

Human Rights Policy

Effective Date	Last Revised	Rev No.
2023.02.07	2024.07.05	2

1. Purpose

- 1.1 The purpose of this document is to establish and implement policies for the protection and promotion of human rights for all stakeholders, including employees working for Hyosung Heavy Industries (hereinafter referred to as the “Company”), as well as to set other necessary matters.
- 1.2 The Company shall strive to safeguard and advance the rights of internal and external stakeholders in accordance with internationally recognized human rights norms and principles, such as the Universal Declaration of Human Rights adopted by the United Nations General Assembly, the ten principles of the United Nations Global Compact, the core conventions presented by the International Labor Organization, and the OECD Guidelines for Multinational Enterprises.

2. Definition of Terms

- 2.1 The term “human rights” refers to the human dignity, values, freedoms, and rights guaranteed by the Constitution and laws or recognized by international human rights treaties and customary international law to which the Republic of Korea has adhered and ratified.
- 2.2 The term “human rights management” refers to the practice of respecting and protecting human dignity and values in business operations.
- 2.3 The term “employees” refers to all company executives and employees (including temporary workers).
- 2.4 The term “stakeholders” refers to all corporations or individuals who are directly or indirectly associated with the Company, such as business partners, customers, and local residents, and who have an interest in the management activities of the Company.

3. Scope of Application

- 3.1 This Policy applies to all employees within the Company’s financial consolidation scope, which includes the Company’s headquarters, domestic and overseas production and sales corporations and branches, and subsidiaries.
- 3.2 Even when interacting with business partners, agencies, and outsourcing partners, employees shall encourage compliance with this Policy.
- 3.3 However, if the recommended actions in this Policy conflict with the laws of the relevant country, the laws of the country in question shall take precedence.

4. General Principles

4.1 Non-Discrimination

- ① The Company shall not discriminate against employees in terms of employment, promotion, and/or education based on factors such as gender, religion, disability, age, social status, national origin, ethnicity, physical conditions such as appearance, marital status, family type or status, race, color, ideology or political opinion, sexual orientation, or medical history.

- ② The Company shall not engage in discrimination in the payment of wages and administration of welfare benefits without reasonable grounds, and shall provide fair compensation based on individual ability and performance under equitable working conditions.

4.2 Humane Treatment

- ① The Company shall not coerce individuals to work against their will through unreasonable restrictions on their mental or physical liberty, such as assault, intimidation, confinement, or human trafficking.
- ② The Company shall pay wages in accordance with the laws and systems of each country in which it operates, on a predetermined date, and provide salary statements in a language that employees can comprehend.
- ③ The Company shall strive to operate welfare programs that enhance the quality of life by providing a pleasant work environment for employees.
- ④ The Company shall implement the compulsory education mandated by local laws and systems of each country in which it operates. In addition, the Company shall endeavor to advance the careers and capabilities of employees.

4.3 Compliance with Working Conditions

- ① The Company shall adhere to the legal working hours of each country in which it operates and establish working hours that include breaks.
- ② The Company shall not require overtime work that employees do not agree to, and in the event that overtime work is unavoidable, it shall compensate employees in a fair manner.

4.4 Prohibition of Workplace Harassment

- ① The Company shall prohibit workplace harassment, which is defined as an act that causes physical or mental harm to other employees or degrades the work environment beyond what is acceptable by taking advantage of the position or relationship between employees in the workplace.
- ② Upon the request of an employee who has been a victim of workplace harassment, the Company shall take appropriate measures, such as relocating or changing the workplace, as well as disciplinary action or a change of work or workplace for the alleged harasser.

4.5 Freedom of Association

- ① The Company shall respect the freedom of association and collective bargaining of employees and ensure the establishment and operation of legitimate bargaining groups in accordance with local labor laws.
- ② The Company shall not treat employees unfavorably based on their union membership or the union's reasonable business practices.

4.6 Prohibition of Forced Labor and Child Labor

- ① The Company shall adhere to the fair labor standards act of each country in which it operates and shall not compel workers to perform forced labor against their will or derive any business profit from such.

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- ② The Company shall comply with the minimum employment age established by the labor laws and regulations of each country or region, and shall prohibit any form of child labor in principle. However, this shall not apply to instances where the law specifies exceptions.

4.7 Occupational Safety Assurance

- ① The Company shall prioritize the safety and health of its employees as well as local communities when determining its management policies.
- ② All workers of the Company shall adhere to relevant regulations, such as the “Environmental Management Policy,” and the Company shall guarantee a safe workplace for all employees by eliminating workplace hazards, performing work in accordance with risk prevention measures and safety rules, providing personal protective equipment, and conducting regular safety training.

4.8 Privacy Protection

- ① The Company shall not collect employee data without permission, and when a collection is necessary, the Company shall notify the employees in advance and obtain their consent.
- ② The Company shall acknowledge that customer data is a valuable asset, request only the bare minimum of information, and employ technical and physical safeguards to protect customer data.

