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| Supplier ESG Evaluation Policy | Revision No. | Last Revision |
| | 0 | Feb. 7, 2023 |

1. Purpose

- 1.1 The purpose of this Supplier ESG Evaluation Policy (hereinafter referred to as this "Policy") is to ensure that all suppliers engaging in business with Hyosung Group (hereinafter the "Company") strictly comply with the laws and regulations applicable to corporate management activities and, at the same time, adopt the best management practices in the areas of ethics, environment, labor and human rights, safety and health, and management system, which are the fundamental elements of ESG management.
- 1.2 The Company and third-party organizations commissioned by the Company may conduct inspections and due diligence, within the scope permitted by the laws, to check the compliance of suppliers with ESG risk assessment criteria. Based on the results of such ESG assessments and due diligence, the Company may recommend that suppliers make improvements for risks identified, and suppliers shall plan and implement measures to mitigate such risks based on mutual consultation on matters requiring improvement.

2. Scope of Application

- 2.1 This Policy shall apply to all suppliers who provide goods and services to or enter into any business contract with the Company.
- 2.2 ESG risk assessments shall be conducted with respect to the Company's partners subject to priority management (within the 95% level of purchase amount) at least once a year.

3. Cycle and Methods of Evaluations and Due Diligence

- 3.1 Suppliers shall respond to the surveys distributed by the Company and submit the results within the deadline. The Company may evaluate and reflect the results into the purchase criteria.
- 3.2 Suppliers who have undergone separate ESG evaluations by the following institutions may submit the evaluation reports issued by the relevant institutions in lieu of responding to the surveys:
- Large companies/middle-market companies: (Korea) Korea Institute of Corporate Governance and Sustainability / (Abroad) Morgan Stanley Capital International, Ecovadis, and S&P Dow Jones Sustainability Indices
 - Small and medium-sized enterprises: Same as above, and ESG Diagnosis Report of the Korea SMEs and Startups Agency
- 3.3 The Company's internal survey-based risk assessment shall be evaluated on a 10-point scale without any weighting.
- * Compliance rate of 90% or above is rated as "Excellent," 80% or above as "Good," 70% or above as "Fair," and any lower rate as "Insufficient."

4. Methods of Requesting Improvements with Respect to Evaluation Outcomes

- 4.1 For partners whose compliance rate is rated "insufficient", the Company shall request them to submit improvement plans within twelve (12) months, and shall inspect the progress on the implementation of improvements in the following year.

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4.2 Where it is difficult for suppliers to identify improvement areas on their own, the Company shall support the enhancement of suppliers' ESG management capabilities by offering services such as training and consulting through agencies dispatched by the Company.

5. Supplier ESG Risk Management Areas

5.1 The suppliers' ESG risk management areas shall be based on the Hyosung Group Supplier Code of Conduct.

5.2 The ESG evaluation criteria for the suppliers shall be based on the questions in the “ESG Management Guidebook for Hyosung Group Suppliers.”

End of Document.