

# Business Partner Code of Conduct

DI-002149-02/G

Created by: von Chamier, Ruby    Approved by: Hernandez, Isaac



GLOBAL SAFETY TEXTILES

## Business Partner Code of Conduct

Edition 2024

### Dear Valued Business Partner,

Global Safety Textiles (GST) and its affiliates as well as GST Safety Textiles México, S. de R.L. de C.V. and Hyosung Quanganam Co. Ltd. (jointly “GST” or “GST Group”) have led the automotive industry globally for over a century. The values of passion, anticipation, diversity, empowerment, and accountability, known as the "Hyosung Way", steer our work daily as a premier mobility specialist. GST Group strives to offer high-quality products, services, and mobility solutions while respecting social, environmental, ethical, and legal standards. Adherence to all laws, national, and international sustainability standards, environmental protection, ethical business practices, and human rights respect is mandatory for all business operations at GST Group. We maintain high standards and expect the same from our business partners. The GST Business Partner Code of Conduct delineates these expectations in detail and establishes fundamental principles as the baseline for engaging with GST Group. We are committed to fostering business connections that align with these crucial obligations.

According to its own understanding, GST stands for innovation, responsibility, fairness, and customer orientation. Our behavior is based on these values. Not only do they govern how we deal with each other and work together, but they also apply to our contact with customers, suppliers, and other business partners. Being a global company, with a global footprint, GST is aware of its social responsibility and stands by this. To ensure compliance with basic ethical principles and statutory provisions within its own supplier base, this Business Partner Code of Conduct were developed for all business partners of the GST Group.

### Introduction

The Business Partner Code of Conduct is the minimum standard that GST has set for any business partner who does business with any entity that belongs to or is associated with GST. These principles follow national and international laws, conventions, and guidelines such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the conventions of the International Labour Organization.

Anyone who provides or receives goods or services to or from GST is a business partner (“Business Partner”). This covers but is not limited to suppliers, customers, commercial agents, representatives, intermediaries, consultants, or other providers or receivers of goods and services.

GST has the right to stop or end any business relationship for cause with a Business Partner who does not follow these principles or the respective applicable laws and thus makes it unacceptable for GST to continue the relationship. If we follow these principles, we can make sure that our business relationship stands on a sustainable approach, ethical behavior, respect for human rights, and adherence to all applicable laws and conventions.

All GST Business Partners must: Follow the core values, principles and requirements in this Business Partner Code of Conduct, act lawfully, and do business ethically, while making sure the same requirements are communicated and enforced down to the supply chain of the Business Partner.

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## Trust in Business Partners: Audit Rights, Ethics and Integrity in Taxes, Accounting and Financial Reporting

GST manages the integrity of our Business Partners effectively. We ask our Business Partners to give us valuable information such as details on who owns, controls, and invests in their business, as well as information on their directors, managers, and any compliance-related issues that affect the company, its subsidiaries, directors, or managers. If they do not provide this information, we may end the business relationship or choose not to start one at all. We passionately believe that being transparent and ethical are essential for a good business relationship and we urge all our partners to follow similar principles.

GST also has the right to ask a Business Partner to provide us enough information about their Compliance Management System and any violations they have committed for evaluation purposes. To keep doing business with GST, they may need to take specific steps to reduce the harm of such violations on the business relationship.

### Audit Rights

GST has the right to do audits on our Business Partners to make sure they follow this Business Partner Code of Conduct and all relevant laws and regulations. Any audit will be done in line with the applicable laws and regulations, especially those that relate to data protection. We expect our Business Partners to work with us on these audits by allowing reasonable access to their facilities, records, and staff. Also, GST may ask Business Partners to show proof of their compliance with this Business Partner Code of Conduct and provide supporting documents when we ask. If they do not comply with these requirements, we may end the business relationship.

### Ethics and Integrity in Taxes, Accounting and Financial Reporting

GST values ethics and integrity in everything we do, especially in our business areas of taxes, accounting, and financial reporting. We follow the tax rules and communicate honestly with tax officials. We keep our records correct and provide our financial information promptly and clearly. GST requires all Business Partners to have the same standards and follow all relevant laws and regulations about taxes, accounting, and financial reporting.

### Contributing to a Free and Fair Market Behavior

#### Antitrust and Competition

GST values the principles of fair and free competition as a core element of the market economy. Therefore, Business Partners must comply with the relevant antitrust and competition laws in every aspect of their business operations. GST expects all its Business Partners to avoid any activity that aims at or leads to the obstruction, limitation, or distortion of free and fair competition.

**Behaviors which GST does not accept encompass the following:**

- Contracts, agreements, or collusion with current or potential competitors that prevent fair competition, including but not limited to agreements that lead to fixing prices or premiums, restricting the type, amount or quality of products or services offered, manipulating bids, dividing customers or markets, in conjunction or not

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of an abuse of a dominant position in a certain market.

