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**Guidelines for Sustainable Supply Chains  
(Supplier Code of Conduct)**

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Version 2.0

## Introduction

Doosan Corporation ("Doosan") has established the Guidelines for Sustainable Supply Chains ("Guidelines") to ensure that its supply chain builds a safe working environment, guarantees respect and dignity for workers, and operates an environmentally friendly and ethical business.

The Guidelines define requirements for labor and human rights, safety and health, environment, ethics, and fair trade that suppliers (referred to individually as "Supplier" and collectively "Suppliers") providing products and services to Doosan must adhere to. All of Doosan's suppliers shall require, at minimum, its next tier suppliers to comply with and implement the Guidelines.

The Guidelines are based on the Responsible Business Alliance (RBA) Code of Conduct, and other globally accepted standards and guidelines including the ILO Declaration on Fundamental Principles and Rights at Work and UN Universal Declaration of Human Rights may serve additional information.

Doosan or third-party auditors appointed by Doosan may visit and audit Supplier's compliance with the Guidelines within the scope permitted by law. Doosan may require the Supplier to make corrective action plans and implement measure if any risk is found in the course of such due diligence audit. The supplier shall set the risk mitigation plan and carry out improvement measures based on mutual consensus. The Guidelines are not an exhaustive list of all obligations with which the Suppliers should comply, and may be regularly reviewed, supplemented, and amended.

## 1. Labor and Human Rights

Suppliers shall uphold the human rights of workers and treat them with dignity and respect as understood by the international community. Workers must be legally entitled to work and rights protection in the country where they work.

### 1.1 Non-Discrimination

Suppliers should be committed to a workplace free of discrimination or harassment based on race, color, age, gender, sexual orientation, ethnicity or nationality, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.

## 1.2 Humane Treatment

There is to be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment.

Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

## 1.3 Young Workers

According to the Convention concerning Minimum Age for Admission to Employment adopted by the International Labor Organization, child labor must not be used in any stage of manufacturing. The term "Child" is defined under local laws and regulations, under the age of 15, the age at which compulsory education ends, or the minimum age for employment as defined by local law, whichever is higher. Young workers under the age of 18 shall not perform work that is likely jeopardize their health or safety, including night shifts and overtime. Suppliers shall ensure proper management of student workers through proper maintenance in accordance with applicable laws and regulations.

## 1.4 Working Hours

Working hours are not to exceed the maximum set by local laws. Maximum working hours per week must be in accordance with local laws and all workers shall be allowed at least one day off every seven days.

## 1.5 Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates.

Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely, in a language that workers can understand and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.

## 1.6 Freely Chosen Employment

All work must be voluntary. Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, or transferring persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on

workers' freedom of entering or exiting company provided facilities.

Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment.

## **1.7 Freedom of Association**

In conformance with local laws, Suppliers shall respect the right of all workers to form and join trade unions, and to bargain collectively. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

# **2. Health and Safety**

Suppliers shall identify all risk factors related to health and safety in advance and take preventive measures accordingly. Further, suppliers shall ensure to build and maintain safe and healthy working conditions in accordance with local laws and regulations.

## **2.1 Occupational Safety**

Workers' potential for exposure to health and safety hazards (exposure to chemicals, fire, electric shock, fire, vehicles and fall hazards) are to be identified, assessed, and mitigated through regular risk assessment. Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate personal protective equipment, and educational materials about risk to them associated with these hazards.

## **2.2 Emergency Preparedness**

Suppliers should minimize harm to life, the environment, and property by identifying and evaluating potential emergency situations and implementing emergency plans and response procedures. These emergency plans and response procedures include emergency reporting, employee notification and evacuation procedures, and worker education and training. Emergency plans must also include adequate fire detection and suppression equipment, clear, unobstructed exits, adequate exit facilities, contact information for emergency responders, and recovery plans.

## **2.3 Occupational Injury and Illness**

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness, including provisions to; encourage worker reporting; classify and record injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate their causes; and facilitate the return to work.

## **2.4 Physically Demanding Work**

Suppliers shall identify, evaluate and control worker exposure to the hazards of physically demanding tasks, including heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks.

## **2.5 Machine Safeguarding**

Production and other machinery shall be evaluated for safety hazards. Suppliers shall install and manage protective interlocks, barriers, emergency devices, and provide personal protective equipment to workers where machinery presents hazard to workers.

## **2.6 Sanitation, Food and Housing**

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage and eating facilities. Worker dormitories provided by Suppliers or a labor agent are to be maintained to be clean and safe, and provided with adequate lighting, emergency egress, heat, hot water, ventilation, individually secured accommodations for storing personal items, and reasonable personal space.

## **2.7 Health and Safety Communication**

Suppliers shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable by workers. Safety-related training is to be provided to all workers on a regular basis. Workers shall be encouraged to raise any health and safety concerns without retaliation.

# **3. Environment**

Suppliers shall identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources within their manufacturing operations, while safeguarding the

health and safety of the public. Suppliers shall adhere to laws and regulations related to management and recycling of chemicals, waste, and water, and air and greenhouse gas emissions. The following rules mainly apply to Suppliers with production facilities, while Suppliers without production facilities shall apply those rules where reasonably possible.

### **3.1 Environmental Permits and Reporting**

Suppliers shall obtain and maintain environmental permits required to operate and manage the business site and reflect the latest updates at all times. Suppliers shall also comply with their operational and reporting requirements that are needed in the process of obtaining the permits.

