HWBC

Ethics Management

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Ethics Management Dept

HYUNDAI WELDING

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Introduction to Ethics Management

Purpose and Necessity of Ethics Management

In line with the new era, Hyundai Welding will introduce "ethics management" that seeks transparent, fair and reasonable employee performance.

Ethics management is based on the notion that short-term profits cannot lead to sustainable growth. It also corrects irrational practices in the company, establishes employee values in performing their duties, and fulfills corporate social responsibilities.

Currently, international organizations such as WTO, OECD and ICC are pushing for corruption prevention. OECD, UNEF and ISO are also pushing for the standardization of ethical management in order to apply fair and transparent competition regulations to international commerce.

Through this new strategy, we will strive to achieve continuous development by satisfying the ethical ideology of all stakeholders and establishing a new corporate culture.

Hyundai Welding will ultimately lay the foundation for growing into a top-notch 21st century global company through ethical management.

Charter of Ethics Management

With the vision of implementing the best management and value creation (BESCOM: Best Company) that a company can carry out, Hyundai Welding will create a modern corporate culture that seeks joint prosperity between stakeholders and the community.

Therefore, the Charter of Ethics Management is established for employees of Hyundai Welding to use as a standard for proper behavior and value judgment.

1. We seek to establish shared growth with customers by contributing to our customers' value creation and actively collecting their complaints and feedback.

2. We actively compensate successful employees and create a work environment where challenges and innovations are encouraged.

3. We respect each other and create a healthy and ethical workplace atmosphere.

4. We create a sound corporate culture through fair competition with competitors and fair trade with our suppliers.

5. We comply with legal obligations and practice rational and transparent management.

6. We contribute to the local community by fulfilling our corporate social responsibilities and obligations, complying with environmental regulations, and helping to prevent environmental pollution.

Code of Ethics

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Chapter 1: General Provisions

1. Purpose

As part of the establishment of Hyundai Welding Group’s Business Culture (hereinafter referred to as "Hyundai Welding"), this Code of Ethics shall be enacted to prescribe ethical standards that all employees must comply with and make decisions based on them.

2. Application

The Code of Ethics applies to all employees of Hyundai Welding. However, for employees working abroad, this will be applied according to local laws and regulations.

3. Operation

1) In order to implement the Code of Ethics, guidelines will be enacted with specific guidelines for conduct.

2) All employees shall contact the Ethics Management Department for inquiries regarding the Code of Ethics and its guidelines, and follow instructions.

3) The Ethics Management Department will amend the Code of Ethics if necessary, but matters deemed important by the department head shall be amended with the approval of the HR Ethics Committee.

4) Executives and department heads shall provide sufficient education and counseling to their employees to help their understanding of the code, and take appropriate precautions to prevent them from violating the code.

5) Once the Ethics Management Department verifies a report of violation of the Code of Ethics and its practices, relevant employees shall cooperate actively.

Chapter 2 : Responsibilities and Obligations for Customers

1. Respect customers

1) We put ourselves in our customers’ shoes. We earn our customers’ trust by providing products and services that they can trust, while fulfilling our promises.
2) We listen to our customers’ opinions and actively apply their reasonable demands and suggestions.

2. Increase customer value

1) We make fair deals with our customers and enhance their profit. We do not engage in activities that may undermine their interests by abusing our status in trade.
2) We provide accurate information about our products and services to customers and do not exaggerate our advertisements.

3. Customer Information and Safety Protection

1) We comply with relevant laws and regulations to protect customers' information, and do not use or leak their confidential information illegally.
2) In the process of providing products and services to our customers, we consider their safety as a top priority and actively provide necessary information to prevent damage and risks.

Chapter 3 : Responsibility for Employees

1. Employee Respect

1) We respect each employee as a human being and provide appropriate working conditions and a safe working environment.
2) We acknowledge that our employees constitute the company and ensure that all employees work with pride as the main agents of the organization.

