

SHA-POL-COC-001	CODE OF CONDUCT AND ETHICAL STANDARDS		
Issued by: Lucia Aguilera		Status: Approved	Rev. 1 Pg. 1 of 4
Approved: 10/23/2025 6:09 PM - Jaehong Im, Quality Director		Approved: 10/31/2025 1:36 PM - Candy Miles (Sr. HR Manager)	

Shinhwa Auto USA Code of Conduct and Ethical Standards

1. Introduction and Scope

1.1. Purpose and Commitment

At **Shinhwa Auto USA** we're committed to operating **responsibly, ethically, and with integrity**. This Policy sets forth the fundamental standards for all Company personnel, ensuring compliance with **US law**, Shinhwa Group values, and global best practices.

1.2. Scope of Application

This Code of Conduct applies to all **employees, contractors, suppliers, and partners** engaged in our manufacturing operations. All individuals subject to this Policy must comply with the laws and regulations of the United States and all other applicable jurisdictions.

1.3. Shinhwa Group's Core Ethical Commitment

We are guided by the Shinhwa Group's 5 Major Ethical Charters:

- **Integrity:** Perform duties with clear, transparent standards and utmost effort.
- **Fairness:** Compete fairly and conduct transactions justly with contractual partners.
- **Customer Value:** Provide safe products, best services, and accurate information, while protecting personal data.
- **Respect:** Respect each member as an individual, providing fair working conditions and a safe environment.
- **Sustainability:** Contribute to sustainable development as a responsible global corporate citizen.

2. Ethics and Integrity

2.1. Ethical Business Conduct and Fair Competition

We conduct business with **honesty and transparency**, and we:

SHA-POL-COC-001	CODE OF CONDUCT AND ETHICAL STANDARDS	Rev. 1	Pg. 2 of 4
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- **Reject all forms of corruption, bribery, and fraud.**
- **Commit to clear communication and transparency** in all business dealings, financial reporting, and compliance with information disclosure requirements.
- **Disclose conflicts of interest and act in the company's best interest.**
- **Maintain accurate and truthful business records.**
- **Protect confidential information and intellectual property.**

2.2. Anti-Corruption and US Law Requirements

Shinhwa Auto USA maintains a **Zero-Tolerance Policy** toward all corrupt practices.

- **Foreign Corrupt Practices Act (FCPA):** We strictly comply with the **U.S. FCPA**, which prohibits giving anything of value to a foreign official to improperly influence a business decision, and requires accurate books and records.
- **Facilitation Payments:** **Shinhwa Auto USA prohibits all facilitation payments** to maintain a consistent global zero-tolerance standard.
- **Political Contributions:** Consistent with U.S. federal law and Shinhwa Group policy, the Company **prohibits all corporate political donations and sponsorships.**
- **Procedure When Confronted with Bribery:** If confronted with an attempted bribe, politely refuse, record the incident in detail, and **immediately report** to the Ethics & Compliance representative or HR.

2.3. Compliance with Laws and International Standards

We strictly **comply with all applicable laws**, including anti-corruption and trade compliance, health and safety regulations, environmental protection laws, and labor and employment laws. We also align with the **UN Guiding Principles on Business and Human Rights** and ILO Core Conventions.

3. Workplace and Human Rights

3.1. Labor Rights and Working Conditions

We ensure fair and respectful treatment of all workers by:

- **Prohibiting child labor, forced labor, human trafficking, and modern slavery.**
- **Providing equal opportunity and preventing discrimination.**
- **Offering fair wages, hours, and benefits** in line with legal and industry standards.
- **Respecting freedom of association and collective bargaining rights.**
- **Providing training and development opportunities.**

3.2. Health and Safety in the Workplace

We maintain a safe and healthy work environment by:

- **Identifying and controlling hazards in production processes.**
 - **Providing appropriate personal protective equipment (PPE).**
 - **Offering regular health and safety training.**
 - **Reporting and investigating incidents and near-misses.**
 - **Supporting worker well-being and mental health.**
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4. Environmental Responsibility and Sourcing

4.1. Environmental Stewardship

Our manufacturing operations strive to minimize environmental impact through:

- **Energy-efficient technologies and clean production methods.**
- **Reducing waste and promoting recycling, especially aluminum scrap.**
- **Safe handling of chemicals and hazardous materials.**
- **Monitoring and reducing emissions, including GHGs and particulates.**
- **Complying with environmental permits and standards.**

4.2. Responsible Sourcing and Supply Chain

We ensure that the materials we use, including aluminum, are sourced responsibly by:

- **Conducting supplier due diligence on environmental and human rights risks.**
 - **Encouraging the use of recycled and low-carbon aluminum.**
 - **Avoiding materials linked to conflict or environmental degradation.**
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5. Stakeholder Engagement, Reporting, and Accountability

5.1. Community and Stakeholder Engagement

We respect the rights of local communities and stakeholders by:

- **Engaging openly and respectfully with affected parties.**
- **Supporting local employment and community development.**
- **Addressing concerns through dialogue and grievance mechanisms.**

5.2. Implementation and Reporting

All employees and partners are expected to read, understand, and comply with this Code. We provide:

- **Regular training on Code provisions.**
- **A confidential mechanism for reporting violations.**
- **Non-retaliation protections for whistleblowers.**
- **Periodic audits and reviews of implementation.**

5.3 Grievance and Reporting Procedures

We encourage all employees and partners to report any ethical violations or concerns without fear of retaliation (Non-Retaliation Protection). To ensure all concerns are handled fairly and confidentially, we offer robust reporting channels:

- **Human Resources Department:** Report concerns directly to your HR representative or manager.
- **Management:** Report concerns to any member of management.
- **Confidential Ethics Hotline:** An independent, confidential, and anonymous reporting channel is available to ensure maximum security and employee confidence in sensitive cases. hr@shinhwa-auto.com

All reports will be promptly investigated and impartially handled. We will take appropriate action to remedy any confirmed violations and will protect the identity of reporters to the fullest extent possible. Any employee who reports a concern in good faith will not face any negative consequences. Violations of this charter will result in appropriate corrective action, up to and including termination.

5.4 Accountability and Enforcement

Violations of this Policy will result in **prompt and fair disciplinary action**, up to and including dismissal, and may involve legal fines or penalties. All enforcement actions will align with applicable laws and company procedures.

SHA-POL-SAFETY 005	Emergency All-Hazards Plan		
Issued by: Lucia Aguilera	Effective Date: 7/23/2025	Rev. 12	Pg. 1 of 4

Shinhwa Auto USA's Emergency All-Hazards Plan (EOP)

1. Purpose and Scope

Shinhwa Auto USA's Emergency All-Hazards Plan (EOP) is a comprehensive document outlining procedures for staff during emergency and disaster incidents. It defines different emergency levels, outlines responsibilities, and details response priorities and protocols. The EOP provides staff with actions to take during emergency and disaster incidents. It includes supporting policies and procedures and is specifically designed for Shinhwa Auto USA.

