

# Supplier Code of Conduct

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## 1. Overview

### 1-1. Background and Purpose

The automotive industry is currently facing a paradigm shift towards electrification and sustainable mobility, alongside increasing demands from global stakeholders concerning corporate sustainability.

In response, Nexen Tire and its affiliates (hereinafter collectively referred to as 'Nexen Tire') have established this Code of Conduct based on global standards such as the Responsible Business Alliance (RBA) Code of Conduct, the UN Guiding Principles on Business and Human Rights (UNGPs), and the ILO Core Conventions.

Through this Code of Conduct, Nexen Tire aims to minimize ESG-related risks across its business operations and supply chain, ensure compliance with global laws and regulations, and build a sustainable supply chain that fosters shared growth and innovation with its partners.

### 1-2. Scope

This Code of Conduct applies to all partners and suppliers of Nexen Tire and its affiliates

### 1-3. Responsibilities and Obligations of Suppliers

Suppliers shall comply with this Code of Conduct (including any future revisions) and actively implement it, along with all relevant laws and regulations. They are also expected to encourage their own suppliers and sub-suppliers to adhere to this Code and applicable legal standards.

Suppliers are required to fully cooperate when Nexen Tire or a third party designated by Nexen Tire requests documentation or conducts visits to assess compliance with this Code.

Compliance with this Code of Conduct is an important criterion for supplier selection. If a supplier is found to be in violation, Nexen Tire may request that corrective actions be taken based on the potential negative social or environmental impact caused by the violation. Failure to implement appropriate corrective measures may jeopardize the continued business relationship with Nexen Tire.

## **2. Business Ethics**

### **2-1. Transparent Management and Anti-Corruption**

- 1) Suppliers shall comply with all local laws and regulations related to business ethics and are responsible for adhering to Nexen Tire's Code of Ethics and Integrity Pact.
- 2) Employees of the supplier are strictly prohibited from engaging in any acts that undermine integrity, such as bribery, extortion, embezzlement, mediation, kickbacks, solicitation, or offering gifts, in order to influence decision-making. Illegal activities shall be avoided.

### **2-2. Conflict of Interest Prevention**

- 1) Suppliers shall not promise, offer, permit, provide, or accept bribes or any other means for improper or inappropriate benefits. This includes any acts aimed at obtaining or maintaining business opportunities for personal gain, or promising, offering, permitting, providing, or accepting personal benefits through third parties.

### **2-3. Fair Trade and Fair Competition**

- 1) Suppliers shall comply with the principles of general market competition. Additionally, any acts that hinder fair trade, such as collusion, unfair trading, abuse of dominant position, unfair support, or improper advertising as stipulated in the competition and antitrust laws of each country, are strictly prohibited.
- 2) Suppliers shall not directly or indirectly make improper requests or offer, promise, or accept bribes, unfair benefits, or conveniences to any individuals, including Nexen Tire employees and public officials, during the execution of contracts, either domestically or internationally.
- 3) Suppliers are obligated to report to Nexen Tire's Ethical Management Department if they are asked by Nexen Tire employees to engage in improper solicitation or offer, promise, or demand bribes, unfair benefits, or conveniences during the execution of contracts.

### **2-4. Quality Management**

- 1) Suppliers shall ensure that counterfeit parts or materials are not included in finished products supplied to Nexen Tire.
- 2) Suppliers shall establish and maintain a quality management system to achieve the quality policy and objectives, performing various quality control activities from raw material procurement to product shipment in order to provide high-quality products to Nexen Tire's customers.
- 3) Suppliers shall cooperate promptly if requested by Nexen Tire or its customers to provide information related to quality management.

## **2-5. Compliance with Export-related Laws/Regulations**

- 1) Suppliers shall comply with national laws and international agreements related to export controls and economic sanctions.
- 2) Suppliers shall not engage in transactions with countries, regions, corporations, organizations, or individuals subject to export controls or economic sanctions.
- 3) Suppliers shall not engage in product dumping and shall continuously verify compliance with customs regulations, such as whether the origin of the product is falsely reported to avoid customs duties.
- 4) Suppliers shall ensure compliance with export restrictions and economic sanctions laws and regulations and cooperate with Nexen Tire's efforts to assess compliance, if necessary.