- Vertical agreements or arrangements (with suppliers or customers) that aim to, or effectively manage to, stop, or limit free and fair competition.

## Ethical Behavior Above all: Placing a Stop to Bribery and Corruption, Money Laundering, Conflicts of Interest

### No Corruption or Bribery

GST does not tolerate any corruption, bribery or any business practices that could look like improper manipulation or influence, regardless.

Business Partners of GST must not allow or engage in, directly or indirectly, receiving, offering, or granting any benefits (such as gifts, invitations, or other favors) to or from GST, public officials or third parties during their business activities. These benefits should not be intended to unfairly affect business processes, hasten, or carry out an official act (facilitation payments), or give the impression of doing so. Business Partners are expected to ensure that their employees follow the law and act with honesty, especially when dealing with public officials and authorities. To prevent and detect any inappropriate payments being made or received, Business Partners of GST should implement control, record-keeping, and enforcement procedures to follow applicable anti-corruption laws.

### Money Laundering

Money laundering is the process of putting assets from illegal sources or illegal business activities (e.g., drug trafficking, theft, tax evasion, corruption, etc.) into the legal, financial, or economic cycle to hide or change the unlawful origin of the assets. GST works to fight money laundering and expects Business Partners to do the same by taking appropriate measures to ensure compliance with relevant national and international standards and laws.

### Conflict of Interest

A conflict of interest occurs when a person's or a company's private interests clash with their professional duties and obligations. It is very important that GST Business Partners uphold a high standard of honesty and steer clear of any situation that could cause a conflict of interest.

Business Partners must inform GST of any possible conflicts of interest that could affect the GST supply chain, so that the parties can cooperate to reduce any potential damage to the business relationship and ensure trust in the relationship's honesty.

## Following Rules: Product Compliance, Artificial Intelligence, Export Controls and Sanctions

### Product Compliance

GST respects the law and acts ethically and responsibly. It makes high quality products that meet safety requirements and follow relevant laws, regulations, and standards. GST expects its Business Partners to do the

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same and to also provide products that are fully compliant, safe, and high quality. GST does not accept any unlawful or unethical behavior by its Business Partners regarding the sourcing, manufacturing, sale, and distribution of their products.

GST holds itself to the highest product standards and is committed to making high quality products that are safe and comply with all applicable laws, regulations, and standards. GST holds its Business Partners to the same reducing the environmental impact of business processes, continually improving energy utilization, and working towards a climate neutral conduct of business. high standards and expects them to also deliver fully compliant products of the same high level of quality and safety. GST does not tolerate illegal or unethical conduct by its Business Partners in respect of their products.

## Artificial Intelligence

GST follows certain AI standards and rules for product creation. GST respects the laws that govern the use of AI technology in business operations. We expect our Business Partners to set clear guidelines and expectations for the ethical and responsible development and use of AI, including ethical issues, transparency and compliance with legal and regulatory frameworks, data quality and security, and oversight and assessment.

## Trade Rules and Restrictions

GST Business Partners must always comply with relevant trade laws and respect the regulations that apply to imports and exports, as well as any sanctions and embargoes that are in force.

## Keeping Security and Privacy Safe: Handling of Information Security, Data Privacy, IT Security, Physical and Personnel Security, Intellectual Property.

### Handling with Information Security and Data Privacy

When working with GST, Business Partners must make sure that sensitive business, technical and financial information, personal data, know-how and trade secrets are properly handled and protected in terms of confidentiality, availability and integrity and not shared without the proper authorization and in line with applicable legal requirements.

In addition, GST Business Partners may need to demonstrate a developed Information Security Management System according to TISAX (or ISO 27017, 27018, etc.) and must safeguard personal data rights to privacy, in compliance with the applicable law in all business processes, to prevent data breaches and cyber security attacks. Protection of personal data is important to GST; therefore, all personal information is managed in accordance with the applicable legal guidelines on the protection of personal information, data security and anti-trust regulations.

### IT Security

IT security is a vital aspect of today's business landscape, where data is more exposed to cyberattacks. GST has taken steps to safeguard its information and systems with robust security methods and rules.

We require our Business Partners to follow current and effective security rules and processes that meet all applicable laws and regulations related to IT security, such as data protection laws, cybersecurity regulations, and industry specific regulations. Business Partners must also have a plan for dealing with security incidents and a plan for keeping IT systems and data operational in case of a crisis.

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Moreover, GST expects its Business Partners to conduct regular security education for employees and set up a vendor management program to evaluate security threats from third-party vendors and suppliers and allow GST to audit these areas. It is also essential for Business Partners to respect GST's ownership of its data and information and ensure a good communication between corporate IT Security departments and their organizations on both sides, including providing standard and emergency contacts. By following these expectations, GST and its Business Partners can sustain a secure and efficient relationship.

