by law, Business Partners and whistleblowers identity protection programs (assurance of confidentiality and anonymity) must be in place. Business Partners must inform executives and employees of the relevant procedures so that they can raise concerns without fear of retaliation.

### **Material management with responsibility**

For the timbers that are illegally cut and the minerals of certain origins (tantalum, tungsten, tin, gold, cobalt, etc.) which are restricted by the international communities to use due to serious concerns such as human rights violations and environmental destruction, Business Partners are not allowed, in any circumstances, to use them in Wonik IPS' supply chain as raw materials. In this regard, Business Partners must establish and operate policies that comply with international regulations and country-specific laws. In addition, the use of such materials should be tracked for all supply chains, including the origin of the substances concerned, and through this, Business Partners must strive to prove the origin of the materials used in the production process. And at the request of Wonik IPS, they must fulfill the obligation to provide relevant supporting data.



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## **Personal information protection**

Business Partners must make reasonable efforts to protect the personal information of everyone, including suppliers related to the business, customers, consumers, executives and employees. In addition, laws and regulations related to personal information protection and information security must be observed in the collection, storage, processing, transmission, and sharing of personal information.

## Management system

Business Partners must build a management system that integrates human rights and labor practices, safety and health, environment and ethics into the corporate management decision-making process in order to comply with this Code, as well as applicable laws, regulations and customer requirements. This should include clear objectives and goals, regular measurement and performance evaluation, and fulfillment of continuous improvement.

### **Clear expression of the will to comply**

After obtaining approval from the management, the corporate social and environmental statement of responsibility, which expresses company's willingness to comply with and willingness to improve continuously, must be posted in the local language in all workplaces of Business Partners.

### **Duties and responsibilities of management**

A person responsible for the periodic inspection of the implementation and status of the management system and the Code-related program should be selected. The CEO of Business Partners should review the status of the management system on a regular basis.

### **Responding to legislation and customer requirements**

Business Partners must identify applicable laws, regulations, and customer requirements, including the requirements of this Code, and monitor them to establish a process for reflection in management procedures.

### **Risk management**

As a process to identify the environment, industrial safety and health, human rights and

labor practices and ethical risks associated with the business operation, Business Partners should determine the relative importance of each risk, and implement technical or administrative regulations in accordance with appropriate procedures to control the identified risks and regularly check for compliance with the Code.

### **Establishment of improvement goals**

To improve social and environmental performance, performance targets and action plans should be documented, which should include periodic evaluation of performance against targets.

### **Education**

A process must be in place to communicate with workers, Business Partners, and customers about clear and accurate information related to Business Partners' policies, practices, expectations and performance.

### **Executive and employee feedback, participation and grievance settlement**

The process to promote continuous improvement should be established by collecting the opinions of executives and employees on the conditions covered by this Code.

### **Audit and evaluation**

Business Partners are required to periodically self-evaluation in order to ensure that their secondary Business Partners and their sub-Business Partners comply with the requirements imposed by the laws related to social and environmental responsibilities, the content of this Code and the requirements of Wonik IPS as set forth in the transaction contract.

### **Process of corrective actions**



In a timely manner, Business Partners must have a process to correct in a timely manner any gaps identified by internal or external assessments, inspections, investigations and reviews.

### **Documents and records**

The creation and maintenance of documents and records kept in business operations must comply with regulations related to external disclosures, and conform to appropriate confidentiality management requirements to protect company and personal information. Business Partners must document that they are in compliance with this Code, and immediately provide relevant information upon requested from Wonik IPS.

### **Supply chain participation and fulfillment of accountability**

All Business Partners that make business transactions with Wonik IPS must establish a system so that the suppliers, contractors, etc. related to the Business Partners can participate in responsible corporate activities pursued by this Code, and perform relevant support and duty to oversee the fulfillment of the responsibilities of such related companies so that the related companies can practice their obligations. This includes even suspension of transaction with the companies who have not faithfully fulfilled their responsibilities.

### **Supplementary Provisions**

1. This Code of Conduct shall be posted on the homepage so that all Business Partners of Wonik IPS Co., Ltd. can check at any time.
2. This Code of Conduct shall take effect immediately from the date of the announcement.