2. Fair treatment and Human Resources Development

1) We equally respect the autonomy and creativity of each employee and give them opportunity to improve their capabilities. We then evaluate and compensate employees fairly in accordance with the evaluation criteria.
2) We do not discriminate employees unfairly according to gender, religion, age, origin, educational background, disability, etc.
3) We listen our employees and create an environment where they can freely make suggestions.
4) We provide equal educational and growth opportunities depending on employees' capabilities and qualifications, in order to increase their motivation and encourage their development.

3. Safe working environment

1) We actively take necessary measures for the safety of employees, and strive to maintain a safe working environment from accidents, injuries, disasters, and diseases.
2) We comply with the laws and standards related to health and safety in the workplace.
3) We shall endeavor to provide a work environment in which the work and life of employees are harmoniously balanced.

Chapter 4: Basic Employee Ethics

1. Basic Employee Ethics

1) Employees share the company's management philosophy and share its values, and faithfully carry out individually assigned tasks according to the company's business policy.
2) Employees create an organizational culture based on smooth communication and mutual trust.
3) Employees shall not be discriminated for any reason irrelevant to their duties, such as regionalism, school relations, and kinship.
4) In case employees find out about an unethical practice or actions that violate the principles of ethical management, they shall immediately report them to the Ethics Management Department.

2. Mission Fulfillment

1) As proud members of Hyundai Welding’s Business Culture (HWBC), employees will always maintain an honest and sincere attitude.
2) Employees shall contribute to the development of the company by demonstrating their capabilities based on creativity.
3) As members of Hyundai Welding, employees shall share prosperity with the company and perform their duties with a will to develop.
4) Employees must be familiar with the given rights and responsibilities and use ethical values as a standard for all actions.

3. Fair Job Performance

1) Employees shall maintain their honor and dignity as members of Hyundai Welding by performing their duties with honesty and integrity.

2) Employees shall perform their duties fairly and shall not engage in acts of abuse of authority, falsehood, exaggeration, etc. for personal interests.

3) Employees shall not make unfair requests or make any gains from interested parties, such as subcontractors, in return for abuse of superior status in business.

4) Employees shall not engage in any conflict of interest with the company. In case of a conflict of interest between the company and the individual or department, they shall prioritize the company's interests.

4. Prevention of Bullying and Sexual Harassment in the Workplace

1) Employees recognize that general and sexual harassment in the workplace is illegal and shall not engage in any act that harms peer relationships, that include physical, verbal, and visual abuse.

2) Employees who cause harassment in the workplace may be subject to strong disciplinary action and transfer of personnel will be conducted to prevent them from working in the same place as the victim.

5. Prohibition of Gifts and Monetary Transactions Between Employees

1) Gifts between employees shall be kept within the social norm.

2) All financial loans, guarantees, and solicitation activities between employees are prohibited.

6. Protection of Company Assets and Information

1) Employees shall protect the company's physical property, intellectual property, trade information, etc. and shall not use the company's assets for personal gain.

2) Employees shall provide confidential information only to authorized personnel, and must not make transactions for personal gain, such as providing confidential information to third parties.

Chapter 5: Ethical Management

1. Compliance with the Law

1) We carry out business activities fairly and transparently while complying with relevant laws and regulations.
2) We also comply with all international regulations such as corporate and commercial ethics.

2. Fair Trade

1) All transactions with our customers should be transparent, and we shall not impose unfair acts or influence by using the superior position of the company.
2) All customers shall be guaranteed fair opportunity, and selection of our customers will be determined by objective and fair standards and procedures.
3) When participating in a tender, information of competitors will not be provided to other companies.
4) When dealing with customers, we will comply with relevant laws, regulations and systems.
5) All transactions with customers shall be carried out fairly on equal terms, and conditions and procedures shall be fully discussed in advance.
6) We will not collect information in fraudulent means from our competitors, business partners, or other institutions. Illegally obtained information by the company or a third party shall not be used or disclosed.

3. Disclosure of Information

1) We disclose financial and non-financial information to customers, government authorities, and investors, in a timely, accurate and transparent manner in accordance with applicable laws and regulations.

2) We shall not falsify or distort disclosed information nor improperly omit or conceal material information that is required to be disclosed.