## Physical and Personnel Security

At GST, we take physical and personnel security very seriously. We ask our Business Partners to follow these principles and meet the physical security standards below:

- Access Control: only authorized people can enter facilities and areas that are sensitive for security reasons;
- Asset Protection: appropriate steps are taken to protect physical assets from theft and damage;
- Employee Protection: appropriate steps are taken to protect employees who are at risk e.g. during business trips, international assignments, or facing individual threats (Duty of Care);
- Personnel Security: awareness of functions that are sensitive for security and implementation of proper precautions, e.g. background checks;
- Incident and Emergency Response and Crisis Management: employees are ready to deal with irregular and critical events to protect people and assets;
- Incident Reporting: quick reporting of security incidents that affect GST interests to your GST buyer is expected.

By putting physical and personnel security first, we can build a culture of safety and trust that benefits everyone involved in our business relationships.

## Intellectual Property

Our business operations depend on Intellectual Property, and we care about it. We understand the need to respect the Intellectual Property rights of others, and we want our Business Partners to do the same.

Therefore, we ask that our Business Partners do not use or copy materials, designs, brands, inventions, secrets, or any other exclusive information or rights of GST or others without appropriate permission. We also welcome our partners to cooperate with us to defend and support the Intellectual Property rights and to inform and share with us any new Intellectual Property that is created during our joint activities or related to GST products. By following these guidelines, we can foster a culture of innovation and protect the precious IP that is vital to advancing our business.

## Protecting the Planet, Protecting all: Sustainability

GST has committed to respect human rights that are globally recognized, such as the principles stated by the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

We give priority to the rights established in the International Bill of Human Rights and the fundamental labor standards of the International Labour Organization (ILO).

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GST clearly requires its Business Partners to follow and adhere to the principles stated by the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises,

All relevant compliance laws and regulations, as well as the core values and principles as defined in this Business Partner Code of Conduct.

## Prohibition of Child Labor

GST does not accept any kind of child labor and expects Business Partners to follow the same principle. Business Partners must make sure that they only hire people who are above the minimum working age of at least 15 years as per the ILO Convention No. 138 3. They must also adhere to the prohibition of the worst forms of child labor according to the ILO Convention No. 1824 and apply these standards to their value chain.

## No Forced Labor or Modern Slavery

GST forbids any kind of forced or mandatory labor, including debt slavery, human trafficking, and any other form of modern slavery following the ILO Convention No. 295.

Business Partners must make sure that employees have the freedom to choose their employment type and to end employment in line with legal provisions and to get paid what they are owed. No bonded labor or financial burden may be placed on employees.

## Freedom of Association and Right to Collective Bargaining

GST supports and protects its employees' right to join or form unions as stated in the ILO Convention No. 876 and acknowledges their right to negotiate collectively as per the ILO Convention No. 987. GST requires all Business Partners to adhere to the same standards and ensure that employees can participate in or establish employee representation bodies without being discriminated or punished.

## Equality and Prohibition of Discrimination

GST rejects any kind of discrimination based on race, gender, religion, age, nationality, pregnancy, disability, sexual orientation, political and trade union involvement, and other traits protected by relevant law. GST also expects Business Partners to prevent discrimination on such grounds and to offer equal opportunities in employment and equal wages for equal work. Furthermore, GST requires AI technology to be applied and created with unbiased data with regards to human accountability.

## Right to Health and Safety at Work

GST values the physical health and safety of its employees and anyone else impacted by its business activities. GST requires Business Partners to follow national and international laws for occupational health and safety, and to implement certified management systems if GST asks them to. Business Partners must ensure a safe work environment, necessary equipment, protective gear, and reduce psychological pressure to avoid mental health problems.

## Fair Working Conditions (Remuneration and Working Hours)

GST values the right to a fair wage. Business Partners of GST must therefore follow the law and pay the minimum wage that is required. Moreover, GST wants its Business Partners to pay a decent wage that allows employees

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to meet their basic needs. All legal social benefits must be paid in full and on time. Business Partners can only employ workers who have the necessary work permits. GST also expects all Business Partners to abide by legal working hour rules and overtime pay.

## Rights of Indigenous Peoples and Local Communities

GST values the rights of local communities and indigenous peoples who may be impacted by GST's business activities. GST considers how its operations affect the living conditions and well-being of the local communities, which specifically includes avoiding unlawful eviction and loss of land, forests, and waters as well as damaging cultural sites. Business Partners must also follow these principles and shall obtain free, prior, and informed consent (FPIC) from local communities for projects on the land they occupy as defined by the UN Declaration on Rights of Indigenous Peoples and the ILO Convention No. 1698.

