

SHA-POL-ESG1	Shinhwa Group Supplier Code of Conduct (신화그룹 협력사 행동규범)		
Issued by: Management Support Team Manager Lee		Effective Date: 7/23/2025	Rev. 0 Pg. 1 of 11

Shinhwa Group Supplier Code of Conduct

Date: 2024. 10. 1 **[Approver]:** Management Support Team Manager Lee Yoon-ki **Document No.:** SHW-ESG-01 **Last modified:** 2024.10.1 **Document Manager:** Management Support Team

1. Overview

- A. Purpose of Code of Conduct** Shinhwa Group (Shinhwa ENG, Shinhwa Precision Engineering, Shinhwa Motech, Shinhwa Autotech, Shinhwa Forging, Shinhwa Metal, Shinhwa AUTO USA hereinafter referred to as "Shinhwa Group") has established this Code of Conduct to establish an ethical and sustainable supply chain, and this Code of Conduct requires domestic and foreign partners (hereinafter referred to as "Partners") who provide goods and services to Shinhwa Group or have entered into contracts for other transactions to strictly comply with laws and regulations applicable to corporate management activities (including but not limited to laws and regulations related to corruption, economic sanctions, forced labor, safety/health, and fair trade). We require them to have the best operating practices in the areas of ethics, environment, labor/human rights, safety/health, and management systems. Shinhwa Group expects the entire supply chain, including its suppliers, to comply with this Code of Conduct to not only grow into a company that is more respected by society, but also to become an opportunity for mutual growth. This Code of Conduct is based on Drive Sustainability's Global Automotive Sustainability Practical Guidance and references the Responsible Business Alliance's Code of Conduct. In addition, it reflects recent global trends such as supply chain laws related to human rights and the environment, such as the EU Corporate Sustainability Due Diligence Directive, and ESG-related directives. However, if the behavior recommended and required by this Code of Conduct contradicts the laws and regulations of the country concerned, the laws and regulations of the country concerned shall be applied first, and this Code of Conduct may be changed in accordance with domestic and foreign industry trends and industry trends in the future.
- B. Subject of the Code of Conduct** Suppliers subject to the Code of Conduct must comply with this Code of Conduct. Suppliers subject to this Code of Conduct must recommend that the entire supply chain, including trading partners (sub-suppliers), comply with the matters set forth in this Code of Conduct.
- C. Responsibilities and Roles of Suppliers** Suppliers of Shinhwa Group must consider the matters presented in this Code of Conduct in management decision-making and business operation processes. Shinhwa Group and third-party organizations entrusted by Shinhwa Group may inspect and conduct due diligence to the extent permitted by law to

SHA-POL-ESG1	Shinhwa Group Supplier Code of Conduct (신화그룹 협력사 행동규범)	Rev. 0	Pg. 2 of 11
--------------	--	--------	-------------

ensure that suppliers comply with the matters set forth in this Code of Conduct. Based on the results of inspection and due diligence on compliance with this Code of Conduct, Shinhwa Group may recommend improvements to the identified risks, and suppliers will establish risk mitigation plans and implement implementation measures based on mutual consultation on improvements. Compliance with this Code of Conduct may be an important criterion for selecting a business partner, and if a supplier who violates this Code of Conduct does not make appropriate improvement efforts, it may be difficult to maintain a smooth business relationship with Shinhwa Group. This Code of Conduct does not specify all the obligations of suppliers to fulfill, and this Code of Conduct may be supplemented and revised by regular review to establish a sustainable supply chain. This Code of Conduct can be found on the Shinhwa Group website, and you can inquire about the details of this Code of Conduct through the department in charge of Shinhwa Group. In addition, Shinhwa Group will ensure that its suppliers fully understand and comply with the Code of Conduct by using the optimal channels (voice, video, writing, etc.) and methods (Korean, English, etc.) that allow members of suppliers to conveniently access information related to the Code of Conduct, and at the same time, support suppliers to actively communicate the purpose of the Code of Conduct throughout the supply chain, including trading partners (sub-suppliers).

2. Ethics

- **A. Transparent Management and Anti-Corruption**
 - (1) Employees of partner companies must comply with the highest standards of integrity and laws and regulations of each country in which they operate.
 - (2) Employees of partner companies shall not take advantage of their superior position in business to take bribes, blackmail, embezzlement, mediation, solicitation, money laundering, etc., and shall not intend to pay unfair compensation by taking advantage of weaknesses or defects.
 - (3) Suppliers must establish internal procedures to ensure that suspicious transactions are reported and processed, and reporters must not be subjected to unreasonable measures for reporting, etc.
 - (4) Suppliers shall not demand recruitment-related fees or placement costs from workers hired at their workplaces.
- **B. Prevention of Conflict of Interest**
 - (1) Suppliers must handle their work with a sense of responsibility in accordance with the prescribed work regulations.
 - (2) Employees of partner companies shall not promise, propose, permit, or provide other means for the purpose of unfair or inappropriate profits. This includes acts that cause damage to the company for the benefit of employees or receive promises of personal benefits through a third party.
- **C. Prevention of Unfair Trade**
 - (1) Suppliers must comply with fair trade-related laws and standards of each country in which they operate.

SHA-POL-ESG1	Shinhwa Group Supplier Code of Conduct (신화그룹 협력사 행동규범)	Rev. 0	Pg. 3 of 11
--------------	--	--------	-------------

- (2) Suppliers must not engage in acts that may hinder fair competition through unfair trade, such as abusing their dominant market position or trading position.
- (3) Suppliers must pay the price to the supplier on the payment date, and must not arbitrarily adjust the payment price.
- (4) Suppliers shall not agree to engage in any act that unfairly restricts competition with other business operators regarding the price, supply, transaction area, and terms of trade of goods or services.
- (5) Suppliers shall not obtain information from competitors, trading partners (sub-partners) or other organizations through fraudulent means, and shall not use or disclose information obtained fraudulently by the Company or a third party.
- **D. Prevention of Counterfeit Parts**
 - (1) Suppliers must not produce and use unauthorized raw materials and parts, and must not use and sell counterfeit raw materials and parts.
 - (2) Suppliers shall periodically check whether counterfeit raw materials and parts are used or produced in the workplace, and if so, they must immediately notify the government or the customer.
 - (3) Suppliers must make efforts to confirm whether the raw materials and parts they produce are used and distributed in accordance with business purposes or contract conditions.
- **E. Compliance with Export Restrictions and Economic Sanctions**
 - (1) Suppliers must comply with country-specific laws and international agreements related to export restrictions and economic sanctions.
 - (2) Suppliers must not do business with countries, regions, corporations, organizations, or individuals subject to export restrictions or economic sanctions.
 - (3) Suppliers must check whether they comply with laws and regulations related to export restrictions and economic sanctions, and cooperate with activities to understand the status of O O O O O if necessary.
- **F. Information Security**
 - (1) Suppliers shall not disclose trade secrets or information requiring security of customers and business partners (sub-partners) without permission, and shall not store and use information acquired during the execution of business without prior permission and approval.
 - (2) Suppliers must collect and use personal information within the scope of the purpose of collection and use of personal information and the period of retention and use, and must obtain prior consent in case of any changes to the above.
- **G. Intellectual Property Protection**
 - (1) Suppliers must respect the intellectual property rights of their customers and trading partners (sub-partners), take appropriate measures to protect their intellectual property rights, and periodically check whether their intellectual property rights are being infringed.
- **H. Responsible Material Sourcing**
 - (1) Suppliers must establish a process to identify the countries and regions that procure raw materials, parts, and components directly or indirectly used in the manufacture of goods delivered to Shinhwa Group at any stage in the supply chain.

SHA-POL-ESG1	Shinhwa Group Supplier Code of Conduct (신화그룹 협력사 행동규범)	Rev. 0	Pg. 4 of 11
--------------	--	--------	-------------

- (2) Suppliers must ensure that they are not supplied with raw materials, parts, and/or components manufactured using forced labor, directly or indirectly, at any stage in the supply chain.
- (3) Suppliers must establish a process to verify the origin and smelter of all minerals and raw materials, including conflict minerals such as tin, tungsten, tantalum, and gold (1) contained in the product.
- (4) Suppliers are subject to serious human rights violations at the smelter and the origin of minerals and raw materials according to the process, and the four major minerals produced in the conflict zone of Africa (10 countries including DR Congo) are of international concern because they cause social problems such as human rights violations and child labor in the mining process, or use funds from mineral exports to foment civil wars and conflicts. (8) and (9) Classes, we should make efforts to check social and environmental issues such as negative environmental impacts (2).
- (5) If a supplier mainly deals with minerals and raw materials, it must make efforts to confirm or obtain external certification that it is not related to issues such as human rights violations, ethical violations, and negative environmental impacts in the mining and processing process of the minerals and raw materials.

3. Environment

- **A. Establishment of Environmental Management System**
 - (1) Suppliers must comply with environmental laws and regulations of each country in which they operate, and obtain and maintain all environmental licenses necessary for business operation.
 - (2) Suppliers must operate an environmental management system (3) consisting of organization, plans, procedures, and performance inspections to mitigate the environmental impact of business operations.
- **B. Energy Use and Greenhouse Gas Emission Management**
 - (1) Suppliers must establish a system to measure energy consumption and greenhouse gas emissions.
 - (2) Suppliers must make efforts to reduce energy consumption and greenhouse gas emissions.
- **C. Water Resources Management**
 - (1) Suppliers must establish a system to measure water resource usage and wastewater discharge.
 - (2) Suppliers must make efforts to reduce water consumption and increase the amount of recycling. In addition, water pollutants discharged must be managed in accordance with legal standards or higher internal standards.
- **D. Air Pollutant Management**
 - (1) Suppliers must establish a system to measure air pollutant emissions.
 - (2) Suppliers must minimize air pollutant emissions through appropriate methods. In addition, it is necessary to establish and comply with internal standards that are at or above the legal standards for the quality of air pollutants emitted.

SHA-POL-ESG1	Shinhwa Group Supplier Code of Conduct (신화그룹 협력사 행동규범)	Rev. 0	Pg. 5 of 11
--------------	--	--------	-------------

- **E. Circular Resources and Waste Management**
 - (1) Suppliers must establish a system to measure waste emissions.
 - (2) Suppliers must minimize the discharge of waste to landfills and incineration through appropriate methods. In addition, efforts should be made to expand waste reuse and recycling, and to recover discarded raw materials and components.
 - (3) Suppliers must consider the entire life cycle of the products they produce and strive to minimize the residue that has an environmental impact when landfilling and incinerating waste.
- **F. Chemical Substance Management**
 - (1) Suppliers must make efforts to ensure that chemical substances handled in the course of business operations are safely managed during transportation, storage, use, and disposal. In addition, information that can identify the hazards and hazards of the chemicals handled must be marked or disclosed.
 - (2) Suppliers shall endeavor to ensure that raw materials and parts produced, produced, sold, and distributed contain substances harmful to the human body or the environment (4).
- **G. Animal Welfare**
 - (1) Suppliers must comply with Article 23 of the Animal Protection Act (Principle of Animal Testing) if they are unavoidably required to conduct animal testing for their business.
 - (2) Suppliers must respect the five freedoms of animals set by the World Organization for Animal Health (WOAH).
 - Freedom from hunger or thirst
 - Freedom from discomfort
 - Freedom from pain, injury or disease
 - Freedom to express (most) normal behavior
 - Freedom from fear and distress
- **H. Biodiversity Protection and Prohibition of Deforestation**
 - (1) Suppliers measure the impact and dependence of their business activities on biodiversity in order to preserve, restore, and expand the biodiversity of local communities. Efforts should be made to prevent, reduce, and offset negative impacts by establishing strategies and action plans.
 - (2) In order to protect the forests of local communities, suppliers shall establish procedures to check the possibility of potential forest destruction risks due to business activities, and strive to prepare a response system that can take appropriate measures if the current status of forest destruction is confirmed or the risk of forest destruction is recognized.

4. Labor/Human Rights

- **A. Prohibition of the Use of Child Labor**
 - (1) Suppliers shall adhere to the principle of zero tolerance for any form of child labor at all workplaces unless permitted by relevant laws and regulations, and shall verify the identity of employees and job applicants through legal documents

SHA-POL-ESG1	Shinhwa Group Supplier Code of Conduct (신화그룹 협력사 행동규범)	Rev. 0	Pg. 6 of 11
--------------	--	--------	-------------

such as ID cards and birth certificates, and if child labor is confirmed, they shall suspend employment and take reasonable follow-up measures through improvement and training programs.

- (2) Suppliers must not employ minors in high-risk jobs for safety and health reasons, and must take measures to ensure that minors are not restricted from their educational opportunities due to their labor.
- (3) Suppliers must not receive goods and services from trading companies (sub-suppliers) that violate child labor-related laws and regulations, and must take appropriate measures if the above facts are confirmed.

• **B. Prohibition of the Use of Forced Labor**

- (1) Suppliers must put their employees to work in accordance with the labor standards laws of each country in which they operate, and prohibit any form of forced labor or compulsory work against the will of their employees. "Forced labor" means work or services provided by a person under the threat of punishment or penalty for non-compliance, or work or services provided involuntarily by workers, including involuntary prisoner labor and contract labor pursuant to criminal sanctions.
- (2) Suppliers shall not produce all or part of the products to be supplied to Shinhwa Group through forced labor, and shall not use products that have been produced in whole or in part by persons or corporations subject to the Forced Labor Regulations or supplied in violation of the Forced Labor Regulations. "Forced Labor Regulations" include any statutes, ordinances, rules or conditions imposed, implemented, or enforced from time to time by the United Nations (UN), the United States (including, but not limited to, the U.S. Customs and Border Protection), the European Union (EU), the United Kingdom, the Republic of Korea, or other governmental authorities in connection with the prevention of forced labor, including, without limitation, the import of products made in whole or in part from forced labor.
- (3) Suppliers will conduct risk-based due diligence on their supply chains, which will include mapping their supply chains to determine whether forced labor is used in their supply chains and identifying the regions, vendors, and other factors that pose the greatest risks associated with forced labor. This due diligence is updated regularly.
- (4) Suppliers shall establish a code of conduct that prohibits the use of forced labor at any stage of the supply chain. In establishing the Code of Conduct, each supplier shall establish and implement relevant procedures to identify all countries and regions related to all raw materials, parts, and components directly or indirectly used in the manufacture of goods delivered to Shinhwa Group at any stage of the supply chain. The Code of Conduct and related procedures must be structured to ensure that suppliers are not supplied with raw materials and parts manufactured by direct or indirect use of forced labor at any stage of the supply chain.
- (5) Suppliers shall provide regular training to their employees and business partners (sub-suppliers) on the Code of Conduct and the Prohibition of Forced Labor.