2. Emergency Levels

The plan categorizes emergencies into five distinct levels, each dictating a specific response:

- **Level Zero – Normal:** Business as usual; no action required.
- **Level One – Possible Threat (Standby):** Administration monitors a developing situation that could escalate. This may include "rumor control" and involves HES staff contacting team members for direction.
- **Level Two – Minor:** A real or perceived threat to health, safety, welfare, buildings, or grounds that requires a coordinated, limited emergency response beyond routine operations. Appropriate HES members are notified and direct necessary actions.
- **Level Three – Moderate:** Significant incidents causing numerous personal injuries or fatalities, or facility damage of 10% or more, including loss of critical services or facility shutdown for over one week. This level requires full involvement of EHS members for containment and recovery. All primary executive members are notified, and Incident Command (IC) activates Disaster Service Workers and Building and Floor Captains as needed.
- **Level Four – Major:** Incidents resulting in massive casualties or significant damage to 25% or more of facilities, including loss of critical services or facility shutdown for at least two weeks. This level necessitates full involvement of all executives and managers for containment and recovery, and always requires outside emergency service action and mutual aid support.
- **Level Five – Catastrophic:** The most severe level, involving massive casualties or damage to over 50% of facilities, loss of critical services, or facility shutdown for thirty days or more. This requires full involvement of all trained members and staff for containment and recovery, and always requires outside emergency service action and mutual aid support.

3. Training and Awareness

Training and awareness of emergency procedures will be provided through various formats, including face-to-face training, emails, posters, and evacuation maps. Every employee is responsible for regularly reviewing these materials and understanding their role in an emergency.

4. Potential Incident Scenarios

The EOP addresses a range of significant incidents and disaster situations, including but not limited to:

- Barricaded Suspect(s), Shooting, Gunman, and Sniper
- Bomb Threat or Detonation
- Civil Disturbance or Demonstration
- Earthquake
- Evacuation
- Fire and Explosion
- Flooding
- Hazardous Materials Incident
- Severe Winds or Storms
- Utility Failure

Additional incidents or disaster situations will be added to this EOP as necessary or required.

5. Priorities for Response Actions

In the event of a major incident or disaster, Shinhwa Auto USA has established the following response priorities, in order:

1. **Protection of life:** This includes evacuation or rescue operations from hazardous areas, shelter-in-place, lockdown, and containment of life-threatening hazards.
2. **Care and treatment of casualties:** Providing first aid care to the sick and injured, which may include short-distance transport to Triage or Medical Aid Stations.
3. **Preservation of property and resources:** Containing and eliminating risks to facilities and systems that could cause serious property loss or environmental damage beyond that already sustained.
4. **Providing information:** Dissemination of warnings and emergency information to stakeholders and the public.
5. **Restoration of essential services:** Restoring essential functions, services, and facilities to allow continuity of basic operations.
6. **Assisting community recovery:** Assisting employees and the surrounding community in recovering from the significant incident or disaster.

6. Proclamation of a State of Emergency

Proclaiming an official state of emergency grants company executives the right to control access to all property or facilities, including removing or authorizing the arrest of trespassers or those interfering with emergency response or engaging in criminal activities. This proclamation does

SHA-POL-SAFETY 005	Emergency All-Hazards Plan	Rev. 12	Pg. 3 of 4
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not constitute a local state of emergency as defined by the State of Alabama or the federal government, and therefore does not guarantee reimbursement for costs incurred during response and recovery operations. The authority to proclaim a state of emergency rests with the Chairman or President, or, in their absence, a designated authority following the succession plan. Only employees and affiliates (persons required by employment) are authorized to be present on campus once a proclamation is made. Unauthorized persons may be subject to arrest.

7. Activation of the EOP

Upon receiving verifiable and credible notification of an emergency, or in response to a local, regional, state, or federal declaration affecting Shinhwa Auto, the Chairman or their designee will quickly assess the magnitude of the emergency. If necessary, the plan will be activated, and the appropriate Incident Management Team (IMT) members will be ordered to establish an Incident Command Post (ICP) or report to the Emergency Operations Center (EOC).

8. Incident Command Structure

The Incident Command System Organizational Chart is divided into five major sections. All responsibility and duties are initially placed with the Incident Commander or Director of the EOC. As the needs of a major incident or disaster are identified, the Director of the EOC will activate any of the four sections, and each section chief will activate units within their section as needed. Employees assigned roles in the EOC will receive advanced training and practice.

9. Incident Command Post (ICP)

If an emergency involves only one building, a small part of the campus, or is in the initial phase of a major incident or disaster, an alternate to full EOC activation is to stage an ICP. This can be achieved by strategically placing a command vehicle with communications capability near the emergency scene. The ICP will be staffed and equipped with minimal necessary supplies.

10. Four Phases of Emergency Management

The EOP integrates the four phases of emergency management:

1. **Mitigation:** Activities to prevent future emergencies or minimize their effects, occurring both before and after emergencies (e.g., buying flood and fire insurance).
2. **Preparedness:** Plans or preparations made to save lives and aid response and rescue operations, taking place before an emergency occurs (e.g., evacuation plans).
3. **Response:** Actions taken during an emergency to save lives and prevent further property damage, putting preparedness plans into action (e.g., seeking shelter, turning off gas valves).
4. **Recovery:** Actions taken after an emergency to return to a normal or safer situation, including obtaining financial assistance for repairs. This phase encompasses short-term and long-term recovery cycles.

11. Preservation of Vital Records

SHA-POL-SAFETY 005	Emergency All-Hazards Plan	Rev. 12	Pg. 4 of 4
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Proactive measures are taken to protect essential records, defined as those supporting mission-critical operations, protecting individual rights and interests, reestablishing normal administrative functions, and supporting emergency response and recovery operations. Each key department is responsible for designating a custodian of vital records and ensuring their storage and preservation.

12. Approval and Compliance

This Emergency Operations Plan is an integral part of Shinhwa Auto USA's response to significant incidents or disasters, as required by law and policy. It has been approved by President Bong Ho Lee and confirmed by Candy H Miles on April 14, 2025. The plan has been reviewed and found to comply with the State of Alabama Standardized Emergency Management System (SEMS) and the federal National Incident Management System (NIMS) minimum and recommended requirements. President, vice presidents, directors, managers, and division and department heads are responsible for its implementation

SHA-POL-EM-002		ENVIRONMENTAL MANAGEMENT		
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Shinhwa Auto USA Environmental Management Policy

1. Overview

A. Purpose of Enactment Shinhwa Auto USA establishes this Environmental Policy to continuously improve environmental performance through eco-friendly management and to minimize negative environmental impacts across its business activities and value chain.