## **2-6. Information Protection**

- 1) Suppliers shall record accounting records and transparently disclose them in accordance with the accounting standards and relevant laws of their place of business. Moreover, suppliers shall ensure that their transaction procedures are transparent, accurately recording and managing procedure details in the supplier's accounting books and work records.
- 2) Suppliers shall conduct regular security checks based on their information security policies.
- 3) Suppliers shall ensure the security of personal, financial, and health-related information concerning employees, suppliers, and customers, by establishing and enforcing appropriate protection policies.
- 4) Suppliers may only request/collect personal information from employees, customers, or suppliers when there is a legal reason to do so, and shall comply with the relevant laws and regulations of the respective regions.
- 5) Suppliers shall comply with intellectual property laws, trade secrets, trademarks, and confidential information laws, and establish and operate policies to protect such information.

## **2-7. Responsible Material Procurement (Prohibition of Conflict/Responsible Minerals)**

- 1) All suppliers providing products to Nexen Tire shall establish a process to verify and manage the origin and smelters of minerals and raw materials, including conflict minerals such as tin, tungsten, tantalum, and gold, and track their history.
- 2) Suppliers shall make efforts to inspect and address any significant risks identified in the smelter or raw material origin process, and support actions for improvements in accordance with this policy, as defined in the key risk areas of this code of conduct.
- 3) Suppliers shall cooperate when Nexen Tire requests documentation regarding the use of conflict minerals in the supply chain, including verification of the origin of minerals from conflict zones. Nexen Tire may conduct on-site inspections of the supplier, if necessary.

*\*Conflict Zones: Refers to the 10 regions including the Democratic Republic of the Congo, Sudan, Central African Republic, Congo, Angola, Zambia, Tanzania, Burundi, Rwanda, and Uganda. Regulated minerals (conflict minerals) refer to tin, tantalum, tungsten, and gold mined in these 10 regions.*

## 2-8. Supply Chain Traceability

- 1) Suppliers shall make every effort to trace the origin of the products they supply. Suppliers providing products subject to the European Union's Forest Law Enforcement, Governance and Trade (FLEGT) Regulation (EU) 2023/1115 (hereinafter 'EUDR') shall provide traceability information in accordance with the standards of the EUDR. Suppliers providing natural rubber shall comply with the GPSNR guidelines on supply chain traceability and due diligence.
- 2) Suppliers shall cooperate sincerely with Nexen Tire's request for information regarding the production location and compliance with relevant laws and regulations.

## 3. Human Rights & Labor

### 3-1. Prohibition of Discrimination

- 1) Suppliers shall eliminate unfair treatment or unreasonable discrimination against workers and treat them according to the principles of diversity, equity, and inclusion.
- 2) Employment practices (such as hiring, salary and incentive payments, promotions, training, etc.) shall not discriminate based on race, skin color, age, gender, sexual orientation, gender identity, national origin, disability, pregnancy, religion, political views, union membership, nationality, or marital status. Additionally, suppliers shall not require medical examinations that could be used as a basis for discrimination against workers or job applicants.
- 3) Suppliers shall make good efforts to ensure that vulnerable and minority groups (such as disabled individuals, women entrepreneurs, ethnic minorities, etc.) can participate as members of society.
- 4) Suppliers shall respect the economic, social, and cultural rights of minorities and indigenous peoples in accordance with the United Nations Declaration on the Rights of Indigenous Peoples.

### 3-2. Provision of Wages and Benefits

- 1) Suppliers shall provide workers with wages that meet or exceed the legal minimum wage standards, along with detailed wage statements specifying the salary and deductions. In the case of overtime work, additional compensation shall be provided in accordance with the labor laws of the country where the workplace is located.
- 2) Suppliers shall diligently pay social insurance premiums to ensure workers' labor rights and support their livelihood.

### **3-3. Humane Treatment**

- 1) Suppliers shall prohibit workplace harassment, which includes any actions that cause physical or mental suffering to other workers or worsen the work environment, by exploiting the power imbalance in the workplace.
- 2) Suppliers shall take appropriate actions, such as changing work locations or transferring employees, for those who have been victims of workplace harassment. Disciplinary actions, such as changing work locations, shall be taken against perpetrators of workplace harassment.