SHA-POL-ESG1	Shinhwa Group Supplier Code of Conduct (신화그룹 협력사 행동규범)	Rev. 0	Pg. 7 of 11
--------------	--	--------	-------------

- (6) If forced labor is confirmed in the supplier's supply chain, the supplier will proceed with the corrective plan and immediately provide information on the use of forced labor and corrective measures to the Shinhwa Group.
- (7) Suppliers shall require their trading partners (sub-suppliers) to adopt the equivalent Code of Conduct and related procedures, and confirm that their partners (sub-suppliers) comply with each Code of Conduct and related procedures through inspection or monitoring.
- (8) Suppliers shall not require employees to submit ID cards or visas that may restrict their personal activities, and shall not engage in physical/mental restraints such as assault, intimidation, and confinement for the purpose of forced labor.
- (9) Suppliers shall not receive goods and services from trading partners (sub-suppliers) who are involved in physical/mental bondage or forced labor due to debt relations, etc., and shall require their trading partners (sub-suppliers) to receive the same promises from the partners.
- (10) If a supplier becomes aware that a supplier's trading partner (sub-supplier) has used forced labor in the production of products for sale (including products directly or indirectly included in the products sold), the supplier shall immediately stop using the product and notify Shinhwa Group.
- **C. Prohibition of Discrimination and Harassment**
 - (1) Suppliers shall not discriminate against employees on the basis of gender, race, ethnicity, nationality, religion, disability, age, family status, social status, political opinion, etc.
 - (2) Suppliers shall not discriminate against employees in the payment of wages and the operation of the welfare system.
 - (3) Suppliers do not require conditions that are not necessary for the performance of their duties when recruiting and hiring employees.
 - (4) Suppliers shall establish policies and procedures to prevent any inhumane acts, including sexual harassment, mental or physical coercion, or verbal abuse against employees, and for this purpose, the Shinhwa Group Charter of Human Rights, the Shinhwa Group Charter of Ethics and Code of Practice, and the Code of Conduct of Shinhwa Group Suppliers can be referred to.
- **D. Wages and Benefits Provided**
 - (1) Suppliers must pay wages in compliance with the laws and systems of each country in which they operate. Wages must be paid on a fixed date, and employees must provide pay stubs in a language they can understand.
 - (2) Suppliers must provide a pleasant work environment for their employees and strive to operate a welfare system to improve their quality of life.
 - (3) Suppliers must provide compulsory education as stipulated by the laws and systems of each country in which they operate. In addition, we must strive for career development and competency enhancement of our employees.
- **E. Management of Working Hours**
 - (1) Suppliers must comply with the legal working hours of each country in which they operate their business and manage their working hours, including breaks.
 - (2) Suppliers must refrain from overtime work that employees do not want, and provide fair compensation in the event of unavoidable overtime.

SHA-POL-ESG1	Shinhwa Group Supplier Code of Conduct (신화그룹 협력사 행동규범)	Rev. 0	Pg. 8 of 11
--------------	--	--------	-------------

- (3) Suppliers must guarantee their employees an average of at least one holiday per week.
- **F. Humane Treatment**
 - (1) Suppliers must respect the privacy of their employees and refrain from giving unnecessary work orders outside of working hours.
 - (2) Suppliers must notify employees in advance when collecting personal information and seek their voluntary consent.
 - (3) Suppliers shall prohibit workplace harassment, which is an act that causes physical or mental pain to other workers or worsens the working environment beyond the appropriate scope of work by taking advantage of the superiority of the position or relationship between employees in the workplace, and shall take appropriate measures such as change of work place or change of assignment to the employees who are victims of workplace harassment, and take necessary measures such as disciplinary action and change of work place for the perpetrators.
- **G. Freedom of Association and Collective Bargaining Rights**
 - (1) Suppliers shall respect the Labor Relations Laws of the country to which this Code of Conduct applies and provide sufficient communication opportunities to all employees.
- **H. Ethical Hiring**
 - (1) Suppliers shall not restrict workers' access to employees' identification documents (ID cards, passports, driver's licenses, etc.) by keeping, discarding, concealing, confiscating, or otherwise restricting their employees' access to them, unless specifically permitted by law.
 - (2) Suppliers must not demand any type of commission in the name of employment.
 - (3) Suppliers must ensure that all workers receive written notice of working conditions or explain working conditions in a language that workers can understand.

5. Health & Safety

- **A. Establishment of Safety and Health Management System**
 - (1) Suppliers must comply with safety and health-related laws and regulations of each country in which they operate, and obtain and maintain all safety and health-related licenses necessary for business operation.
 - (2) Suppliers must operate a safety and health management system (5) consisting of organization, plans, procedures, and result inspections to prevent safety and health accidents due to business operations.
- **B. Safety Management of Machinery and Facilities**
 - (1) Suppliers shall regularly inspect and evaluate the safety of harmful or dangerous machinery and equipment in the workplace.

SHA-POL-ESG1	Shinhwa Group Supplier Code of Conduct (신화그룹 협력사 행동규범)	Rev. 0	Pg. 9 of 11
--------------	--	--------	-------------

- (2) Suppliers must install and manage safety devices, protective walls, and emergency devices to prevent safety accidents caused by the use of harmful or dangerous machinery and equipment in the workplace.
- (3) Suppliers shall ensure that workers are provided with appropriate personal protective equipment (PPE) and receive necessary training on its use and maintenance to protect them from workplace hazards.
- (4) Suppliers must establish procedures for safe handling, storage, and disposal of hazardous materials and waste in accordance with relevant laws and regulations.
- **C. Emergency Response**
 - (1) Suppliers shall establish and maintain emergency preparedness and response plans to address potential emergency situations, including fires, chemical spills, and natural disasters.
 - (2) These plans should include clear evacuation procedures, emergency contacts, and designated assembly points, and employees should be trained on these procedures regularly.
 - (3) Suppliers shall conduct regular emergency drills to ensure the effectiveness of their response plans and the readiness of their employees.
- **D. Incident Management**
 - (1) Suppliers must establish a system for reporting, investigating, and documenting all workplace accidents, incidents, and occupational diseases.
 - (2) Investigations shall identify root causes, and corrective actions must be implemented to prevent recurrence.
 - (3) Information on incidents and corrective actions should be communicated to relevant employees to raise awareness and promote learning.
- **E. Safety Diagnosis**
 - (1) Suppliers shall conduct regular safety diagnoses and risk assessments of their facilities, processes, and equipment to identify potential hazards and evaluate risks.
 - (2) Based on these diagnoses, suppliers must develop and implement measures to eliminate or control identified risks to an acceptable level.
- **F. Health Care**
 - (1) Suppliers must provide a healthy and hygienic work environment that prevents occupational diseases and promotes the well-being of employees.
 - (2) This includes providing access to clean drinking water, sanitary restrooms, and appropriate ventilation, and managing exposure to hazardous substances.
 - (3) Suppliers shall provide necessary medical services or ensure access to them, including first aid and occupational health examinations, as required by law.
- **G. Safety and Health of Contractors**
 - (1) Suppliers are responsible for ensuring that their contractors and temporary workers comply with the same safety and health standards outlined in this Code of Conduct.
 - (2) This includes providing appropriate safety training and supervision for contractors working on their premises.

SHA-POL-ESG1	Shinhwa Group Supplier Code of Conduct (신화그룹 협력사 행동규범)	Rev. 0	Pg. 10 of 11
--------------	--	--------	--------------

6. Management System

- **A. Corporate Statement Disclosure**
 - (1) Suppliers shall publicly disclose their commitment to ethical conduct and sustainability, including their adherence to this Code of Conduct, through appropriate communication channels.
- **B. Appointment of a Responsible Person**
 - (1) Suppliers must appoint a specific person or department responsible for overseeing compliance with this Code of Conduct and related internal policies.
- **C. Risk Inspection**
 - (1) Suppliers shall establish and maintain a process for identifying, assessing, and managing risks related to ethics, environment, labor/human rights, and health & safety within their operations and supply chain.
 - (2) This process should include regular risk inspections and evaluations.
- **D. Education and Communication**
 - (1) Suppliers shall provide regular training to their employees, management, and relevant business partners on the principles and requirements of this Code of Conduct.
 - (2) Effective communication channels must be established to ensure that all employees understand and can report concerns related to the Code.
- **E. Information Management**
 - (1) Suppliers must establish and maintain accurate records and documentation to demonstrate compliance with this Code of Conduct and applicable laws and regulations.
 - (2) These records should be readily available for review by Shinhwa Group or authorized third parties during assessments.
- **F. Grievance Handling System Operation**
 - (1) Suppliers shall establish an effective and confidential grievance mechanism that allows employees and other stakeholders to report concerns or violations of this Code of Conduct without fear of retaliation.
 - (2) All grievances must be handled promptly, impartially, and thoroughly, and appropriate corrective actions must be taken.
- **G. Provision of Remedies**
 - (1) In cases where violations of this Code of Conduct are identified, suppliers shall provide appropriate remedies for affected parties, which may include compensation, rehabilitation, or other corrective measures.
- **H. Management of Trading Partners (sub-partners)**
 - (1) Suppliers shall apply the principles of this Code of Conduct to their own supply chain by communicating expectations to their trading partners (sub-partners) and monitoring their compliance.
 - (2) This includes conducting due diligence on sub-partners to ensure they meet the standards set forth in this Code.
- **I. Compliance**
 - (1) Suppliers must fully comply with all applicable laws, regulations, and international standards relevant to their business operations and the areas covered by this Code of Conduct.

7. Supply Chain Due Diligence

- (1) Suppliers shall conduct ongoing due diligence across their supply chain to identify, assess, and mitigate actual and potential adverse impacts related to human rights, labor, environment, and ethics.
- (2) This due diligence should be risk-based, regularly updated, and align with internationally recognized frameworks such as the UN Guiding Principles on Business and Human Rights and OECD Due Diligence Guidance for Responsible Business Conduct.
- (3) Suppliers must be prepared to demonstrate their due diligence efforts to Shinhwa Group upon request.

SHA-POL-ESG2	Code of Ethics and Practical Standard (신화그룹 윤리헌장 및 실천규범)		
Issued by: Dow Sport		Effective Date: 7/23/2025	Rev. 0 Pg. 1 of 5

Shinhwa Group Code of Ethics and Practical Standards

Document Management No.: SHW-ESG-02 **Last Modified Date:** 2024.10.1 **Document Manager:** Management Support Team

Effective Date: 2024. 10. 1

[Approver] Management Support Team Manager Lee Yoon-ki

1. Purpose of Enactment

Shinhwa Group (Shinhwa ENG, Shinhwa Precision Engineering, Shinhwa Motech, Shinhwa Autotech, Shinhwa Forging, Shinhwa Metal, Shinhwa AUTO USA, hereinafter referred to as 'Shinhwa Group') aims to be a global company that contributes to the dreams of human society by creating a new future through creative thinking and endless challenges. The practice of ethical management is fundamental to this, and therefore, Shinhwa Group has revised its Code of Ethics and Practical Standards to become a reliable partner for various stakeholders and to enhance customer value. All members of Shinhwa Group must comply with this Code of Ethics and Practical Standards.

2. Scope of Application

The Code of Ethics and Practical Standards apply to all affiliated companies of Shinhwa Group, including domestic and international production and sales corporations, subsidiaries and sub-subsidiaries, and Joint Ventures. Shinhwa Group executives and employees shall also act in accordance with this Code of Ethics and Practical Standards when dealing with suppliers and sales/service organizations. All executives and employees of organizations to which this Code of Ethics and Practical Standards apply must comply with the laws and regulations of their respective countries while performing their duties in accordance with this Code of Ethics and Practical Standards. Furthermore, all stakeholders in business relations with our company should be encouraged to respect this Code of Ethics and Practical Standards.

Companies to which the Code of Ethics and Practical Standards apply must perform their duties in accordance with regulations, policies, and guidelines based on this Code of Ethics and

SHA-POL-ESG2	Code of Ethics and Practical Standard (신화그룹 윤리헌장 및 실천규범)	Rev. 0	Pg. 2 of 5
--------------	---	--------	------------

Practical Standards. If this Code of Ethics and Practical Standards, related regulations, policies, and guidelines conflict with the local laws and regulations of the country concerned, the local laws and regulations shall be observed first, and this Code of Ethics and Practical Standards may be revised and used to reflect the laws, regulations, and industry characteristics required by that country, and separate detailed policies may be established if necessary. Organizations intending to adopt this Code of Ethics and Practical Standards must obtain prior permission from Shinhwa Group.

Shinhwa Group Code of Ethics and Practical Standards

[Shinhwa Group's 5 Major Ethical Charters]

1. We perform our duties with clear and transparent standards, fulfilling our responsibilities with sincerity and utmost effort.
2. We compete fairly in the market and conduct transactions justly with contractual partners.
3. We provide safe products, the best services, and accurate information for the realization of customer value, and thoroughly protect personal information.
4. We respect each member as an independent individual, and to this end, provide fair working conditions and a safe working environment.
5. As a global corporate citizen, we contribute to the realization of sustainable development where various stakeholders can prosper together through the fulfillment of social responsibility.

1. Employee Ethics

We perform our duties with clear and transparent standards, fulfilling our responsibilities with sincerity and utmost effort.

- **Bribery** Do not receive or offer, nor promise to offer, any form of illegal or unethical benefits or bribes (1) from/to stakeholders, whether monetary or non-monetary.
- **Solicitation** Prohibit dishonest solicitation between employees and stakeholders, or among internal employees.
- **Conflict of Interest** If avoiding a conflict of interest between the company and personal interests is unavoidable, act by prioritizing the interests of the company and customers within legal limits.
- **Insider Trading** Do not disclose confidential information, knowledge, or information (2) obtained directly or indirectly through the performance of duties, nor use it to pursue personal gain.

SHA-POL-ESG2	Code of Ethics and Practical Standard (신화그룹 윤리헌장 및 실천규범)	Rev. 0	Pg. 3 of 5
--------------	---	--------	------------

- **Workplace Ethics** Employees must fulfill their responsibilities regardless of time or place while performing company duties, and company assets and facilities must only be used for business purposes.
- **Abuse of Power** Do not exercise undue influence using job authority or position, nor pursue illegal gains for the company or individuals.
- **Document Preparation and Reporting** Do not prepare or report documents, or share with internal/external stakeholders, based on manipulated content such as concealment, reduction, exaggeration, or false information.
- **Forgery/Alteration** Do not forge or alter supporting documents for products and quality assurance.

(1) Bribery refers to all forms of benefits provided or received to obtain monetary or non-monetary purposes, including money, services, entertainment, gifts, donations, subsidies, preferential treatment, and provision of conveniences. (2) Insider trading often involves the use of company confidential information, knowledge, business information, organizational information such as mergers and acquisitions, stock price-related information, and internal decision-making matters.

2. Fair Competition and Transactions

We compete fairly in the market and conduct transactions justly with contractual partners.

- **Anti-Monopoly** Do not engage in acts that may hinder fair competition through unfair trade, such as abusing market dominant position or trading position.
- **Collusion** Do not agree to engage in any act that unfairly restricts competition with other business operators regarding the price, supply, transaction area, and terms of trade of goods or services.
- **Unfair Competition** Do not obtain information from competitors, partners, or other organizations through dishonest means, and do not use or disclose information obtained dishonestly by the company or a third party.
- **Money Laundering** Do not engage in any activities related to money laundering involving customers, partners, suppliers, other organizations, and individuals.
- **Intellectual Property Rights** Protect the trade secrets of contractual partners and do not infringe upon the intellectual property rights of other companies or individuals.
- **Taxation** Comply with the tax laws of each country where the business operates for transparent and fair tax administration, and do not evade legitimate tax obligations.
- **Procurement** Seek fair win-win relationships with suppliers and do not engage in unfair trade practices.

