

# Hanwha Power System

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## CODE OF CONDUCT



**Hanwha Power Systems**

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# Establishment of Code of Conduct

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Based upon POWER SYSTEM's Compliance Guidelines & Compliance Program Regulations, we establish Code of Conduct using defined guidelines and standards in dealing with customers and dealers in order to maintain ethical business practices.

POWER SYSTEM provides an organizational culture where both employees and executives respect the order of a free market economy and comply with the applicable laws, based on the shared values of challenge, trust and communication.

# Code of Conduct

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1. We comply with laws and corporate regulations.
2. We are fair, transparent and compete freely while conducting legal and reasonable businesses in domestic and overseas markets.
3. We comply with quality standards to prevent product defects in development and manufacturing processes.
4. We protect intellectual property rights, trade secrets and other information of the company and the third party.
5. We manage the corporate decision-making body in accordance with laws and corporate regulations and we comply with legal standards of accounting and disclosure.
6. We comply with laws and corporate regulations of the environment and safety.
7. We do not discriminate in employment and labor practices and we do not deviate from sound organizational culture.
8. We do not pursue personal benefits through corporate endeavors and we do not make wrongful relationships with stakeholders in a task involving possible conflict of interests.

# Code 1

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## We comply with laws and corporate regulations.

1.1 We comply with corporate management laws and corporate regulations and we establish a sound organizational culture through continuous education on corporate ethics.

Employees & executives carefully consider potential legal issues before embarking upon tasks. If a potential legal issue is found, employees & executives should seek consultation of the legal team and establish legality.

When employees & executives learn of violation of laws and regulations, employees & executives should immediately report it to the Compliance team without concealment. Absolute confidentiality is guaranteed to the reporter and any disadvantages related to the concerned report are strictly prohibited.

Violation of laws and regulations is prohibited, and no exception is allowed even in the case of 'for the company', 'for the customer', or 'from the order of a boss.'

Employees & executives should not commit an act that may be morally reprehensible or dishonor the company.

1.2 We should fulfill our duty as a faithful manager in order to protect corporate property in performing business tasks.

Employees & executives should not embezzle corporate property or use it as a personal purpose.

Employees & executives do not use corporate supplies or facilities for purposes other than performing corporate tasks.

1.3 The franchise and political ideas of individual employees & executives is respected, but overt political activities are prohibited within the company.

## Code 2

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**We are fair, transparent, compete freely while conducting legal and reasonable businesses in domestic and overseas markets.**

2.1 We comply with domestic and overseas fair trade acts based on the principle of free competition.

Employees & executives should comply with all laws and regulations related to antimonopoly and fair trade applied in the country and region where our business tasks are performed.

Employees & executives should not commit unfair trade acts, including exclusion of competitors, unfair discriminative treatment, unfair transaction and interference of business activities.

Employees & executives should not practice unfair collusion with competitors or industry officials related to price-fixing, cost, production, facility performances, business terms and conditions, and/or sales policy. Information should not be exchanged internally or externally that may be in violation of the policy.

2.2 We pursue co-prosperity by means of sincere and fair trade with subcontractors.

Employees & executives should select subcontractors based on impartial and fair judgment of business terms and conditions, including cost, quality and delivery.

Employees & executives should not commit unfair trade acts, such as stipulation of unfair trade terms, or abusing their superior position. Employees & executives should deal in good faith and in accordance with the applicable laws and regulations when negotiating agreements or contracts.

## Code 3

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**We comply with quality standards to prevent product defects in development and manufacturing processes.**

3.1 We comply with safety standards in accordance with the applicable laws and regulations and we practice thorough quality assurance continuously.

Employees & executives should be aware that pursuit of safety is one of the most important corporate tasks and our responsibility.

Employees & executives should ensure that safety is secured under various conditions of R&D, design and production through cooperation with dealers.

Employees and executives should immediately report important issues to the quality assurance manager, including product defects, violation of laws and regulations in the manufacturing process and report any relevant and pertinent information

In case that product defects are found, employees & executives should stop shipment and report it to the management of the concerned department. The concerned department should immediately check the issue and take corrective actions.

3.2 We take swift actions on accident-related products.

In the case of accidents, employees & executives immediately report it to the management to prevent further damages and take corrective actions, including cause-finding, troubleshooting and prevention of recurrence.

Employees & executives should perform objective investigation of the accidents and report the accurate cause to the management.

Employees & executives should respond to the accidents by establishing settlement measures response and compensation procedures based on objective facts.

Based on the comprehensive result analysis, employees & executives establish and practice implement accident prevention plans and report the results to the management.

## Code 4

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**We protect intellectual property rights, trade secrets and other information of the company and the third party.**

4.1 We understand that corporate intellectual property rights and trade secrets is an important corporate asset and we protect them.

Employees & executives should protect R&D outcome such as intellectual property rights (patent, utility model, design, trademark and copyright) and use such information in accordance with the relevant corporate regulations.

Employees & executives should not disclose any confidential information to unauthorized personnel and should not use trade secrets for personal or the third party's benefits.

Employees & executives should respect corporate intellectual property rights and trade secrets after retirement.