Shinhwa Auto USA Environmental Management Policy Statement

- Recognize the environment as a core success factor for the company and create corporate value and fulfill social responsibility through proactive environmental management.
- Set feasible targets for climate change response and evaluate implementation performance.
- Actively strive for sustainable use of resources and energy and reduction of pollutants throughout the entire product lifecycle, from development, production, sales, use, to disposal.
- Actively support suppliers' environmental management activities and establish and implement necessary standards for eco-friendly supply chain policy implementation.
- Comply with domestic and international environmental laws and agreements, and establish and implement necessary policies for environmental management.
- Protect biodiversity and establish policies for natural environment preservation.
- Disclose environmental management performance to corporate members and stakeholders based on reasonable and objective criteria.

B. Scope of Application This Environmental Management Policy applies to all operations at the Shinhwa Auto USA facility. Shinhwa Auto USA recommends and provides necessary support to its suppliers, contractual partners, and other supply chain entities to comply with this Environmental Management Policy.

Shinhwa Auto USA primarily complies with the environmental laws and regulations of the United States and the State of Alabama before this policy. In cases where local environmental laws and regulations do not cover certain matters or do not have special provisions, environmental management operations will be performed according to this policy.

SHA-POL-EM-002	ENVIRONMENTAL MANAGEMENT	Rev. 1	Pg. 2 of 6
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- **① Supply Chain and Eco-friendly Procurement:** Shinhwa Auto USA regularly inspects the environmental management performance and risks of its supply chain according to the [**Supplier Code of Conduct**]. We are also committed to prioritizing the procurement of environmentally friendly products and services whenever feasible, such as those that are eco-label certified, low-carbon certified, or recycle
- **② Business Sites:** Shinhwa Auto USA's production and sales sites establish an environmental management system based on internationally recognized standards or national guidelines. We will pursue third-party certification for our environmental management system.
- **③ Distribution Network:** Shinhwa Auto USA strives to use transportation networks that are energy-efficient or use eco-friendly energy. We also establish internal and external cooperation activities to reduce greenhouse gases, waste, wastewater, and other pollutants generated during logistics and transportation.
- **④ Products and Services:** Shinhwa Auto USA promotes full-lifecycle environmental impact improvement activities. We focus on developing eco-friendly products and services and strengthen product and service design from a recycling perspective.
- **⑤ Sales and Marketing:** Shinhwa Auto USA incorporates eco-friendly elements into its product brand strategy and promotes sales and marketing activities linked to that brand strategy.
- **⑥ Collection and Recycling:** Shinhwa Auto USA designs and develops products considering their recyclability from the design stage. Based on producer responsibility, we expand waste product collection and recycling activities.
- **⑦ Acquisitions and Mergers:** Shinhwa Auto USA operates an environmental due diligence process during acquisitions and mergers.
- **⑧ Others (New Businesses and Project Investments, etc.):** Beyond the scope mentioned above, Shinhwa Auto USA operates procedures for identifying and improving environmental impacts and risks in new business ventures, new project initiatives, and other internal and external investment activities.

C. Implementation Plan Shinhwa Auto USA's environmental management operates through: 1) compliance with environmental laws and regulations, 2) policy declaration for environmental management implementation, 3) establishment of environmental management systems and introduction of management regulations, 4) environmental performance monitoring, 5) risk identification and task promotion, and 6) continuous environmental performance improvement activities.

- Compliance with Laws and Regulations
- Environmental Management Policy Declaration
- Environmental Management System Establishment
- Environmental Performance Monitoring
- Risk Identification and Task Promotion
- Continuous Environmental Performance Improvement

2. Fundamental Principles

SHA-POL-EM-002	ENVIRONMENTAL MANAGEMENT	Rev. 1	Pg. 3 of 6
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Shinhwa Auto USA strives to protect natural capital, achieve carbon neutrality and energy transition, develop eco-friendly products and services, revitalize the circular economy, and create eco-friendly business sites. To promote environmental management, Shinhwa Auto USA defines the following fundamental principles for each environmental element:

A. Raw and Subsidiary Materials

- **① Efficient Use of Raw and Subsidiary Materials:** We strive to continuously improve product and service production processes to optimize raw and subsidiary material input, and manage raw and subsidiary materials under planned production.
- **② Re-input of Production Waste:** Metal waste such as iron and aluminum, other waste such as waste wood and paper, and by-products generated are, whenever feasible, re-input into internal production processes or transferred/sold to external facilities for recycling.
- **③ Inspection of Raw and Subsidiary Material Production Sites:** We encourage suppliers to conduct environmental management independently and regularly evaluate and inspect the environmental management performance of the supply chain.
- **④ Biodiversity Protection:** We will establish and implement policies for biodiversity protection across raw material procurement/sourcing and overall business operations.
- **⑤ Prevention of Deforestation:** Shinhwa Auto USA makes its best efforts to prevent deforestation throughout overall business operations. To this end, we maintain/protect green areas within and around business sites and contribute to preventing forest conversion and degradation in local communities.

B. Energy

- **① Promotion of Energy Saving:** Whenever possible, we promote energy consumption reduction activities by introducing high-efficiency energy equipment, minimizing energy consumption, and implementing energy campaigns.
- **② Introduction of Renewable Energy:** We will consider applying renewable energy solutions, such as installing renewable energy generation facilities, purchasing renewable energy certificates, and signing power supply agreements with power generators.
- **③ Operation of Energy Management System:** We will establish a system for monitoring energy and greenhouse gases, and consider ways to enhance energy management efficiency based on data analysis within the system.

C. Water Resources

- **① Water Recycling:** We strive to continuously implement **3R (Reduce, Reuse, Recycle)** activities to save, reuse, and recycle water to improve water resource sustainability.
- **② Water Storage:** We will consider enabling water storage through reservoirs within business sites and install and operate collection facilities and drainage systems to manage and store rainwater.
- **③ Inspection of Water Source Areas:** We will regularly monitor for business sites located in areas at risk of water scarcity and depletion.

D. Greenhouse Gases

- **① Site Emission Reduction:** We will work towards reducing site emissions with the goal of eventually reaching carbon neutrality. Our efforts will focus on transitioning to renewable energy and enhancing energy efficiency, while utilizing advanced manufacturing technologies.
- **② Supply Chain Reduction:** we will work with suppliers whose carbon reduction goals align with our own. We will implement these initiatives into our management system to monitor the progress of supply chain carbon neutrality.
- **③ Product and Service Reduction:** We will expand dedicated platforms and technology development for eco-friendly products to reduce exhaust gas/greenhouse gas emissions.

