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# INNOCEAN

## Supplier Code of Conduct

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**[Managed by]**

Cooperative Partnership Team

Kim Ji Hwi



**[Approved by]**

C E O

Lee Young woo



**Contents**

1. Overview ..... 2

    A. Purpose ..... 2

    B. Definition of Suppliers ..... 2

    C. Suppliers' Roles and Responsibilities ..... 2

2. Business Ethics ..... 4

    A. Transparency and Anti-Corruption ..... 4

    B. Conflicts of Interest ..... 4

    C. Fair Trade and Competition ..... 4

    D. Information Protection ..... 4

3. Labor/Human Rights ..... 6

    A. Non-Discrimination ..... 6

    B. Wages and Benefits ..... 6

    C. Working Hours ..... 6

    D. Humane Treatment ..... 6

    E. Freedom of Association ..... 7

    F. Child Labor ..... 7

    G. Forced Labor ..... 7

4. Safety, Health and Environment ..... 8

    A. Emergency Preparedness ..... 8

    B. Accident Management ..... 8

    C. Health Management ..... 8

    D. Environment Management ..... 8

5. Management Systems ..... 9

    A. Appointment of Social and Environmental Sustainability Management ..... 9

    B. Risk Assessment ..... 9

    C. Training and Communication ..... 9

    D. Information Management ..... 9

    E. Grievance Mechanisms for Advice and Concerns about Ethics ..... 9

    F. Management of Business Partners (Subcontractors) ..... 10

    G. Compliance of Supplier Code of Conduct ..... 10

## 1. Overview

### A. Purpose

INNOCEAN is adapting to this by establishing a sustainable supply chain. We have defined a Supplier Code of Conduct which requests that our suppliers comply with the rules and regulations applicable to corporate management, as well as adopt the best practices concerning ethics, the environment, labor/human rights, safety/health, and management systems. We hope our suppliers abide by this Supplier Code of Conduct to contribute to shared growth and become a company respected by society.

Our Supplier Code of Conduct is based on Drive Sustainability's Global Automotive Sustainability Practical Guidance and refers to the Responsible Business Alliance's Code of Conduct. However, should the recommendations in this Supplier Code of Conduct contradict the laws of the countries in which our suppliers operate, the laws of the relevant countries shall supersede the content contained herein.

### B. Definition of Suppliers

All suppliers that provide goods and services to INNOCEAN, or enter into a contract for any other transactions, should comply with the Supplier Code of Conduct. All suppliers may recommend other business entities in the supply chain, including lower-tier suppliers and subcontractors, to comply with the provisions contained within this Code of Conduct.

### C. Suppliers' Roles and Responsibilities

In management decision-making and operational business processes, all suppliers of INNOCEAN should consider the provisions of this Supplier Code of Conduct. INNOCEAN, and third party entities commissioned by INNOCEAN, may verify and inspect, within the scope permitted by the law, whether suppliers are complying with the provisions of the Supplier Code of Conduct. Based on inspection and investigation outcomes, INNOCEAN may recommend that suppliers respond to any identified risks, and if so, suppliers will establish plans and implement countermeasures to mitigate these risks.

This Supplier Code of Conduct is not an exhaustive list of all obligations with which the suppliers

should comply, and may be regularly reviewed, supplemented and amended to establish a sustainable supply chain. This Supplier Code of Conduct can be found within the INNOCEAN website, where readers can make further inquiries if necessary.

## **2. Business Ethics**

### **A. Transparency and Anti-Corruption**

- ① The executives and employees of suppliers should comply with the highest standards of integrity of the country where they conduct business operations.
- ② The executives and employees of suppliers should not engage in bribery, extortion, embezzlement, or graft through abuse of their status, nor gain unfair benefits by taking advantage of weaknesses and deficiencies.

### **B. Conflicts of Interest**

- ① Suppliers should make responsible decisions based on defined operational rules.
- ② The executives and employees of suppliers should not promise, offer, authorize nor give anything that may lead to the gain of undue or improper benefits. This prohibition covers incurring damage to the company for the benefit of an executive or employee and promising individual benefits through a third party.

