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# HYUNDAI TRANSYS

## Supplier Code of Conduct

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<b>Enactment / Revision History</b>	<b>Order</b>	<b>Enactment/ Revision Date</b>	<b>Enforcement Date</b>	<b>Main contents</b>
	0	2020.07.27	2020.07.27	Initial enactment
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# 1. Outline

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## A. Purpose

Hyundai Transys strives to adapt to such rapid paradigm shifts by establishing a sustainable supply chain. As such, we have prepared this Supplier Code of Conduct in order to establish an ethical and sustainable supply chain. The Supplier Code of Conduct requests that our suppliers that provide goods and services to or has otherwise entered into a contract with Hyundai Transys (hereinafter "Suppliers") comply with the laws and regulations applicable to corporate management (including but not limited to laws and regulations relating to anti-corruption, sanctions, forced labor, safety/health, and fair trade), as well as adopt the best practices concerning ethics, the environment, labor/human rights, safety/health, and business management systems. We hope our Suppliers as well as all participants in the larger supply chain abide by this Supplier Code of Conduct to contribute to the shared growth with Hyundai Transys, and become a socially respected company.

Our Supplier Code of Conduct is based on Drive Sustainability's Global Automotive Sustainability Practical Guidance and refers to the Responsible Business Alliance's Code of Conduct. The Supplier Code of Conduct also takes into account recent global legislative trends addressing human rights and environmental issues in supply chain management, such as the EU Corporate Sustainability Due Diligence Directive, as well as other laws and regulations related to ESG. However, should any recommendations or demands in this Supplier Code of Conduct contradict the laws of the countries in which our Suppliers operate, the laws of the relevant countries shall prevail over the content herein. This Supplier Code of Conduct may be updated and modified in the future to reflect the most current domestic and international industry developments.

## B. Scope of Application

All suppliers that provide goods and services to Hyundai Transys, or enter into a contract for any other transactions, should comply with the Supplier Code of Conduct. All suppliers may recommend other business entities in the supply chain, including lower-tier suppliers and subcontractors, to comply with the provisions contained within this Code of Conduct.

## C. Suppliers' Roles and Responsibilities

In management decision-making and operational business processes, all suppliers of Hyundai Transys should consider the provisions of this Supplier Code of Conduct. Hyundai Transys, and third party entities commissioned by Hyundai Transys, may verify and inspect, within the scope permitted by the law, whether suppliers are complying with the provisions of the Supplier Code of Conduct. Based on inspection and investigation outcomes, Hyundai Transys may recommend that suppliers respond to any identified risks, and if so, suppliers will establish plans and implement countermeasures to mitigate these risks. Compliance with this Supplier Code of Conduct may be considered as an important criteria in the selection of suppliers, and the lack of meaningful improvement efforts by a supplier in violation of the Supplier Code of Conduct may result in difficulty to continue a working business

relation with Hyundai Transys.

This Supplier Code of Conduct is not an exhaustive list of all obligations with which the suppliers should comply, and may be regularly reviewed, supplemented and amended to establish a sustainable supply chain. This Supplier Code of Conduct can be found within the Hyundai Transys website, where readers can make further inquiries if necessary. Furthermore, Hyundai Transys will exert its best efforts to provide appropriate channels (audio, video, text, etc.) and methods (Korean, English, etc.) to allow for suppliers and their members to easily access information related to the Supplier Code of Conduct in order to ensure that suppliers may sufficiently understand and comply with the Supplier Code of Conduct, and support its suppliers to actively communicate the objectives of this Supplier Code of Conduct with the larger supply chain, such as its upstream suppliers and subcontractors, and this Supplier Code of Conduct is valid for the duration of the transaction with Hyundai Transys.

## 2. Business Ethics

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### A. Transparency and Anti-Corruption

- ① The executives and employees of suppliers should comply with the highest standards of integrity of the country where they conduct business operations.
- ② The executives and employees of suppliers should not engage in bribery, extortion, embezzlement, or graft through abuse of their status, nor gain unfair benefits by taking advantage of weaknesses and deficiencies.
- ③ Suppliers should establish internal systems to allow for the reporting and investigation of suspicious transactions, and ensure that whistleblowers are not unfairly treated for reporting suspicious activity.
- ④ Suppliers should not demand recruitment fees or other costs relating to brokerage of employment opportunities from employees.