E. Waste

- **① Waste Treatment Tracking and Management:** Waste discharged from business sites shall be legally treated and tracked in accordance with procedures defined by relevant laws and regulations.
- **② Improvement of Waste Recycling:** We strive to determine the optimal treatment method based on the type and quantity of waste generated during business operations to minimize the proportion of waste landfilled/incinerated and improve waste recycling rates.
- **③ Waste Resource Recovery:** We will strive to identify high-landfill/incineration waste in the product manufacturing process and foster an upcycling ecosystem.

F. Waste Products

- **① Provision of Waste Product Collection Information:** We will provide sufficient information to customers for legal and reasonable waste product disposal.
- **② Waste Product Collection:** We will collaborate with waste product treatment companies to expand waste product collection and recycling.
- **③ Waste Product Recycling:** We will strive to apply recycled materials recovered from waste products to new products.

G. Environmental Pollutants

- **① Air Pollutants:** We monitor the emission of air pollutants according to ADEM regulations. We will conduct this monitoring if production processes change.
- **② Water Pollutants:** We will store and manage water pollutants legally to prevent leakage.
- **③ Soil Pollutants:** We will monitor soil contamination and implement necessary measures such as periodic inspections and improvements to facilities and processes to prevent contaminated soil generation.

H. Hazardous Substances Shinhwa Auto USA identifies the status of (hazardous) chemical substances used in business processes, provides necessary information to stakeholders, and establishes and implements hazardous substance management policies.

I. Local Community Shinhwa Auto USA recognizes that the company and its employees are members of the local community. We consider the impact of environmental issues on the local community, and establish necessary procedures for reflecting community opinions and continuous communication.

3. Implementation System

A. Governance

- **① Responsibility:** Shinhwa Auto USA manages environmental management risks and oversees overall performance improvement activities through management committees involving top decision-makers.
- **② Implementation:** The duties of establishing and operating environmental management systems, protecting and restoring environmental capital, and receiving and processing environmental grievances are carried out by the management committee and top decision-makers.

B. Education and Dissemination

- **① Environmental Education:** Shinhwa Auto USA conducts environmental management education for employees and other stakeholders.
- **② External Cooperation:** Shinhwa Auto USA establishes a cooperation system with external expert organizations to enhance the efficiency and effectiveness of environmental management promotion.

C. Communication

- **① Government Agencies:** Share environmental management performance with government agencies when requested and proactively respond by confirming government policy directions.
- **② Shareholders and Investors:** Build continuous trust relationships by generating environmental management performance that meets the demands of shareholders and investors.
- **③ Supply Chain:** Share know-how and experience in promoting environmental management with the supply chain and operate communication channels for continuous consultation.
- **④ Customers:** Provide environmental information about products and services, and reflect feedback collected through customer contact channels.
- **⑤ Local Community:** Collect opinions from local governments, public-private consultative bodies, etc., to mitigate environmental impacts from business operations.

- **⑥ Employees:** Share environmental management policies and improve employees' awareness of environmental management through environmental education.

D. Performance Management

- **① Setting Performance Targets:** Shinhwa Auto USA sets mid- to long-term performance targets for environmental factors that have significant environmental impacts due to business operations. As part of this, we will explore options and attempt to transition to renewable energy sources, including installing solar power generation systems, purchasing renewable energy certificates, and signing electricity supply agreements with external power generators.
- **② Monitoring Implementation Status:** Shinhwa Auto USA regularly monitors the implementation status of mid- to long-term performance improvement targets. If necessary, mid- to long-term performance improvement targets are adjusted based on monitoring results.
- **③ Management Performance Evaluation:** Shinhwa Auto USA manages mid- to long-term environmental performance improvement targets and implementation status by reflecting them in **Key Performance Indicators (KPIs)** for management performance evaluation.

SHA-POL-ESG-01	Shinhwa Auto USA ESG Policy		
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Shinhwa Auto USA: Environmental, Social, and Governance (ESG) Policy

1. Purpose and Scope

Shinhwa Auto USA is committed to being a world-class automotive parts manufacturer that creates future value through "Challenge, Creation, and Trust." This policy outlines our commitment to sustainable business practices that protect our environment, empower our people, and uphold the highest standards of integrity.

This policy applies to all operations at our Auburn, Alabama facility and guides our relationships with suppliers, customers, and the local community.

2. Environmental Responsibility (E)

"Creating a cleaner future through lightweight technology and responsible production."

As a manufacturer specializing in aluminum die casting and machining, we recognize our responsibility to minimize our environmental footprint. We are committed to compliance with all applicable Alabama Department of Environmental Management (ADEM) regulations and federal EPA standards.

Our Commitments:

- **Carbon Neutrality & Energy Efficiency:** We strive to reduce greenhouse gas (GHG) emissions by optimizing our casting and machining processes and integrating energy-efficient technologies into our expanding facilities in Auburn Technology Park.
- **Resource Stewardship:** We are dedicated to the principles of the **Aluminum Stewardship Initiative (ASI)**. We prioritize the use of secondary (recycled) aluminum where feasible to reduce the carbon intensity of our products.
- **Pollution Prevention:** We maintain a zero-tolerance approach to unmanaged pollution. We actively manage air emissions and wastewater discharge.
- **Waste Management:** We adhere to a "Reduce, Reuse, Recycle" hierarchy, specifically targeting the reduction of industrial waste from our die-casting operations and ensuring responsible disposal of hazardous materials.

SHA-POL-ESG-01	Shinhwa Auto USA ESG Policy	Rev. 1	Pg. 2 of 3
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3. Social Responsibility (S)

“Respecting human dignity and growing with our community.”

We believe that our strength lies in our people. We are committed to providing a safe, inclusive, and respectful workplace that honors the rights of every individual.

Our Commitments:

- **Human Rights:** We uphold the fundamental rights of all workers. We strictly prohibit the use of forced labor, child labor, and human trafficking and modern slavery within our operations and our supply chain. We respect the dignity of all employees as outlined in the **Shinhwa Auto USA Human Rights Charter**.
- **Health & Safety:** "Safety First" is our core mentality. We are committed to maintaining a zero-accident workplace by adhering to OSHA standards, conducting regular risk assessments on hazardous machinery, and reinforcing our Occupational Health and Safety Management System.
- **Diversity & Inclusion:** We provide equal employment opportunities to all employees and applicants without regard to race, color, religion, gender, national origin, age, or disability.
- **Community Engagement:** As a proud member of the Auburn, Alabama community, we commit to being a responsible corporate citizen by supporting local economic growth and engaging in transparent communication with local stakeholders.