### **3-4. Freedom of Association**

- 1) Suppliers shall ensure that workers are free to organize and participate in labor unions according to the labor laws of the country in which the business is located. Workers shall have the right to enter into collective agreements and participate in peaceful assemblies or protests, or refuse participation if they choose.

### **3-5. Prohibition of Child Labor**

- 1) Suppliers shall not employ children under the age of 15 or below the legal minimum working age in the relevant country. Suppliers shall not exploit children in any form. Suppliers shall avoid doing business with companies (including subcontractors) that violate child labor laws and shall take immediate corrective action if such violations are confirmed.

### **3-6. Prohibition of Forced Labor**

- 1) Suppliers shall comply with the legal working hours in the country where they operate, not demanding more work than required by the labor laws, and manage working hours, including breaks, appropriately.
- 2) Suppliers shall avoid any form of forced labor (such as slavery, human trafficking, or involuntary overtime). In cases where overtime is unavoidable, fair compensation shall be provided.
- 3) Suppliers shall not unfairly restrict the movement of workers. Workers shall have the freedom to leave voluntarily, and labor contracts shall be provided in a language that the worker understands.

### **3-7. Private and Public Security Service Providers**

- 1) Suppliers shall ensure that private and public security service providers do not engage in human rights violations by implementing appropriate control measures when hiring them.



## **4. Health & Safety**

### **4-1. Establishment of Safety and Health Management System**

- 1) Suppliers shall comply with local or national safety and health regulations in the region where the workplace is located and shall obtain and maintain all necessary safety and health permits and licenses during operations.
- 2) Suppliers shall operate a safety and health management system consisting of an organization, policies, management guidelines, goals, detailed management processes, and monitoring to ensure and build safety and health frameworks.
- 3) The use, possession, distribution, or sale of illegal drugs shall be prohibited in all workplaces.
- 4) Suppliers shall conduct regular and appropriate safety training for employees and post safety and health-related information at easily accessible locations in each workplace. Additionally, they shall provide and distribute industrial safety standards in consideration of the languages spoken by employees.

### **4-2. Safety Management of Machinery, Equipment, and Facilities**

- 1) Suppliers shall appropriately protect employees from chemical and physical hazards that may arise in the workplace and continuously manage facilities and potential risks.
- 2) Suppliers shall regularly assess the safety and potential hazards of machinery, equipment, and facilities necessary for operations. In cases where employees are exposed to the risk of injury while performing tasks, they shall provide and maintain physical protective equipment, safety devices, and barriers.
- 3) Suppliers shall continuously conduct preventive training on safety and operational procedures to avoid safety accidents.

### **4-3. Emergency Response**

- 1) Suppliers shall identify and assess potential safety and health-related emergencies in advance and establish response manuals. These manuals shall include procedures for reporting, responding to, and following up on emergencies and shall be incorporated into the supplier's occupational safety and health policy or detailed guidelines.
- 2) To minimize damage in the event of an emergency, suppliers shall conduct regular drills based on their internally developed plans and manuals. Emergency escape routes, guiding lights, fire detectors/alarms, and fire extinguishing equipment/facilities shall be installed.
- 3) Suppliers shall regularly inspect the proper functioning of emergency equipment and facilities for safety and health emergencies and maintain documentation of inspection records.

#### **4-4. Incident Management**

- 1) Suppliers shall have procedures and management systems in place to prevent, manage, and track/report occupational injuries and illnesses. If an incident occurs, suppliers shall immediately halt relevant work, investigate the cause, and strive to implement corrective measures.
- 2) Suppliers shall educate and train workers on the safe handling and risks of hazardous materials present in the workplace.
- 3) When supplying products that contain hazardous substances, suppliers shall provide Nexen Tire with documentation (such as product information, safety and health data sheets, and exposure/use scenarios) in compliance with the legal requirements of the jurisdiction where the workplace is located.
- 4) Suppliers shall transparently disclose information regarding health, safety, and environmental impacts of their products to stakeholders and attach appropriate labels containing such information to the product packaging.