3) When disclosing information, we shall protect personal information, trade secrets and other information that must be safeguarded under applicable laws, regulations, or contractual obligations.

4. Prevention of Counterfeit Parts

1) We shall not manufacture, use, or distribute counterfeit raw materials or parts.

2) We ensure that raw materials and parts are properly used and distributed in accordance with their intended business purposes and contractual requirements.

3) We do not use or supply any material or part suspected to be counterfeit but take the necessary action (quarantine, investigation, notification).

5. Export Controls and Economic Sanctions

1) We shall comply with all applicable laws, regulations, and international agreements relating to export controls and economic sanctions.

2) We shall not engage in transactions with any country, region, institution, organization, or individual prohibited under applicable export controls or economic sanctions.

3) We shall not engage in any activities intended to circumvent export controls or economic sanctions, including indirect transactions through third parties.

Chapter 6: Contributions to the State and Community

1. Social Responsibility and Obligations

1) We contribute to the development of society and the national economy through compliance with various laws, improved productivity, job creation, honest tax payment, social contribution, etc.

2) We recognize the importance of social responsibility and fulfill it by participating in various social service activities such as environment safety activities and cultural support activities.

3) We contribute to social development by performing corporate activities that respect social values, and do not engage in activities through unfair means such as bribery for business benefits and exploitation of competitors' profits.

2. Environmental Protection

1) In order to protect the global environment, we will comply with all environmental regulations and will carry out all projects in an environmentally friendly manner.

2) Efforts shall be made to preserve a clean environment throughout the development, production, and use of our products.

3) Efforts shall be made to reduce greenhouse gas emissions by improving energy efficiency.

Chapter 7 : Additional Clause

1) This Code of Ethics shall be enacted and enforced on May 20, 2021.

2) This Code of Ethics supersedes other regulations within the company.

3) The Code of Ethics established in 2008 shall be replaced by this Code of Ethics.

Guidelines for the Code of Ethics

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Chapter 1: General Provisions

1. Purpose

This Code of Ethics Practice aims to define criteria for determining behavior so that employees can properly understand ethical problems faced during business activities, and to determine necessary procedures for reporting violations.

2. Application

This Code of Ethics applies to all employees of Hyundai Welding, whether they work in Korea or abroad. However, local laws and regulations will also be considered for employees working abroad.

3. Definition of Terms

1) Money and other valuables: Refers to all property benefits, such as money, securities, real estate, goods, accommodation, membership, admission, discounts, invitations, etc.
2) Stakeholders: People who are directly or indirectly related to the company's business and have a mutual impact on the decision-making of the company and its employees.
3) Ordinary standard: A standard that the general public can understand via common sense, in which the beneficiary can handle work without burden.
4) Superior status: Using a superior business status to gain an advantage over another party in a relationship.
5) Reporter: A person who reports or calms fraudulent transactions, illegal activities, and other unethical practices of employees or in accordance with the Code of Ethics.

Chapter 2: Fair and Truthful Performance of Duties

1. Management of business information and creation of documents

1) Employees shall not use information acquired in the company for personal profit or disclose it to third parties.

2) Employees must not trade shares using internal information and must not provide confidential information to third parties that may affect stock prices without due process.

3) Employees shall prepare documents for business in accordance with the company's regulations, and must immediately report and modify documents in case of error.

2. Prohibition of request for job position

1) Employees shall not make unreasonable requests to the company and its interested companies by using their status, such as asking for employment of family members, relatives, or acquaintances.

2) Employees must not request the HR team for unfair personnel evaluations by using their status.

3) Employees shall not request any other person to make a request to the HR team for an unfair influence on their appointment, promotion, transfer, etc.

4) Employees shall not receive any guarantee of employment after retirement from interested parties.

5) If an employee receives a personnel request, he/she shall inform them that it is an illegal request and clearly indicate his/her intention of refusal.

6) When determining a promotion, recruitment, or transfer of employees, the employment rules prescribed by the company shall be followed.

3. Prohibition of Multiple Jobs and Concurrent Positions

1) Employees are prohibited from duplicate employment in other companies without

prior approval from the company.

