

## ENCHEM Supplier Code of Conduct Agreement

We, [Supplier Company Name] hereby acknowledge and agree to actively comply with the requirements outlined in the "Enchem Supplier Code of Conduct" (hereinafter referred to as "the Code of Conduct").

1. We have thoroughly reviewed the Code of Conduct and recognize its provisions as an essential condition of doing business with Enchem. We commit to faithfully adhere to them.
2. As an Enchem supplier, we acknowledge that any breach of this Code constitutes a serious contractual violation. We understand that if issues remain unresolved, Enchem may take various actions, including written corrective action requests, or the suspension or termination of our business relationship.
3. We agree to diligently cooperate with Enchem's requests for compliance verification, including evaluation questionnaires and site visits, and to implement any requested corrective actions. Cooperation is subject to exceptions where our business operations, intellectual property, or other legitimate interests would be exceptionally compromised.
4. We consent to the provision of data collected under this Code to regulatory authorities and Enchem's end customers, as necessary. This data will be used for purposes such like ensuring compliance with global supply chain management and traceability regulations, and identifying relevant risks.
5. We commit to ensure that our employees, as well as our suppliers and subcontractors, adhere to the standards outlined in this Code of Conduct.
6. We shall promptly take reasonable corrective actions upon detecting violations of this Code of Conduct. We shall also similarly demand corrective actions from our subcontractors or lower-tier suppliers if violations are found within their operations.
7. We agree to retain all documents and records concerning identified risks and subsequent corrective measures for the period requested by Enchem. We also commit to promptly notify Enchem upon becoming aware of any breaches of this Code of Conduct.

Date : [ YYYY ] [ MMM ] [ DD ]

Company Name :

Representative :

(signature or stamp)

To ENCHEM Co., Ltd.

## ENCHEM Supplier Code of Conduct

### Preamble

Enchem Co., Ltd., as a responsible member of the global community, pursues sustainable management that grows with society by fulfilling its responsibilities and roles. To achieve this, we strive to provide sustainable solutions that contribute to resolving social and environmental issues, while also adhering to fundamental business principles and global regulatory requirements.

The Enchem Supplier Code of Conduct has been developed based on international standards such as ILO conventions, the UN Guiding Principles on Business and Human Rights (UNGP), OECD Due Diligence Guidance, the EU Battery Regulation, and the RBA Code of Conduct v8.0, to ensure global-level social responsibility and its continuous implementation. Accordingly, Enchem requires its suppliers to comply with all international norms, standards, and this Code of Conduct, and further to extend compliance with the provisions of this Code to their own lower-tier supply chain partners.

Enchem may visit supplier facilities to verify compliance with this Code of Conduct and may request corrective actions for any violations. In cases of conflict between this Code and local laws, the stricter standard shall prevail. This Code of Conduct may be updated in the future to reflect domestic and international industry trends and developments.

Suppliers are expected to recognize the importance of international standards<sup>1</sup> for environmental and human rights protection and Enchem's Supply Chain Policy<sup>2</sup>. Through mutual efforts with Enchem, we anticipate that suppliers will comply with this Code of Conduct, thereby fulfilling internationally recognized levels of social responsibility, achieving continuous and sound performance, and fostering shared growth.

### Human Rights and Labor

1. Suppliers must comply with international labor standards and the relevant laws of the countries in which they operate, ensuring human rights are guaranteed for all workers, regardless of employment type.

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<sup>1</sup> Refers to (but is not limited to, the following standards): a) UN Global Compact, b) UNEP Guidelines for Social Life Cycle Assessment of Products, c) ILO International Labor Standards, d) OECD Guidelines for Multinational Enterprises, e) OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

<sup>2</sup> <https://enchem.net/eng/sub.php?menukey=627>

2. Child labor is strictly prohibited in all circumstances. Suppliers must verify the identities of employees and applicants using legitimate documentation (e.g., ID cards, birth certificates) and must comply with minimum employment age requirements.
3. Any discrimination based on gender, age, race, religion, political opinion, disability, nationality, or other protected characteristics is strictly prohibited. Equal opportunities must be provided in all employment practices, including hiring, promotion, compensation, and training.
4. Suppliers must foster a respectful working environment free from harassment, abuse, corporal punishment, mental or physical coercion, verbal abuse, or any other form of harsh and inhumane treatment or threats.
5. Suppliers must ensure compliance with legal standards for working hours, days, minimum wages, and welfare benefits in each country of operation, and manage working hours, including rest periods. Additionally, all overtime work must be voluntary and compensated according to applicable laws.
6. The legally protected rights to freedom of association (e.g., forming unions) and collective bargaining must be recognized and respected. Suppliers must foster an environment where workers can communicate with management without fear of discrimination, retaliation, intimidation, or harassment. Unfair treatment due to union formation, membership, or activities is prohibited.
7. Suppliers must not restrict workers' access to their identity documents (e.g., ID cards, passports, licenses) through retention, destruction, concealment, or any other method. Charging any type of recruitment fee is also prohibited.