### B. Conflicts of Interest

- ① Suppliers should make responsible decisions based on defined operational rules.
- ② The executives and employees of suppliers should not promise, offer, authorize nor give anything that may lead to the gain of undue or improper benefits. This prohibition covers incurring damage to the company for the benefit of an executive or employee and promising individual benefits through a third party.

### C. Fair Trade and Competition

- ① Suppliers should comply with the relevant anti-corruption laws and standards of the countries where they maintain business operations.
- ② Suppliers should not engage in activities that would disrupt fair competition through the pursuit of unfair transactions, such as abusing their market dominance or trading position.

- ③ Suppliers should make payments to their suppliers in a timely manner and should not arbitrarily change the amount of payment.
- ④ Suppliers should not engage in activities that unfairly restrict competition in the marketplace with regards to the price, supply volume, area and terms of trade of goods or services.
- ⑤ Suppliers should not improperly obtain information from competitors, business partners (subcontractors), or other agencies, nor should they use or disclose information obtained illicitly by the company or third parties

**D. Prevention of Unauthorized Parts**

- ① Suppliers should not manufacture nor use unauthorized raw materials and parts, nor use or sell counterfeit raw materials and parts.
- ② Suppliers should regularly confirm if counterfeit raw materials or parts are used or manufactured in their workplace, and if detected, should promptly notify the government or clients.
- ③ Suppliers should confirm that the materials and parts they manufacture are used and distributed to fulfill business objectives and in accordance with contractual obligations.

**E. Compliance with Export Restrictions/Sanctions**

- ① Suppliers should comply with all applicable laws and regulations and international treaties pertaining to export restrictions and economic sanctions.
- ② Suppliers should not engage in any business transactions with countries, territories, entities, groups, or individuals subject to export restrictions or economic sanctions..
- ③ Suppliers should not engage in dumping sales, and continuously check whether they comply with customs regulations, including whether or not they falsely report the origin of the product to avoid tariffs.
- ④ Suppliers should confirm whether they comply with the laws and agreements relating to export controls and economic sanctions, and if necessary, should co-operate with Hyundai Transys in its compliance activities.

**F. Information Protection**

- ① Suppliers should not disclose trade secrets and information relating to their clients or business partners without consent, nor store or use the information they have obtain through performing business duties.
- ② Suppliers should collect and use personal information only within the scope of the original, established purpose and data retention period. Prior consent should be obtained before modifying either the purpose or the retention period.

**G. Intellectual Property Protection**

- ① Suppliers should respect the intellectual property rights of their clients and business partners (subcontractors), develop appropriate measures to protect intellectual property rights, and regularly confirm whether intellectual property rights are protected.

## H. Responsible Procurement Activities

- ① Suppliers should establish a process to identify the country and region from which raw 7 / 19 materials, parts and components used at any point in their supply chain, directly or indirectly, in the manufacture of items supplied to Hyundai Transys are sourced.
- ② Suppliers should ensure that they do not source raw materials, parts or components for their manufacturing process that are in turn manufactured, at any point in their supply chain, directly or indirectly, with the use of forced labor.
- ③ Suppliers should establish processes to verify the source regions and refineries of all minerals contained in their products, including conflict minerals<sup>1</sup> such as tin, tungsten, tantalum, to gold.
- ④ Suppliers should, in accordance with the relevant processes, strive to verify social and environmental issues<sup>2</sup>, including gross human rights abuses, violations of ethics, and negative environmental impacts in relation to the source regions and refineries of minerals and raw materials.
- ⑤ When primarily handling minerals and raw materials, suppliers should strive to verify, internally and externally, that they are not engaged in human rights abuses, violations of ethics, nor producing negative environmental impacts in the processing of minerals and raw materials.
- ⑥ Suppliers shall cooperate with customers when requesting data on the use of minerals in conflict areas in the supply chain, including identifying the origin of minerals in conflict areas.

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<sup>1</sup> These four minerals, which are extracted in African conflict areas (ten countries including DR Congo), may cause social issues such as human rights abuse and child labor. Exporting these resources may help fund civil wars or conflict, creating international concern.

<sup>2</sup> In accordance with the US Securities and Exchange Commission enforcement ordinance in 2012, listed companies are obligated to report whether they use conflict minerals in their products. In 2015, the European Parliament made it mandatory that importers of minerals report, to the relevant national authorities, any issues related to the origin of the minerals imported.

## 3. Environment

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### A. Establishment of Environmental Management System

- ① Suppliers should comply with the environmental laws and regulations of the countries where they maintain business operations and obtain all environmental permits and licenses necessary to maintain these operations.
- ② Suppliers should operate an environmental management system<sup>3</sup> to organize, plan, process and check outcomes to mitigate environmental impacts from business operations.