3. Realization of Customer Value

SHA-POL-ESG2	Code of Ethics and Practical Standard (신화그룹 윤리헌장 및 실천규범)	Rev. 0	Pg. 4 of 5
--------------	---	--------	------------

We provide safe products, the best services, and accurate information for the realization of customer value, and thoroughly protect personal information.

- **Customer Safety** Do not make decisions or compromises that go against customer safety throughout the entire process of research and development, raw material procurement, production, sales and distribution, and after-sales service.
- **Quality** Do not engage in acts that undermine the necessary quality standards to stably supply the best products and services to customers.
- **Complete Information Provision** Provide customers with accurate and useful information related to products and services to help them make informed decisions, and do not provide false or exaggerated information.
- **Personal Information Protection** Comply with relevant laws and regulations for the protection of customer personal information and do not engage in acts that may illegally infringe upon customer personal information.
- **Customer Feedback Collection** Listen to customer opinions on products and services, and actively accept legitimate customer demands and reasonable suggestions.
- **Customer Accessibility** Take necessary measures to ensure that no customer is unfairly restricted from using products and services due to gender, age, disability, or language.
- **Product Liability** Actively provide necessary information to prevent customer damage and risks, and responsibly implement measures to ensure the safety and quality of products and services.

4. Respect for Employees

We respect each member as an independent individual, and to this end, provide fair working conditions and a safe working environment.

- **Human Rights** Respect each employee as an independent individual and take active measures to protect human rights universally pursued by human society.
- **Child Labor and Forced Labor** Comply with the labor laws of the country where the workplace is located and prohibit child labor and forced labor within the workplace.
- **Discrimination** Do not discriminate against employees based on nationality, region of origin, race, gender, age, culture, religion, disability, educational background, political leanings, or personal preferences.
- **Equal Opportunity** Provide employees with equal opportunities for education and growth based on their abilities and qualifications, and fairly evaluate and compensate their performance.
- **Workplace Harassment** Prohibit all online and offline acts that insult the dignity of members or violate human dignity, such as verbal or physical violence, sexual harassment, ostracism, and intimidation.
- **Safety and Health** Actively take necessary measures for employee safety and maintain a safe working environment free from occupational accidents and injuries, disasters, calamities, diseases, and contagions.

SHA-POL-ESG2	Code of Ethics and Practical Standard (신화그룹 윤리헌장 및 실천규범)	Rev. 0	Pg. 5 of 5
--------------	---	--------	------------

- **Work-Life Balance** Strive to provide a work environment that allows employees to balance work and life harmoniously.

5. Pursuit of Sustainability

As a global corporate citizen, we contribute to the realization of sustainable development where various stakeholders can prosper together through the fulfillment of social responsibility.

- **Sustainable Development** In the management decision-making process, fulfill the responsibility to contribute to achieving Sustainable Development Goals (SDG) for solving environmental and social problems faced by human society.
- **Environment** Recognize that the environment is a valuable asset to be preserved for future generations, and actively fulfill the responsibility to minimize negative impacts on the environment across all business areas.
- **Social Contribution** Actively identify and seek solutions for social problems faced by our society and humanity at large.
- **Stakeholder Engagement** Identify stakeholders who are affected by or can affect company management, and actively communicate and act on important sustainability-related matters.
- **Donations and Sponsorships** Charitable donations and sponsorships shall be carried out fairly according to internal execution standards and procedures, and political donations and sponsorships are prohibited.
- **Shareholder Value** Seek to enhance company and shareholder value through sustainable management.
- **Information Disclosure** Disclose financial and non-financial information in a timely manner according to relevant laws and regulations.

SHA-POL-ESG3	Shinhwa Group Human Rights Charter (신화그룹 인권헌장)		
Issued by: Dow Sport		Effective Date: 7/23/2025	Rev. 0 Pg. 1 of 6

Shinhwa Group Human Rights Charter

Document Management No.: SHW-ESG-03 **Last Modified Date:** 2024.10.1 **Document Manager:** Management Support Team

Effective Date: 2024. 10. 1.

[Approver] Management Support Team Manager Lee Yoon-ki

1. Overview

- A. Purpose of Enactment of the Human Rights Charter** Shinhwa Group (Shinhwa ENG, Shinhwa Precision Engineering, Shinhwa Motech, Shinhwa Autotech, Shinhwa Forging, Shinhwa Metal, Shinhwa AUTO USA, hereinafter referred to as 'Shinhwa Group') declares this Human Rights Charter to actively implement human rights management, prevent human rights violations arising from business operations, and mitigate related risks. To implement human rights management, Shinhwa Group respects and supports international human rights and labor standards and guidelines such as the **Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, International Labor Organization Constitution, OECD Guidelines for Multinational Enterprises, and OECD Due Diligence Guidance for Responsible Business Conduct**. We strive to identify, prevent, and mitigate negative impacts of corporate activities on human rights, and establish grievance mechanisms to minimize any incurred human rights damage.
- B. Scope of Application of the Human Rights Charter** This Human Rights Charter applies to all executives and employees (including executives, regular employees, and non-regular workers) of Shinhwa Group, including executives and employees of domestic and international production and sales corporations, subsidiaries and sub-subsidiaries, and Joint Ventures. Furthermore, Shinhwa Group executives and employees shall adhere to this Human Rights Charter when dealing with suppliers and sales/service organizations, and shall encourage all stakeholders in business relations to respect this Human Rights Charter. If the matters covered in this Human Rights Charter conflict with the local laws and regulations of the country concerned, the local laws and regulations shall be observed first. Shinhwa Group may revise and use this Human Rights Charter to

SHA-POL-ESG3	Shinhwa Group Human Rights Charter (신화그룹 인권헌장)	Rev. 0	Pg. 2 of 6
--------------	--	--------	------------

reflect the laws, regulations, and industry characteristics required by the respective country, and may establish separate detailed policies if necessary. Except where there are specific provisions in the laws and regulations of the respective country or in the organization's articles of association or internal regulations, all executives and employees of Shinhwa Group shall perform their duties in accordance with this Human Rights Charter.

- **C. Human Rights Risk Management System** Shinhwa Group establishes an internal system necessary for the implementation of human rights management in accordance with this Human Rights Charter to respect the human rights of all executives and employees and to resolve risks. We also establish a human rights due diligence policy for regularly evaluating and improving human rights risks and fully sharing the results with stakeholders. The department responsible for human rights management within Shinhwa Group, etc., shall implement the human rights risk management system in accordance with the principle of good faith and shall periodically review matters to consider for human rights management, actively reflect social changes, and revise the management system accordingly.

2. Fundamental Principles

Article 1. Prohibition of Child Labor and Forced Labor Shinhwa Group prohibits child labor and maintains a **zero-tolerance policy** for such unjust forms of employment. For minors, measures are taken to ensure that their educational opportunities are not restricted due to work. Furthermore, we do not coerce any employee into work against their free will, such as through assault, intimidation, or confinement, and we do not retain original identification documents or visas for the purpose of forced labor.

Article 2. Prohibition of Discrimination and Workplace Harassment Shinhwa Group does not discriminate against any employee in recruitment, hiring, promotion, training, wages, benefits, or other employment-related matters based on gender, race, ethnicity, nationality, religion, disability, age, marital or pregnancy status, family situation, social status, or political opinion without reasonable grounds, and builds an organizational culture that respects **employee diversity**. We also prohibit all acts that inflict physical or mental pain or worsen the working environment on other employees by utilizing position or relationships in the workplace, such as coercive work instructions or abusive language.

Article 3. Compliance with Working Conditions Shinhwa Group complies with the statutory working hours of each country in which it operates and pays all employees fair remuneration along with a pay stub for their work. We also do not demand fees or placement costs from workers for the purpose of employment. Furthermore, we provide sufficient training opportunities and an appropriate working environment for job performance to support the competency development and quality of life improvement for all employees.

SHA-POL-ESG3	Shinhwa Group Human Rights Charter (신화그룹 인권헌장)	Rev. 0	Pg. 3 of 6
--------------	--	--------	------------

Article 4. Humane Treatment Shinhwa Group respects the privacy of all employees and thoroughly protects personal information, refraining from mental or physical coercion, abuse, or unreasonable treatment.

Article 5. Guarantee of Freedom of Association and Collective Bargaining Rights Shinhwa Group respects the labor relations laws of the country to which this Human Rights Charter applies and provides sufficient communication opportunities to all employees.

Article 6. Assurance of Industrial Safety Shinhwa Group regularly inspects workplace facilities, equipment, and tools to ensure that all employees can work in a safe environment, and establishes appropriate measures for the prevention of physical and mental risks, as well as support plans for post-management.

Article 7. Protection of Human Rights of Local Residents and Vulnerable Groups All executives and employees of Shinhwa Group shall be mindful not to infringe upon the human rights of local residents during the performance of their duties and shall strive to protect local residents' rights to safety and health, and freedom of residence. Additionally, we protect the human rights of vulnerable groups, such as children, migrant workers, persons with disabilities, and women, without discrimination.

Article 8. Protection of Customer Human Rights All executives and employees of Shinhwa Group shall strive to take the best measures to protect customer life, health, and property, and to protect personal information collected through business activities when providing products and services.

Article 9. Responsible Supply Chain Management To build a sustainable supply chain, Shinhwa Group evaluates and manages **ESG risks** arising in the supply chain, and conducts educational and support activities for partners to prevent risks in advance.

Article 10. Guarantee of Environmental Rights Shinhwa Group recognizes that environmental pollution can be a serious human rights violation directly affecting people's lives and health, and establishes environmental management policies and guidelines to minimize the negative environmental impacts caused by corporate activities.

3. System Establishment

- **A. Establishing Governance**
 - **① Human Rights Management Responsibility** Shinhwa Group shall manage and oversee the progress of human rights management through committees or management meetings involving top decision-makers or decision-makers of key departments, or practical meetings led by decision-makers of the dedicated human rights management department. The roles and responsibilities of committees, management meetings, or practical meetings may include: 1) reviewing the enactment/amendment of the Human Rights Charter, 2) proposing opinions on the

SHA-POL-ESG3	Shinhwa Group Human Rights Charter (신화그룹 인권헌장)	Rev. 0	Pg. 4 of 6
--------------	--	--------	------------

amendment of related internal regulations such as personnel systems, rules of employment, and audit standards, 3) recommending actions based on the results of human rights risk assessments, 4) directing investigations into human rights violation cases and deliberating on remedy plans, and 5) other matters deemed necessary for human rights protection.

- **② Human Rights Management Implementation** Shinhwa Group shall establish a **dedicated human rights management department** to carry out related duties. The duties to be performed by the dedicated human rights management department may include: 1) enactment/amendment of the Human Rights Charter, 2) establishment of human rights management action plans, 3) human rights risk assessment and management, including human rights due diligence, 4) operation of a grievance handling procedure, and 5) matters concerning internal education and external communication.
- **B. Operation of Grievance Handling Procedure**
 - **① Reporting/Receiving Human Rights Violations** Shinhwa Group operates channels where employees and other individuals or organizations (reporters) who have suffered human rights violations or are aware of human rights risks can report in the local language. When a human rights violation is reported, the relevant responsible department(s) shall discuss specific remedy plans for the reported human rights violation, considering the characteristics of each case.
 - **② Processing Human Rights Violation Reports** Shinhwa Group shall seek the best remedy plans for human rights violation reports, etc., by referring to court precedents, regulations of relevant competent authorities, past internal handling practices, and other industry practices, with the support of the legal department. If human rights violation cases significantly affect the freedom and rights of the victim or have a high potential to escalate into corporate reputation risks, remedy plans shall be discussed in committees, management meetings, or practical meetings involving top decision-makers.

Human Rights Violation Reporting Channels

- Sexual Harassment/Sexual Violence Victim Reporting Center / Workplace Harassment Reporting Center
- Cyber Audit Office (E-Mail: audit@shinhwa-eng.com)
- Phone: 070-8822-6517
- Mail: Cyber Audit Team, Management Support, 20-3 Palyong-dong, Uichang-gu, Changwon-si, Gyeongnam, Korea
- **③ Protection of Reporter Identity** All executives and employees of Shinhwa Group shall not disclose, publicize, or report to others information that identifies the reporter or allows for inferring the reporter's identity. They must keep confidential the content of reports, receipts, and notifications, including victim information, details of the damage, remedy procedures, and processing results. Furthermore, necessary measures shall be taken to ensure that reporters who disclose human rights violation cases or human rights risks do not suffer any disadvantages as a result of their report.
- **C. Education and Dissemination**

SHA-POL-ESG3	Shinhwa Group Human Rights Charter (신화그룹 인권헌장)	Rev. 0	Pg. 5 of 6
--------------	--	--------	------------

- ① **Human Rights Management Education** Shinhwa Group conducts human rights management education aimed at fostering employees' understanding and improving awareness of human rights, and communicating internal human rights management directions and action plans. Through human rights management education, we prohibit discrimination among employees and encourage active reporting of identified human rights violation cases and risks.
- ② **Dissemination of Human Rights Management** Shinhwa Group may share information regarding the Human Rights Charter and action plans, human rights risk assessment procedures and results, etc., with partners to the extent deemed necessary for human rights risk management and promotion of human rights management. The sharing methods shall utilize optimal channels (voice, video, written, etc.) and formats (Korean, English, etc.) that allow members of the relevant organization convenient access to human rights management-related information.

4. Human Rights Due Diligence

- **A. Risk Identification and Assessment**
 - ① **Development of Assessment Indicators** Based on the fundamental principles of this Human Rights Charter, Shinhwa Group develops and operates inspection and due diligence indicators that can assess human rights risks related to working environment, working conditions, human resource management, industrial safety, and the human rights of local residents and customers, reflecting the **UN Guiding Principles on Business and Human Rights, OECD Due Diligence Guidance for Responsible Business Conduct**, and the Ministry of Justice's "Guide to Business and Human Rights."
 - ② **Operation of Assessment Process** Shinhwa Group operates a process for selecting targets among organizations covered by this Human Rights Charter to identify and assess the status of human rights violation incidents and the potential for human rights risks. According to this process, we communicate with key stakeholders to identify human rights risk factors that may arise throughout business operations and business relationships, including the supply chain, and assess their impact on stakeholders. We provide assessment indicators and guidelines to the assessed organizations for **Written Assessment**, and recommend that assessed organizations develop their own improvement plans for identified deficiencies based on their self-assessment results. Based on the results of the written assessment, we can conduct **On-site Due Diligence** to specifically confirm risks through verification of internal human rights-related regulations and systems, interviews, and on-site inspections of the organizations. Additionally, to ensure the objectivity of written assessments and on-site due diligence, a separate **3rd Party Audit** can be conducted through an independent third-party organization. For '**high-risk**' and '**non-conformity**' matters discovered and assessed through written assessments, on-site due diligence, and 3rd party audits, immediate improvement or the establishment of an improvement plan is required.