#### **4-5. Safety Inspections**

- 1) In the event of a workplace accident, the supplier shall implement appropriate corrective actions and preventive measures and, when necessary, immediately notify Nexen Tire.
- 2) If a supplier violates health or safety laws and receives a business suspension, substantial fines, or a guilty verdict in a lawsuit, it shall promptly notify Nexen Tire.
- 3) Suppliers shall not assign pregnant or nursing women and young workers to hazardous work environments. They shall take measures to eliminate or reduce risks and provide appropriate facilities for nursing female employees.

#### **4-6. Health Management**

- 1) Suppliers shall provide employees with access to clean restrooms, drinking water, hygienic food preparation and storage facilities, and dining areas. If dormitory accommodations are provided, they shall be maintained in a clean and safe condition, offering a reasonable level of personal space, heating/cooling, ventilation, lighting, and safety signage.
- 2) To prevent occupational diseases and support employee health, suppliers shall conduct general or specialized medical examinations in accordance with the health check-up laws of the country in which they operate. Based on the results, suppliers shall support follow-up actions such as job reassignments or reduced working hours

## **5. Environmental Management**

### **5-1. Environmental Management System**

- 1) Suppliers shall comply with environmental laws and regulations applicable in the regions and countries where their business sites are located. They shall operate an environmental management system composed of organizational structures, policies, management guidelines, goals, detailed management processes, and monitoring mechanisms to establish environmental management frameworks.
- 2) Suppliers shall identify and manage environmental impacts associated with their business activities, minimize those that could have negative effects, and make continuous efforts toward the development of environmentally friendly products and processes.

### **5-2. Acquisition, Maintenance, and Management of Environmental Permits**

- 1) During business operations, suppliers shall obtain and maintain all required environmental permits (e.g., installation, operation, and modification of emission and control facilities) based on the most up-to-date legal standards. They shall also comply with all requirements for operation and reporting during the permitting process.

### **5-3. Pollution Prevention and Resource Use Reduction**

- 1) Suppliers have a duty to use and conserve natural resources (e.g., water, raw materials) efficiently. They should actively participate in the development and adoption of environmentally friendly products, processes, and technologies.
- 2) Suppliers must strive for environmental conservation through process improvements, raw material substitution, resource conservation, and the use of recycled/regenerated energy.

### **5-4. Greenhouse Gas and Air Pollutant Management**

- 1) Suppliers shall track and analyze the greenhouse gas emissions generated during production or service delivery processes and make efforts to minimize them. Based on collected quantitative data, they shall set and manage targets for greenhouse gas reduction.
- 2) Suppliers must identify, measure, and control emissions, noise, wastewater, and waste generated by various facilities in their operations. Particular attention shall be paid to hazardous substance emissions to prevent and respond to any release incidents.

### **5-5. Hazardous Substances Management**

- 1) Suppliers shall identify and document hazardous chemicals and other materials that pose a risk to human health or the environment and handle, store, recycle/reuse, or dispose of them safely.
- 2) Suppliers shall label and provide information that enables the identification of hazards and risks associated with chemical substances they handle. They shall also comply with all local and national laws and regulations that prohibit or restrict the use and handling of specific substances.

### **5-6. Wastewater and Waste Management**

- 1) Suppliers shall identify the types, characteristics, and quantities of wastewater and solid waste generated at their business sites and dispose of them in a lawful manner. They shall also strive to reduce their generation.
- 2) Suppliers shall progressively establish systems to record and manage water usage and discharge. They shall also strive to reduce water consumption and increase water reuse.
- 3) Suppliers shall establish internal wastewater management procedures and set internal or legally compliant standards for water pollutants to ensure proper control.

### **5-7. Prevention of Deforestation and Conservation of Biodiversity**

- 1) Suppliers shall minimize deforestation across their operations and regularly monitor deforestation activities.
- 2) Suppliers shall not encroach upon areas designated for biodiversity conservation and shall regularly assess and monitor biodiversity values and impacts related to their operations.
- 3) Suppliers shall make good-faith efforts to protect animals within the regions where their business sites are located. When conducting animal testing, they shall comply with local laws and international guidelines.
- 4) Suppliers shall be familiar with the requirements of the EU Deforestation Regulation (EUDR) and inform their subcontractors accordingly. They shall also work with subcontractors to ensure compliance. In cases where suppliers or their raw materials/products fall directly under the scope of the EUDR, its requirements shall be respected.
- 5) Suppliers are encouraged to obtain certification for their operations and those of their subcontractors through internationally recognized systems that can demonstrate compliance with the EUDR.