4. Governance (G)

“Management based on trust and transparent ethical standards.”

We conduct business with integrity, transparency, and accountability. We comply with all applicable laws and regulations and expect the same from our partners.

Our Commitments:

- **Business Ethics:** We operate with zero tolerance for bribery, corruption, and anti-competitive behavior. All business dealings must be performed fairly, honestly, and transparently.
- **Supply Chain Management:** We require our suppliers to adhere to the **Shinhwa Auto USA Supplier of Conduct**. We actively monitor our supply chain to ensure responsible sourcing of materials, particularly aluminum.
- **Grievance & Complaint Resolution:** We are committed to the fair, timely, and transparent resolution of grievances related to **any ESG issue**—including environmental

SHA-POL-ESG-01	Shinhwa Auto USA ESG Policy	Rev. 1	Pg. 3 of 3
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concerns, human rights violations, or ethical breaches. We maintain accessible mechanisms (including our Confidential Ethics Hotline: *hr@shinhwa-auto.com*) for employees and external stakeholders to report concerns. We guarantee confidentiality and protection against retaliation for all good-faith reports.

- **Accountability:** Senior management is responsible for setting ESG goals and reviewing performance annually. We encourage an open-door culture where employees can report ethical concerns without fear of retaliation.

5. Implementation and Review

This policy is endorsed by the executive leadership of Shinhwa Auto USA.

- **Responsibility:** The EHS Manager and Human Resources Department are responsible for the daily implementation of this policy.
- **Review:** This policy shall be reviewed annually to ensure alignment with Shinhwa Group global directives, US regulations, and stakeholder expectations.

SHA-POL-HRC-003		HUMAN RIGHTS CHARTER		
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Shinhwa Auto USA Human Rights Charter

1. Commitment and Scope

This charter outlines the core principles and commitments of **Shinhwa Auto USA** regarding the fundamental human rights of all employees, business partners, and community stakeholders. Our policies are based on universal principles and international standards—including the **UN Guiding Principles on Business and Human Rights**—and are fully compliant with all U.S. federal and state laws.

We strive to create a workplace that is respectful, safe, and fair. This Charter aligns with and is supported by the **Shinhwa Group's Global Human Rights Charter** and our broader ESG policies. It applies to all operations at our Auburn, Alabama facility and our supply chain.

2. Core Principles

Prohibition of Forced Labor, Child Labor, and Modern Slavery We have a zero-tolerance policy for child labor, forced labor, and all forms of modern slavery (including debt bondage and human trafficking). All work is voluntary, and employees are free to terminate their employment with reasonable notice. We will never retain an employee's personal documents, such as passports or visas, for the purpose of forced labor.

Non-Discrimination and Anti-Harassment Shinhwa Auto USA prohibits discrimination in all aspects of employment—including recruitment, hiring, promotions, training, and compensation—on the basis of race, color, creed, ancestry, national origin, citizenship, sex, gender, gender identity, sexual orientation, marital status, religion, age, disability, genetic information, veteran status, or any other characteristic protected by law (including Title VII of the Civil Rights Act). We foster a diverse workplace and do not tolerate any form of harassment, including physical, verbal, or mental abuse.

Fair Wages and Working Conditions We comply with all federal and state laws regarding working hours, overtime, and minimum wage. All employees receive fair and equitable compensation for their work and are provided with a detailed pay stub. We are dedicated to providing a safe, clean, and healthy working environment for all employees, as mandated by the Occupational Safety and Health Act (OSHA).

Freedom of Association Shinhwa Auto USA respects the right of employees to associate with one another, including the right to form, join, or assist a union, or to refrain from any such activity, without interference or fear of retaliation.

Respect for Privacy and Dignity We respect the privacy of our employees and protect their personal and sensitive information, including medical records, in accordance with applicable laws. We do not tolerate any form of mental or physical coercion or unreasonable treatment.

Security Practices We ensure that all private or public security providers engaged by Shinhwa Auto USA operate in a manner that respects human rights and dignity. We expect our security contractors to adhere to recognized standards, such as the Voluntary Principles on Security and Human Rights, ensuring force is only used preventatively and proportionally to the threat.

3. Community and Land Rights

Rights of Indigenous Peoples While our current operations in Auburn, Alabama, do not impact Indigenous lands or territories, Shinhwa Auto USA respects the rights, cultures, and heritage of Indigenous Peoples consistent with the **UN Declaration on the Rights of Indigenous Peoples**. We commit to obtaining Free, Prior, and Informed Consent (FPIC) should any future expansion or operational changes affect Indigenous lands. Furthermore, we expect our upstream suppliers (particularly bauxite sources) to strictly uphold the rights of Indigenous communities in their operations.

Land Acquisition and Displacement We are committed to avoiding the physical or economic displacement of families or communities. As our facility operates within a designated industrial zone regulated by the **City of Auburn Industrial Development Board**, we adhere to all municipal planning and zoning regulations. In the event of future expansion requiring land acquisition, we adhere to international standards (such as **IFC Performance Standard 5**) to ensure fair treatment, compensation, and livelihood restoration for any affected parties.

Cultural and Sacred Heritage We value the cultural and historical heritage of our region. We commit to protecting any sacred or cultural heritage sites within our area of influence. Prior to any new construction or expansion, we will assess potential impacts on cultural values and take appropriate action to avoid or remedy negative effects.

4. Supply Chain Responsibility

We expect our suppliers and business partners to share our commitment to human rights. We work diligently to ensure that our supply chain is free from human rights abuses and encourage our partners to uphold similar standards, in alignment with the **Shinhwa Auto USA Supplier Code of Conduct** for responsible sourcing.

5. Human Rights Due Diligence

To ensure we actively identify and address risks, Shinhwa Auto USA implements a robust Human Rights Due Diligence process:

- **Risk Identification:** We conduct regular Human Rights Impact Assessments (HRIA) to identify actual and potential risks arising from our operations and business relationships.
- **Assessment:** We utilize evidence-based analysis and meaningful stakeholder engagement to evaluate risks, considering the specific characteristics of our workforce and community.
- **Mitigation:** Upon identifying risks, we implement specific improvement plans to prevent or mitigate negative impacts.
- **Public Disclosure:** We are committed to transparency and will publicly disclose significant results of our impact assessments and the measures taken to address them.