4.2 We respect the third party's intellectual property rights, trade secrets and other personal information and we do not intentionally infringe it or use it illegally.

Employees & executives should understand that using the third party's intellectual property rights, trade secrets and other personal information, without consent, may lead to a criminal charge such as a civil claim for damages or penalty.

Employees & executives do not use illegal software in the company and do not use unauthorized software without the company's approval.

4.3 We use information systems appropriately and we practice security as a part of our daily routine.

Employees & executives use the corporate information system only for business, not for personal purposes.

Employees & executives carefully protect the account information and password of the corporate information system, without exposing it to others.

Employees & executives comply with the enterprise security regulations to prevent security issues in the course of dealing with communication network, delivery and outside visitors.



## Code 5

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**We manage the corporate decision-making body in accordance with laws and corporate regulations, and we comply with legal standards of accounting and disclosure.**

5.1 The general meeting of shareholders, the board of directors and various committees should be summoned, resolved, disclosed and minutes taken in accordance with procedures determined by laws and articles of association.

5.2 We should comply with the internationally-accepted accounting standards determined by laws.

5.3 We sincerely disclose major corporate issues and corporate information, including corporate financial changes, to provide accurate and transparent information to shareholders and investors.

## Code 6

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**We comply with laws and corporate regulations of the environment and safety.**

6.1 We understand importance of the environment, comply with domestic and overseas environmental laws and regulations while building a green company and work sites.

All environmentally-harmful substances and chemicals should be stored, treated and discarded in accordance with the relevant laws and corporate regulations.

When unsafe storage or improper discard of environmentally-harmful substances or toxic chemicals is detected, employees & executives should report it to the environment manager immediately.

6.2 We consider impact on the environment as one of the important evaluation criteria when reviewing projects and new businesses.

Employees & executives care for the environment in R&D, product planning and design stages by means of minimizing environmentally-harmful substances, recycling materials and saving energy.

Employees & executives strive to develop and distribute the products and services that have minimum impact on the environment.

6.3 We comply with safety regulations to establish safe work sites.

Employees & executives are responsible for corporate safety and risk prevention. When a potential safety-accident is detected, employees & executives should immediately report it and take proper actions.

Employees & executives should comply with all safety rules in any circumstances.

Employees & executives should also try to preserve the environment in their personal lives.

# Code 7

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**We do not make discriminate in employment and labor practices and we do not deviate from sound organizational culture.**

7.1 We provide equal opportunities to all employees & executives without discrimination and we treat them fairly based on their task performances.

We ensure that employees & executives are not unfairly treated in human resources affairs, such as employment, promotion or evaluation, because of their nationality, race, gender, religion, age, disability, native place and marital status.

Employment of minors who do not reach the minimum age of employment and forced labor prohibited by laws is not allowed in any circumstances.

7.2 We listen to each other's ideas attentively and implement an organizational culture where creative ideas are flourished.

Employees & executives prevent organizational conflicts in advance by building a smooth communication channel.

Employees & executives understand that our creative thinking and voluntary action is an intangible corporate asset and the company provides training opportunities for self-improvement of employees & executives.

Employees & executives create a fun and exciting working environment, filled with a pride and rewarding feeling through tasks aimed at achieving mutual goals.

7.3 We cooperate to create a sound organizational environment.

Employees & executives do not make any speeches or engage in behaviors that may adversely affect business or relationships, including discriminative or unfriendly acts, sexual harassment, bribery or violence.

Employees & executives do not make a private group that may cause disharmony or form a clique.

## Code 8

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**We do not pursue personal benefits through corporate endeavors and we do not make wrongful relations with stakeholders in a task involving possible conflict of interests.**

### 8.1 We do not pursue personal benefits through corporate tasks.

Employees & executives should not give or receive money, goods or other forms of bribery with the expectation of reciprocity to/from dealers, government branches or other business-related third parties.

Employees & executives should not pursue personal benefits in the course of purchase.

Employees & executives should not trade stocks by using undisclosed information of a company or the third party which has come to know in relations with task performances or dealing. In addition, employees & executives do not provide benefits to the third party by using such information.

### 8.2 We do not make wrongful relations with stakeholders in a task involving contradiction of interests.

Employees & executives should not make a money transaction or request to stakeholders which may disrupt legitimate task fulfillment.

Employees & executives should not give or receive any money or valuables, except for the typically-accepted souvenir or gifts of nominal value.

Employees & executives should not receive treats or benefits which are not typically accepted. Even in inevitable cases, employees & executives should not engage in activity prohibited by the regulations of the benefit-givers.

Employees & executives should not disclose sensitive or family information to the stakeholders whose tasks may be affected by the events.

# Our Responsibility

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All employees & executives should thoroughly understand Code of Conduct, relevant laws and corporate regulations related to their tasks and should be able to explain it.

In this regards, employees & executives should practice the following:

Employees & executives should understand and comply with the corporate regulations related to their tasks and actively participate in relevant trainings and events.

In case any improprieties are found in task performances, employees & executives should consult Compliance & Legal Affairs team for advice and resolution.

Employees & executives should immediately inform the Compliance & Legal Affairs team when violation of relevant laws and corporate regulations or suspicious acts of violation is detected.

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