### B. Management of Energy Use and Greenhouse Gas Emissions

- ① Suppliers should establish a system with which they can calculate their energy use and greenhouse gas emissions.
- ② Suppliers should cooperate in providing information on energy usage and greenhouse gas emissions at the request of Hyundai Transys, and should cooperate in understanding the current status of Hyundai Transys if necessary.
- ③ Suppliers should strive to increase energy efficiency and to reduce energy consumption and greenhouse gas emissions.

### C. Water Resources Management

- ① Suppliers should develop water management programs to measure water resource consumption and wastewater discharge.
- ② Suppliers should explore methods to minimize water resource consumption and maximize recycling. In addition, they should manage water pollutant discharge in accordance with either legal standards or higher internal standards.

### D. Air Pollutant Management

- ① Suppliers should develop programs to measure air pollutant emissions.
- ② Suppliers should minimize air pollutant emissions through appropriate means. Moreover, they should comply with legal standards to manage air pollutant emissions, or develop and comply with higher internal standards.
- ③ Suppliers must identify and monitor characteristics of air pollutant prior to discharge, and manage and dispose of them according to local laws, if required by relevant laws and regulations.

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<sup>3</sup> ISO 14001 and etc. (ISO 14001 is the international standard that specifies requirements for an effective environmental management system (EMS) defined by the International Organization for Standardization (ISO) and organizations can be certified by a third party that they follow the environmental management framework.

## E. Management of Reusable Resources and Waste

- ① Suppliers should develop programs to measure the amount of waste produced.
- ② Suppliers should minimize waste emissions produced through landfill and incineration. In addition, they should strive to reuse and recycle waste, and recover used raw materials or parts that have been disposed of.
- ③ Considering the entire product life cycle, suppliers should strive to minimize residues from landfill or incineration that affect the environment.

## F. Chemical Substances Management

- ① Suppliers should strive to ensure that chemicals handled during the process of business operations are safely managed during purchasing, transportation, storage, use and disposal to prevent health or environmental hazards caused by chemicals handled in the course of business operation. Moreover, information that can be used to identify hazardous or harmful substances should be displayed or otherwise disclosed.
- ② Suppliers should strive to verify<sup>4</sup> whether the raw materials and parts they secure, sell and supply contain any substances that are harmful to the human body or the environment. Moreover, Suppliers should comply with local laws and regulations that prohibit or regulate the use and handling of certain substances.

## G. Animal Protection

- ① When conducting animal tests as an inevitable procedure in their business operations, suppliers should comply with Article 23 (Principles of Animal Testing) of the Animal Protection Act.
- ② Suppliers should respect the Five Freedoms regarding animal welfare established by the World Organisation for Animal Health:
  - Freedom from hunger or thirst
  - Freedom from discomfort
  - Freedom from pain, injury or disease
  - Freedom to express (most) normal behavior
  - Freedom from fear and distress

## H. Protection of Biodiversity and No Deforestation

- ① Suppliers should exert their best efforts to measure the impact and dependence of their business operations on biodiversity and to establish and execute strategic and implementation plans to prevent, minimize, and offset negative impacts on biodiversity, in order to preserve, restore, and expand biodiversity in the local community

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<sup>4</sup> EU, Restriction of Hazardous Substances Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) (2006) and etc.

- ② Suppliers should establish procedures to inspect the potential risks of deforestation due to their business operations in order to protect the local forests and exert their best efforts to prepare a response system to take appropriate measures in the event that actual or potential deforestation is recognized.

## 4. Labor/Human Rights

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### A. Prohibition of Child Labor

- ① Suppliers should ban any and all forms of child labor in principle in all of their facilities, unless specifically permitted by applicable law. Suppliers should verify the age of all employees and applicants through legitimate documents such as identification cards and birth certificates, and if instances of child labor is identified, immediately cease such employment and implement appropriate response measures such as improvement and education programs.
- ② If hiring young workers, suppliers should not employ them in high-risk jobs as defined by safety and health standards, and should have appropriate measures in place to ensure educational opportunities.
- ③ Suppliers should not receive goods and services from business partners (subcontractors) that are engaged in child labor or that violate applicable laws, and should take necessary action if such violations are confirmed.