## **6. Management System**

### **6-1. Statement of Compliance**

- 1) Suppliers shall establish a management system that integrates ethical management, human rights/labor, health and safety, and environmental factors outlined in this Code of Conduct into their corporate decision-making processes, in order to comply with relevant laws and Nexen Tire's requirements.
- 2) The supplier's top management shall share their commitment to this Code of Conduct or an equivalent level of social responsibility with all employees through means such as New Year messages or internal bulletin boards. It also recommended disclosing this commitment externally via websites, business reports, or corporate publications.

### **6-2. Governance Structure for Implementation**

- 1) Suppliers are encouraged to designate working-level personnel responsible for implementing sustainable management and corporate social responsibility across relevant departments.
- 2) Suppliers are also encouraged to assign managerial-level personnel for these responsibilities across relevant departments.

### **6-3. Risk Management**

- 1) Suppliers shall work to identify risks in ethics, environment, labor/human rights, and health/safety that may arise in their business operations.
- 2) If any significant risk is identified, suppliers shall develop and implement mitigation measures.

### **6-4. Goal Setting**

- 1) Suppliers shall establish qualitative and quantitative goals and a vision for key areas mentioned in this Code of Conduct. They shall regularly assess their performance against these goals and strive for continuous improvement.

### **6-5. Training and Communication**

- 1) Suppliers shall run training programs to educate managers and employees on how to implement policies, procedures, and improvement goals and comply with applicable laws and regulations.
- 2) Suppliers shall establish communication processes to share clear and accurate information regarding policies, guidelines, expectations, and performance with key stakeholders.
- 3) Suppliers shall set up mechanisms to gather employee feedback on this Code of Conduct and use it for

continuous improvement.

## **6-6. Supply Chain Management and Supervision**

- 1) Suppliers shall encourage their contractors and subcontractors involved in the planning, design, sales, and manufacturing of products or services to manage elements of ethics, labor/human rights, health/safety, and environment.
- 2) Suppliers shall communicate the requirements of this Code of Conduct to their contractors and subcontractors, and establish procedures to monitor their compliance.
- 3) If suppliers discover that, their contractors are in violation of laws or regulations related to ethics, labor/human rights, health/safety, and environment or are exposed to relevant risks. They shall encourage or guide them to make improvements. This may include terminating contracts with those who fail to resolve the risks or adequately implement corrective actions.

## **6-7. Compliance with the Code**

- 1) If a supplier violates local laws/regulations related to obligations under this Code of Conduct and is subject to administrative actions such as suspension of operations, significant fines, or criminal penalties including a guilty verdict, the supplier shall promptly notify Nexen Tire.

## **7. Implementation System for the Supplier Code of Conduct**

- 1) Suppliers shall educate and inform their employees about the contents of this Code of Conduct.
- 2) If a supplier identifies or suspects a violation of this Code by any Nexen Tire employee, they may report it to Nexen Tire's Ethics Management Office.
- 3) Nexen Tire strictly maintains confidentiality and ensures secrecy for all reports and inquiries made by suppliers.

This code of conduct has been confirmed as stated below and is implemented with the approval of the CEO of Nexen Tire Corporation.

**Hyeon Suk Kim**

Chief Executive Officer

Nexen Tire Corporation

A handwritten signature in black ink, appearing to read "Hyeon Suk Kim", written over a light gray circular background.

<b>Document Title</b>	Supplier Code of Conduct	<b>Version</b>	3.0
<b>Date of Enactment</b>	2020. 08. 07	<b>Date of Revision</b>	2024. 11. 01
<b>Established by</b>	Purchasing Team	<b>Managed by</b>	ESG Team



## &lt; Revision History &gt;

Ver	Date	Details	Drafting Department	Managing Department
V1.0	2020. 08. 07	Initial Establishment	Purchasing Team	ESG Team
V2.0	2023. 06. 26	Revision to The Supplier Code of Conduct	Purchasing Team	ESG Team
V3.0	2024. 11. 01	Revision to The Supplier Code of Conduct	Purchasing Team	ESG Team