SHA-POL-ESG3	Shinhwa Group Human Rights Charter (신화그룹 인권헌장)	Rev. 0	Pg. 6 of 6
--------------	---	--------	------------

Shinhwa Group regularly reviews and revises human rights risk assessment indicators and processes annually to accurately identify human rights violation cases and operate the assessment process efficiently.

- **B. Implementation of Risk Improvement**

- **① Derivation and Consultation of Improvement Plans** Shinhwa Group establishes improvement plans and implementation schedules for human rights risks identified through the human rights risk assessment results. Organizations that have undergone human rights risk assessment shall consult with the dedicated human rights management department to derive specific action items for implementing risk improvement plans.
- **② Monitoring of Implementation Status** Shinhwa Group continuously monitors whether the improvement plans mutually agreed upon by the responsible personnel of the assessed organizations are being faithfully and smoothly implemented. Regular communication is conducted to ensure that detailed tasks are executed according to schedule and expected deliverables are secured in a timely manner. If non-implementation of improvement plans is anticipated, necessary measures can be taken.

- **C. Disclosure of Status and Results**

- **① Reporting to Key Decision-Makers** Shinhwa Group reports significant insights, important risks, and improvement plans identified through the human rights risk assessment to key decision-makers, including committees, management meetings, and practical meetings. Reporting materials approved by committees, management meetings, and key decision-makers can be shared with relevant departments, etc., to enhance the effectiveness of human rights management implementation.
- **② External Disclosure** Shinhwa Group discloses information regarding human rights violation reports, human rights risk assessment results, and risk improvement and mitigation measures through channels such as its website, integrated reports, sustainability reports, or separate human rights white papers. We select disclosure channels that are easily accessible and clearly understandable to employees and other stakeholders.

SHA-POL-ESG4	Shinhwa Group Environmental Management Policy ([신화그룹] 환경경영 정책)		
Issued by: Dow Sport		Effective Date: 7/23/2025	Rev. 0 Pg. 1 of 9

Shinhwa Group Environmental Management Policy

Document Management No.: SHW-ESG-04 **Last Modified Date:** 2024.10.1 **Document Manager:** Management Support Team

Effective Date: 2024. 10. 1.

[Approver] Management Support Team Manager Lee Yoon-ki

1. Overview

- **A. Purpose of Enactment** Shinhwa Group (Shinhwa ENG, Shinhwa Precision Engineering, Shinhwa Motech, Shinhwa Autotech, Shinhwa Forging, Shinhwa Metal, Shinhwa AUTO USA, hereinafter referred to as 'Shinhwa Group') 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 Group] Environmental Management Policy Statement

1. Recognize the environment as a core success factor for the company and create corporate value and fulfill social responsibility through proactive environmental management.
2. Set feasible targets for climate change response and evaluate implementation performance.
3. 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.
4. Actively support suppliers' environmental management activities and establish and implement necessary standards for eco-friendly supply chain policy implementation.
5. Comply with domestic and international environmental laws and agreements, and establish and implement necessary policies for environmental management.
6. Protect biodiversity and establish policies for natural environment preservation.
7. Disclose environmental management performance to corporate members and stakeholders based on reasonable and objective criteria.

SHA-POL-ESG4	Shinhwa Group Environmental Management Policy ([신화그룹] 환경경영 정책)	Rev. 0	Pg. 2 of 9
--------------	--	--------	------------

- **B. Scope of Application** This Environmental Management Policy applies to Shinhwa Group and all its affiliated companies and business units operating worldwide. Shinhwa Group recommends and provides necessary support to all its suppliers, contractual partners, and other supply chain entities to comply with this Environmental Management Policy for environmental management.

Shinhwa Group primarily complies with the environmental laws and regulations of each country 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.

- **① Supply Chain** Shinhwa Group regularly inspects the environmental management performance and risks of its supply chain according to the [**Supply Chain Code of Conduct**] and [**Supply Chain Diagnostic Indicators**], and supports the establishment of environmental management systems for high-risk supply chains or those with significant mutual influence in business relationships. Furthermore, we expand the purchase of eco-friendly certified products (raw/subsidiary materials) and services and build a collaborative ecosystem with the supply chain for eco-friendly product development and production.

Eco-friendly Procurement Shinhwa Group expands its purchase of eco-friendly products, such as eco-label certified products that have improved environmental performance, low-carbon certified products that have reduced greenhouse gas emissions, and recycled certified products that have secured excellent quality. We also strive to produce products in an eco-friendly manner, such as by establishing and operating an environmental management system, or to obtain eco-friendly expertise certifications like green technology or green business.

- **② Business Sites** Shinhwa Group's production and sales sites establish an environmental management system based on internationally recognized standards or national guidelines, while also introducing internal regulations to improve environmental impact and reduce environmental pollution, thereby promoting continuous performance improvement activities. Furthermore, major production and sales sites deemed to have significant environmental impact will pursue third-party certification for their environmental management systems.
- **③ Distribution Network** Shinhwa Group strives to reduce environmental impacts generated during the logistics and transportation processes of raw materials, work-in-progress, and final manufactured products. We continuously expand logistics and transportation networks that are energy-efficient or use eco-friendly energy, while also establishing internal and external cooperation activities to reduce greenhouse gases, waste, wastewater, and other pollutants generated during logistics and transportation.
- **④ Products and Services** Based on **Life Cycle Assessment (LCA)**, Shinhwa Group promotes full-lifecycle environmental impact improvement activities, from raw material input per product unit and product production/distribution to waste product collection and recycling, based on environmental impact assessment

SHA-POL-ESG4	Shinhwa Group Environmental Management Policy ([신화그룹] 환경경영 정책)	Rev. 0	Pg. 3 of 9
--------------	--	--------	------------

results. Furthermore, we focus on developing eco-friendly products and services for the transition to a low-carbon/renewable energy society, and strengthen product and service design from a recycling perspective.

- **⑤ Sales and Marketing** Shinhwa Group incorporates eco-friendly elements into its product brand strategy and promotes sales and marketing activities linked to that brand strategy. We conduct stakeholder feedback activities to strengthen eco-friendly product brands and disclose/disseminate eco-friendly product and service performance externally. Additionally, sales branches and service centers also strive to comply with environmental laws and minimize environmental pollution.
- **⑥ Collection and Recycling** Shinhwa Group designs and develops products considering their recyclability from the design stage. Based on producer responsibility, we expand waste product collection and recycling activities, and collaborate with waste product treatment companies to increase resource reuse and recycling rates. Furthermore, we expand economic value through resource recovery, such as by collecting/processing waste generated in local communities and applying it to products.
- **⑦ Acquisitions and Mergers** Shinhwa Group operates an environmental due diligence process during acquisitions and mergers. We review not only environmental compliance risks of the target organization but also potential negative environmental impacts based on environmental data. For compliance risks, improvement plans are developed, and environmental impact review results are reflected in the valuation criteria for the acquired/merged organization to promote environmental impact mitigation activities.
- **⑧ Others (New Businesses and Project Investments, etc.)** Beyond the scope mentioned above, Shinhwa Group 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 Group'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. Environmental management organizations periodically refine these implementation plans by reflecting amendments to laws, changes in social and business environments, etc.
 - **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-ESG4	Shinhwa Group Environmental Management Policy ([신화그룹] 환경경영 정책)	Rev. 0	Pg. 4 of 9
--------------	--	--------	------------

Shinhwa Group 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 Group defines the following fundamental principles for each environmental element:

- **A. Raw and Subsidiary Materials** Shinhwa Group establishes policies to minimize unnecessary waste of natural resources by efficiently using raw and subsidiary materials inputted into product and service production. We also monitor for raw and subsidiary materials produced in illegal ways that harm natural capital or cause environmental pollution.
 - **① Efficient Use of Raw and Subsidiary Materials** Continuously improve product and service production processes to optimize raw and subsidiary material input, and manage raw and subsidiary materials under planned production, comprehensively considering business strategy, production schedule, and inventory management.
 - **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 after raw and subsidiary material input are re-input into internal production processes or transferred/sold to other industries and external facilities for recycling.
 - **③ Inspection of Raw and Subsidiary Material Production Sites** Encourage suppliers to conduct environmental management independently and regularly evaluate and inspect the environmental management performance of the supply chain. In particular, we encourage the supply chain to produce eco-friendly products and acquire environmental certifications, and strive to inspect and improve the supply chain's usage of energy, water, etc., and waste emissions.
 - **④ Biodiversity Protection** Establish and implement policies for biodiversity protection across raw material procurement/sourcing and overall business operations.

Biodiversity Protection Policy Shinhwa Group establishes feasible measures for biodiversity protection across overall business operations, including raw material procurement/sourcing, business site operations, product distribution/sales, and waste product collection/recycling.

- **⑤ Prevention of Deforestation** Recognize the problem of deforestation that may occur throughout business operations and establish and implement deforestation prevention policies to minimize negative impacts if they may occur during the business process.

Deforestation Prevention Policy Shinhwa Group makes its best efforts to prevent deforestation throughout overall business operations, including raw material procurement/sourcing, business site operations, product distribution/sales, and waste product collection/recycling. To this end, we maintain/protect green areas within and around business sites, and contribute to preventing forest conversion and degradation in local communities, conserving

SHA-POL-ESG4	Shinhwa Group Environmental Management Policy ([신화그룹] 환경경영 정책)	Rev. 0	Pg. 5 of 9
--------------	--	--------	------------

forests, and enhancing forest carbon storage through REDD+ (Reducing Emission from Deforestation and Forest Degradation Plus Conservation) activities.

- **B. Energy** Shinhwa Group leads energy transition across the entire value chain, including establishing an eco-friendly energy-based production system, investing in renewable energy generation facilities, expanding eco-friendly products, and utilizing hydrogen. We also continuously promote daily energy-saving activities, such as identifying and implementing energy efficiency tasks and energy-saving campaigns. Each Shinhwa Group affiliate establishes and implements specific energy management policies, including participation in global initiatives like RE100, for energy saving and expanded use of renewable energy.
 - **① Promotion of Energy Saving** Promote energy consumption reduction activities, such as replacing old facilities with low energy efficiency, introducing high-efficiency energy equipment, developing and applying eco-friendly methods to minimize energy consumption, and implementing energy campaigns.
 - **② Introduction of Renewable Energy** Consider applying renewable energy solutions tailored to business site conditions, such as installing renewable energy generation facilities, purchasing renewable energy certificates, and signing power supply agreements with power generators, and develop plans to expand eco-friendly energy technologies and businesses, including clean hydrogen.
 - **③ Operation of Energy Management System** 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** Shinhwa Group recognizes the need for sustainable water environment preservation and seeks ways to reduce and recycle water usage. We actively consider operating water storage facilities to increase water reserves, especially in areas with severe water scarcity. Furthermore, we promote internal and external activities to identify and improve risks of water depletion in non-industrial water source areas.
 - **① Water Recycling** Continuously implement 3R (Reduce, Reuse, Recycle) activities to save, reuse, and recycle water to improve water resource sustainability, and minimize wastewater discharge through facilities like zero liquid discharge systems and purification facilities.
 - **② Water Storage** Enable 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** Regularly monitor for business sites located in areas at risk of water scarcity and depletion, and promote protection activities for these high-risk areas that significantly impact business operations.
- **D. Greenhouse Gases** Shinhwa Group actively responds to climate change and establishes tangible greenhouse gas reduction plans to achieve **Net Zero targets**. We gradually promote the transition to a renewable energy system and, considering business conditions, establish and implement greenhouse gas management and carbon neutrality promotion policies that include carbon absorption/offset activities to achieve carbon neutrality targets.
 - **① Site Emission Reduction** Achieve carbon neutrality by transitioning to renewable energy, enhancing energy efficiency, and utilizing clean hydrogen

SHA-POL-ESG4	Shinhwa Group Environmental Management Policy ([신화그룹] 환경경영 정책)	Rev. 0	Pg. 6 of 9
--------------	--	--------	------------

energy. Furthermore, we realize carbon-neutral production bases through advanced manufacturing technologies like eco-friendly smart factories and platform innovation.

- **② Supply Chain Reduction** Develop guidelines for supply chain carbon neutrality, induce carbon neutrality practices, and conduct carbon neutrality activities considering supply chain characteristics. In particular, for energy-intensive companies subject to target management systems and emissions trading schemes, we monitor carbon emission status and present implementation targets to monitor the progress of supply chain carbon neutrality.
- **③ Product and Service Reduction** Expand dedicated platforms and technology development for eco-friendly products, expand infrastructure for eco-friendly products, and increase the dissemination of eco-friendly products and services. Through this, we reduce exhaust gas/greenhouse gas emissions from product and service use.
- **E. Waste** Shinhwa Group establishes and operates waste management and recycling policies to reduce waste generated during business operations and for efficient waste treatment.
 - **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** Determine the optimal treatment method based on the type and quantity of waste generated during business operations. Through this, we minimize the proportion of waste landfilled/incinerated and improve waste recycling rates.
 - **③ Waste Resource Recovery** Identify high-landfill/incineration waste in the product manufacturing process and foster an **upcycling ecosystem** that creates value by transforming it into new products and services.
- **F. Waste Products** Shinhwa Group enhances recyclability by considering the possibility of recycling from the product design stage and operates waste product collection and recycling services in cooperation with waste product treatment companies. We also provide information on waste product collection systems to guide customers in proper waste product disposal.
 - **① Provision of Waste Product Collection Information** Provide sufficient information to customers for legal and reasonable waste product disposal, and operate systems and procedures that support eco-friendly waste product treatment.
 - **② Waste Product Collection** Collaborate with waste product treatment companies to expand waste product collection and recycling, and continuously improve resource reuse and recycling rates after waste product collection.
 - **③ Waste Product Recycling** Apply recycled materials recovered from waste products to new products. To this end, we promote the localization and componentization development of recycled materials, focusing on major production/sales bases.
- **G. Environmental Pollutants** Shinhwa Group minimizes negative impacts on the natural environment by reducing the emission of air pollutants, water pollutants, etc., while also doing its best to protect the safety and health of customers and employees. Shinhwa Group establishes and implements standards for managing the generation and

SHA-POL-ESG4	Shinhwa Group Environmental Management Policy ([신화그룹] 환경경영 정책)	Rev. 0	Pg. 7 of 9
--------------	--	--------	------------

emission of environmental pollutants based on national environmental laws and regulations.