### **C. Fair Trade and Competition**

- ① Suppliers should comply with the relevant anti-corruption laws and standards of the countries where they maintain business operations.
- ② Suppliers should not engage in activities that would disrupt fair competition through the pursuit of unfair transactions, such as abusing their market dominance or trading position.
- ③ Suppliers should not engage in activities that unfairly restrict competition in the marketplace with regards to the price, supply volume, area and terms of trade of goods or services.
- ④ Suppliers should not improperly obtain information from competitors, partners, or other agencies, nor should they use or disclose information obtained illicitly by the company or third parties.

### **D. Information Protection**

- ① Suppliers should not disclose trade secrets and information relating to their clients or business partners without consent, nor store or use the information they have obtain through performing business duties.
- ② Suppliers should respect the intellectual property rights of their clients and business partners, develop appropriate measures to protect intellectual property rights, and regularly confirm whether intellectual property rights are protected.

- ③ Suppliers should collect and use personal information only within the scope of the original, established purpose and data retention period. Prior consent should be obtained before modifying either the purpose or the retention period.

### **3. Labor/Human Rights**

#### **A. Non-Discrimination**

- ① Suppliers should not engage in any form of discrimination based on gender, race, ethnicity, nationality, religion, disability, age, marital and family status, social identity and political affiliation in hiring and employment practices and access to training.
- ② Suppliers should not engage in any form of discrimination in providing wages and workers' benefits.
- ③ Suppliers should not include requirements that are not relevant to the job description when recruiting and hiring.

#### **B. Wages and Benefits**

- ① Suppliers should compensate workers in accordance with the applicable laws and regulations of the countries where they maintain business operations. Compensation should be paid on a specified dates and workers should be provided with a clear wage statement.
- ② Suppliers should ensure pleasant working conditions and strive to provide all employees with benefits to improve quality of life.
- ③ Suppliers should provide mandatory training in accordance with the laws and regulations of the countries where they maintain business operations. Moreover, they should strive to help all employees build their careers and strengthen their capabilities.

#### **C. Working Hours**

- ① Suppliers should comply with all applicable laws, in relation to legally defined working and resting hours, of the countries where they maintain business operations.
- ② Suppliers should ensure that any hours worked beyond normal work hours are voluntary, and provide lawful/ compensation for overtime if employees work overtime under unavoidable circumstances.
- ③ Suppliers should ensure that all employees receive at least one day off every week.

#### **D. Humane Treatment**

- ① Suppliers should respect the privacy of all employees and refrain from assigning unnecessary overtime tasks.
- ② Suppliers should notify employees in advance and obtain voluntary agreement when collecting their personal information.

- ③ Suppliers should prohibit workplace harassment, which includes any act that may cause physical or mental distress, or that aggravates the working environment for other employees beyond the normal scope of their work. Appropriate changes and measures should be implemented to reduce such harassment, such as disciplinary measures against offending workers and changing workplaces or placements upon request.

#### **E. Freedom of Association**

- ① Suppliers should respect the right of employees to associate and bargain collectively, and allow them to form and manage lawful bargaining bodies.
- ② Suppliers should engage, with sincerity, in collective bargaining negotiations with the representatives of employees.
- ③ Suppliers should allow individual employees to freely recommend negotiation terms if their representatives are absent.

#### **F. Child Labor**

- ① Suppliers should ban any and all forms of child labor in principle, verifying the age of all employees and applicants through legitimate documents such as identification cards and birth certificates.
- ② If hiring young workers, suppliers should not employ them in high-risk jobs as defined by safety and health standards, and should have appropriate measures in place to ensure educational opportunities.
- ③ Suppliers should not receive goods and services from businesses that are engaged in child labor or that violate applicable laws, and should take necessary action if such violations are confirmed.

#### **G. Forced Labor**

- ① Suppliers should comply with the labor rules of the countries where they maintain business operations, and prohibit all forms of forced or mandatory labor .
- ② Suppliers should not, for the purpose of restricting employees' personal activities, require employees to submit their identification cards or visas, nor should they engage in activities such as assault, intimidation, or confinement for the purpose of forced labor.
- ③ Suppliers should not receive goods or services from businesses that either restrict the mental and physical freedom of employees or that engage in forced labor due to debt relations, and should take necessary measures if such violations are confirmed.