### B. Prohibition of Forced Labor

- ① Suppliers should comply with the labor rules of the countries where they maintain business operations, and prohibit all forms of forced or mandatory labor that is contrary to the free will of the employee. "Forced Labor" shall mean work or service which is exacted from any person under the menace of any penalty for its nonperformance and for which the worker does not offer himself or herself voluntarily, and include convict labor and indentured labor or convict labor and indentured labor applicable under penal sanctions.
- ② Suppliers should ensure that they do not produce for Hyundai Transys, in whole or in part, goods produced by Forced Labor or produced in whole or in part by persons or entities subject to the Forced Labor Regulation or supplied in violation of Forced Labor Regulation. "Forced Labor Regulation" includes any law, regulation, decree, ordinance, rule or requirement imposed, administered or enforced from time to time by the United Nations, the United States (including, but not limited to, the U.S. Customs and Boarder Protection), the European Union, the United Kingdom, the Republic of Korea or other relevant governmental or international authorities relating to the prevention of Forced Labor (including, but not limited to, the prohibition against the importation of goods made wholly or in part with Forced Labor).
- ③ Suppliers will conduct risk-based due diligence on their supply chains, which involves mapping the supplier's supply chains and identify regions, suppliers, and other factors that pose the most risk related to Forced Labor to ensure that the supply chain is free from the use of Forced Labor. This due diligence will be regularly updated.

- ④ Suppliers will establish a Code of Conduct that articulates a position against the use of Forced Labor within any step within its supply chain. In establishing the Code of Conduct, each suppliers will implement related procedures to identify the country and region for all raw materials, parts and components used at any point in its supply chain, where such raw materials, parts and components are directly or indirectly used in the manufacture of items supplied to Hyundai Transys. This Code of Conduct and related procedures will also be designed to ensure that the supplier does not source raw materials, parts or components for its manufacturing process that are in turn manufactured, at any point in its supply chain, directly or indirectly, by using Forced Labor
- ⑤ Suppliers will provide periodic training on the Code of Conduct and the prohibition of Forced Labor to their employees and to their first tier suppliers.
- ⑥ Suppliers will maintain and implement a remediation plan, in the event Forced Labor is identified in its supply chains, and shall promptly provide information about the circumstances of such use of Forced Labor and its remediation to Hyundai Transys.
- ⑦ Suppliers will also require its suppliers to adopt an equivalent Code of Conduct and related procedures, and confirm through auditing or monitoring that its suppliers adhere to their respective Code of Conduct and associated procedures.
- ⑧ Suppliers should not, for the purpose of restricting employees' personal activities, require employees to submit their identification cards or visas, nor should they engage in activities such as assault, intimidation, or confinement for the purpose of Forced Labor.
- ⑨ Suppliers should not receive goods or services from businesses that either restrict the mental and physical freedom of employees or that engage in Forced Labor, and should require their suppliers to obtain the same commitment from their subcontractors.
- ⑩ In the event that a Supplier learns that any supplier (subcontractor) in its supply chain has used Forced Labor in the manufacture of any items sold (directly, or incorporated into items sold directly or indirectly to) Hyundai Transys, it shall immediately discontinue the use of that supplier and inform Hyundai Transys.

### **C. Non-Discrimination and No Harassment**

- ① Suppliers should not engage in any form of discrimination based on gender, race, ethnicity, nationality, religion, disability, age, marital and family status, social identity and political affiliation in hiring and employment practices and access to training.
- ② Suppliers should not engage in any form of discrimination in providing wages and workers' benefits.
- ③ Suppliers should not include requirements that are not relevant to the job description when recruiting and hiring.
- ④ Suppliers should establish policies and procedures to ensure that no human rights violations including sexual harassment, mental or physical coercion, verbal violence, etc. occur, and may refer to the Hyundai Transys Charter for Human Rights, Hyundai Transys Ethics Charter and Code of Conduct, and this Hyundai Transys Supplier Code of Conduct in the process.

#### **D. Wages and Benefits**

- ① Suppliers should compensate workers in accordance with the applicable laws and regulations of the countries where they maintain business operations. Compensation should be paid on a specified dates and workers should be provided with a clear wage statement.
- ② Suppliers should ensure pleasant working conditions and strive to provide all employees with benefits to improve quality of life.
- ③ Suppliers should provide mandatory training in accordance with the laws and regulations of the countries where they maintain business operations. Moreover, they should strive to help all employees build their careers and strengthen their capabilities.