- ① **Air Pollutants** Monitor the emission of air pollutants such as nitrogen oxides (NO_x), sulfur oxides (SO_x), and dust (TSP), and promote investment in air pollutant reduction facilities and the introduction of new technologies to manage them below legal limits.
- ② **Water Pollutants** Store and manage water pollutants legally to prevent leakage. When discharged, treat them through legitimate consignment treatment companies whose water pollutant treatment capabilities have been verified, or through water pollutant prevention facilities, ensuring compliance with water pollutant-related legal standards such as managing biochemical oxygen demand (BOD), total organic carbon (TOC), and suspended solids (SS) below legal limits, and monitor emission levels.
- ③ **Soil Pollutants** Monitor soil contamination by soil pollutants such as cadmium, fluorine, and TPH, and implement necessary measures such as periodic inspections and improvements to facilities and processes to prevent contaminated soil generation.
- **H. Hazardous Substances** Shinhwa Group identifies the status of (hazardous) chemical substances used in business processes or contained in products, provides necessary information to stakeholders, and establishes and implements hazardous substance management policies, including reduction of hazardous substance use and risk management.
- **I. Local Community** Shinhwa Group recognizes that the company and its employees are members of the local community and, throughout its business operations, considers the impact of environmental issues on the local community, establishing and implementing measures to manage them reasonably. Shinhwa Group discloses environmental information to the local community and establishes necessary procedures for reflecting community opinions and continuous communication with stakeholders.

3. Implementation System

- **A. Governance**
 - ① **Responsibility (Role of Management)** Shinhwa Group manages environmental management risks and oversees overall performance improvement activities through management committees involving top decision-makers or key decision-makers. The main roles of the management committee include deliberating on the enactment/amendment of environmental management policies, reviewing environmental management risks, inspecting environmental management performance, discussing environmental risk response plans, and other matters deemed necessary for the dissemination/spread of environmental management. If reporting to the Board of Directors or its subordinate committees, or their approval process, is required for environmental management-related decisions such as mid- to long-term environmental management strategies or

SHA-POL-ESG4	Shinhwa Group Environmental Management Policy ([신화그룹] 환경경영 정책)	Rev. 0	Pg. 8 of 9
--------------	--	--------	------------

major facility investment plans, concrete plans are implemented through such procedures.

- **② Implementation (Role of Dedicated Organization)** Shinhwa Group establishes a **dedicated environmental management organization** to carry out related duties. The main roles of the dedicated environmental management organization include establishing and operating environmental management systems, protecting and restoring environmental capital, establishing and implementing policies for managing pollutant emissions generated during business operations, identifying and improving environmental risks, disseminating/spreading environmental management, receiving and processing environmental grievances, and other external cooperation activities. Furthermore, the dedicated organization expands eco-friendly products and services by collaborating with design/research/development, purchasing, and production/sales organizations.
- **B. Education and Dissemination**
 - **① Environmental Education** Shinhwa Group conducts environmental management education for employees and other stakeholders, thereby promoting improved awareness of the necessity of environmental management. Environmental management education also encourages employees to adopt an eco-friendly mindset during their work performance.
 - **② External Cooperation** Shinhwa Group establishes a cooperation system with external expert organizations, etc., to enhance the efficiency of environmental management promotion and the effectiveness of environmental management performance. We strengthen our environmental management system based on the expertise and experience of external organizations in establishing environmental management systems.
- **C. Communication**
 - **① Government Agencies** Share environmental management performance with government agencies and proactively respond by confirming government policy directions. Also, correctly understand and comply with national environmental laws and regulations.
 - **② Shareholders and Investors** Build continuous trust relationships by generating environmental management performance that meets the demands of shareholders and investors, while also encouraging increased investment for enhanced corporate value.
 - **③ Supply Chain** Share know-how and experience in promoting environmental management with the supply chain and operate communication channels for continuous consultation with the supply chain to create environmental value throughout the entire value chain.
 - **④ Customers** Provide environmental information about products and services, and reflect feedback collected through customer contact channels in the development process of eco-friendly products and services.
 - **⑤ Local Community** Collect opinions from local governments, public-private consultative bodies, etc., to mitigate environmental impacts from business operations, and strive to identify and resolve grievances raised by the local community.

SHA-POL-ESG4	Shinhwa Group Environmental Management Policy ([신화그룹] 환경경영 정책)	Rev. 0	Pg. 9 of 9
--------------	--	--------	------------

- ⑥ **Employees** Share environmental management policies and improve employees' awareness of environmental management through environmental education. Opinions on environmental performance improvement are reflected in environmental management initiatives.
- **D. Performance Management**
 - ① **Setting Performance Targets** Shinhwa Group sets mid- to long-term performance targets for environmental factors that have significant environmental impacts due to business operations. Mid- to long-term performance targets are set considering not only projected emission and usage data (Business As Usual) but also external economic conditions, government policy directions, and internal business strategies.

[Shinhwa Group] RE100 and Detailed Implementation Plan Shinhwa Group aims for **100% renewable energy transition by 2045**. We will prioritize this at overseas factories where renewable energy supply is easier and plan to expand its application to all domestic business sites in the future, considering the renewable energy supply and demand environment and government policies/regulations. To achieve 100% renewable energy by 2045, we plan to derive optimal implementation measures such as installing solar power generation systems, purchasing renewable energy certificates, and signing electricity supply agreements with external renewable energy power generators, ensuring the seamless execution of planned targets.

- ② **Monitoring Implementation Status** Shinhwa Group regularly monitors the implementation status of mid- to long-term performance improvement targets. We comprehensively review not only the implementation rate against targets but also the effectiveness of activities undertaken to achieve targets and any difficulties encountered during target implementation. If necessary, mid- to long-term performance improvement targets are adjusted based on monitoring results.
- ③ **Management Performance Evaluation** Shinhwa Group manages mid- to long-term environmental performance improvement targets and implementation status by reflecting them in **Key Performance Indicators (KPIs)** for management performance evaluation. Management performance evaluation comprehensively considers not only environmental performance improvement but also major domestic and international ESG evaluation results and the progress of internal ESG improvement tasks.

SHA-POL-ESG5	Shinhwa Group Diversity and Inclusion (신화그룹 D&I 정책)		
Issued by: Dow Sport		Effective Date: 7/23/2025	Rev. 0 Pg. 1 of 4

Shinhwa Group Diversity & Inclusion Policy

Document Management No.: SHW-ESG-05 **Last Modified Date:** 2024.10.1 **Document Manager:** Management Support Team

Effective Date: 2024. 10. 1.

[Approver] Management Support Team Manager Lee Yoon-ki

1. Overview

- A. Purpose of Enactment** Shinhwa Group (Shinhwa ENG, Shinhwa Precision Engineering, Shinhwa Motech, Shinhwa Autotech, Shinhwa Forging, Shinhwa Metal, Shinhwa AUTO USA, hereinafter referred to as 'Shinhwa Group') has enacted this D&I Policy to foster an organizational culture where diverse talents can possess creative and challenging thinking, and to contribute to the transition to an inclusive society. We pledge not to discriminate against employees without reasonable grounds based on gender, race, ethnicity, nationality, cultural background, disability, age, personal gender identity, political or religious beliefs, or social status. Furthermore, we promise to create working conditions where employees from diverse backgrounds can realize the value of diversity and inclusion. We will also strive to be a company that respects the diversity and inclusion of customers, partners, local communities, and various stakeholders.
- B. Scope of Application** This policy applies to all members of Shinhwa Group, including employees of its headquarters, domestic and international production and sales corporations, subsidiaries and sub-subsidiaries, and joint ventures. Furthermore, various stakeholders within the sphere of our business influence, such as the products and services we provide, our customers, partners, and local communities, are also included in the scope of this policy. If the matters covered in this policy conflict with the local laws and regulations of the country concerned, the local laws and regulations shall be observed first. Unless there are specific provisions in the local laws or in the organization's articles of association or internal regulations, this policy must be complied with.
- C. Management System** Shinhwa Group will establish internal systems necessary for implementing the fundamental principles of this policy, and will regularly review and improve the status of diversity and inclusion, fully sharing the results with stakeholders. Furthermore, Shinhwa Group's dedicated diversity organization, etc., will implement the diversity and inclusion management system in accordance with the principle of good faith and will continuously improve this management system to actively reflect social changes

SHA-POL-ESG5	Shinhwa Group Diversity and Inclusion (신화그룹 D&I 정책)	Rev. 0	Pg. 2 of 4
--------------	---	--------	------------

and ensure that the culture of diversity and inclusion is established throughout all business operations.

2. Fundamental Principles

- **[Employees]** Shinhwa Group prohibits discrimination against employees based on gender, race, ethnicity, nationality, cultural background, age, personal gender identity, differences in political or religious beliefs, or vulnerability of social status without reasonable grounds, and provides equal opportunities in employment, promotion, education, wages, and welfare.
- **[Products and Services]** Shinhwa Group considers the diversity of stakeholders, including customers, in the design, production, and sales processes of products and services. We ensure that the values of diversity and inclusion are not violated during marketing, branding, and other internal and external publicity.
- **[Supply Chain]** Shinhwa Group monitors diversity and inclusion issues within the supply chain to prevent the erosion of these values and supports all supply chains and individuals in receiving fair opportunities and treatment.
- **[Local Community]** Shinhwa Group does not infringe upon the history, culture, customary practices, property rights, and other interests of the local community during business operations, and strives to contribute to promoting the diversity and inclusion of stakeholders, including local community members.

Article 1. Gender Shinhwa Group treats all employees and stakeholders equally regardless of gender, gender identity, sexual orientation, etc., and applies a **zero-tolerance policy** to perpetrators of sexual harassment and sexual violence. Furthermore, we operate systems that prevent unfair treatment and disadvantages due to pregnancy, childbirth, or childcare, while also enabling both men and women to pursue work-life balance.

1. Do not discriminate based on gender in employment, promotion, education, wages, welfare, etc.
2. Guarantee leave for pregnancy, childbirth, and childcare, and do not discriminate based on gender for such leave.
3. Periodically conduct education on the prevention of sexual harassment and sexual violence, and gender equality, and protect the rights of victims.

Article 2. Race, Nationality, and Cultural Background Shinhwa Group does not discriminate against employees based on ethnicity, race, nationality, cultural background, or religion without reasonable grounds. We encourage the expression of opinions and active communication from minority groups, such as foreigners, immigrants, overseas Koreans, multicultural families, and North Korean defectors, as long as it does not infringe upon the rights of others. Furthermore, we support language education and other initiatives to help minority groups improve their job performance skills and self-development.

SHA-POL-ESG5	Shinhwa Group Diversity and Inclusion (신화그룹 D&I 정책)	Rev. 0	Pg. 3 of 4
--------------	---	--------	------------

1. Respect the diverse cultures, values, and religions of employees, and do not permit discrimination based on these.
2. Provide opportunities for language and cultural education, and mutual communication, aiming for harmony among diverse cultures of employees.
3. Encourage exchange activities (Employee Resource Groups) among employees and stakeholders from diverse backgrounds.

Article 3. Age Shinhwa Group employees respect each other and communicate with an open mind regardless of age, striving to realize an organizational culture that can resolve conflicts arising from generational differences. Furthermore, everyone can freely express opinions, and we enhance organizational productivity and creativity through a work culture that actively listens to others' opinions. In particular, we do not impose unnecessary hierarchies or interfere with work unnecessarily based on age.

1. Approach work with a mutually respectful attitude and encourage a horizontal atmosphere among employees.
2. Create an organizational culture where lively communication can occur, unconstrained by age.
3. Do not impose unnecessary hierarchies based on age, or make private demands or infringe on privacy.

Article 4. Disability Shinhwa Group does not discriminate against employees based on the presence or absence of disability or illness without reasonable grounds. We create an environment where employees with disabilities or illnesses can work without inconvenience. We encourage educational activities and awareness campaigns to eliminate not only physical barriers but also invisible barriers and discrimination.

1. Completely prohibit discrimination against employees and workplace harassment based on disability or illness.
2. Provide necessary equipment and materials for employees with disabilities to perform their duties without limitations.
3. Strive to create a work environment that considers the **accessibility** of employees with disabilities.

Article 5. Veterans and Patriots Shinhwa Group accords preferential treatment to veterans, independence patriots, and their families in the hiring process. To support the honorable lives of veterans and patriots who have contributed to the nation's development and security, we promote community contribution activities such as providing education and employment programs, supporting livelihood stability, and promoting welfare improvement.

1. Encourage employment policies that prioritize veterans, independence patriots, and their families during hiring.
2. Strive to support the economic activities of veterans and patriots, including education and employment assistance.
3. Strive to contribute to the local community by promoting livelihood stability and welfare improvement for veterans and patriots.

SHA-POL-ESG5	Shinhwa Group Diversity and Inclusion (신화그룹 D&I 정책)	Rev. 0	Pg. 4 of 4
--------------	---	--------	------------

SHA-POL-ESG6	Shinhwa Group Conflict Minerals Purchasing Policy		
Issued by: Dow Sport	Effective Date: 7/23/2025	Rev. 0	Pg. 1 of 2

Shinhwa Group Conflict Minerals Purchasing Policy

Document Management No.: SHW-ESG-06 **Last Modified Date:** 2024.10.1 **Document Manager:** Management Support Team

Effective Date: 2024. 10. 1.

[Approver] Management Support Team Manager Lee Yoon-ki

Policy

Shinhwa Group (Shinhwa ENG, Shinhwa Precision Engineering, Shinhwa Motech, Shinhwa Autotech, Shinhwa Forging, Shinhwa Metal, Shinhwa AUTO USA, hereinafter referred to as 'Shinhwa Group') is committed to its responsibility as a global enterprise for a sustainable future by actively participating in the **prohibition of conflict mineral use and responsible mineral sourcing**. Establishing a responsible supply chain management system and encouraging our partners to participate is the most crucial practice for minimizing human rights abuses and environmental degradation. To this end, Shinhwa Group recognizes human rights abuses and environmental destruction caused by mineral extraction in conflict and high-risk areas as very serious issues. We are striving to eradicate human rights abuses, such as child labor exploitation, and environmental destruction occurring during the mineral extraction process, and to protect the health and safety of mining workers.

Shinhwa Group will also comply with laws and other requirements, and continuously improve its management system. Based on OECD guidelines, the requirements for companies from the US Securities and Exchange Commission (SEC¹) under the US Dodd-Frank Wall Street Reform and Consumer Protection Act, and EU conflict minerals regulations, we will continue **ethical and responsible management of conflict minerals and cobalt**. We also guide our partners on codes of conduct, encouraging them to transact with **Responsible Minerals Assurance Process (RMAP²)** certified smelters. Through these efforts, Shinhwa Group consistently strives to minimize negative social and environmental impacts, such as human rights abuses and environmental destruction, that may occur during mineral extraction, and actively shares reports on these activities with various stakeholders.

¹ SEC: Securities and Exchange Commission ² RMAP: Responsible Minerals Minerals Assurance Process

Conflict Minerals

Shinhwa Group is aware of the existence of **conflict minerals (tin, tantalum, tungsten, gold)** that are unethically mined and distributed in conflict regions (10 African countries including the Democratic Republic of Congo, Congo, Central African Republic, South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia, and Angola), leading to human rights abuses and environmental destruction. We prohibit the use of these conflict minerals unethically extracted from these regions. Furthermore, we have established a fundamental policy to thoroughly investigate the inclusion of conflict minerals in products and to provide consumers with products that have undergone legal and ethical distribution processes, and we operate a partner management process accordingly. We provide guidance to our partners, including precautions for complying with conflict minerals regulations, to help raise awareness, and we regularly survey the status of conflict mineral use.