## Business Ethics

1. Suppliers must establish and enforce policies that prohibit bribery, corruption, money laundering, extortion, anti-competitive behavior, and conflicts of interest among their employees and related personnel. They must also uphold the highest standards of integrity and comply with all applicable laws and regulations in all business activities.
2. Suppliers shall not promise, offer, authorize, provide or any other improper means to obtain undue or inappropriate advantages. This includes methods used to avoid paying taxes, fees, and royalties.
3. All business transactions must be conducted transparently, with information accurately recorded in accounting books and internal systems. Suppliers must disclose data related to corporate activities, including labor practices, occupational health and safety, environmental management, business operations, structure, financial status, and compliance performance, in accordance with relevant regulations and industry standards.

4. To avoid the risk of sanction violations, including export restrictions, Suppliers must continuously monitor compliance with applicable national laws and international conventions. They must also provide relevant information and cooperate with Enchem upon request.
5. Confidential or proprietary information must not be disclosed without authorization. Information obtained during business activities should not be retained or used without prior permission and approval.
6. Suppliers must not use unauthorized raw materials or equipment for any products supplied to Enchem. They must ensure that all raw materials and equipment used comply with contractual terms and promptly report any non-compliance.

## Health and Safety

1. Suppliers must comply with all relevant health and safety laws and regulations in each country of operation, and secure and maintain all necessary health and safety permits and licenses required for business operations. Furthermore, to prevent health and safety incidents, a robust health and safety management system<sup>3</sup> should be established and operated.
2. To prevent accidents associated with hazardous machinery, tools, and equipment within the workplace, safety devices, protective barriers, and emergency mechanisms must be installed, and their safety must be regularly inspected and evaluated.
3. Personal protective equipment (PPE) must be provided to all employees to ensure their personal protection. This PPE should be easy and convenient for employees to use, and it must be properly maintained and managed to ensure its full functionality.
4. Suppliers must establish emergency preparedness plans for unforeseen events such as natural disasters, pandemics, fires, and other safety incidents. They must also maintain a manual detailing reporting, response, and follow-up procedures for such emergencies, and conduct drills in accordance with both the laws of their operating countries and their own established plans.
5. In the event of a workplace accident or serious illness, immediate protective measures for workers, including cessation of relevant operations and evacuation of employees, must be implemented. A root cause investigation and corrective action plan for preventing recurrence must also be established.

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<sup>3</sup> Refers to a system based on the employer's autonomous policy (e.g., ISO 45001, KOSHA 18001 standards) for establishing health and safety management principles. This system enables the progressive improvement of the health and safety framework through planning, implementation, monitoring, and evaluation activities.

6. Regular workplace hazard assessments must be conducted to identify employee exposure to accident risks and hazardous agents. Information regarding these risks and agents must be provided to employees in a comprehensible language and kept in easily accessible locations.
7. Rest areas, restrooms, and dining facilities must be maintained cleanly. Regular general or special health screenings for employees must be conducted in accordance with the health screening laws of each country of operation. Furthermore, if required by health screening results, measures such as changes to employees' workspaces or job reassignments must be implemented.

## Environmental Sustainability

1. Suppliers must comply with all relevant environmental laws and regulations in each country of operation, and obtain and maintain all necessary environmental permits and licenses for business operations. To mitigate environmental impacts from their operations, a robust environmental management system<sup>4</sup> should be established and operated.
2. A system must be established to measure energy consumption and greenhouse gas (GHG) emissions. Suppliers are required to set and implement targets and action plans for their reduction
3. Suppliers must measure and manage emissions related to factors that negatively impact the surrounding environment and climate change, including air pollution, water consumption and quality, land use, soil contamination, and erosion. They must establish and adhere to legal standards or stricter internal guidelines
4. A Life Cycle Assessment (LCA) for all products supplied to Enchem, encompassing raw material procurement, production, and transportation throughout the entire product lifecycle, must be calculated using internationally recognized methodologies. Suppliers must provide the LCA calculation results and supporting documentation upon Enchem's request.
5. Suppliers must strive to ensure the safe management of chemical substances handled during their business operations throughout all stages of transportation, storage, use, and disposal. Furthermore, information clearly identifying the hazards and risks of these chemical substances must be provided.
6. Suppliers must measure the impact and dependency of their business activities on biodiversity. They must

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<sup>4</sup> Refers to a system, such as the ISO 14001 standard, for continuously improving environmental performance throughout all corporate activities. This system involves setting environmental objectives, implementing, monitoring, and evaluating activities in accordance with environmental regulations, laws, and the employer's policies.

also establish strategies to conserve, restore, and enhance biodiversity within local communities and implement restoration actions as necessary.