2) Employees cannot concurrently serve duties of other companies without permission from the company.

4. Signing Contracts with Partners

1) Employees shall perform their duties fairly and transparently in accordance with the procedures prescribed by the relevant laws and regulations for bidding, contracts, and contract fulfillment conducted by the company.

2) When selecting a subcontractor, all duly qualified companies shall be given equal opportunity for transaction and free competition, and will be selected according to transparent evaluation procedures.

3) In principle, orders should be placed by competitive bidding, but private contracts may be selected through due process in accordance with the company's needs and regulations.

4) When setting the terms of payment with subcontractors, employees shall make decisions that do not violate the standard terms.

5) Employees shall not receive any form of economic or non-economic benefits from subcontractors using their superior status.

6) Employees shall be fully aware of the basic procedures for signing contracts and shall not conclude construction, service contracts, etc. at a higher price than the market price.

7) Employees shall endeavor not to have conflicting interests when signing contracts with subcontractors. In the event of a conflict of interest with the company, they shall immediately report it to the Ethics Management Department.

Chapter 3 : Clean Corporate Culture

1. Prohibition of Embezzlement and Misappropriation of Public Funds

1) Employees may not use the company's public funds for personal purposes for any reason. When detected, criminal charges may be filed according to the amount and loss.
2) The company's public funds shall be managed by a corporate account, and all expenditures shall be thoroughly evidenced.

2. Prohibition of Improper Budget Execution

1) Employees shall refrain from wasting budget due to unnecessary use or excessive execution, and shall ensure that all budgets are executed reasonably and efficiently.
2) Employees shall not use the sales budget for purposes other than department dinners, congratulatory money for employees, and purchasing personal items.
3) Employees may not use corporate credit cards for any purpose that is not business related.
4) Employees may not charge the company expenses used for non-business purposes.
5) If employees use the company's budget for non-business purposes and fail to report it to the Ethics Management Department, both those involved and department employees who are aware may be subject to disciplinary action.

3. Prohibition of Private Use and Damage of Company Property

1) Company assets, such as the company's physical property, intellectual property rights, and trade secrets, may not be used for personal purposes.
2) If an employee wishes to transfer or lend the company's assets to himself or a third party, they must obtain approval from the department head and the executive in charge and follow the prescribed procedures.
3) Employees may not use the company’s computer or laptop to engage in personal stock trading, gambling, illegal videos, and other sites unrelated to business.

4) Employees may not intentionally damage the company's assets. If an employee does so, the company may hold them responsible.

4. Prohibition of Bribery Acceptance

1) Employees shall not seek any money, entertainment, or convenience from interested parties by abusing their superior positions, and shall not engage in financial transactions with colleagues.

2) Employees shall not receive free entertainment in bars from interested parties, which may be derogatory.

3) Employees are prohibited from receiving various personal conveniences from interested parties on business trips, such as transportation and lodging expenses. However, if such convenience is inevitably provided, it must be reported to HR and the relevant expenses shall be calculated and returned.

4) Employees may not receive money for celebration and condolence from interested parties, and must not notify them in order to receive such money.

Chapter 4: Healthy Organizational Culture

1. Mutual Respect for Employees

1) Employees should respect each other and have good manners for work life.

2) Employees shall not discriminate each other for reasons concerning gender, religion, age, origin, educational background, or other reasons.

3) Employees shall not engage in unofficial activities such as creating factions and promoting social disharmony.

4) Employees shall not restrict, exclude, separate, or discriminate colleagues with disabilities without justifiable reasons.

2. Responsibility of Executives and Department Heads

1) Executives and department heads shall set a good example to department members by complying with the Code of Ethics and its practices through fair decision-making and actions.

2) Executives and department heads shall provide counseling from time to time so that all department members can fully understand the Code of Ethics and its practices, and take appropriate precautions to prevent unethical behavior.

3. Responsibility of Department Members

1) When a department member is given work that is unclear under the company's regulations, they shall ask the department head or executive before proceeding, and will handle it fairly and reasonably.