Other Minerals

Beyond conflict minerals (tin, tantalum, tungsten, gold), Shinhwa Group includes other minerals where human rights abuses or environmental destruction issues arise during extraction in its management scope, thus managing the mineral supply chain more comprehensively. In particular, we are aware of issues such as **child human rights abuses occurring in cobalt mines in the Democratic Republic of Congo** and manage them according to OECD guidelines. We also continuously monitor newly controversial minerals and regularly review additional response measures. Shinhwa Group will actively respond to global mineral issues, striving to ensure that mineral extraction does not become a source of conflict, and that mineral purchasing is conducted in a socially responsible manner that respects human rights and the environment.

Shinhwa Group's Efforts

Shinhwa Group currently manages conflict minerals such as tin, tantalum, tungsten, and gold that are illegally mined and distributed, as well as key minerals like cobalt. We will continue to investigate and monitor our partners' responsible mineral purchasing practices and will further strive to ensure that policies for non-use of conflict minerals and socially responsible mineral purchasing are widely implemented by our partners' suppliers as well.

SHA-POL-ESG7	Shinhwa Group Biodiversity Protection Policy		
Issued by: Dow Sport	Effective Date: 7/23/2025	Rev. 0	Pg. 1 of 3

Shinhwa Group Biodiversity Protection Policy

Document Management No.: SHW-ESG-07 **Last Modified Date:** 2024.10.1 **Document Manager:** Management Support Team

Effective Date: 2024. 10. 1.

[Approver] Management Support Team Manager Lee Yoon-ki

1. Overview

- **A. Purpose of Enactment** Shinhwa Group (Shinhwa ENG, Shinhwa Precision Engineering, Shinhwa Motech, Shinhwa Autotech, Shinhwa Forging, Shinhwa Metal, Shinhwa AUTO USA, hereinafter referred to as 'Shinhwa Group') declares this policy to prevent and minimize potential biodiversity degradation and loss risks arising from business operations, and to conserve, protect, and enhance biodiversity. This Biodiversity Protection Policy was established by referring to the **Convention on Biological Diversity**, the **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)**, and the **International Union for Conservation of Nature (IUCN) Guidelines for Applying Protected Area Management Categories**.
- **B. Scope of Application** This Biodiversity Protection Policy applies to Shinhwa Group's domestic headquarters and business sites, as well as overseas corporations. Furthermore, Shinhwa Group encourages its stakeholders in business relationships, including suppliers and partners, to comply with this Biodiversity Protection Policy.

2. Fundamental Principles

- **A. Direction/Aim** Shinhwa Group strives for **No Net Loss** of biodiversity by preventing and minimizing biodiversity degradation and loss at business sites and in nearby areas. To this end, we endeavor to have a **Net Positive Impact** on local biodiversity by implementing activities for biodiversity conservation and protection.

SHA-POL-ESG7	Shinhwa Group Biodiversity Protection Policy	Rev. 0	Pg. 2 of 3
--------------	--	--------	------------

- **B. Protected Areas** Shinhwa Group defines biodiversity assessment and protected areas by comprehensively considering the protected area categories defined by the IUCN. Areas of high biodiversity importance are selected as target protection areas, and protection activities are carried out.
 - ① **Strict Nature Reserve (IUCN Category Ia)** Areas recognized by the international community as established natural ecosystems where diverse species thrive, which can be destroyed by even minimal human influence.
 - ② **Wilderness Area (IUCN Category Ib)** Areas that maintain pristine wilderness ecosystems and are inhabited by indigenous communities that maintain a wild way of life, allowing minimal impact for educational and scientific purposes.
 - ③ **National Park (IUCN Category II)** Areas designated by the state for the permanent conservation of natural ecosystem formation processes, which are highly important for the protection of native flora and fauna, as well as for spiritual, scientific, educational, and tourism purposes.
 - ④ **Natural Monument (IUCN Category III)** Natural ecosystems formed naturally or due to spiritual and cultural reasons, which have high value as historical records from archaeological, anthropological, historical, and geographical perspectives.
 - ⑤ **Habitat/Species Management Area (IUCN Category IV)** Areas designated by the international community, national governments, or local authorities for the protection of species and habitats, requiring active management to promote biodiversity.

3. Management System

- **A. Governance** Shinhwa Group manages and oversees the status of biodiversity protection through management committees involving top decision-makers or key decision-makers. The management committee discusses issues and response directions related to biodiversity protection, conducts biodiversity risk assessments, and promotes biodiversity conservation and protection activities.
- **B. Implementation System** Shinhwa Group operates an implementation system to protect biodiversity at business sites and their surrounding areas or nearby natural ecosystems to achieve the aims of this Biodiversity Policy.
 - ① **Current Status Survey** Shinhwa Group surveys the biodiversity status of business sites and nearby areas when required by laws and regulations or when reasonable concerns about biodiversity degradation/loss are raised.
 - ② **Risk Analysis** We survey the species and distribution of organisms affected by business operations, as well as the status of rare and endemic species. Based on the survey results, we identify potential risks and establish plans to conserve, protect, and enhance species and their distribution that are at significant risk or in a vulnerable state.
 - ③ **Implementation of Protection Activities** Shinhwa Group implements protection activities to maintain/expand biodiversity within business sites based

SHA-POL-ESG7	Shinhwa Group Biodiversity Protection Policy	Rev. 0	Pg. 3 of 3
--------------	--	--------	------------

on the risk analysis results. We monitor the increase or decrease in biodiversity resulting from biodiversity conservation, protection, and enhancement activities. To prevent business activities from negatively impacting biodiversity, we review biodiversity impacts at the investment review stage to prevent risks in advance.

- **Example 1:** Conducting population surveys and ecological conservation activities for endangered domestic species like otters and brackish water snails through citizen biological survey groups.
- **Example 2:** Reviewing the impact of relevant investments on biodiversity protection or deforestation prevention (applicability).

4. Education and Dissemination

- **A. Education** Shinhwa Group enhances awareness of the necessity of biodiversity conservation, protection, and enhancement through regular biodiversity education for employees. Through awareness improvement activities, employees are encouraged to consider biodiversity impacts in their work.
- **B. Information Disclosure** Shinhwa Group discloses information on biodiversity protection activities and performance using its website, sustainability reports, or separate channels. Relevant information is disclosed in a way that is easily accessible and clearly understandable to internal and external stakeholders.

SHA-POL-ESG8	Shinhwa Group Supply Chain ESG Management Policy		
Issued by: Dow Sport		Effective Date: 7/23/2025	Rev. 0 Pg. 1 of 4

Shinhwa Group Supply Chain ESG Management Policy

Document Management No.: SHW-ESG-08 **Last Modified Date:** 2024.10.1 **Document Manager:** Management Support Team

Effective Date: 2024. 10. 1.

[Approver] Management Support Team Manager Lee Yoon-ki

1. Background and Purpose

ESG is a management approach that allows companies to demonstrate their sustainability to external stakeholders by considering non-financial elements such as **Environmental (E), Social (S), and Governance (G)** factors in their business operations. ESG is spreading as a global trend, and with increasing interest from all members of society, including consumers, investors, and governments, the criteria for evaluating companies are rapidly shifting from financial elements to non-financial ESG factors. In particular, international regulations demanding ESG management in the supply chain, such as the recent imposition of **EU Supply Chain Sustainability Due Diligence obligations** and **laws regarding severe industrial accidents**, are rapidly progressing.

In response, Shinhwa Group (Shinhwa ENG, Shinhwa Precision Engineering, Shinhwa Motech, Shinhwa Autotech, Shinhwa Forging, Shinhwa Metal, Shinhwa AUTO USA, hereinafter referred to as 'Shinhwa Group') is seeking a win-win management environment with its partners to build a sustainable supply chain. To this end, Shinhwa Group conducts "**Shinhwa Group Supply Chain ESG Assessments**" to identify the level of its partners across three areas—Environmental, Social (Labor/Human Rights, Safety/Health, Ethics), and Governance—and to support their capacity building.

2. ESG Assessment Areas

SHA-POL-ESG8	Shinhwa Group Supply Chain ESG Management Policy	Rev. 0	Pg. 2 of 4
--------------	--	--------	------------

Shinhwa Group's ESG assessment areas are divided into three domains: **Environmental (E), Social (S), and Governance (G)**.

- **A. Environmental (E) Issues** This section covers environmental issues related to **environmental management**, such as establishing environmental targets and conducting environmental education, as well as **environmental performance** (e.g., greenhouse gas, water, waste, and air pollutant emissions) and **environmental management** (e.g., compliance with environmental laws).
- **B. Social (S) Issues** This covers overall common issues required by global ESG indicators, including **labor/human rights, safety/health, and ethics**. Furthermore, it strengthens safety elements, such as **laws concerning severe industrial accidents**, reflecting the latest domestic ESG trends.
- **C. Governance (G) Issues** This addresses matters related to corporate decision-making and transparency, including **management systems, board of directors operations, internal reporting and whistleblower protection, and partner grievance handling**.

3. ESG Assessment Procedure

Shinhwa Group conducts **supply chain ESG assessments** to identify, prevent, mitigate, and cease negative impacts in relationships related to the supply chain. We have established assessment indicators to identify issues in the environmental, social (labor/human rights, safety/health, ethics), and governance fields. Based on partner responses, we identify potential risks and conduct **documentary/on-site assessments**. Following the assessment results, we provide **consulting** to address partner deficiencies, propose improvement plans, and monitor the resolution of these deficiencies through the **ESG system**.

4. ESG Assessment Indicators and Rating System

- **A. Assessment Indicators** In 2022, Shinhwa Group initially conducted its supply chain ESG assessment using 63 indicators across three areas: Environmental (E), Social (S), and Governance (G). These indicators were developed by reflecting **OO Automobile Group's supply chain ESG assessment indicators** and the **EcoVadis assessment indicators**, with a three-grade rating system: Good, Average, and Insufficient.

In 2023, the assessment indicators were expanded to 67 to reflect ESG trends such as mandatory ESG disclosures. The assessment accuracy was improved by strengthening **cross-verification of submitted partner data and public disclosure data**. Additionally, the rating system was changed from a 3-grade system (Good, Average, Insufficient) to a **7-grade system (ESG 1 to 7)**, thereby enhancing the discriminative power of partner assessment results.

SHA-POL-ESG8	Shinhwa Group Supply Chain ESG Management Policy	Rev. 0	Pg. 3 of 4
--------------	--	--------	------------

In 2024, we plan to assess partners using new assessment indicators that reflect domestic and international ESG trends, including the **EU Supply Chain Due Diligence Law**, the **Uyghur Forced Labor Prevention Act**, the **Carbon Disclosure Project**, laws regarding severe industrial accidents, and work-life balance policies.

- **B. ESG Overall Rating Standard Table** *(Note: The content for this table was not provided in the original text.)*

5. Supplier Code of Conduct

Shinhwa Group's **Supply Chain Code of Conduct** adopts the common code of conduct from **OO Automobile Group**, which reflects domestic and international laws and regulations, the **Responsible Business Alliance (RBA)**, **Global Reporting Initiative (GRI)** guidelines, and **EcoVadis** assessment indicators. This code is publicly disclosed on our website and included as an attached document when signing basic trade agreements with partners, thereby requesting their participation in sustainable management.

6. Enhancing Supply Chain ESG Capabilities

Shinhwa Group operates programs, including education, for partners and purchasing employees to directly manage supply chain ESG risks and acquire necessary specialized capabilities, aiming to enhance supply chain ESG risk management capabilities.

- **A. Enhancing Capabilities of Supplier Employees and Executives** To elevate the ESG management level across the entire supply chain and to mitigate ESG risks in collaboration between Shinhwa Group and its partners, we provide practical management training on internal and external ESG trends and supply chain ESG assessment indicators for supplier management and working-level staff. Furthermore, during on-site partner assessments, we offer consulting to propose improvement measures that ensure the actual management of partners' ESG risks.
- **B. Enhancing Capabilities of Shinhwa Group Purchasing Employees** To enable early identification and improvement of potential ESG risks in the supply chain, ESG education is conducted for Shinhwa Group's purchasing employees under the supervision of the Shinhwa Group team. This education covers key ESG topics such as the concept of ESG and the necessity of its management, recent ESG trends, and laws regarding severe industrial accidents. Key ESG-related items are also reflected and managed within internal KPIs.

7. Cyber Audit Office

SHA-POL-ESG8	Shinhwa Group Supply Chain ESG Management Policy	Rev. 0	Pg. 4 of 4
--------------	--	--------	------------

Shinhwa Group operates a **Cyber Audit Office** via email (audit@shinhwaeng.com) to facilitate free communication with all stakeholders. All stakeholders, including internal and external employees, partners, and customers, can access it to report unreasonable, anti-human rights, anti-corruption, or unethical behaviors. Shinhwa Group protects the identity of whistleblowers and ensures the confidentiality of reported facts. Violations of whistleblower identity and confidentiality will be penalized according to company regulations.

SHA-POL-ESG9	Shinhwa Group Information Security		
Issued by: Dow Sport	Effective Date: 7/23/2025	Rev. 0	Pg. 1 of 10

Shinhwa Group Information Security Policy

Document Management No.: SHW-ESG-09 **Last Modified Date:** 2024.10.1 **Document Manager:** Management Support Team

Effective Date: 2024. 10. 1.

[Approver] Management Support Team Manager Lee Yoon-ki

Chapter 1. Information Security Statement

For Shinhwa Group (Shinhwa ENG, Shinhwa Precision Engineering, Shinhwa Motech, Shinhwa Autotech, Shinhwa Forging, Shinhwa Metal, Shinhwa AUTO USA, hereinafter referred to as 'Shinhwa Group'), which leads the future, the threat of information leakage, especially concerning **core technologies (including national core technologies)**, can severely impact business operations and information assets. Therefore, information security activities are an indispensable element.

Accordingly, all employees of Shinhwa Group must exert their utmost efforts to establish and implement an information security management system to maintain stable and highly reliable business operations against various information security threats such as information leakage and hacking. We hereby establish and declare the following Information Security Policy:

Our Protected Assets are as follows:

1. Core technology information (including national core technologies) internally produced for business operations.
2. Personal information collected through business operations.
3. IT infrastructure facilities such as servers/networks for business operations.
4. Important business information and work environment assets necessary for the company's business performance.
5. Physical locations for business processing.

We strive to achieve our information security goals by performing the following activities to realize safe information security management at Shinhwa Group:

SHA-POL-ESG9	Shinhwa Group Information Security	Rev. 0	Pg. 2 of 10
--------------	------------------------------------	--------	-------------

1. Establish an information security management system to protect information, technology, and assets.
2. Arrange human resources, facilities, and systems for information security operations.
3. Establish and implement administrative, physical, and technical information security guidelines for information, technology, and assets.
4. Widely disseminate information security guidelines within the organization and conduct relevant training to enable their implementation.
5. Establish and implement basic measures for security incident management, business continuity (disaster prevention) management, and compliance with legal requirements.

