

Yuhan Chemical Suppliers' Code of Conduct



Preface

Based on the corporate management philosophy, Yuhan Chemical has established and implemented strategies to grow together with our suppliers (including subsidiaries and contractors). We have established the Code of Conduct for Suppliers to fulfill our role as a corporate citizen and meet the demands for social responsibility from various stakeholders.

The Yuhan Chemical Suppliers' Code of Conduct (the "Code") applies to all forms of organizations that design, sell, manufacture or provide goods and services used in the production of Yuhan Chemical products, and sets forth Yuhan Chemical's requirements of its suppliers.

All partners doing business with Yuhan Chemical are expected to respect and comply with this Code of Conduct and to respond in good faith to requests for data and visits to assess sustainability risks pertaining to partners and Yuhan Chemical. They should also ask their suppliers to comply with this policy.

In the event of a conflict between this Code and local laws, we shall apply the more stringent standard, but we shall also honor local laws.

Body

Human Rights, Labor Practices

Suppliers shall ensure that all types of workers, including contractors, temporary workers, and interns, are provided with measures that protect their human rights and dignity at internationally accepted levels, and that regular efforts are made to improve their working conditions.

① Voluntary Work

Suppliers shall not use forced, bonded, or involuntary labor, and no worker shall pay the price by labor (including labor to pay off debts) or be deprived of freedom of movement.

② Prohibition of Discrimination

Suppliers are required to provide a work environment free from discrimination. They must respect the diversity of their workforce and not discriminate against any employee in terms of employment, including recruitment, hiring, promotion, training, wages, and benefits, on the basis of the employee's gender, sexual orientation (including homosexuality), race, color, ethnicity, nationality, religion, political affiliation, trade union membership, disability, age, pregnancy, marital status, or other indicators of social status and political opinion.

③ Wages, Benefits, and Labor Compliance

Suppliers must pay workers in accordance with applicable wage laws, including minimum wages, compensation for overtime work, and mandatory benefits. They must comply with legal working hours in the countries in which they do business and pay all employees reasonable compensation for their work, with pay-slips.

④ Prohibition of Forced and Child Labor

Suppliers shall not assault, intimidate, imprison, or otherwise force any employee to work against their will, and shall prohibit child labor in principle.

⑤ Protecting the Human Rights of Local Communities and Customers

Suppliers shall ensure that their employees do not violate the human rights of local residents in the performance of their duties, and shall protect the local residents' rights to safety and health and freedom of residence. When providing products and services, they must prioritize the protection of customers' life, health, and property, and take the best measures to protect personal information collected as part of business activities.

⑥ Ensure Freedom of Association and Collective Bargaining

Suppliers shall respect the labor relations laws of the countries to which these Guiding Principles apply and shall provide adequate communication opportunities for all employees.

The Environment

Suppliers shall operate in an environmentally responsible and efficient manner to minimize adverse impacts on the environment, and shall comply with environmental laws and regulations. Suppliers shall make their best efforts to reduce environmental pollution and prevent environmental accidents, including obtaining environmental licenses necessary for business operations, reducing the generation of waste, wastewater, and air pollutants, reducing noise, reducing energy consumption, minimizing greenhouse gas emissions, managing hazardous chemicals, and complying with regulations on hazardous substances in products.

① Environmental Permits and Reporting

Suppliers shall comply with all applicable environmental regulations. They must obtain all necessary environmental permits, licenses, information registrations and restrictions, and comply with operational and reporting requirements.

② Managing Hazardous Chemicals

Suppliers are required to establish and operate a safety management system for all stages of handling chemicals, from purchase to use, storage, and disposal, to ensure that no health or environmental harm is caused by hazardous chemicals. They must also comply with local laws and regulations that prohibit or regulate the use or handling of certain substances.

③ Waste and Wastewater Management

Suppliers shall identify, monitor, control, and treat waste and wastewater generated from industrial processes and sanitation facilities in their operations prior to discharge, as required by applicable laws and regulations, and shall take measures to reduce the generation of waste and wastewater. Suppliers shall also monitor the efficiency of wastewater treatment processes at all times.

④ Control of Air Pollution

Suppliers shall characterize, monitor, and control volatile organic compounds, aerosols, corrosive substances, fine powders, substances that deplete ozone, and combustion by-products generated in the manufacturing process prior to discharge as required by applicable laws and regulations, and manage and treat them in accordance with local laws and regulations.

⑤ Management of Energy Consumption and Greenhouse Gas Emissions

Suppliers shall strive to understand their energy consumption and GHG emissions on a

company-wide and site-by-site basis, and find effective ways to minimize energy consumption and GHG emissions while enhancing energy efficiency.