### **3.2 Hazardous Substances**

Chemicals, waste, and other materials posing a hazard to humans or the environment are to be identified, labeled, and managed in conformance with local laws, to ensure their safe handling, movement, storage, use, disposal and discharge.

### **3.3 Eco-Efficiency**

Suppliers shall efficiently utilize the resources including raw and subsidiary materials, energy and water and others employed in production activities in the workplace through improvement activities such as process efficiency enhancement, conversion to alternative fuels, and recycling and re-use of resources.

### **3.4 Materials Restrictions**

Suppliers are to adhere to all applicable laws, regulations and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

### **3.5 Energy Consumption and Greenhouse Gas Emissions**

Energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level. Suppliers are to look for ways to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

### **3.6 Biodiversity and No Deforestation**

Suppliers shall respect the efforts of the international community for the conservation of biodiversity and uphold the UNEP Convention on Biological Diversity and the UN Strategic Plan for Forests and Global Forest Goals. Suppliers shall endeavor not to generate negative environmental impact in their business activities.

### **3.7 Pollution Prevention and Resource Reduction**

Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated by practices such as adding pollution control equipment; modifying production processes; or by other means. The use of natural resources, including water, fossil fuels, minerals and virgin forest is to be conserved by practices such as process modification, facility improvement, material substitution, reuse, recycling, or other means.

### **3.8 Solid Waste**

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

### **3.9 Air Emissions**

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion by products generated from operations are to be characterized, routinely monitored, controlled, and treated as required regulations prior to discharge.

### **3.10 Water Management**

Suppliers shall implement water management program that documents, characterizes, and monitors water resources, use and discharge, controls channels of contamination. Suppliers shall manage wastewater in accordance with legal standards and conduct routine monitoring of the performance of its wastewater treatment and containment systems.

## **4. Ethics**

To meet social responsibilities, Suppliers shall comply with local laws and uphold ethical standards.

### **4.1 Business Integrity**

Suppliers are required to meet the highest ethical standards in all business relationships. Unethical behavior, including corruption, extortion, an offer or receipt of a bribe and favorable treatments are strictly prohibited under a zero-tolerance policy. To practice the autonomous ethical compliance, Suppliers conduct inspections of and crackdowns on unethical behavior, and shall implement monitoring and enforcement procedures to comply with anticorruption laws.

## **4.2 Anti-competitive Practices**

Suppliers shall not engage in activities that would disrupt fair competition through the pursuit of unfair transactions, such as abusing their market dominance or trading position, and shall comply with the relevant anti-corruption laws and regulations. Further, suppliers shall 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, and shall not improperly obtain information from the company, competitors, partners, or third parties, nor they shall use or disclose illicitly obtained information.

## **4.3 Disclosure of Information**

All business dealings should be transparently performed and accurately reflected on Supplier's business books and records.

Information regarding Supplier's labor, health and safety, environmental practices, business activities, structure, financial situation, and performance is to be disclosed in accordance with applicable regulations and general industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

## **4.4 Intellectual Property**

Suppliers shall respect intellectual property, and not violate or illegally use intellectual property rights, including patents, software, design, and trademarks of others. The transfer of technology and know-how is to be done in a manner that protects intellectual property rights.

## **4.5 Privacy**

Suppliers are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees.

Suppliers also shall comply with privacy and information security laws and regulations when personal information is collected, stored, processed, transmitted, and shared.

## **4.6 Protection of Identity and Non-Retaliation**

Suppliers shall have a communicated process for their personnel to be able to raise any concerns without fear of retaliation. Suppliers shall operate programs that ensure confidentiality, anonymity and protection of supplier and employee whistleblowers.



## **5. Management System**

Suppliers shall establish and continuously improve a management system in order to comply with the Guidelines, applicable laws, regulations and customer requirements.

### **5.1 Company Commitment**

A corporate social and environmental responsibility policy statement affirming the Supplier's commitment to compliance and continual improvement, endorsed by executive management, and posted in all facilities in the local language is required from all of Suppliers. Management of suppliers shall conduct routing monitoring of the status of management system.

### **5.2 Risk Assessment and Management**

Suppliers shall establish a process to identify the risks associated with the Guidelines and develop and implement measures to mitigate risks if significant risks are discovered.

### **5.3 Improvement Objectives**

Written performance objectives, targets and implementation plans to improve Suppliers' social, environmental and health and safety performance are to be in place, including periodical assessment of Suppliers' performance in achieving those objectives.

### **5.4 Training**

Suppliers shall operate programs for training managers and workers to comply with the Guidelines and to meet applicable legal and regulatory requirements.

### **5.5 Communication**

Implementation plans and progress concerning the matters governed by the Guidelines shall be shared with workers, suppliers, and customers.

### **5.6 Worker Feedback and Participation**

Suppliers shall establish and continue to operate processes, including a grievance mechanism to assess workers' understanding of, and obtain feedback on, or violations against practices and conditions covered by the Guidelines, and to foster continuous improvement.

### **5.7 Supplier Responsibility**

Suppliers shall establish and operate a process to communicate the requirements of the Guidelines to sub-suppliers and to monitor their compliance to the Guidelines.

## **6. Conflict Minerals**

In supply chains of Doosan, Suppliers, as a member of responsible supply chains, shall not use, at any rate, minerals (such as tantalum, tungsten, tin, gold, etc.) from any area, where it can cause serious human rights abuses and environmental destruction in the international community.

Suppliers shall establish and operate a policy to comply with relevant international regulations and local laws. In additions, Suppliers shall endeavor to prove the origin of the substance, and make relevant information available to Doosan upon Doosan's request.