6. Grievance and Reporting Procedures

We encourage employees and external stakeholders to report any human rights violations or concerns without fear of retaliation (**Non-Retaliation Protection**). To ensure all concerns are handled fairly and confidentially, we offer robust reporting channels:

- **Human Resources Department:** Report concerns directly to your HR representative or manager.
- **Management:** Report concerns to any member of management.
- **Confidential Ethics Hotline:** hr@shinhwa-auto.com (Independent, confidential, and anonymous reporting channel).
- **Global Reporting:** Concerns may also be reported to the Shinhwa Group Cyber Audit Office (audit@shinhwa-eng.com).

All reports will be promptly investigated and impartially handled. We will take appropriate action to remedy any confirmed violations and will protect the identity of reporters to the fullest extent possible.

7. Implementation

Shinhwa Auto USA will ensure all employees are aware of this Charter through regular training. We will periodically review and update this charter to ensure it remains aligned with U.S. laws, Shinhwa Group directives, and the highest standards of ethical conduct.

SHA-POL-OHS-004	OCCUPATIONAL HEALTH AND SAFETY		
Issued by: Lucia Aguilera		Status: Approved	Rev. 1 Pg. 1 of 4
Approved: 10/23/2025 6:08 PM - Jaehong Im, Quality Director		Approved: 10/31/2025 1:37 PM - Candy Miles (Sr. HR Manager)	

Shinhwa Auto USA Occupational Health and Safety Policy

1. Context, Scope, and Commitment (Leadership)

1.1. Declaration of Commitment

Shinhwa Auto USA is committed to conducting its industrial operations under the highest standards of occupational health and safety. This policy establishes the framework for our OHS Management System, ensuring the protection of all employees, contractors, and visitors from work-related injury and ill-health. The company recognizes that strong OHS performance is integral to our ethical management and business success.

1.2. Scope and Application

This policy applies to all operations, employees, contractors, suppliers, and stakeholders within Shinhwa Auto USA facilities, as well as to their activities directly or indirectly associated with the production of aluminum parts.

1.3. OHS Objectives and Principles (ISO 45001 Policy Statement)

Top Management commits to:

- **Complying** with all applicable federal, state, and local OHS laws and regulations, including the **Occupational Safety and Health Act (OSHA)**.
- **Preventing** work-related injury, ill-health, and incidents through proactive risk assessment and control measures.
- **Eliminating hazards and reducing OHS risks** as the primary focus of all operations.
- **Promoting a safe culture** that encourages active **consultation and participation** from all personnel.
- **Continuously improving** health and safety performance through regular monitoring, evaluation, and corrective actions.
- **Ensuring adequate training and resources** are provided to manage health and safety risks effectively.

2. Planning and Support

2.1. OHS Management System and Resources

Shinhwa Auto USA has established an OHS Management System (OHSMS) aligned with **ISO 45001** principles, led by the OHS Manager. Top management will ensure:

- Adequate resources are available for training, PPE, medical surveillance, and system maintenance.
- A preventive and periodic Occupational Medical Surveillance Program is implemented to protect workers exposed to specific risks (e.g., high noise, chemical fumes).

2.2. Legal and Other Requirements

The OHSMS ensures compliance with:

- **Occupational Safety and Health Act (OSHA)** (e.g., General Duty Clause, General Industry Standards, and Recordkeeping Requirements).
- **Relevant State Laws:** Compliance with federal OSHA standards for private sector employers and Worker's Compensation Laws (Alabama Department of Labor).

2.3. Competence, Training, and Awareness

The company establishes a comprehensive OHS training program for all organizational levels, including induction, annual ongoing training, and task- or area-specific training (e.g., Hazard Communication, Lockout Tagout). Training effectiveness will be documented and evaluated.

3. Operation and Hazard Control

3.1. Hazard Identification and Risk Assessment

The organization conducts periodic assessments of occupational health and safety risks, identifying physical (noise, vibration, lighting), chemical (fumes, gases, solvents), and biological agents present in operations. This includes:

- **Occupational Exposure Monitoring** to assess worker exposure to airborne contaminants, comparing results with OSHA Permissible Exposure Limits (PELs).
- **Hazard Control:** Establishing technical and administrative controls, including mandatory use of Personal Protective Equipment (PPE), according to the hierarchy of controls.

3.2. Operational Control Policies

We maintain specific OHS policies and procedures to control high-risk activities, including:

- Lockout Tagout Policy
- Confined Spaces Program
- Bloodborne Pathogen Program
- Hazard Communication & Chemical Safety Program
- Hazard Machinery Guideline
- Fire Prevention Program
- Working and Welding Safety Program

3.3. Chemical Handling Safety

A chemical inventory is maintained, including Safety Data Sheets (SDS). All personnel receive training in the hazard communication system in accordance with **OSHA 29 CFR 1910.1200** and in safe chemical handling, storage, and spill response.

3.4. Emergency Preparedness and Response

Shinhwa Auto USA maintains a structured Emergency Action Plan (EAP) for scenarios such as fires, leaks, chemical spills, or natural disasters, aligned with OSHA and state regulations. Periodic drills and specific training are conducted in coordination with local authorities when appropriate.

4. Performance Evaluation and Improvement

4.1. Monitoring, Measurement, and Investigation

- **Incident Investigation:** All incidents, accidents, and near-misses are **promptly investigated**, documenting contributing factors and immediate and corrective actions. Findings are shared internally and used to prevent recurrences.
- **Recordkeeping:** Compliance with **OSHA Recordkeeping and Reporting Requirements (29 CFR Part 1904)** is mandatory.

4.2. Safety Culture, Participation, and Reporting

A positive **safety culture** is promoted, encouraging employees to **report unsafe conditions without fear of retaliation**.

- **Consultation and Participation:** An Occupational Health and Safety Committee Program facilitates consultation and participation from all organizational levels.
- **Proactive Reporting:** Anonymous reporting systems, ongoing feedback, and employee recognition programs (including the \$500 rewards Program for the Best Annual Safety Referral) are implemented to incentivize proactive safety management.

4.3. Review and Continuous Improvement

SHA-POL-OHS-004	OCCUPATIONAL HEALTH AND SAFETY	Rev. 1	Pg. 4 of 4
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This policy will be reviewed annually by the OHS Committee and Top Management to ensure its validity, suitability, and alignment with legislative, technological, and strategic changes. Performance evaluations lead directly to the establishment of measurable goals and action plans for continuous improvement.

4.4. Personnel Participation and Responsibility

Every Shinhwa Auto USA employee, contractor, and supplier has the responsibility to:

- **Comply** with this policy and all internal OHS guidelines.
- **Report** any OHS deviations, hazards, or incidents.
- **Actively participate** in OHS awareness and improvement programs

Shinhwa Auto USA - Responsible Sourcing of Raw Materials Policy

Effective Date: October 1, 2025

1. Overview

Shinhwa Auto USA is committed to ensuring that companies in our supply chain respect human rights and protect the environment. We strive to maximize the positive impact of our supply chain for people and the planet. Our goal is that wherever Shinhwa's supply chain has an impact, local conditions for stakeholders continuously improve because of our purchasing decisions and relationships.

