

HS Hyosung Advanced Materials Corp.

Child Labor Prohibition Guidelines



HR Team

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01. PURPOSE

This document outlines detailed guidelines aimed at prohibiting child labor and protecting the rights of children in all areas of HS Hyosung Advanced Materials Corporation and its subsidiaries and affiliates (hereinafter referred to as the “the Company” or “We”) activities. The company does not tolerate any form of child labor, and all supply chain partners and stakeholders must adhere to this guideline. In cases of non-compliance, the company takes immediate corrective action and actively participates in protecting children's rights.

02. SCOPE OF APPLICATION

This Guideline applies to all officers and employees of the Company (including executives, employees and non-regular workers) belonging to domestic and overseas production and sales corporations, branches, and subsidiaries that fall within the Company’s financial consolidation scope. The same standards also apply to third-party personnel, such as outsourced, contracted, or dispatched workers, who perform work for the Company. Furthermore, suppliers, sales and service organizations, and other business partners are required to comply with these guidelines, and all stakeholders in a business relationship with the Company are expected to respect them. However, where any conduct recommended under this Policy conflicts with the laws of a particular country, the laws of that country shall take precedence.

03. DEFINITION OF TERMS

- 1) Child: A person under the age of 15 (including those under 18 who has not completing compulsory education)
- 2) Working Minor: A worker who is at least 15 years old but under 18 years of age
- 3) Child Labor: Refers to any work performed by individuals under 15 years of age or under 18 years of age who have not completed compulsory education that is legally prohibited and encompasses all forms of work that interfere with or damage their formal education, which they are entitled to receive

04. GENERAL PRINCIPLES

01) Prohibition and Compliance Requirements

The company strictly prohibits the employment of children to prevent child labor in all areas of its operations. Additionally, any form of child labor, including forced labor and unfair labor practices, is strictly prohibited. All employees are

required to adhere strictly to the prohibition of child labor. If any suspicion or evidence of child labor arises, we will promptly investigate and take appropriate actions in compliance with relevant laws and regulations. Furthermore, The company enhances collaboration with suppliers and partners to prevent child labor within the supply chain.

02) Compliance with Laws and Regulations

The company strictly adheres to relevant laws and regulations prohibiting child labor and continuously monitors any changes in such laws and regulations. Prompt measures are taken in response to these changes.

03) Reporting and Feedback

The company maintains transparency regarding incidents and activities related to child labor and shares corrective measures with stakeholders. Feedback received from third-party organizations, including external oversight agencies, is actively embraced, and improvements are identified and implemented accordingly.

04) Revision and Enhancement

This guideline may be amended or improved as needed to align with new laws and regulations, industry standards, and societal expectations. The company ensures that all employees are informed of such changes and are required to comply with them.

05. EXECUTION PLAN

01) Procedures for Preventing Child Labor

(1) Establishment of Policies and Regulations

The company establishes policies and regulations aimed at preventing child labor. This policy should be communicated to all employees and stakeholders.

(2) Prevention of Child Labor in the Recruitment Process

- ① Age Verification: To verify the age of all applicants or recruited employees, the company requests documents such as resident registration certificates or identification cards related to age. Through these documents, the age is confirmed. It is essential to thoroughly review the authenticity of the documents provided regarding age, and all submitted documents are checked for compliance with the minimum requirements of proof documents according to local regulations.

- ② Interview Process: During the recruitment process, questions regarding child labor are included to confirm the age and eligibility of applicants for employment.

(3) Human Resources Management and Education

- ① Employee Training: It is required to provide education on the prohibition of child labor to all employees. In particular, recruitment officers or managers are educated to understand and implement policies regarding the prevention of child labor effectively.
- ② Regular Refresher Training: Regular education on the policy and procedures for the prohibition of child labor is provided to employees to maintain awareness and compliance.

(4) Monitoring and Auditing

- ① Internal Auditing and Monitoring: Regular internal audits and monitoring are conducted to ensure compliance with the policy for preventing child labor.
- ② External Audits: When necessary, independent external audit organizations are engaged to verify compliance with the policy for preventing child labor.