4.9 Protection of Human Rights Local Residents

- ① The Company shall establish a process of communication with local communities to prevent violations of the human rights of local residents surrounding the business sites.
- ② The Company shall safeguard the physical and intellectual property rights of local residents, consult with affected parties prior to transferring ownership, and offer appropriate compensation when necessary.

5. Human Rights Management Responsible Department

5.1 For the effective implementation of human rights management, the Company shall establish and operate a Human Rights Management Department (hereinafter referred to as the “Responsible Department”).

5.2 The Responsible Department shall conduct the responsibilities outlined in each of the following subparagraphs:

- ① Matters concerning the implementation of human rights training;
- ② Matters concerning the implementation of human rights impact assessment;
- ③ Matters concerning counseling and redress for human rights violations; and
- ④ Other matters deemed necessary for human rights management.

6. Human Rights Training and Reporting Framework

6.1 The Responsible Department shall, at least once a year, conduct human rights training to increase employee awareness of human rights.

6.2 The Responsible Department may provide human rights training primarily through legally mandated training, but if necessary, separate human rights sensitivity training, corporate and human rights theory and practical training, and job-related practical training may be provided to employees.

6.3 The Responsible Department shall report the plans and results of human rights training programs to the ESG Management Promotion Committee and disclose this information in the Company's sustainability report.

7. Human Rights Impact Assessment and Reporting Framework

7.1 The Responsible Department shall conduct an annual human rights impact assessment to identify, prevent, and mitigate adverse human rights impacts on the Company.

7.2 The Responsible Department shall establish detailed procedures and methods for the implementation of a human rights impact assessment through case-specific planning.

7.3 The Responsible Department shall report annual human rights impact assessment plans and results to the ESG Management Promotion Committee and disclose this information in the Company's sustainability report.

8. Redress for Human Rights Violations

8.1 Operation of a Grievance Handling and Consultation Center

- ① In order to provide ex-post redress for human rights violations experienced by employees and stakeholders and to prevent the spread of disputes, the Company shall establish a regular communication channel to listen to human rights-related opinions and appoint and operate an internal person in charge.
- ② Employees can request a consultation on human rights violations through the HR Counseling Center run by the HR Team, and business partners can request a consultation on human rights violations through the Purchasing Team's ESG evaluation for business partners. In addition to the channels listed above, employees and stakeholders can report human rights violations through the Whistleblowing Center on the Company's website.
- ③ Anyone can request a consultation from the respective department to determine whether a human rights violation has occurred or to inquire about the procedures for redress.

8.2 Redress Policy for Human Rights Violations

- ① The Company shall develop a procedure for redressing human rights violations so that the victim's rights can be restored.
- ② The redress process for human rights violations shall address matters such as the receipt and processing of reports and the protection of whistleblowers, with specifics to be determined by the Responsible Department.
- ③ When a complaint is filed, the Company shall immediately notify the respective parties and initiate the redress process.
- ④ If it is necessary for the Company to respond to questions raised during the reporting process, relevant experts or attorneys from the Legal Compliance Team can provide direct responses,

and if an in-depth investigation is required, a separate independent investigator or investigation team designated by the Company or a team of experts from within the Company can be designated to conduct the investigation.

- ⑤ The Company shall make every effort to act swiftly on opinions and communicate the results of its review and action to the whistleblower.
- ⑥ The relevant manager shall ensure the anonymity and confidentiality of all reports and complaints submitted to the Counseling Center for grievance handling.

9. Human Rights Management Implementation Plans and Goals

9.1 Creating a Flexible Work Environment

- ① The Company shall implement flexible work arrangements such as staggered working hours and various welfare programs to create a family-friendly work environment.
- ② The Company aims to achieve an annual leave utilization rate of over 60% for employees at its headquarters and domestic business locations by 2030.

9.2 Enhancing Labor-Management Communication

- ① The Company shall build mutual trust and maintain stable labor-management relations through close communication between labor and management.
- ② The Company aims to operate a regular communication channel through labor-management councils, involving employees and negotiation representatives, at least twice a year by 2030.

9.3 Training and Skill Development

- ① The Company shall conduct regular online and offline training to help employees develop skills relevant to their departments and job functions.
- ② The Company aims to achieve a training satisfaction survey participation rate of over 90% by 2030 and to incorporate employee feedback into all levels of training.

9.4 Communication with Various Stakeholders

- ① The Company shall regularly communicate with a range of stakeholders, including internal employees, suppliers, customers, and local communities, who may be affected by the Company's operations through established communication channels.
- ② The Company aims to conduct human rights impact assessments at least once annually by 2030 to identify vulnerable stakeholders throughout the production and distribution processes of products and services, and to improve human rights measures for external vulnerable stakeholders.