#### **E. Working Hours**

- ① Suppliers should comply with all applicable laws, in relation to legally defined working and resting hours, of the countries where they maintain business operations.
- ② Suppliers should ensure that any hours worked beyond normal work hours are voluntary, and provide lawful/compensation for overtime if employees work overtime under unavoidable circumstances.
- ③ Suppliers should ensure that all employees receive at least one day off every week.

#### **F. Humane Treatment**

- ① Suppliers should respect the privacy of all employees and refrain from assigning unnecessary overtime tasks.
- ② Suppliers should notify employees in advance and obtain voluntary agreement when collecting their personal information.
- ③ Suppliers should prohibit workplace harassment, which includes any act that may cause physical or mental distress, or that aggravates the working environment for other employees beyond the normal scope of their work. Appropriate changes and measures should be implemented to reduce such harrassment, such as disciplinary measures against offending workers and changing workplaces or placements upon request.

#### **G. Freedom of Association**

- ① Suppliers should respect the labor-related laws of the country to which this Supplier Code of Conduct applies and provide sufficient communication opportunities to all executives and employees.

#### **H. Ethical Recruitment**

- ① Unless specifically permitted by applicable laws and regulations, suppliers should not store, dispose of, conceal, forfeit or otherwise restrict employees' access to their personal documents (such as identification cards, passports, driver's licenses, etc.).
- ② Suppliers should not demand any kind of fees or payment whatsoever in exchange for employment.
- ① Suppliers should provide written documents or verbal explanations in a language that each employee understands regarding the working conditions to all employees.

## 5. Safety and health

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### A. Establishment of Health and Safety Management System

- ① Suppliers should comply with the health and safety laws and regulations of the countries where they maintain business operations, obtaining and maintaining all required permits and licenses.
- ② Suppliers should operate an occupational health and safety management system that includes organization, planning, procedures, and outcome analysis to prevent health and safety-related accidents.
- ③ Suppliers should provide appropriate safety and health training to employees. Moreover, safety and health related information should be posted in an easily accessible place in the workplace.

### B. Safety Management of Machinery, Equipment, and Facilities

- ① Suppliers should regularly inspect and evaluate hazardous or otherwise dangerous machines, equipment, and tools in the workplace.
- ② Suppliers should install and manage protective interlocks and walls and emergency devices to prevent injury hazards to workers that may occur when operating hazardous or otherwise dangerous machines, equipment, and tools in the workplace. Moreover, training on prevention of safety accidents such as safety training and work procedures should be continuously conducted.
- ③ Suppliers should provide protective equipment to safeguard individual employees in the workplace. Protective equipment should be easy and convenient to use, and properly maintained to ensure proper function.

### C. Emergency Preparedness

- ① Suppliers should have an established plan to respond to emergencies, including natural disasters, cluster infections, fire and other occupational accidents. Moreover, guidelines should be in place that stipulate the reporting process, response procedures, and follow-up in case of emergency.
- ② Suppliers should implement worker training and drills emergencies in accordance with their own plans or guidelines, or the laws of the countries where they maintain business operations. Moreover, suppliers should have emergency response capabilities.
- ③ Suppliers should have adequate exit routes and signs, fire detection and warning equipment, and fire prevention facilities in case of emergency, and ensure that the above all function properly.

### D. Accident Management

- ① Suppliers should have programs to measure industrial accidents and illness.
- ② Suppliers should immediately cease operations if an industrial accident or severe disease outbreak occurs, and take necessary countermeasures including the evacuation of employees.
- ③ Suppliers should investigate the causes of industrial accidents or illness and endeavor to provide relevant improvement plans to reduce their incidence.

## E. Safety Evaluation

- ① Suppliers should, for the purpose of determining if employees are exposed to risk factors, regularly conduct workplace safety assessments. Assessment results should be disclosed to employees and suppliers should improve machines, equipment, and tools in accordance with the results.
- ② Suppliers should provide employees with information on accident risks and factors based on a risk factor assessment. This information should be disclosed in understandable language and displayed in accessible places.
- ③ Suppliers should not employ pregnant women, young, old or weak workers in high-risk jobs and should endeavor to improve the working environment to support socially vulnerable groups, including the disabled and immigrants.

## F. Health Management

- ① Suppliers may provide employees with resting areas, toilet facilities and eating facilities, and should strive to maintain hygiene and cleanliness in such facilities if they are provided.
- ② Suppliers may provide employees with worker dormitories, which should be equipped with safety signs, lighting and heating and cooling systems. Moreover, dormitories should have appropriate facilities to limit access by unauthorized personnel.
- ③ Suppliers should regularly implement general or special medical examinations for employees, in accordance with the health laws of the countries where they maintain business operations. Moreover, suppliers should take necessary measures such as changing workplaces, converting shifts, and reducing work hours to allow employees to attend medical examinations.