To this end, management will actively provide the necessary resources as follows:

1. Secure and provide sufficient budget for information security.
2. Form necessary organizations and provide sufficient human resources for information security.
3. Support sufficient internal/external training required for information security.
4. Ensure and support the continuous implementation of information security activities.

The **Chief Security Officer (CSO)** shall periodically maintain and update information security policies and guidelines to ensure their continuous effectiveness in response to changes in the external business environment, and shall conduct information security training for employees. Furthermore, all employees of Shinhwa Group shall adhere to the principles of good faith and diligence in complying with the information security policy and its underlying guidelines, and shall fulfill their responsibilities to ensure that information security activities are continuously maintained and developed.

October 2024 Shinhwa Group Co., Ltd.

Chapter 2. General Provisions

Section 1. General Matters

Article 1. Purpose This Information Security Policy, as the highest-level document forming the foundation of information security, aims to determine the basic principles necessary for Shinhwa Group (hereinafter referred to as 'the Company' or 'Our Company')'s information security activities.

Article 2. Scope of Application

1. This policy covers all information security operations to protect all information, IT infrastructure, and personnel related to the Company's domestic and international business.

SHA-POL-ESG9	Shinhwa Group Information Security	Rev. 0	Pg. 3 of 10
--------------	------------------------------------	--------	-------------

2. This policy applies equally to the Company, including overseas subsidiaries, and all partner companies.

Article 3. Definitions of Terms Terms used within this Information Security Policy may be separately defined and used in each sub-document as necessary.

1. **Information Security Statement:** A document defining the basic direction and principles of information security.
2. **Information Security Organization:** Refers to the information security management execution system (organization and personnel).
3. **Information Assets:** Refers to information, information systems, facilities, etc., that are subject to information security.
4. **Business Continuity:** Refers to not only simple recovery, such as data backup, which is difficult to operate normally in case of disaster, but also the continuous assurance of services and the creation of an environment that can continuously provide core business operations.

Article 4. Compliance All information security operations of the Company shall be handled in accordance with this policy, and matters not specified herein shall be governed by relevant laws and company regulations.

Section 2. Responsibilities and Authorities

Article 5. Chief Security Officer (CSO)

1. The Head of the Management Support Division serves as the Chief Security Officer.
2. The Chief Security Officer also serves as the chairperson of the Information Security Council.
3. The Chief Security Officer has overall responsibility for the Company's information security operations and possesses the authority to direct and supervise information security tasks.
4. Has approval authority for information security-related regulations (policies, guidelines, procedures, etc.).

Article 6. Chief Information Security Officer (CISO)

1. The head of the Information Security managing organization serves as the Chief Information Security Officer.
2. The Chief Information Security Officer assists the Chief Security Officer and is responsible for managing the practical aspects of information security operations, including planning, execution, evaluation, and improvement. They also serve as the secretary of the Information Security Council.
3. Is responsible for establishing and implementing guidelines for effectively operating information security tasks.

SHA-POL-ESG9	Shinhwa Group Information Security	Rev. 0	Pg. 4 of 10
--------------	------------------------------------	--------	-------------

4. Independently inspects the information security status according to the standards of information security-related guidelines.
5. The Chief Information Security Officer must meet the qualification requirements stipulated by domestic law: ① A person who has obtained a master's degree, domestic or foreign, in information security or information technology. ② A person who has obtained a bachelor's degree, domestic or foreign, in information security or information technology, and has at least 3 years of experience (including experience before obtaining the degree) in information security or information technology. ③ A person who has obtained an associate's degree, domestic or foreign, in information security or information technology, and has at least 5 years of experience (including experience before obtaining the degree) in information security or information technology. ④ A person who has at least 10 years of experience in information security or information technology. ⑤ A person who has obtained the qualification of an information security management system certification auditor. ⑥ A person who has at least 1 year of experience working as the head of a department responsible for information security-related tasks.
6. The Chief Information Security Officer may concurrently perform the following tasks, but no others: ① Tasks related to information security disclosure under Article 13 of the Act on the Promotion of Information Security Industry. ② Tasks of the information security officer under Article 5, Paragraph 5 of the Act on Protection of Information and Communications Infrastructure. ③ Tasks of the chief information security officer under Article 21-2, Paragraph 4 of the Electronic Financial Transactions Act. ④ Tasks of the personal information protection officer under Article 31, Paragraph 2 of the Personal Information Protection Act. ⑤ Other necessary measures for information security under this Act or related laws.
7. Companies with annual sales assets of 5 trillion KRW or more must appoint a Chief Information Security Officer as an executive-level director. A director under the Commercial Act refers to a person who, by utilizing their influence over the company, has directed the execution of duties to a director, has directly executed duties in the name of a director, or, while not a director, has executed company duties using titles that could be recognized as having authority to execute company duties, such as honorary chairman, chairman, president, vice president, executive director, managing director, or director.
8. Other matters not mentioned in these guidelines shall follow domestic laws and other information security-related guidelines.

Article 7. Company-wide Security Practitioners

1. Responsible for practical information security duties by area. (1) Management Security Practitioner: Responsible for management security practical duties within the security lead department. (2) Physical Security Practitioner: Responsible for physical security practical duties within the security lead department. (3) Technical Security Practitioner: Responsible for technical security practical duties within the security lead department.
2. Is responsible for documenting information security policies and guidelines and managing changes.
3. Is responsible for supporting the information security activities of their department (team).

SHA-POL-ESG9	Shinhwa Group Information Security	Rev. 0	Pg. 5 of 10
--------------	------------------------------------	--------	-------------

4. Other matters not mentioned in these guidelines shall follow domestic laws and other information security-related guidelines.

Article 8. Regional Security Officer

1. For areas outside the headquarters, the Regional Security Officer shall be appointed as an executive responsible for that working region.
2. Is responsible for overseeing the regional information security operations in accordance with all company information security-related regulations.

Article 9. Department (Team) Security Officer

1. The Department (Team) Security Officer is the Team (Department) Head.
2. The Department (Team) Security Officer is responsible for overseeing the department (team)'s information security operations.
3. The Department (Team) Security Officer is responsible for designating a Department (Team) Security Manager to implement, direct, and supervise department (team) security operations.

Article 10. Department (Team) Security Manager

1. The Department (Team) Security Manager is responsible for performing all information security activities of the department (team) and managing their status.
2. The Department (Team) Security Manager must continuously communicate and cooperate with the Security Practitioner to carry out department (team) information security activities.
3. The Department (Team) Security Manager must report the results of information security activities to the Department (Team) Security Officer.
4. The Department (Team) Security Manager must conduct monthly Security Day events to perform self-security checks and security training, and report the results to the security portal.
5. The Department (Team) Security Manager conducts an annual information asset classification.
6. The Department (Team) Security Manager must keep the security sticker management ledger on the security portal up-to-date.
7. The Department (Team) Security Manager must continuously implement improvements for vulnerabilities found in security inspection results.

Chapter 3. Information Security Policy

Article 11. Basic Principles of Information Security

1. All information assets used by employees for work are the property of the Company, and the Company holds ownership.

SHA-POL-ESG9	Shinhwa Group Information Security	Rev. 0	Pg. 6 of 10
--------------	------------------------------------	--------	-------------

2. All information assets are classified and managed according to their form and importance.
3. Access to all information assets is permitted only to authorized users.
4. The information security officer shall minimize external access to the internal network and must implement security measures in advance to prepare for security incidents during connection.
5. All purchased software is owned (or licensed) by the Company and cannot be illegally copied without adhering to the license agreement.
6. The technical security officer shall establish an emergency plan to ensure the stability and reliability of the computer network during various disasters and failures, and periodically test its effectiveness to maintain it.
7. Information security personnel shall periodically conduct security inspection activities to confirm compliance with information security policies and guidelines, and establish and implement countermeasures as needed.
8. Employees shall prevent damage caused by the inflow of viruses and malicious code.
9. All employees shall receive information security training relevant to their duties to recognize the importance of information security and cultivate their information security capabilities.

Article 12. Compliance with Information Security Policy

1. If an employee violates this policy or subsidiary security regulations, causing financial loss to the Company or damaging its image, disciplinary action may be taken in accordance with relevant company regulations.
2. In the event of an information asset infringement incident by an external party, the cause shall be identified in cooperation with relevant authorities, and measures shall be taken in accordance with relevant laws.

Article 13. Operation of Information Security Policy

1. All employees of the Company, including overseas subsidiaries, and third parties, including partner company employees, must understand and comply with this policy and apply it to their assigned duties.
2. Records regarding the fulfillment of all obligations under this policy must be maintained/stored.
3. Information security regulations, which are sub-documents of this policy, shall apply according to the business area defined in the document.
4. Each business site shall establish and implement specific management regulations based on this standard policy that are consistent with their own circumstances.

Article 14. Information Security Regulations and Processes

1. The detailed content for the application of this Information Security Policy shall be separately stipulated in the following information security regulations: (1) Information Security Management Regulations (2) User Security Regulations (3) Mobile Security Regulations (4) HR Security Regulations (5) Business Continuity Management

SHA-POL-ESG9	Shinhwa Group Information Security	Rev. 0	Pg. 7 of 10
--------------	------------------------------------	--------	-------------

Regulations (6) IT Infrastructure Operation Security Regulations (7) Information Security System Management Regulations (8) Physical Security Regulations (9) Personal Information Protection Management Regulations (10) Production Network (OT) Security Regulations (11) Defense Industry Technology Protection Regulations (12) Industrial Technology Protection Guidelines (13) Information Security Business Continuity Management Guidelines (14) Cloud Security Guidelines (15) Personal Information Safety Assurance Guidelines (16) Data Security Guidelines (17) Software Development Security Guidelines

2. Information security processes and method forms shall be separately defined in a document to enhance the execution level of information security policies and guidelines at the user level. (1) Information Security Process (2) Information Security Regulation Forms

Chapter 4. Information Security Regulations

Article 15. Information Security Management Regulations

1. This regulation aims to define the information security operational rules for establishing, operating, evaluating, and improving the information security management system for the Company's safe and continuous business operations.
2. This regulation consists of the following contents: (1) General Provisions (2) Information Security Organization Composition and Operation (3) Management of Information Security Policies and Regulations (4) Risk Management (5) Security Incident Management (6) Information Security Training (7) Security Audit

Article 16. User Security Regulations

1. This regulation aims to define the information security activities that users must comply with to minimize various incidents such as information leakage, alteration, misuse, and deletion that may occur by personnel targeting the Company's information assets.
2. This regulation consists of the following contents: (1) General Provisions (2) Responsibilities and Authorities (3) User Security Compliance Matters (4) Outsourced Personnel Security Management

Article 17. Mobile Security Regulations

1. This regulation aims to define the information security activities that users must comply with to minimize various incidents such as information leakage, alteration, misuse, and deletion that may occur through mobile devices targeting the Company's information assets.
2. This regulation consists of the following contents: (1) General Provisions (2) Mobile Business Security Review Procedures (3) Mobile Business Processing Standards (4) Mobile Business Feasibility (5) Mobile Device Utilization (6) Mobile Infrastructure Protection (7) Mobile App Protection (8) Company-Issued Mobile Device Protection (9)

SHA-POL-ESG9	Shinhwa Group Information Security	Rev. 0	Pg. 8 of 10
--------------	------------------------------------	--------	-------------

Mobile App Development and Operation Guidelines (10) User Mobile Security Management

Article 18. HR Security Regulations

1. This regulation aims to define security controls for personnel recruitment, retirement, and other personnel movements within the Company, and to determine processing measures for security violators.
2. This regulation consists of the following contents: (1) General Provisions (2) HR Security Implementation (3) Handling of Information Security Policy Violators

Article 19. Business Continuity Management Regulations

1. This regulation establishes the business processing standards and procedures necessary for the Company's preservation and the performance of emergency preparedness operations in case of emergency.
2. This regulation consists of the following contents: (1) General Provisions (2) Emergency Response Plan Establishment (3) Emergency Response Drills (4) Emergency Response Plan Maintenance and Management (5) Emergency Contact Network Management

Article 20. IT Infrastructure Operation Security Regulations

1. This regulation aims to define the standards and principles for information security activities during the operation of IT infrastructure to ensure the Company's safe and continuous service provision.
2. This regulation consists of the following contents: (1) General Provisions (2) Responsibilities and Authorities (3) IT Infrastructure Operation Security Management (4) Server Security Management (5) Network Security Management (6) Application Business System Security Management (7) Database Security Management (8) Computer Room Security Management

Article 21. Information Security System Management Regulations

1. This regulation aims to define the information security activity rules during the operation of information security systems to ensure the Company's safe and continuous service provision.
2. This regulation consists of the following contents: (1) General Provisions (2) Responsibilities and Authorities (3) Operation and Management of Information Security Systems

Article 22. Physical Security Regulations

1. This regulation defines responsibilities and roles related to physical security, such as obtaining, modifying, or revoking access rights to the Company and controlling the removal of information assets. Its purpose is to safely protect the Company's personnel and facilities from unauthorized acts.

SHA-POL-ESG9	Shinhwa Group Information Security	Rev. 0	Pg. 9 of 10
--------------	------------------------------------	--------	-------------

2. This regulation consists of the following contents: (1) General Provisions (2) Access Control (3) Asset In/Out Control (4) CCTV Operation and Management (5) Security Personnel Operations

Article 23. Personal Information Protection Management Regulations

1. This regulation aims to systematically and safely manage personal information processed by the Company by detailing all personal information-related rules. It seeks to protect the privacy of individuals from collection, leakage, misuse, and abuse, thereby promoting the rights and interests of the Company, its employees, and customers, and furthermore realizing individual dignity and value.
2. This regulation consists of the following contents: (1) General Provisions (2) Personal Information Protection Organization (3) Management and Supervision of Personal Information (4) Compliance with Personal Information Protection (5) Restriction on Personal Information Processing (6) Personal Information Infringement and Processing (7) Penalties

Article 24. Operational Technology (OT) Security Regulations (for Production Networks)

This regulation aims to ensure stable operation of production facilities by defining administrative and technical protective measures to protect the production network (OT), consisting of manufacturing equipment, manufacturing systems, and networks within production plants for the safe and continuous operation of the Company's business, from cyber security threats.