(5) Reporting and Action

- ① Internal Reporting System: Employees have access to an internal reporting system where they can anonymously report cases related to child labor.
- ② Follow-up Actions: Swift and appropriate actions are taken upon discovery of cases related to child labor, ensuring compliance with relevant laws and regulations.

(6) Collaboration with Supply Chains and Suppliers

- ① Inclusion of Child Labor Prevention Requirements: Contracts with supply chains and suppliers include requirements for child labor prevention.
- ② Collaboration and Training: Collaboration with supply chains and suppliers is strengthened, and training on child labor prevention is provided

02) Procedure Upon Discovery of Child Labor

In the event of discovering child labor, the company adheres to the principle of taking immediate action to terminate the employment relationship and report to the relevant authorities. The following measures are taken to provide the most appropriate child protection program for the affected child's benefit.

(1) Identification of Child and Report Reception

- Upon suspicion or receipt of a report regarding child labor, the relevant department or personnel must be notified immediately, and the responsible personnel must take immediate action and initiate an investigation to verify the situation.

(2) Investigation and Interview

- Upon confirmation of child labor, the responsible department (such as HR Department or Site Management Department) promptly initiates an investigation and conducts interviews with the child to gather information regarding their identity and working conditions.

(3) Medical and Physical Safety Check

- Medical personnel verify the child's physical and mental health status to ensure their physical safety.

(4) Termination of Employment Relationship and Protective Measures

- The employment relationship with the child is immediately terminated, and the child is relocated to a safe place for a thorough assessment of their physical and mental health status.

(5) Legal Measures and Protective Actions

- Appropriate legal measures are taken in compliance with relevant laws and regulations regarding child labor cases. Protective measures are arranged for the child, and reports are made to relevant protection agencies or authorities.

(6) Reporting and Feedback

- Upon completion of the investigation and corrective actions, the outcomes are reported to relevant stakeholders, and feedback is solicited. Lessons learned from the incident are obtained and applied to future prevention and response efforts.

※ Child Protection Measures

- ✓ Ensure to provide re-employment opportunities at the same workplace once the child reaches the legal age, if desired.

- ✓ Collaborate with local authorities and organizations to ensure access to mandatory education and participation in vocational training programs, thus preventing limitations on the child's educational opportunities.
- ✓ Provide adequate support and monitor the process until the child reaches the minimum working age if they agree to participate in recovery programs administered by the company.

03) Protection of Rights of Working Minors

The company principally hires individuals aged 18 and above. However, in special circumstances where working minors aged 15 to 18 are employed, the following working conditions shall be observed:

(1) Compliance Requirements

- The company recognizes that the labor of working minors is subject to special protection and strictly adheres to the working conditions for working minors as stipulated by law.
- The company shall obtain and keep on file at the workplace a certificate of family relations proving the working minor's age and a consent form from a parent or guardian.
- When employing working minors, their working hours shall not exceed 7 hours per day or 35 hours per week. However, with the consent of those working minors, overtime work may be permitted up to 1 hour per day or 5 hours per week.
- The company shall not allow working minors to work at night (between 10 PM and 6 AM) or on holidays. However, this may be permitted with the consent of those working minors and approval from the Minister of Employment and Labor.
- The company must write and deliver the necessary items in the working minor's employment contract, and if working conditions are changed, a revised employment contract must be issued.
- The company cannot assign working minors to work that involves moral or health hazards or danger.
- Other working conditions not mentioned above shall follow the 'Working Conditions for minors' as stipulated in the Labor Standards Act of the Republic of Korea, where the company's headquarter is located.

- Overseas workplaces shall comply with local laws regarding the protection of children and working minors. In case of conflict between this provision and local laws, the measure more favorable to protecting the rights of working minors shall be followed.

(2) Corrective Measures for Excessive Workload of Working minors

The company prohibits all working minors from performing excessive work. If excessive work by working minor is discovered, the company shall immediately stop such work and take appropriate corrective measures, including providing health examinations and opportunities for workplace reassignment.