## Assignment of Private or Public Security Forces

GST respects adherence to internationally recognized human rights and expects the same from its Business Partners when it uses private or public security forces to safeguard the people, facilities, and legitimate interests related to GST's business activities.

## Handling Conflict Minerals and Critical Raw Materials

Business Partners of GST must follow special due diligence processes in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas<sup>10</sup> when dealing with conflict minerals (tin, tungsten, tantalum, and gold) and other critical raw materials<sup>9</sup> from areas that are affected by conflict and have high risks (also known as "CAHRAs") such as the Democratic Republic of Congo (DRC). In addition, GST expects Business Partners to provide accurate and complete information on their value chains for these processes when asked, including Business Partners who use the Conflict Minerals Reporting Template to show that they only use smelters and refineries in their value chain that meet the standards of the Responsible Minerals Assurance Process (RMAP) of the Responsible Minerals Initiative (RMI).

## Circular Economy

GST recognizes the threat that material handling and use pose to people and the environment. GST aims to separate economic growth from raw material extraction by focusing on sustainable materials, improving resource efficiency, preventing waste, and reimagining value creation. GST asks Business Partners to cut down material input, use recycled/renewable materials, support closed material and product cycles and foster circularity within their value chain.

## Environmental Management

GST is dedicated to the role of companies in protecting the environment and supports the shift to a climate-neutral and sustainability-focused economy and is committed to the Paris Agreement. GST has established its own principles for environmental protection in its EHS Policy<sup>11</sup>. GST expects Business Partners to follow the relevant national energy and environmental laws and to create as much transparency as possible about their

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own emissions and upstream emissions. Moreover, Business Partners are expected to take effective actions to lower their direct and indirect CO2 emissions and to continually work on enhancements in this area. The use of renewable energies and alternative energy sources must be further encouraged and preferred.

The use of raw materials must be minimized in every business activity, especially when using energy and water resources, their sustainable use must be considered.

Any emissions that result in worsening air quality shall be minimized. Business Partners of GST are required to constantly monitor environmental impacts.

The use of recyclable materials must be continuously increased. The release of substances that threaten humans and the environment must be prevented at all costs. According to GST's requirements, the Business Partners of environmentally relevant industries are obliged to implement and operate a recognized and certified environmental management system and to demonstrate this to GST by providing a corresponding certificate.

## Waste and Hazardous Substances

GST recognizes the risks to human health and the environment from waste disposal in general and from hazardous substances disposal. GST requires Business Partners to minimize waste generation as much as possible. Recyclable materials must always be separated and preferably reused or recycled. Hazardous substances, chemicals and substances must be labeled, and their safe handling, movement, storage, and reuse must be guaranteed.

GST requires its Business Partners to adhere to the Minamata Convention on Mercury dated October 10, 2013, the Stockholm Convention on Persistent Organic Pollutants dated May 23, 2001, and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal dated March 22, 1989.

## Biodiversity

Biodiversity is vital for GST and its value chain, as they both rely on and influence it. That's why GST supports the draft of the Kunming-Montreal Global Biodiversity Framework (GBF), which was accepted at the 2022 United Nations Biodiversity Conference in Montreal (COP15).

GST follows the legal rules for conserving biodiversity and expects its Business Partners to do the same. GST agrees with the goals of the EU Biodiversity Strategy.

## Implementation of the Sustainability Requirements

To ensure adherence to the human rights and environmental standards outlined in this Business Partner Code of Conduct within their operations and supply chain, partners must enact appropriate processes and measures. Partners are required to truthfully complete self-assessment questionnaires, cooperate with audits under the Responsible Supply Chain Initiative (RSCI), and facilitate on-site inspections conducted by GST or its delegates. Additionally, partners must promptly furnish necessary information to verify compliance, participate in interviews, and engage their staff in training on human rights and environmental standards as directed by GST or its representatives.

## Risk Mitigation and Reporting

Partners must promptly address any identified risks or breaches of the standards in their operations or those of their suppliers. They are obligated to inform GST of any violations or investigations initiated by authorities, creating remedial plans if necessary. In cases where partners are unable to rectify violations promptly, GST and



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the partner will collaboratively develop and execute a remedial strategy. Failure to comply may result in legal repercussions, including possible suspension or termination of the business relationship by GST, with prior notification and, if possible, a remediation period.

## Cooperation and Consequences

Partners are expected to cooperate fully in investigations of any breaches of the Code of Conduct, considering confidentiality and legal requirements. GST reserves the right to take legal action in the event of non-compliance, including suspension or termination of the business relationship. If necessary, partners may be temporarily placed on hold or completely excluded from new engagements. Termination of a business relationship due to non-compliance will be communicated in advance, with a potential remediation period offered if feasible.