

DL E&C

Supplier Code of Conduct



Preface

DL E&C aims to achieve shared growth with its suppliers through continuous growth and development as a pioneering corporate fulfilling social responsibility, keeping its promises with customers and conducting management which gives trust based on its philosophy of "creating a pleasant and prosperous life" and "infinite growth and development" with the management principles of "future creation", "respect for humanity" and "customer trust".

To this end, DL E&C has enacted the "Supplier Code of Conduct" as a basis of right action and value judgment that shall be observed and followed in all areas of corporate activities, including labor rights, health and safety, environment, ethical management, etc.

The Code of Conduct applies to all suppliers supplying goods and services to DL E&C. DL E&C or an external entity designated by DL E&C may visit suppliers to assess their compliance with the code of conduct to the extent that it does not infringe on their business activities, intellectual property rights, trade secrets, and other rights. In case of material violation of suppliers, rectification can be recommended.

The Code of Conduct may be reviewed and revised according to changes in policies, standards, etc., and the revisions may be available on supplier portal site of DL E&C¹⁾.

Suppliers' portal site

<http://partner.dlenc.co.kr/ENG/login.html>

Chapter 1. Labor and Human Rights

Suppliers shall establish a sound organizational culture within the company by respecting employees as a human and treating them fairly according to their abilities and achievements.

1. Compliance with Labor Relations Act

- A) Working hours are not to exceed the maximum working hours provided by local law except in emergency situations.
- B) Forced and involuntary labor including child labor is to be prohibited.
- C) Suppliers are to guarantee freedom of association and collective bargaining right provided by local law, and are not to disadvantage due to unionization, labor union enrollment, or union activities.

2. Wages and benefits

- A) Suppliers are to guarantee the minimum wages, remuneration greater than or equal to living wages, allowances in accordance with the labor relations act, and they are to be paid at least once a month on a given date.
- B) Suppliers shall give a salary slip made in language comprehensible by employees.
- C) Suppliers are to be equipped with system necessary for its employees to become autonomous and creative persons of talent with sound sense of ethics, and actively provide its employees with the opportunities for their self-development and growth.

3. Humane treatment

- A) Suppliers are to treat each employee as an independent human.
- B) All workplace harassment to employees such as sexual harassment, abuse, violent language, etc. are to be prohibited, and disciplinary policy applicable to violation of policy is to be clearly prescribed and publicly announced.

4. Non-discrimination

- A) Suppliers are to establish and make public evaluation standards for abilities and achievements, comply with them, and fairly evaluate and reward.

B) Suppliers are not to discriminate based on gender, race, ethnicity, nationality, religion, disability, age, family status, social status, political opinions, etc.; and are to treat fairly.

5. Employment

A) Suppliers are to bear all expenses incurred in the hiring process, and are not to charge employees for any fees and expenses incurred in the hiring process.

B) If suppliers use a recruitment agency in the hiring process, they shall verify that the agency has hired employees fairly and does not require an applicant to pay any expenses (in case of foreign workers, any expenses of flight, visa, physical examination, guarantee insurance, etc.) incurred in the hiring process.

Chapter 2. Health and Safety

Suppliers shall exert their utmost efforts to improve employees' health and safety by preventing occupational accidents and establishing a safe working environment.

1. Occupational Safety

A) Risk factors that may be harmful to workers are to be identified, and measures to appropriately control them are to be sought and implemented.

B) Health and safety educations are to be conducted periodically to create a safe working environment within a company, and suppliers are to be prepared for risks.

C) Procedures and systems to prevent and manage occupational accidents and illnesses are to be arranged.

2. Occupational hygiene and health

A) Sanitary conditions of cafeteria, work area and rest space are to be inspected for employees to work and rest at a clean environment.

B) Safety and Health measures such as installing health and safety facilities, providing safety devices and protective gears, etc. necessary to prevent occupational accidents are to be taken.

3. Emergency Response

A) Suppliers are to carry out risk assessment concerning probability of accidents at workplace and improve

the control to minimize the damage resulting from accidents and emergency occasions.