2. Purpose

The purpose of this policy is to ensure that all raw materials sourced by Shinhwa Auto USA are obtained in a responsible, ethical, and sustainable manner. This aligns with international standards, customer expectations, and the requirements of the Sustainability Assessment Questionnaire (SAQ) for automotive suppliers.

3. Human Rights and Labor Practices

This policy applies to all raw materials purchased and used by Shinhwa Auto USA, including but not limited to:

- ❖ aluminum sourced for automotive applications

It covers our global supply chain, including all suppliers, subcontractors, and business partners.

4. Policy Commitments

4.1 Compliance with Laws and Standards

Shinhwa Auto USA complies with all applicable laws and regulations related to the sourcing of raw materials, including the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

We adhere to customer-specific requirements, including those outlined by automotive OEMs and industry groups such as Drive Sustainability or Aluminum Stewardship Initiative (ASI).

4.2 Suppliers and Partners

Suppliers are required to review and comply with all Shinhwa Auto USA relevant policies and processes, including:

- ✓ **Supplier Code of Conduct**
- ✓ **Responsible Sourcing Policy**
- ✓ **Global Human Rights Policy**

In addition, all suppliers providing parts or services to Shinhwa are required to adopt similar or stricter policies for their own operations and for their supply chains, as well as following industry best practices related to sustainability and supply chain due diligence. These policies and requirements are also required to be communicated throughout the supply chain, with the goal of strong and consistent social and environmental practices from raw materials to Shinhwa's facilities, and suppliers are required only to source from entities that comply with Shinhwa's policies.

Where a violation of Shinhwa's policies is identified, regardless of the location in the supply chain, suppliers are required to inform Shinhwa Auto USA of the violation. Shinhwa Auto USA and supplier will work together to identify remediation opportunities. Where remediation is not possible, or where the timeline for remediation is not acceptable suppliers are required to take steps to remove the companies or parties from the supply chain.

Upon request, suppliers are required to, at no additional cost to Shinhwa, proactively implement, and require each of its suppliers to proactively implement, supply chain traceability for each Product in conformance with Shinhwa's requests and instructions. As soon as practicable following Shinhwa's request (and in any event no more than seven (7) days after receiving such request), suppliers are required to make available to Shinhwa documentation demonstrating supply chain traceability for any identified products. Such documentation includes records maintained in the ordinary course of business by suppliers throughout the supply chain such as purchase orders, invoices, packing lists, bill of materials, certificates of origin, payment records, inventory records, warehouse/dock receipts, shipping records, and import/export records for every step of suppliers' supply chains from the procurement of raw materials through to the production of parts purchased by Shinhwa.

For any specified good Shinhwa defines traceability as:

- a) the identification of all suppliers in the supply chain used to produce goods;
- b) the development, maintenance and production of commercial records or other documentation to prove the movement of any product, substance, material, or mineral through every step of such supply chains, from raw material sources to finished goods;
- c) the location and ownership of mines, smelters, refineries, and/or other sources for applicable materials.

4.3 Human Rights and Labor Practices

We prohibit the use of forced labor, child labor, or any other form of modern slavery in our supply chain.

We expect suppliers to uphold fair wages, safe working conditions, and freedom of association.

4.4 Environmental Responsibility

Raw materials shall be sourced in a way that minimizes environmental harm, including deforestation, biodiversity loss, and excessive water use.

Preference is given to suppliers with environmental management systems certified to ISO 14001 or equivalent.

4.5 Conflict Minerals and High-Risk Materials

We do not knowingly source minerals that finance armed conflict or human rights abuses.

We encourage sourcing from certified conflict-free smelters and refiners.

4.6 Transparency and Traceability

Suppliers are required to disclose the origin of raw materials upon request and participate in traceability initiatives.

We maintain internal processes for monitoring high-risk materials and evaluating supplier compliance.

4.7 Continuous Improvement

We work with suppliers to identify risks and implement corrective actions where necessary.

Training, awareness, and capacity-building programs are provided to ensure responsible sourcing practices are embedded throughout the supply chain.

5. Responsibilities

- ✓ **Procurement Department:** Ensure sourcing decisions align with this policy and require supplier declarations.
- ✓ **Sustainability/Quality Team:** Monitor supplier performance, maintain reporting processes, and conduct risk assessments.
- ✓ **Suppliers:** Sign and comply with the Responsible Sourcing Policy and provide requested data and certifications.

6. Reporting and Grievance Mechanism

Concerns related to responsible sourcing can be reported confidentially through our Company email / Grievance Mechanism [feedback@shinhwa-auto.com].

Reports will be investigated, and appropriate corrective actions will be taken.

7. Compliance and Enforcement

Shinhwa Auto USA reserves the right to verify compliance with this Policy through audits, inspections, and assessments. Failure to meet the expectations set forth in this Policy may result in corrective action, up to and including termination of the business relationship.

Shinhwa Auto USA - Supplier Code of Conduct

Effective Date: May 28, 2025

Introduction

Shinhwa Auto USA is committed to conducting business in a socially and environmentally responsible, ethical, and lawful manner. We expect the same commitment from our suppliers, vendors, and business partners throughout our supply chain. This Supplier Code of Conduct outlines our expectations in the areas of human rights, responsible sourcing, environmental stewardship, and ethical business conduct.

Shinhwa Auto USA will take steps to ensure that our suppliers' business practices are consistent with the Code. This applies both in our selection of new suppliers and in our on-going relationships with our existing suppliers. We expect our suppliers to not just conduct business consistent with this Code, but also to set similar expectations with their own supply chain.

1. Human Rights and Labor Practices

1.1 Freely Chosen Employment

Suppliers must not use forced, bonded (including debt bondage), indentured labor, involuntary prison labor, slavery or trafficking of persons.

All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents.

Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker within 30 days.

1.2 Child Labor Avoidance

Suppliers shall not employ workers under the legal minimum working age as defined by local law or the age of 15, whichever is higher.

Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Suppliers shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partner, and protection of students' rights in accordance with applicable laws and regulations. Suppliers shall provide appropriate

support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks.

1.3 Working Hours

Working hours must not exceed the maximum set by local law and should align with the industry standard. All overtime must be voluntary. Suppliers must keep employee working hour and pay records in accordance with local and national laws and provide records to Shinhwa upon request.