1. This regulation consists of the following contents: (1) Overview (2) Network Protection Measures (3) Unit Equipment/System Protection Measures

Article 25. Defense Industry Technology Protection Regulations This regulation aims to define matters necessary for the protection of Shinhwa Group's defense industry technologies (hereinafter referred to as "defense technologies") in accordance with the Defense Industry Technology Protection Guidelines. This regulation consists of the following contents: (1) General Provisions (2) Identification and Management of Technology (3) Personnel Control and Facility Protection (4) Information Protection (5) Protection of Defense Industry Technology during R&D (6) Protection during Export and Domestic Transfer

Article 26. Industrial Technology Protection Guidelines These guidelines aim to define necessary matters for preventing leakage and protecting industrial technologies, including national core technologies, in accordance with Article 8 (Establishment of Protection Guidelines, etc.) of the "Act on Prevention and Protection of Industrial Technology Leakage" (hereinafter referred to as "the Act") and Article 10 (Establishment of Protection Guidelines) of the "Enforcement Decree of the Act on Prevention and Protection of Industrial Technology Leakage" (hereinafter referred to as "the Decree"). (1) General Provisions (2) Determination and Registration Management of Technology (3) Protection Measures for National Core Technologies (4) Export of National Core Technologies (5) Overseas Acquisition, Merger, Joint Venture, etc., by Foreigners of National Core Technology Holding Organizations (6) Infringement Reporting and Response/Recovery (7) On-site Survey (8) Supplementary Provisions

SHA-POL-ESG9	Shinhwa Group Information Security	Rev. 0	Pg. 10 of 10
--------------	------------------------------------	--------	--------------

Article 27. Information Security Business Continuity Management Guidelines These guidelines aim to define matters for minimizing damage and promptly resuming normal operations in the event of an emergency, such as an information system failure or disaster, when managing and operating Shinhwa Group's (hereinafter referred to as "Our Company") information systems. (1) General Provisions (2) Roles and Responsibilities (3) Establishment of Information Security Business Continuity Plan (4) Data Backup and Offsite Storage Measures (5) Failure Countermeasures (6) Emergency Measures (7) Disaster Recovery Plan

Article 28. Cloud Security Guidelines These guidelines aim to securely protect the Company's trade secrets and prevent information leakage by establishing cloud security principles. (1) Overview (2) Cloud Security Review (3) Private Cloud Security (4) Public Cloud Security

Article 29. Guidelines for Securing Personal Information Safety These guidelines aim to establish minimum standards for technical, administrative, and physical safety measures necessary for personal information handlers to secure personal information safety, preventing loss, theft, leakage, forgery, alteration, or damage when processing personal information in accordance with the Personal Information Protection Act. (1) Purpose (2) Definitions (3) Application of Safety Measure Standards (4) Establishment and Implementation of Internal Management Plan (5) Management of Access Rights (6) Access Control (7) Encryption of Personal Information (8) Storage and Inspection of Access Records (9) Prevention of Malicious Programs, etc. (10) Safety Measures for Management Terminals (11) Physical Safety Measures (12) Safety Measures for Disaster Preparedness (13) Destruction of Personal Information

Article 30. Data Security Guidelines These guidelines aim to safely protect management and technical information during data generation, storage, utilization, and disposal in information systems for the safe and continuous operation of Shinhwa Group's (hereinafter referred to as 'the Company' or 'Our Company') business, and to comply with relevant domestic and international laws and regulations. (1) Data Security (2) Data Definition (3) Data Lifecycle Management

Article 31. Software Development Security Guidelines These guidelines aim to ensure the confidentiality, integrity, and availability of information assets through a security review procedure (process) covering the entire software development process, from the planning stage to completion, to develop secure software against cyber security threats during system construction for the safe and continuous operation of Shinhwa Group's (hereinafter referred to as 'the Company' or 'Our Company') business. (1) General Provisions (2) Compliance with Software Development Methodology (3) Software Development Security Procedure (4) Secure Coding Security Guide

SHA-POL-ESG10	Shinhwa Group Safety & Health Management Policy		
Issued by: Dow Sport	Effective Date: 7/23/2025	Rev. 0	Pg. 1 of 4

Shinhwa Group Safety & Health Management Policy

(Safety & Health Management Policy)

Document Management No.: SHW-ESG-10 **Last Modified Date:** 2024.10.1 **Document Manager:** Management Support Team

Effective Date: 2024. 10. 1.

[Approver] Management Support Team Manager Lee Yoon-ki

1. Overview

Shinhwa Group (Shinhwa ENG, Shinhwa Precision Engineering, Shinhwa Motech, Shinhwa Autotech, Shinhwa Forging, Shinhwa Metal, Shinhwa AUTO USA, hereinafter referred to as 'Shinhwa Group') declares this policy to achieve **safety and health first** management in all business sites accompanying its operations.

- **A. Scope of Application** The Safety & Health Management Policy applies to Shinhwa Group's domestic and international business sites and in-house partners. Its scope is determined by considering internal/external issues and stakeholder requirements that significantly impact the company's safety and health, as well as organizational management and business activities that affect safety and health performance.
 - **B. International Standards and Legal Compliance** Shinhwa Group establishes, implements, and maintains **HSE (Health, Safety, Environment) objectives** and safety and health management principles that comply with the standards required by international standards **ISO 14001** and **ISO 45001**.
-

2. Safety & Health Management Policy

- **A. HSE Vision** Realizing a happy and sustainable, accident-free, eco-friendly workplace for all members.
- **B. HSE Management Principles** HSE Management Principles Health | Safety | Environment

Shinhwa Group implements its HSE management principles with the goal of realizing a happy and sustainable, accident-free, and eco-friendly workplace for all members.

- Prioritize the **safety, health, and environment** of members as the highest value in all business activities.
- Foster a **site- and people-centered autonomous safety system** and a voluntary participation safety culture.
- Establish a **safe and pleasant working environment** to promote the health of all members.
- Minimize environmental impact through **eco-friendly process design** and the adoption of advanced technologies.
- Fulfill corporate social responsibility by practicing **safety and environmental standards beyond global requirements**.

3. Safety & Health Management System

- **A. Key Roles and Authorities of the Safety & Health Management Officer**
 1. Has the authority to determine, promulgate, and approve the HSE management principles.
 2. Has the responsibility and authority to ensure that the HSE management system is implemented.
 3. Continuously ensures the efficiency of the HSE management system and provides resources related to its operation.
 4. Approves the enactment and full revision of the HSE management system operating manual.
 5. Reports annual safety and health performance and plans to the Board of Directors.
- **B. HSE Objective Management**
 1. To achieve the HSE management principles, overall HSE objectives and detailed objectives are set. Continuous improvement, prevention of customer complaints, pollution prevention, and occupational disease and injury prevention must be pursued through the implementation of detailed action plans to achieve these objectives.
 2. To achieve HSE principles and HSE performance, the current level is surveyed, improvement targets are set, and the degree of achievement is represented, including the following: ① Matters for achieving performance and pursuing efficiency in the HSE management sector. ② Matters for minimizing safety and health risks. ③ Requirements of stakeholders (customers, public offices, local residents, etc.). ④ Other directed and necessary matters.
- **C. Training**
 1. Through environmental safety and health training, Shinhwa Group cultivates employees' awareness of environmental safety and health and their ability to eliminate harmful and dangerous factors during work, thereby preventing

SHA-POL-ESG10	Shinhwa Group Safety & Health Management Policy	Rev. 0	Pg. 3 of 4
---------------	---	--------	------------

industrial accidents and maintaining/promoting employee safety, health, and a pleasant environment.

2. Training applies to all departments within the company where environmental safety and health training targets arise.

- **D. Risk Management**

1. Aims to improve the HSE management system through the identification, analysis, and control of HSE management system risks.
2. All business sites must identify harmful/hazardous factors, estimate and determine their risks, and then implement necessary measures to reduce these risks.
3. Efficient management activities are implemented by establishing management procedures for environmental safety and health-related laws, agreements, and other requirements directly applicable to the operation of the HSE management system.

- **E. Emergency Preparedness and Response Activities**

1. By establishing and operating emergency preparedness and response procedures, safety and health risks that could arise from an emergency must be prevented and mitigated in advance.
2. This includes identifying, preparing for, responding to, and applying safety and health risk prevention procedures for safety and health-related emergencies that may occur during HSE management system operations.
3. The lead team and relevant teams fulfill their responsibilities and authorities regarding emergency preparedness and response.
4. Incident and accident investigation duties for all persons entering and exiting the company, including company employees and partner company employees, are managed by the Emergency Response Situation Room/Safety & Environment Office and relevant departments.
5. Conducts periodic training and improvements for emergency situations.

- **F. Supplier Safety Management**

1. By carrying out effective safety and health management prevention activities for partners, all safety accidents should be prevented in advance to protect against production disruption and property loss.
2. The HSE lead department must carry out the following: ① Provide technical guidance/support and oversight of in-house partners' safety and health activities. ② Is responsible for forming and operating an in-house partner joint safety and health consultative body. ③ Periodically inspect partner companies at least once per quarter jointly with in-house partners, and if problems are found, request improvements from the contracting department (team) and manage the progress.

- **G. Internal Audit**

1. Objectively obtains and evaluates evidence to determine whether the HSE management system conforms to the HSE management system audit criteria set by the organization, and systematically verifies the results of this process to communicate them to management.

SHA-POL-ESG10	Shinhwa Group Safety & Health Management Policy	Rev. 0	Pg. 4 of 4
---------------	---	--------	------------

2. Must review the HSE annual internal audit plan and HSE internal audit execution plan and is responsible for ensuring effective internal audit operations.
3. Prepares the HSE annual internal audit plan and HSE internal audit execution plan, obtains approval from the Safety & Health Management Officer, and then operates it.
4. Authorizes auditors and notifies selected auditors of the audit plan.
5. Registers HSE corrective and preventive action requests based on approved HSE audit reports in the HSE audit 指摘사항 management ledger and issues them to the relevant departments.
6. Signs and seals the closed HSE corrective and preventive action requests in the HSE audit 指摘사항 management ledger to complete their processing.

• **H. Management of Change**

1. Planned changes affecting the HSE performance of the safety and health management system must be implemented and managed. The results of unintended changes must be reviewed, and measures must be taken to mitigate all adverse effects as necessary.
 - This includes changes in processes/procedures, or knowledge/information regarding safety and health hazards and risks.
2. If there is a change request related to HSE performance from a relevant department, approval for the change must be granted, and the results of the action must be confirmed.

• **I. Continuous Improvement**

1. Shinhwa Group must continuously improve the suitability, adequacy, and effectiveness of the HSE management system to enhance HSE performance. ① Enhance HSE performance. ② Promote a culture that encourages employee participation and support in implementing HSE management system measures. ③ Communicate results related to continuous improvement to employees and their representatives. ④ Maintain and retain documented information as evidence of continuous improvement.

SHA-POL-ESG11	Shinhwa Group Deforestation Prevention Policy		
Issued by: Dow Sport	Effective Date: 7/23/2025	Rev. 0	Pg. 1 of 3

Shinhwa Group Deforestation Prevention Policy

Document Management No.: SHW-ESG-11 **Last Modified Date:** 2024.10.1 **Document Manager:** Management Support Team

Effective Date: 2024. 10. 1.

[Approver] Management Support Team Manager Lee Yoon-ki

1. Overview

- **A. Purpose of Enactment** Shinhwa Group (Shinhwa ENG, Shinhwa Precision Engineering, Shinhwa Motech, Shinhwa Autotech, Shinhwa Forging, Shinhwa Metal, Shinhwa AUTO USA, hereinafter referred to as 'Shinhwa Group') declares this policy to **prevent deforestation risks** that may arise during business operations and to protect, conserve, and restore forests in local communities. This Deforestation Prevention Policy was established by referring to the **UN Strategic Plan for Forests**, the **UN Conference of Parties Forest Initiatives (REDD+, Reducing Emissions from Deforestation and Forest Degradation Plus Conservation)**, and the **International Union for Conservation of Nature (IUCN) Guidelines for Applying Protected Area Management Categories**.
 - **B. Scope of Application** This Deforestation Prevention Policy applies to Shinhwa Group's domestic headquarters and business sites, as well as overseas corporations. Furthermore, Shinhwa Group encourages its stakeholders in business relationships, including suppliers and partners, to comply with this Deforestation Prevention Policy.
-

2. Fundamental Principles

- **A. Direction/Aim** Shinhwa Group strives to achieve **No Net Deforestation** at business sites and in nearby areas. To this end, we endeavor to have a **Net Positive Impact** on local forest protection by implementing activities for forest protection, conservation, and restoration.
- **B. Protected Areas** Shinhwa Group defines assessment and protection areas by comprehensively considering domestic and international laws and regulations on forest

SHA-POL-ESG11	Shinhwa Group Deforestation Prevention Policy	Rev. 0	Pg. 2 of 3
---------------	---	--------	------------

protection, as well as the protected area categories defined by the IUCN. Areas of high importance for forest conservation are selected as target protection areas, and forest protection activities are carried out.

- **① Strict Nature Reserve (IUCN Category Ia)** Areas recognized by the international community as established natural ecosystems where diverse species thrive, which can be destroyed by even minimal human influence.
- **② Wilderness Area (IUCN Category Ib)** Areas that maintain pristine wilderness ecosystems and are inhabited by indigenous communities that maintain a wild way of life, allowing minimal impact for educational and scientific purposes.
- **③ National Park (IUCN Category II)** Areas designated by the state for the permanent conservation of natural ecosystem formation processes, which are highly important for the protection of native flora and fauna, as well as for spiritual, scientific, educational, and tourism purposes.
- **④ Natural Monument (IUCN Category III)** Natural ecosystems formed naturally or due to spiritual and cultural reasons, which have high value as historical records from archaeological, anthropological, historical, and geographical perspectives.
- **⑤ Habitat/Species Management Area (IUCN Category IV)** Areas designated by the international community, national governments, or local authorities for the protection of species and habitats, requiring active management to promote biodiversity.

3. Management System

- **A. Governance** Shinhwa Group manages and oversees deforestation status through management committees involving top decision-makers or key decision-makers. The management committee discusses current issues and response directions related to deforestation prevention and reviews the progress of forest conservation and restoration activities.
- **B. Implementation System** To achieve the aims of this policy, Shinhwa Group operates an implementation system that identifies the status of deforestation at business sites and their surrounding areas, analyzes risks arising from business activities, and carries out forest protection activities.
 - **① Current Status Survey** Shinhwa Group surveys the status of deforestation, considering the natural environmental characteristics of business sites and nearby areas, when required by laws and regulations, when reasonable concerns about deforestation are raised, or when otherwise necessary.
 - **② Risk Analysis** Based on survey results, we identify potential risks and confirm risk factors that could lead to forest destruction or loss. We analyze the impact of these risk factors on nearby forests and establish plans to conserve and restore forests.
 - **③ Implementation of Protection Activities** Shinhwa Group implements protection activities to maintain and expand forests at business sites and in nearby

SHA-POL-ESG11	Shinhwa Group Deforestation Prevention Policy	Rev. 0	Pg. 3 of 3
---------------	---	--------	------------

areas based on the risk analysis results. When potential risks related to deforestation are identified, measures are taken to prevent deforestation. If deforestation is unavoidable due to the nature of the business, the forests in that area are restored to the fullest extent possible, and alternative forests are created in other areas. Furthermore, to prevent business activities from negatively impacting forests, we review the impact on forests at business sites and in nearby areas during the investment review stage to prevent risks in advance.

4. Education and Dissemination

- **A. Education** Shinhwa Group enhances awareness of the need for deforestation prevention, conservation, and restoration through regular deforestation prevention education for employees. Through awareness improvement activities, employees are encouraged to consider the impact on forests during their work.
- **B. Information Disclosure** Shinhwa Group discloses information on deforestation prevention activities and performance using its website, sustainability reports, or separate channels. Relevant information is disclosed in a way that is easily accessible and clearly understandable to internal and external stakeholders.