## G. Health and Safety of Contractors

- ① Suppliers should ensure that the health and safety of contractors are appropriately managed while contractors provide services to the benefit of suppliers.

# 6. Management System

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## A. Company Statement Disclosure

- ① Suppliers should disclose this Supplier Code of Conduct, or their commitment to fulfilling corporate social responsibilities, internally and externally.
- ② Suppliers should share this Supplier Code of Conduct, or their commitment to fulfilling corporate social responsibilities, through internal channels, such as the New Year's address by executives, internal guidelines,

or the in-house bulletin board. Moreover, they are recommended to disclose them via websites, management reports and publications.

## **B. Appointment of Social and Environmental Sustainability Management**

- ① Suppliers should appoint a supervisor who is responsible for corporate social and environmental sustainability activities.
- ② Suppliers should appoint a person who manages the planning and implementation of corporate social and environmental sustainability activities (social responsibility activities).

## **C. Risk Assessment**

- ① Suppliers should endeavor to identify ethical, environmental, labor/human rights, safety/health risks associated with their business operations.
- ② Suppliers should develop and implement measures to mitigate risks if significant risks are discovered.

## **D. Training and Communication**

- ① Suppliers should train their employees in the provisions of this Supplier Code of Conduct, as well as the matters governed by the relevant laws and policies.
- ② Suppliers should share implementation plans and progress concerning the matters governed by this Supplier Code of Conduct.

## **E. Information Management**

- ① Suppliers should accurately record and manage information concerning financial, ethical, environmental, labor/human rights, and safety/health risks.
- ② Suppliers should strive to disclose information in a transparent matter when local laws, industrial associations and important clients with contractual obligations request such information, unless the disclosure is prohibited by law.

## **F. Grievance Mechanisms for Advice and Concerns about Ethics**

- ① Suppliers should operate a grievance mechanism allowing employees who confirm or identify violations of ethics, environmental, labor/human rights, safety/health laws and regulations to seek advice and raise concerns. These mechanisms should allow employees to report infringements of their individual rights or interests.
- ② Suppliers should protect employees who report ethical concerns relating to unreasonable actions such as layoffs, threats, retaliation, and mockery. Employees who report such concerns should have their identity protected, except where prohibited by law.

## **G. Methods for Remedy**

- ① If suppliers' business operations result in negative impact on the sustainability of the supply chain, suppliers should provide appropriate methods for remedy to victims, considering the extent of damages and

importance of relief.

- ② Suppliers should strive to establish methods of remedy in accordance with international standards, and in determining remedy methods, should engage in consultation with the affected victims and their representatives.

#### **H. Management of Business Partners (Subcontractors)**

- ① Suppliers should recommend that subcontractors with contractual obligations in planning, designing, selling and manufacturing goods and services should manage ethical, environmental, labor/human rights, safety/health factors.
- ② Suppliers should strive to recommend that their subcontractors improve violations or risks concerning ethical, environmental, labor/human rights, and safety/health laws and provisions when they identify such violations or recognize such risks.

#### **I. Compliance of Supplier Code of Conduct**

- ① Suppliers should provide evidence of compliance with this Supplier Code of Conduct, within the scope of the laws of each country in which they conduct business, during regular written assessments or on-site visits carried out by Hyundai Transys or designated third parties.
- ② Suppliers should write and manage appropriate documents to prove their compliance with this Supplier Code of Conduct. Such documents should be based on facts and reflect business operations.
- ③ Suppliers should strive to establish and implement plans to swiftly address deficiencies and violations of compliance with this Supplier Code of Conduct, as identified by written assessments or on-site visits.

## **7. Supply Chain Due Diligence**

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- ① Ensuring compliance with relevant laws and regulations, suppliers should identify and evaluate risks to sustainability in their supply chain and monitor how such risks are brought mitigated and handled.
- ② Suppliers should establish supply chain due diligence procedures in accordance with the six step procedure presented in the OECD Due Diligence Guidance for Responsible Business Conduct.
  - Embed responsible business conduct into policies and management systems
  - Identify and assess actual and potential adverse impacts associated with the enterprise's operations, products or services
  - Cease, prevent and mitigate adverse impacts
  - Track implementation and results

- Communicate how impacts are addressed
- Provide for or cooperate in remediation when appropriate