1.4 Wages and Benefits

Compensation paid to workers must comply with all applicable wage laws, including those relating to minimum wages, overtime hours, and legally mandated benefits.

In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

1.5 Non-Discrimination

Suppliers shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, covered veteran status, protected genetic information or marital status in hiring and employment practices such as promotions, wages, benefits, and access to training.

1.6 Humane Treatment

There shall be no harsh or inhumane treatment, including sexual harassment, corporal punishment, or threats of violence. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

2. Health and Safety

Suppliers recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Suppliers also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace. Recognized management systems such as ISO 45001 and ILO Guidelines on Occupational Safety and Health were used as references in preparing the Code and may be useful sources of additional information.

2.1 Occupational Safety

Suppliers must provide a safe and healthy work environment. Procedures and training must be in place to detect, prevent, and respond to potential health and safety hazards. This includes eliminating the hazard, substituting processes or materials, controlling through

proper design, implementing engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout). Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards. Reasonable steps must also be taken to remove pregnant women and nursing mothers from working conditions with high hazards, remove or reduce any workplace health and safety risks to pregnant women and nursing mothers, including those associated with their work assignments, and provide reasonable accommodations for nursing mothers.

2.2 Emergency Preparedness

Emergency plans and response procedures must be implemented and maintained. These include fire detection and suppression systems, emergency exits, and evacuation plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

2.3 Incident Management

Work-related injuries and illnesses must be tracked, reported, and investigated to prevent recurrence. Suppliers must implement corrective actions.

2.4 Industrial Hygiene

Suppliers shall identify, evaluate, and control worker exposure to hazardous chemical, biological, and physical agents. If any potential hazards were identified, suppliers shall look for opportunities to eliminate and/or reduce the potential hazards. If elimination or reduction of the hazards is not feasible, potential hazards are to be controlled through proper design, engineering, and administrative controls. When hazards cannot be adequately controlled by such means, workers are to be provided with and use appropriate, well maintained, personal protective equipment free of charge. Protective programs shall be ongoing and include educational materials about the risks associated with these hazards.

2.5 Physically Demanding Work

Workers must be protected from the risks associated with physically demanding tasks, including manual material handling, heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks is to be identified, evaluated, and controlled.

2.6 Machine Safeguarding

Machinery must be evaluated for safety hazards and properly maintained. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

2.7 Sanitation and Food

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities.

2.8 Health and Safety Communication

Suppliers shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, physical hazards, pathogens, toxins, and other health related risks. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers.

3. Environmental Responsibility

Suppliers recognize that environmental responsibility is integral to producing world-class products. Suppliers shall identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources within their manufacturing operations, while safeguarding the health and safety of the public.

Recognized management systems such as ISO14001 may be a useful source of additional information.

3.1 Environmental Permits and Reporting

Suppliers must obtain and maintain all required environmental permits, approvals, and registrations and follow reporting obligations.

3.2 Pollution Prevention and Resource Reduction

Efforts should be made to minimize waste of materials, water, and energy, and to reduce greenhouse gas emissions. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

3.3 Hazardous Substances

Chemicals and other materials posing a hazard must be identified, labeled, and handled according to applicable regulations.

3.4 Waste Management

Suppliers must implement a systematic approach to waste management including handling, storage, recycling, and disposal.

3.5 Water Management

Suppliers shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge, seeks opportunities to conserve water, and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Suppliers shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

3.6 Energy Consumption and Greenhouse Gas Emissions

Suppliers are to establish a greenhouse gas (“GHG”) data for all products and related services supplied to Tesla upon request. Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions (using the GHG protocol) are to be tracked, documented, and publicly reported. Where such tracking is not currently available Suppliers should establish a plan to implement tracking. Suppliers are to look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

4. Ethical Business Practices

To meet social responsibilities and to achieve success in the marketplace, Suppliers and their agents are to uphold the highest standards of ethics including:

4.1 Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion, and embezzlement.

4.2 Fair Business, Advertising and Competition

Suppliers shall uphold fair trading practices and not engage in deceptive marketing or anti-competitive behavior.

4.3 Protection of Intellectual Property

Suppliers must respect intellectual property rights and safeguard Shinhwa Auto USA’s confidential and proprietary information.

4.4 Data Privacy and Security

Any collection, storage, processing, or sharing of personal data must comply with applicable data protection laws and best practices.

4.5 Whistleblower Protection

Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers are to be maintained, unless prohibited by law. Suppliers shall provide means for workers to report concerns anonymously without fear of retaliation.

5. Responsible Materials Sourcing

5.1 Conflict Minerals

Suppliers must ensure that products delivered to Shinhwa Auto USA do not contain conflict minerals (tin, tungsten, tantalum, and gold) that directly or indirectly finance or benefit armed groups in conflict regions.

5.2 Raw Material Transparency

Suppliers shall exercise due diligence to identify and trace the source of materials and ensure they are obtained responsibly and legally.

5.3 Material Origin Compliance

Materials must comply with all applicable regulations and restrictions, including trade sanctions and embargoes.

6. Management Systems

Suppliers shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure:

- (a) compliance with applicable laws, regulations and customer requirements related to the Supplier's operations and products
- (b) conformance with this Code
- (c) identification and mitigation of operational risks related to this Code.

6.1 Management Accountability and Responsibility

The Supplier clearly identifies senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management systems on a regular basis.

6.2 Legal and Customer Requirements

Supplier shall have a process in place, to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

6.3 Worker Feedback, Participation and Grievance

Ongoing processes, including an effective grievance mechanism, to assess workers' understanding of and obtain feedback on or violations against practices and conditions covered by this Code and to foster continuous improvement. Workers must be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation. Suppliers must periodically provide workers with information on all grievance procedures. No retaliation against workers for raising workplace concerns may be tolerated, including personal attacks, intimidation, or other threats against workers.

6.4 Documentation and Records

Documents and records shall be created and maintained by Suppliers to ensure regulatory compliance, compliance with this Code and conformity to company requirements along with appropriate confidentiality to protect privacy. Documents and records should be made available to Shinhwa Auto USA upon request.

6.5 Risk Assessment and Mitigation

Suppliers shall identify potential risks related to this Code and implement appropriate mitigation measures.

6.6 Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility.

6.7 Continual Improvement

Suppliers must continually strive to improve their social, environmental, and ethical performance.

6.8 Corrective Action Process

Suppliers shall develop a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

7. Compliance and Enforcement

Shinhwa Auto USA reserves the right to verify compliance with this Code through audits, inspections, and assessments. Failure to meet the expectations set forth in this Code may result in corrective action, up to and including termination of the business relationship.