2) If a department member is given work that is illegal or unjust by their manager, they shall not proceed with it unconditionally.

3) A department member shall refuse unjust orders from their manager by presenting evidence. If the manager still gives unjust orders, they must be reported to the Ethics Management Department.

4. Prohibition of Bullying and Sexual Harassment in the Workplace

Strong disciplinary actions, such as suspension, demotion, being placed on the waiting list, dismissal, etc. may be imposed on employees who have caused bullying or sexual harassment in the workplace. Personnel transfers may also be conducted to prevent them from working in the same place as the victim.

(1) Prohibition of Bullying

① Employees shall not engage in acts unrelated to their duties that cause physical and mental pain, or worsen the working environment by using their superior position in the company.

② No unnecessary instructions or violations shall be imposed outside of legal working hours.

③ Employees shall not intentionally ostracize or spread false information of their colleagues in social media or the bulletin board.

④ Managers shall not use vulgar language or insult their employees even if their performance is poor.

⑤ Managers may not force their employees to participate in company dinners, run errands, or write reports unrelated to work.

⑥ A single employee shall not be repeatedly assigned hard work that all other employees are reluctant to do, unless specified in their labor contract.

⑦ An employee shall not be intentionally excluded from important information or work related decision-making without justifiable reasons.

⑧ Employees shall not be treated unfairly by their managers, through the use of authority such as change, exclusion, and transfer of duties.

(2) Prohibition of Sexual Harassment in the Workplace

① Employees shall not engage in any act that causes a colleague to feel sexual humiliation, disgust, or pressure.

② Employees are prohibited from making obscene jokes, gossip, physical contact, or forcing people to pour alcohol or dance in company dinners.

③ Employees may not intentionally expose or touch sensitive parts of a colleague's body, or force colleagues to see obscene photographs and pictures.

④ Employees may not sexually evaluate each other's bodies or figures.

⑤ A refusal of sexual harassment shall be respected, and no disadvantage shall be given in such cases.

⑥ Employees may not make deals concerning sexual demands, and may not force meetings, romantic relationships, or physical contact.

5. Prohibition of Gambling and Drinking

1) Employees may not force colleagues to purchase guarantees, financial products (insurance, etc.) or other goods.

2) Employees shall not engage in gambling activities, and in case an employee earns money or valuables through gambling, it will be regarded as bribery.

3) Employees shall not be affected by alcohol during working hours. However, such cases are tolerated in case of prior approval for hosting and sponsoring events.

4) Employees shall not work under the influence of alcohol.

5) Employees may not drive under the influence of alcohol for work, and strong disciplinary measures such as dismissal may be given if detected. However, if an employee inevitably drinks at a meeting with customer or interested party, the company may grant an alternative leave of absence the following day in accordance with the company guidelines.

Provided, that where a customer or interested party inevitably drinks at a meeting, the company may grant an alternative leave of absence the following day in accordance with the company guidelines.

Chapter 5: Information Protection, Security Management, etc.

1. Information Protection

1) Employees shall protect the company's physical property, intellectual property, and business secrets. They may not divulge internal information to third parties without prior approval from the company.

2) Employees may not disclose the company's business regulations prior approval from the company.

3) The company’s information system shall be used only for business purposes and shall not be used for personal interests.

2. Security Management

1) Data of the company's information system shall not be falsified, tampered with or damaged without permission.
2) The ID and password provided by the company shall not be shared with others. However, it may be temporarily shared for inevitable work purposes.
3) Employees are prohibited from attempting to identify other people's IDs and passwords, and unauthorized information may not be accessed.
4) Data that may infringe copyright may not be distributed without permission within the company.
5) Employees must use a purchased software program, and all responsibility for the use of illegal software shall be taken by the relevant employees.

3. Privacy

1) Employees may not intentionally disclose personal information of employees and stakeholders.
2) Personal information processors must manage privacy so that it is not damaged or lost.
3) In order to ensure the safety of privacy, documents containing personal information and auxiliary storage media shall be stored in a locked place.
4) In order to prevent leakage of personal information, the company shall provide education for personal information processors.