B) Suppliers are to establish an emergency plan and response plan for prompt response to emergency situations.

Chapter 3. Environment

Suppliers are to endeavor to minimize environmental pollution and environmental impacts at overall business activities by continuing sustainable eco-friendly management activities.

1. Compliance with environmental laws and regulations

A) Suppliers are to strictly comply with environmental laws and regulations, and are to actively accommodate international environmental conventions and treaties.

B) Suppliers shall obtain all required environmental permits and keep them updated, and comply with operation and reporting requirements of the relevant permits.

2. Pollution prevention and resource saving

A) Suppliers are to endeavor to minimize negative environmental impacts, prevent environmental pollution and recycle across all business activities, goods and services.

B) The status of air emissions and wastes, and the use of hazardous substance are to be monitored, and the release and emissions are to be minimized.

C) Overall resource consumption such as energy, water, etc. are to be managed and resource efficiency are to be minimized for minimum consumption.

3. Hazardous Substances

A) Labeling management of substances that may cause harm to human health or living environment is to be conducted for safe handling.

B) Preventive measures to prevent accidents at the treatment of hazardous substances are to be established, and suppliers shall have equipment and medicines for emergency measures for the accidents.

4. Eco-friendly construction

- A) Suppliers shall endeavor to reduce environmental impacts across the construction process, review the application of eco-friendly construction methods from the preparation of the project, and periodically continue environmental monitoring.
- B) Suppliers shall use eco-friendly construction materials to pursue eco-friendly construction.

Chapter 4. Ethics

Suppliers shall recognize the corporate social responsibility, and follow the code set out below to prevent ethical issues such as unfair conduct, corruption, etc., in all business activities.

1. Business Integrity

- A) Suppliers shall comply with the OECD Anti-Bribery Convention and the Act on Combating Bribery of Foreign Public Officials in International Business Transactions at international transactions.
- B) Suppliers shall not unfairly infringe on the interests of competitors or take advantage of their weaknesses.

2. Fair Transactions

- A) All transactions are to be conducted in accordance with fair transaction conditions and procedures in a position of equality.
- B) All wrongful acts such as acts against good faith and fair dealing or receiving a bribe by using a superior status are to be prohibited in all transactions.
- C) Mutual cooperative relationship for the creation of transparent and fair transaction culture is to be established.

3. Protection of Intellectual Property Rights and Personal Information

- A) Suppliers shall protect all intellectual property rights such as technologies, know-how, etc., in accordance with relevant laws and regulations, and shall protect all information of DL E&C.
- B) Suppliers shall respect all physical/intellectual property rights of DL E&C and second-tier suppliers.
- C) Suppliers shall protect personal information of all stakeholders, and comply with relevant laws and

regulations in collecting, storing, processing and sharing the personal information.

Chapter 5. Management System

Suppliers are to endeavor to fulfil their social and environmental responsibility by adopting a management system relevant to this Supplier Code of Conduct.

1. Participation of Management

A) Suppliers shall take an oath stating their volition of continuous compliance with and improvement concerning the requirements of this Supplier Code of Conduct, and the code written in local language shall be posted at the workplace.

B) Suppliers are to specify their senior management and representatives in charge of execution of the management system, and the senior management supports the smooth operation of the management system.

2. Monitoring and Assessment

A) Supplier shall have the procedures to figure out and monitor this code, relevant laws and regulations, and customers' needs.

B) Procedural and physical control measures shall be implemented to assess and manage Suppliers' risks.

C) Suppliers shall identify things to be improved in terms of labor, health, safety, environment, ethics, etc., set up the goals for the improvement, and assess periodically.

D) Suppliers shall prepare and manage appropriate documents and records to prove regulatory compliance.

3. Vendor selection and management

A) Suppliers shall take into accounts quality and social and environmental factors in the selection of a vendor.

B) Suppliers are to check the social and environmental risks of the vendors through periodical inspections, and carry out measures to mitigate the risks.