## Responsible Sourcing

1. Suppliers must establish a process to identify the countries and regions of origin for all raw materials and components directly or indirectly used in the manufacturing of products supplied to Enchem.
2. To prevent risks such as severe human rights violations, environmental destruction, corruption, and the financing of armed groups in Conflict-Affected and High-Risk Areas (CAHRAs), suppliers must strictly limit the use of **relevant minerals**<sup>5</sup> extracted, transported, or processed in such regions.
3. To identify and mitigate supply chain risks, suppliers shall develop and implement policies in accordance with international standards, including the OECD Due Diligence Guidance, UN Guiding Principles on Business and Human Rights, and the EU Battery Regulation. Related due diligence systems must be regularly reviewed and updated.
4. Due diligence must cover the entire supply chain, including country of origin, smelter/refiner information, taxes and fees paid, and distribution routes. All smelters and refiners used must comply with the OECD Due Diligence Guidance, international certifications (e.g., RMAP, IRMA, CSMI), and sustainability standards.
5. Suppliers must ensure supply chain traceability and identify the information of lower-tier supply chain participants and the movement paths of raw materials. When sourcing from conflict-affected or high-risk areas, more detailed information must be provided.
6. Upon Enchem's request, suppliers must submit country of origin information, smelter/refiner data, and tax/fee payment records using internationally recognized formats such as the CMRT (Conflict Minerals Reporting Template) and EMRT (Extended Minerals Reporting Template).

## Grievance Mechanism

1. Suppliers must establish and operate a grievance mechanism that enables all stakeholders, including workers, to promptly and fairly raise concerns related to human rights, labor, health and safety, environment, ethics, and responsible sourcing.

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<sup>5</sup> Refers to, but is not limited to: Conflict Minerals (tin, tantalum, tungsten, gold), cobalt, nickel, lithium, manganese, graphite, and compounds based on these raw materials, including all minerals containing them.

2. The grievance mechanism must ensure accessibility, impartiality, transparency, anonymity, and non-retaliation. Whistleblowers must be able to report issues freely, without fear of adverse consequences.
3. Reported grievances must be resolved promptly and fairly within a reasonable timeframe, following a clear process that includes receipt, investigation, resolution, and feedback. The outcome of the grievance resolution must be clearly communicated to the involved parties.
4. Diverse grievance reporting channels, such as anonymous hotlines, email, or in-person submission, must be made available. Information on grievance procedures and contact details must also be provided in languages understandable to employees.
5. Suppliers must regularly monitor the operation of their grievance mechanisms and continuously enhance their effectiveness and credibility through systematic improvements.

## [References]

This Code of Conduct has been developed with reference to the following standards. Additional information can be found on the websites below.

RBA Code

<http://www.responsiblebusiness.org/code-of-conduct/>

ILO International Labor Standards

<https://www.ilo.org/international-labour-standards>

ISO 14001, ISO45001, ISO37301

<https://www.iso.org/standards.html>

OECD Guidelines for Multinational Enterprises

<https://mneguidelines.oecd.org/mneguidelines/>

OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

<https://mneguidelines.oecd.org/mining.htm>

SA8000 and SAI (Social Accountability International)

<http://www.sa-intl.org/>

United Nations Global Compact

[www.unglobalcompact.org](http://www.unglobalcompact.org)

Universal Declaration of Human Rights

<https://www.un.org/en/about-us/universal-declaration-of-human-rights>

UN Guiding Principles on Business and Human Rights

[https://www.ohchr.org/en/ohchr\\_homepage](https://www.ohchr.org/en/ohchr_homepage)

Convention on Biological Diversity Decision COP VIII/28- Voluntary guidelines on Biodiversity-Inclusive impact assessment

<https://www.cbd.int/doc/decisions/cop-08/cop-08-dec-28-en.doc>

UNEP Guidelines for Social Life Cycle Assessment of Products

<https://www.unep.org/resources/report/guidelines-social-life-cycle-assessment-products>

RMI - Responsible Mineral Initiative

<https://rmi.org/>

IRMA Initiative for Responsible Mining Assurance

<https://responsiblemining.net/>

Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries

<https://eur-lex.europa.eu/eli/reg/2023/1542/oj>