

## **Sustainable Procurement Policy**

<b>Date of Establishment</b>	<b>May. 2025</b>
<b>Date of Last Revision</b>	<b>May. 2025</b>
<b>Rev. No.</b>	<b>–</b>

## Revision History

[illegible]

## **Chapter 1. General Provisions**

### **Article 1 (Purpose)**

Kolon ENP (hereinafter the 'Company') seeks to fulfill its environmental and social responsibilities through responsible procurement activities and the establishment of a sustainable supply chain. This policy sets out standards for preventing ESG (Environmental, Social and Governance) risks and for creating a mutually beneficial supply-chain ecosystem founded on ethical and transparent relationships with suppliers.

### **Article 2 (Scope of Application)**

This Policy applies to all sites including domestic and international sites.

## **Chapter 2. Purchasing Ethics**

### **Article 3 (General)**

The Company will faithfully discharge its environmental and social responsibilities by building a sustainable supply-chain management system based on its internal standards for responsible corporate conduct. In cooperation with suppliers and founded on mutual trust, the Company pursues mutual benefit and sustainable development through cooperation based on mutual trust.

### **Article 4 (Fair Opportunity)**

The Company shall, during tendering, provide all suppliers with equal opportunities to participate, strictly following the criteria and procedures stipulated in its internal regulations.

### **Article 5 (Negotiation on Equal Terms)**

The Company shall consult fully with every supplier on transaction terms and procedures from an equal standing and shall build sustainable relationships based on mutual trust and respect.

### **Article 6 (Prohibition of Unfair Trade Practices)**

The Company shall comply with all applicable laws and shall refrain from any unfair trade practices in every stage of bidding, contract formation and performance. Suppliers are likewise required to observe relevant laws and codes of conduct in all transactions.

### **Article 7 (Prohibition of Abuse of Superior Position)**

The Company shall not exploit a superior position to make unreasonable demands or to solicit or receive money, gifts or favors from suppliers. Any gifts or hospitality must be appropriate in consideration of business relevance, legal standards and social norms and must not be used to exert improper influence. Relevant departments, including the Procurement Team, shall refuse all gifts and shall require suppliers to comply with this rule.

### **Article 8 (Prohibition on Use of Conflict Minerals)**

The Company shall not use conflict minerals (tin, tantalum, tungsten and gold) produced in

conflict-affected regions. If raw materials containing such minerals are purchased, the Company shall obtain and manage certificates proving that they did not originate from those regions.

#### Article 9 (Sustainable Purchasing)

The Company shall fulfill its responsibilities to product users and society through sustainable purchasing that conserves resources and minimizes environmental impact. Sustainable purchasing is to be practiced not only for raw and subsidiary materials in core business activities but also for all company-wide purchases, including consumables and office equipment, to ensure effective environmental stewardship. The definition of sustainable purchasing is provided in Annex 1.

#### Article 10 (Recommended Practices for Suppliers)

All suppliers shall sign the 'Kolon ENP Supplier Code of Conduct' agreement upon entering into a contract with the Company and shall share and implement the Company's sustainability vision and strategies.

### **Chapter 3. Sustainable Supply-Chain Assessment**

#### Article 11 (General)

The Company shall conduct a fair internal evaluation covering both financial and non-financial aspects when selecting key suppliers. The results shall be reflected in assessments of respect for workers' human rights, safe working conditions, environmentally friendly site management, business ethics and management systems. After selection, the Company shall continually monitor sustainability-related risks, including violations of environmental or social laws and tax delinquencies. Supply-chain ESG assessments shall consider the following items in aggregate.

#### Article 12 (Respect for Workers' Human Rights)

Suppliers shall protect workers' human rights and dignity in line with international norms. This requirement applies to all workers—including contract, temporary, migrant and intern staff—who shall receive lawful employment and protection of their rights

#### Article 13 (Safe Working Environment)

Suppliers shall recognize that ensuring occupational safety and health is essential for consistent quality and production efficiency. In cooperation with their own suppliers, they shall continually identify and correct potential hazards in accordance with laws and regulations.

#### Article 14 (Management of Environmental Impacts at Business Sites)

Suppliers shall understand the environmental impacts arising from all business activities and shall endeavor to minimize them. They shall comply with environmental laws and regulations concerning chemical and waste management and disposal, industrial-water control and reuse, and the control of greenhouse-gas and air emissions.

#### Article 15 (Compliance with Business Ethics)

Suppliers shall comply with all applicable laws and regulations and shall strive to practice and maintain high standards of ethical management.

#### Article 16 (Management Systems)

Suppliers shall establish their own management systems to ensure compliance with this policy, relevant laws and regulations, and customer requirements, and shall faithfully adhere to them.

## **Chapter 4. Implementation Measures**

#### Article 17 (Governance)

The Company shall designate the Procurement Team as the lead department for the implementation of sustainable procurement. The lead department shall identify and manage supply-chain risks and shall report any material issues to the highest decision-making body for action.

#### Article 18 (Risk Assessment)

The Company shall provide new and existing suppliers with its official Code of Conduct. Suppliers shall acknowledge these standards and clarify their obligation to comply by submitting a letter of commitment or consent. To realize a sustainable supply chain, the Company shall clearly present supply-chain management standards that include ESG elements and shall periodically evaluate compliance.

#### Article 19 (Monitoring)

The Company shall regularly check suppliers' implementation status. Based on evaluation results, it may conduct on-site audits, request corrective actions, and impose restrictions or suspensions on transactions when necessary. Excellent suppliers may receive incentives or preferred-supplier status, and support programs may be arranged to promote continuous improvement across the supply chain.

#### Article 20 (Supplier Support)

The Company shall operate practical shared-growth programs, including capability-building training and ESG consulting, to support suppliers' sustainable growth. Suppliers that achieve outstanding ESG performance may receive additional rewards and incentives, thereby raising ESG standards throughout the supply chain.

[Annex 1] Definition of Sustainable Purchasing

A 'sustainable product' refers to any product that meets one or more of the following criteria :

Major Product Category	Explanation
Environmental Label Products	Products certified with an Environmental Label under the <i>Environmental Technology and Industry Support Act</i> and related regulations, or products meeting equivalent criteria that demonstrate improved environmental performance compared with other products for the same use.
Low-Carbon Products	Products that minimize greenhouse-gas emissions in accordance with the <i>Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis</i> .
Energy-Efficient Products	High-efficiency energy equipment, products with energy-consumption efficiency grades 1–2, or products bearing the Energy-Saving Mark under the <i>Energy Use Rationalization Act</i> and related regulations.
Excellent Recycling Products	Products certified for superior recyclability under the <i>Act on the Promotion of Saving and Recycling of Resources</i> and related regulations.
Other Environment-Related Certified Products	Products holding environmental certification marks or certificates issued by accredited domestic or international (public or private) certification bodies.