## 4. Safety, Health and Environment

### A. Emergency Preparedness

- ① Suppliers should have an established plan to respond to emergencies, including natural disasters, cluster infections, fire and other occupational accidents. Moreover, guidelines should be in place that stipulate the reporting process, response procedures, and follow-up in case of emergency.
- ② Suppliers should implement worker training and drills emergencies in accordance with their own plans or guidelines, or the laws of the countries where they maintain business operations.
- ③ Suppliers should have adequate exit routes and signs, fire detection and warning equipment, and fire prevention facilities in case of emergency, and ensure that the above all function properly.

### B. Accident Management

- ① Suppliers should have programs to measure industrial accidents and illness.
- ② Suppliers should immediately cease operations if an industrial accident or severe disease outbreak occurs, and take necessary countermeasures including the evacuation of employees.
- ③ Suppliers should investigate the causes of industrial accidents or illness and endeavor to provide relevant improvement plans to reduce their incidence.

### C. Health Management

- ① Suppliers may provide employees with resting areas, toilet facilities and eating facilities, and should strive to maintain hygiene and cleanliness in such facilities if they are provided.
- ② Suppliers may provide employees with worker dormitories, which should be equipped with safety signs, lighting and heating and cooling systems. Moreover, dormitories should have appropriate facilities to limit access by unauthorized personnel.

### D. Environment Management

- ① Suppliers should comply with the environmental laws and regulations of the countries where they maintain business operations and obtain all environmental permits and licenses necessary to maintain these operations.
- ② Suppliers should strive to develop programs to measure energy and water consumption, greenhouse emissions, air pollutants, and waste.

## **5. Management Systems**

### **A. Appointment of Social and Environmental Sustainability Management**

- ① Suppliers should appoint a supervisor who is responsible for corporate social and environmental sustainability activities.
- ② Suppliers should appoint a person who manages implementation of corporate social and environmental sustainability activities (social responsibility activities).

### **B. Risk Assessment**

- ① Suppliers should endeavor to identify ethical, environmental, labor/human rights, safety/health risks associated with their business operations.
- ② Suppliers should develop and implement measures to mitigate risks if significant risks are discovered.

### **C. Training and Communication**

- ① Suppliers should train their employees in the provisions of this Supplier Code of Conduct, as well as the matters governed by the relevant laws and policies.
- ② Suppliers should share progress concerning the matters governed by this Supplier Code of Conduct.

### **D. Information Management**

- ① Suppliers should accurately record and manage information concerning ethical, environmental, labor/human rights, and safety/health issues.
- ② Suppliers should strive to disclose information in a transparent matter when local laws, industrial associations and important clients with contractual obligations request such information, unless the disclosure is prohibited by law.

### **E. Grievance Mechanisms for Advice and Concerns about Ethics**

- ① Suppliers should operate a grievance mechanism allowing employees who confirm or identify violations of ethics, environmental, labor/human rights, safety/health laws and regulations to seek advice and raise concerns. These mechanisms should allow employees to report infringements of their individual rights or interests.
- ② Suppliers should protect employees who report ethical concerns relating to unreasonable actions such as layoffs, threats, retaliation, and mockery. Employees who report such concerns

should have their identity protected.

**F. Management of Business Partners (Subcontractors)**

- ① Suppliers should recommend that subcontractors with contractual obligations in planning, designing, selling and manufacturing goods and services should manage ethical, environmental, labor/human rights, safety/health factors.
- ② Suppliers should strive to recommend that their subcontractors improve violations or risks concerning ethical, environmental, labor/human rights, and safety/health laws and provisions when they identify such violations or recognize such risks.

**G. Compliance of Supplier Code of Conduct**

- ① Suppliers should provide evidence of compliance with this Supplier Code of Conduct during regular written assessments or on-site visits carried out by INNOCEAN or designated third parties.
- ② Suppliers should write and manage appropriate documents to prove their compliance with this Supplier Code of Conduct. Such documents should be based on facts and reflect business operations.
- ③ Suppliers should strive to establish and implement plans to swiftly address deficiencies and violations of compliance with this Supplier Code of Conduct, as identified by written assessments or on-site visits.