⑥ Sustainable Sourcing of Raw Materials

Suppliers shall strive to reduce the environmental impact of their raw material sourcing and make it safer and more reliable. Natural resources, such as forests and water, are essential for maintaining eco-systems, so we must be aware of our environmental impacts when conducting business and proceed in ways that minimize adverse impact.

Suppliers must clarify the source of minerals (tantalum, tin, tungsten, gold, cobalt, etc.) in their supply chain and ensure that the minerals in their products/equipment were mined legally and humanely.

Fair Operating Practices

Suppliers must recognize the importance of ethical management for sustainable development and comply with all local laws and regulations. Suppliers shall establish, improve continually, and monitor regulations, instructions, and guidelines regularly to ensure that all employees make ethical decisions and judgments.

① Honesty and Anti-Corruption

Suppliers shall maintain the highest standards of integrity in their business relationships with all enterprises. They must not engage in any form of corruption, extortion, embezzlement, bribery, payoffs, or gift-giving, or provide money or other forms of advantage to relevant persons in order to influence their decision-making. In addition, suppliers shall not provide or receive any means to obtain unfair or improper advantage, and shall practice self-compliance with anti-corruption laws by implementing procedures for monitoring and enforcement. Yuhan Chemical or its suppliers shall not use their superior position to take unfair actions against suppliers, and they shall not engage in collusive behavior such as price increases, market division, and shipment control for the purpose of avoiding competition.

② Disclosing Information

Suppliers shall record and disclose information on business activities, performance, financial structure, etc. in accordance with relevant laws, regulations, and industry practices for transparent disclosure of information. Falsification or misrepresentation of records on the facts and practices in relevant areas in the supply chain is prohibited.

③ Protection of Intellectual Property

Partners are expected to respect intellectual property rights and to ensure that the transfer of

technology and know-how is done in a manner that protects those rights. In addition, they are expected to keep Yuhan Chemical's information secure.

④ Privacy

Suppliers shall protect the personal information of all persons involved in business management, including their suppliers, customers, consumers, and employees, at a reasonable level. They shall comply with the Personal Information Protection Act regarding the handling and utilization of personal information by establishing and monitoring an overall management system for storing, processing, transmitting, and sharing information.

SAFETY AND HEALTH

Recognizing that activities to establish a safe and healthy work environment and ensure the safety and security of workers are essential for maintaining consistent quality and increasing production efficiency, suppliers are required to establish a safety-first culture and remove potential risks continuously in cooperation with prime contractors in accordance with local laws and regulations.

① Industrial Safety

Suppliers shall take preventive measures to prevent industrial accidents and occupational diseases by eliminating potential hazards proactively. Chemical, biological, and physical hazards shall be identified, evaluated, and managed through risk assessment activities, and safety hazards in production facilities or other facilities shall be assessed and appropriate remedial measures shall be developed and implemented. These hazards shall be controlled through engineering improvements such as design, engineering, and preventive maintenance, and administrative improvements such as safe work procedures, ongoing safety training and education, and the provision of appropriate protective equipment.

② Control Physical Overload

Suppliers shall identify, assess, and control tasks that are physically demanding on workers, such as manual labor, heavy or repetitive lifting, prolonged standing, and assembly tasks that are highly repetitive or strenuous.

③ Workers' Compensation and Disease Management

Suppliers shall establish procedures and systems to prevent, manage, track, and report occupational accidents and occupational diseases. These shall include provisions to encourage employees to report physical abnormalities, classify and record cases of injury and illness, provide necessary medical treatment, take corrective action to eliminate the cause, and facilitate

employees' return to work. Suppliers are also encouraged to implement process improvements, appropriate facilities for rest and stretching, and staffing arrangements to prevent occupational accidents and occupational diseases caused by physical labor and the working environment.

④ **Sanitation and Facility Provision**

Suppliers shall provide employees with clean restrooms and drinking water, and facilities for sanitary food preparation, storage, and dining. Dormitories for workers must also be kept clean and safe, and provide a suitable environment with sufficient measures for emergency exits and fire protection, heating, ventilation, adequate personal space, and reasonable access.

⑤ **Health and Safety Training**

Suppliers shall provide appropriate health and safety training for workers. Health and safety information must also be posted in conspicuous places at the workplace. All of this information shall be in the native language of the workers or in a language the workers can understand.

Vice

1. (Enactment) This Yuhan Chemical Suppliers' Code of Conduct came into force on September 18, 2023.